



## Board of Supervisors

# Community Services Cluster Agenda Review Meeting

**DATE:** September 10, 2025

**TIME:** 11:30 a.m. – 12:30 p.m.

**MEETING CHAIR:** Tiffany Tran, 5th Supervisorial District

**CEO MEETING FACILITATOR:** Anna Hom-Wong

**THIS MEETING IS HELD UNDER THE GUIDELINES OF BOARD POLICY 3.055**

This meeting is **HYBRID**.

To participate in the meeting in-person, the meeting location is:  
Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Room 140

To participate in the meeting virtually, please call teleconference number  
1 (323) 776-6996 and enter the following 885 291 326# or  
[Click here to join the meeting](#)

**For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to:** [ClusterAccommodationRequest@bos.lacounty.gov](mailto:ClusterAccommodationRequest@bos.lacounty.gov)

Members of the Public may address the Community Services Cluster on any agenda item during General Public Comment.

The meeting chair will determine the amount of time allowed for each item.

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL \*6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

### 1. CALL TO ORDER

### 2. INFORMATIONAL ITEM(S):

Wednesday, September 10, 2025

- A. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
CONSTRUCTION CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
ADOPT RESOLUTION NO. 4001 FOR  
HIGHWAYS-THROUGH-CITIES FUNDING  
ADOPT, ADVERTISE, AND AWARD  
PROJECT ID NO. TSM0010248  
MAIN STREET - LAS TUNAS DRIVE  
TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM  
HUNTINGTON DRIVE TO GOLDEN WEST AVENUE  
IN THE CITIES OF ALHAMBRA, SAN GABRIEL, AND TEMPLE CITY AND  
IN THE UNINCORPORATED COMMUNITY OF NORTHEAST SAN GABRIEL
  
- B. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
CONSTRUCTION CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
ADOPT RESOLUTION NO. 4006 FOR  
HIGHWAYS-THROUGH-CITIES  
AND AID-TO-CITIES FUNDING  
ADOPT, ADVERTISE, AND AWARD  
PROJECT ID NO. TSM0010255  
ROSECRANS AVENUE EAST  
TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM  
OCEAN GATE AVENUE TO VERMONT AVENUE  
IN THE CITIES OF GARDENA, HAWTHORNE, LAWNDAL, AND LOS ANGELES
  
- C. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
CONSTRUCTION CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
DELEGATED AUTHORITY TO ADOPT, ADVERTISE, AND AWARD  
PROJECT ID NO. RDC0016556  
LARK ELLEN AVENUE MEDIAN IMPROVEMENTS, ET AL., PHASE I  
IN THE UNINCORPORATED COMMUNITY OF VINCENT
  
- D. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
CONSTRUCTION-RELATED CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
AWARD CONSULTANT SERVICES AGREEMENTS  
ON-CALL ENVIRONMENTAL TESTING, INSPECTION,  
AND MONITORING SERVICES

Wednesday, September 10, 2025

- E. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
TRANSPORTATION CORE SERVICE AREA  
RESOLUTION OF INTENTION AND INTRODUCTION OF AN ORDINANCE  
TO GRANT A PROPRIETARY PETROLEUM PIPELINE FRANCHISE  
TO CRIMSON RESOURCE MANAGEMENT CORP.
- F. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
WATER RESOURCES CORE SERVICE AREA  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40,  
ANTELOPE VALLEY  
APPROVAL OF JOINT COMMUNITY FACILITIES AGREEMENT  
FOR COMMUNITY FACILITIES DISTRICT NO. 2022-3  
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)
- G. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
WATER RESOURCES CORE SERVICE AREA  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40,  
ANTELOPE VALLEY  
APPROVAL OF WATER SUPPLY ASSESSMENT FOR  
THE WESTSIDE ANNEXATION AND SPECIFIC PLAN PROJECT
- H. Board Letter (Public Works) for September 30, 2025 Board Agenda:  
WATER RESOURCES CORE SERVICE AREA  
QUITCLAIM OF EASEMENT FROM  
THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT  
TO THE NEWHALL LAND AND FARMING COMPANY  
PRIVATE DRAIN NO. 2298 UNIT II-LINE B, PARCEL 1EXE.1  
IN THE UNINCORPORATED COMMUNITY OF VAL VERDE
- I. Board Letter (Public Works – Capital Programs) for September 30, 2025 Board  
Agenda: (also on the 09/10/25 Operations Cluster)  
CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
TREASURER AND TAX COLLECTOR WAREHOUSE  
DEFERRED MAINTENANCE REPAIRS PROJECT  
APPROVE CONSTRUCTION CHANGE ORDERS  
SPECS. 7793; CAPITAL PROJECT NOS. 87787 AND 89245  
FISCAL YEAR 2025-26
- J. Board Letter (LA County Library) for October 28, 2025 Board Agenda:  
2024-25 FISCAL YEAR-END REPORT FOR  
THE LIBRARY FACILITIES MITIGATION FEE FUNDS AND  
UPDATED CAPITAL IMPROVEMENT PLAN

Wednesday, September 10, 2025

- K. Board Letter (Public Works) for October 28, 2025 Board Agenda:  
PUBLIC HEARING  
TRANSPORTATION CORE SERVICE AREA  
RESOLUTION TO VACATE A PORTION OF ALLEY  
WEST OF ALAMEDA STREET AND NORTH OF 134TH STREET  
IN THE UNINCORPORATED COMMUNITY OF WILLOWBROOK

**3. BOARD MOTIONS ITEM(S):** None

**4. PRESENTATION/DISCUSSION ITEM(S):**

- A. Board Briefing (Chief Sustainability Office)  
LA COUNTY HEAT ACTION PLAN  
Speaker: Ali Frazzini and Andres Gonzalez

**5. PUBLIC COMMENTS** (2 minutes each speaker)

**6. ADJOURNMENT**

IF YOU WOULD LIKE TO EMAIL A COMMENT ON AN ITEM ON THE COMMUNITY SERVICES CLUSTER AGENDA, PLEASE USE THE FOLLOWING EMAIL AND INCLUDE THE AGENDA NUMBER YOU ARE COMMENTING ON:

**COMMUNITY\_SERVICES@CEO.LACOUNTY.GOV**



# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025		
<b>BOARD MEETING DATE</b>	9/30/2025		
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input checked="" type="checkbox"/> 5 <sup>th</sup>		
<b>DEPARTMENT(S)</b>	Public Works		
<b>SUBJECT</b>	Main Street - Las Tunas Drive Traffic Signal Synchronization Program - Huntington Drive to Golden West Avenue		
<b>PROGRAM</b>	Countywide Traffic Congestion Management Program		
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A		
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, e-mail your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board letter.</b>		
<b>DEADLINES/ TIME CONSTRAINTS</b>	There is no urgency.		
<b>COST &amp; FUNDING</b>	Total cost: \$3,744,200		Funding source: Proposition C Discretionary Grant funds; City Jurisdictional Funding, Highways-Through-Cities funds; Proposition C Local Return Fund.
	TERMS (if applicable): N/A		
	Explanation: N/A		
<b>PURPOSE OF REQUEST</b>	To obtain Board approval to adopt plans and specifications, advertise, and award and execute a construction contract for the Main Street – Las Tunas Drive Traffic Signal Synchronization Program - Huntington Drive to Golden West Avenue project.		
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	This project is part of the Countywide Traffic Signal Synchronization Program. Traffic signal improvements would be made along Main Street and Las Tunas Drive from Huntington Drive to Golden West Avenue to improve traffic flow and safety.		
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: N/A		
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Board Priority No. 7: Sustainability. The project would modify, install, and synchronize traffic signals to reduce vehicular stops, fuel consumption, air emissions, and accidents, thereby improving air quality.		
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Steve Burger, Deputy Director, Office (626) 458-4018, Cell (626) 476-9847, <a href="mailto:sburger@pw.lacounty.gov">sburger@pw.lacounty.gov</a>		



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 30, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
ADOPT RESOLUTION NO. 4001 FOR HIGHWAYS-THROUGH-CITIES FUNDING  
ADOPT, ADVERTISE, AND AWARD  
PROJECT ID NO. TSM0010248  
MAIN STREET - LAS TUNAS DRIVE TRAFFIC SIGNAL  
SYNCHRONIZATION PROGRAM  
HUNTINGTON DRIVE TO GOLDEN WEST AVENUE  
IN THE CITIES OF ALHAMBRA, SAN GABRIEL, AND TEMPLE CITY  
AND IN THE UNINCORPORATED COMMUNITY OF NORTHEAST SAN GABRIEL  
(SUPERVISORIAL DISTRICTS 1 AND 5)  
(4-VOTES)**

### **SUBJECT**

Public Works is seeking Board approval to deliver the Main Street - Las Tunas Drive Traffic Signal Synchronization Program - Huntington Drive to Golden West Avenue project in the Cities of Alhambra, San Gabriel, Temple City and in the unincorporated community of Northeast San Gabriel; adopt Resolution No. 4001; and authorize the Director of Public Works or his designee to execute Funding Cooperative Agreements to include appropriate City of San Gabriel and Temple City contributions to the project.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed project is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.
2. Adopt Resolution No. 4001 finding that the modification and synchronization of traffic signals in the Cities of Alhambra, San Gabriel, and Temple City and in the unincorporated community of Northeast San Gabriel is of general County interest and that Los Angeles County aid in the form of Highways-Through-Cities funds in the amount of \$2,695,000 shall be provided to the Cities of Alhambra, San Gabriel, and Temple City to be expended in accordance with all applicable provisions of law relating to funds derived from the Proposition C Discretionary Grant Fund and Proposition C Local Return Fund.
3. Approve and authorize the Director of Public Works or his designee to sign Funding Cooperative Agreements between the County of Los Angeles and the Cities of San Gabriel and Temple City to allow the cities to contribute their share of funding to the Main Street - Las Tunas Drive Traffic Signal Synchronization program - Huntington Drive to Golden West Avenue project. The total project cost is currently estimated to be \$3,744,200 with the City of Alhambra's share estimated to be \$110,100; the City of San Gabriel's share estimated to be \$1,786,900; Temple City's share estimated to be \$1,443,600; and the County's share estimated to be \$403,600. The Director of Public Works or his designee may execute amendments to the Funding Cooperative Agreements to incorporate necessary programmatic and administrative changes.
4. Approve the project and adopt the plans and specifications that are on file with Public Works' Project Management Division III for the Main Street - Las Tunas Drive Traffic Signal Synchronization Program - Huntington Drive to Golden West Avenue project at an estimated construction contract cost between \$1,900,000 and \$2,900,000.
5. Instruct the Executive Officer of the Board to advertise for bids in accordance with the Instruction Sheet for Publishing Legal Advertisement that are to be received before 11 a.m. on October 28, 2025, in accordance with the Notice Inviting Bids.
6. Find pursuant to California Public Contract Code, Section 3400 (c) (2), that it is necessary to specify the designated items by specific brand name in order to match other products already in use on a particular public improvement either completed or in the course of completion.

7. Delegate authority to the Director of Public Works or his designee to determine whether the bid of the apparent responsible contractor with the lowest apparent responsive bid is, in fact, responsive and, if not responsive, to determine which apparent responsible contractor submitted the lowest apparent responsive bid.
8. Delegate authority to the Director of Public Works or his designee to award and execute a construction contract for the Main Street - Las Tunas Drive Traffic Signal Synchronization Program - Huntington Drive to Golden West Avenue project to the responsible contractor with the lowest apparent responsive bid within or less than the estimated cost range of \$1,900,000 and \$2,900,000 or that exceeds the estimated cost range by no more than 15 percent, if additional and appropriate funds have been identified.
9. Delegate to the Director of Public Works or his designee the following authority in connection with this contract: (a) extend the date and time for the receipt of bids consistent with the requirements of California Public Contract Code, Section 4104.5; (b) allow substitution of subcontractors and relief of bidders upon demonstration of the grounds set forth in California Public Contract Code, Sections 4100 et seq. and 5100 et seq., respectively; (c) approve and execute change orders within the same monetary limits delegated to the Director of Public Works or his designee under California Public Contract Code 20395; (d) accept the project upon its final completion; and (e) release retention money withheld consistent with the requirements of California Public Contract Code, Sections 7107 and 9203.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find that the proposed project is exempt from the California Environmental Quality Act (CEQA); adopt a resolution that the project is of general County interest and that aid in the form of Highways-Through-Cities (HTC) funds in the amounts of \$110,100, \$1,425,400, and \$1,159,500 shall be provided to the Cities of Alhambra, San Gabriel, and Temple City, respectively; authorize Public Works to execute Funding Cooperative Agreements between the County of Los Angeles and the Cities of San Gabriel and Temple City; and allow Public Works to construct the Main Street – Las Tunas Drive Traffic Signal Synchronization Program – Huntington Drive to Golden West Avenue project in the Cities of Alhambra, San Gabriel, and Temple City and in the unincorporated community of Northeast San Gabriel (see Enclosure A).

The proposed project includes upgrading traffic signal equipment, pedestrian enhancements, and various other intersection safety improvements along the corridor. The project will modify and synchronize the traffic signals on Main Street and Las Tunas

Drive between Huntington Drive to Golden West Avenue thereby enhancing traffic flow, reducing congestion, and improving safety for the traveling public.

The HTC Program is a County program that was initiated to assist cities in developing a fully coordinated arterial system throughout the County recognizing that many small cities do not have the funds to complete their portion of the County's Highway Plan. Under the HTC Program, cities receive assistance for the construction of specific highway projects.

Board adoption of Resolution No. 4001 approves the County's contribution of HTC funds in the amount of \$2,695,000 to finance a portion of the Cities of Alhambra, San Gabriel, and Temple City's jurisdictional shares of the project cost (see Enclosure B).

Sections 1680-1683 of the California Streets and Highways Code provide that the Board of Supervisors of any County may, by a Resolution adopted by a four-fifths vote of its members, determine that certain types of road improvements are of general County interest and that County aid shall be extended therefor.

The Funding Cooperative Agreements will be approved as to form by County Counsel before execution and will enable the County of Los Angeles and the Cities of San Gabriel and Temple City to enter into agreements for the traffic signal improvements along Main Street - Las Tunas between Huntington Drive to Golden West Avenue. The County of Los Angeles will perform the preliminary engineering and administer construction of the proposed project with the Cities and the County to finance their respective jurisdictional shares of the project cost. The Cities' and County's actual costs will be based upon a final accounting after completion of the project.

It is anticipated that the work will start in July 2026 and be completed in May 2027.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by replacing and improving public infrastructure assets that support the quality of life of County residents.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The estimated construction contract cost to complete this proposed project is in the range of \$1,900,000 and \$2,900,000 with a maximum construction contract cost to be within 15 percent of this range. The total project cost is estimated to be \$3,744,200. In addition to the construction contract cost, the total project cost includes the preparation of plans and specifications, consultant services, survey, right-of-way and utility clearances, inspection, contract administration, change order contingency, and other County services.

The project is located in the Cities of Alhambra, San Gabriel, and Temple City and in the unincorporated community of Northeast San Gabriel. The City-County cooperative agreements will provide for the County to perform the preliminary engineering and administer the construction of the project with the Cities of San Gabriel and Temple City to finance a portion of their jurisdictional shares of the project cost, estimated to be \$361,500 and \$284,100, respectively. The City of San Gabriel will utilize a credit of \$348,851.02 in Surface Transportation Program – Local funds to finance a portion of their jurisdictional share.

The project is financed with \$2,880,000 in grant funds received from the Los Angeles County Metropolitan Transportation Authority 2009 Call for Projects, Proposition C Discretionary Grant Fund for the San Gabriel Valley Forum Traffic Signal Corridors Project, \$218,600 in County Proposition C Local Return funds, and \$361,500 and \$284,100 in local matching funds from the Cities of San Gabriel and Temple City, respectively.

The \$2,695,000 in HTC funds consists of Proposition C Discretionary Grant funds and Proposition C Local Return funds.

The Cities of Alhambra, San Gabriel, and Temple City's jurisdictional shares of the County HTC contribution from Proposition C Discretionary Grant funds and Proposition C Local Return funds are \$110,100, \$1,425,400, and \$1,159,500, respectively.

The Board has established a \$2,500,000 top-of-pot annual allocation from the Proposition C Local Return Fund Budget from the Countywide Traffic Congestion Management Program. The \$218,600 in County Proposition C Local Return funds will be funded from this top-of-pot allocation, of which \$110,100, \$10,500, and \$28,500 will be used for the Cities of Alhambra, San Gabriel, and Temple City's respective shares in HTC funds and \$69,500 for the County's share of Proposition C Local Return Fund.

Funding for this proposed project is available in the Proposition C Local Return Fund (CN9-Capital Assets-Infrastructure and Services and Supplies) Fiscal Year 2025-26 Budget.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

This project will be advertised in accordance with Section 20392 of California Public Contract Code.

California Public Contract Code, Section 3400, allows a product to be designated by specific brand name for several purposes, one of which is to match other products in use on a particular public improvement either completed or in the course of completion, if the awarding authority makes a finding and language is included in the Notice Inviting Bids. The Notice Inviting Bids includes language describing this finding.

A list of specific brand names and qualified purposes in accordance with the California Public Contract Code, Section 3400, is provided in Enclosure C.

The contract award will comply with applicable Federal and State requirements and Board policies and mandates. The contract documents will require the contractor to comply with these same requirements, policies, and mandates. The construction contract will be in the form previously reviewed and approved as to form by County Counsel.

As required by Board Policy No. 5.140, information such as defaulted contracts with the County, complaints filed with the Contractors State License Board, labor violations, and debarment actions will be considered before a contract is awarded.

Documents related to award of this proposed contract will be available at Los Angeles County Public Works, Project Management Division III, 900 South Fremont Avenue, 8th Floor, Alhambra, CA 91803.

## **ENVIRONMENTAL DOCUMENTATION**

The proposed traffic signal synchronization project is exempt from CEQA. The project to improve traffic signal operations, with no expansion in use, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in Section 15301 (c) of the CEQA Guidelines, and Class 1 (x), Subsections 4, 7, 14, and 22 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, which apply to operation and minor alteration of existing facilities, modification of an existing traffic signal system, and related maintenance and upgrades. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code, Section 65962.5, or indications that it may cause a

substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

### **CONTRACTING PROCESS**

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy, the contract documents will require that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

To increase contractor awareness of Public Works' program to contract work out to the private sector, this project will be listed on both the County's "Doing Business with Los Angeles County" and "Do Business with Public Works" websites for open bids:

<https://lacounty.gov/business/doing-business-with-la-county/>

<http://pw.lacounty.gov/general/contracts/opportunities>

Additionally, contract solicitations will be advertised through web-based and social media platforms.

In order to increase opportunities for small businesses, Public Works will be offering preference to Local Small Business Enterprises in compliance with Los Angeles County Code, Chapter 2.204

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Minor impacts to adjacent residents, businesses, and motorists may occur while the projects are underway. When the project is completed, it will have a positive impact by enhancing traffic flow, reducing congestion, and improving safety for the traveling public.



The Honorable Board of Supervisors  
September 30, 2025  
Page 8

**CONCLUSION**

Please return one adopted copy of this Board letter and signed resolution to Public Works, Project Management Division III.

Respectfully submitted,

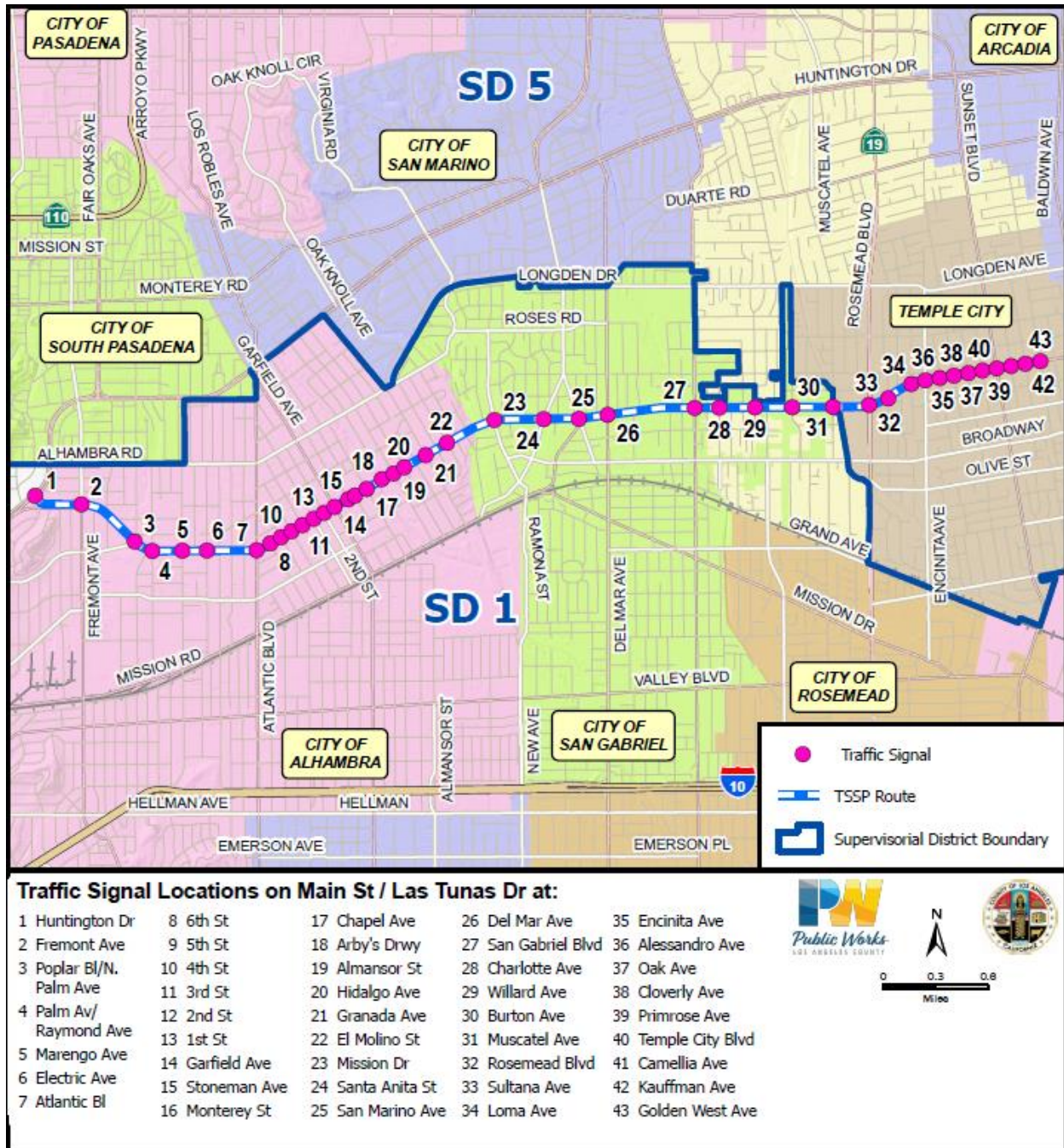
MARK PESTRELLA, PE  
Director of Public Works

MP:KF:ma

Enclosures

c: Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors  
Internal Services (Countywide Contract Compliance)

**MAIN STREET - LAS TUNAS DRIVE - HUNTINGTON DRIVE TO  
GOLDEN WEST AVENUE  
TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM  
PROJECT ID NO. TSM0010248**



**RESOLUTION NO. 4001 OF THE BOARD OF SUPERVISORS OF THE COUNTY OF  
LOS ANGELES TO EXTEND COUNTY AID TO THE CITIES OF  
ALHAMBRA, SAN GABRIEL, AND TEMPLE CITY  
FOR THE PURPOSE OF TRAFFIC SIGNAL MODIFICATION AND  
SYNCHRONIZATION**

WHEREAS, the CITIES OF ALHAMBRA, SAN GABRIEL, AND TEMPLE CITY, are hereinafter referred to as CITIES and the COUNTY OF LOS ANGELES, hereinafter referred to as COUNTY, desire to modify and synchronize the traffic signals along Main Street Las Tunas Drive TSSP - Huntington Drive to Golden West Avenue, which work is hereinafter referred to as TSSP; and

WHEREAS, portions of TSSP are located and will be utilized within the jurisdictional limits of CITIES; and

WHEREAS, TSSP is of general interest to CITIES and COUNTY; and

WHEREAS, the CITIES share of the total cost of TSSP is currently estimated to be Three Million Three Hundred Forty Thousand Six Hundred and 00/100 Dollars (\$3,340,600); and

WHEREAS, no construction work will take place within the City of Alhambra.

WHEREAS, COUNTY will be implementing signal coordination timing for CITIES, including the City of Alhambra.

WHEREAS, COUNTY AND CITIES previously executed or will execute cooperative agreements which outline the roles and responsibilities associated with the TSSP; and

WHEREAS, the CITIES' share of the TSSP cost will be financed with Two Million Five Hundred Forty-Five Thousand Nine Hundred and 00/100 Dollars (\$2,545,900) in Los Angeles County Metropolitan Transportation Authority (METRO) 2009 Call for Projects Grant Funds administered by the COUNTY for the San Gabriel Valley Forum Traffic Signal Corridors Project and One Hundred Forty-Nine Thousand One Hundred and 00/100 Dollars (\$149,100) in local matching Funds and Three Hundred Forty-Eight Thousand Eight Hundred Fifty-One and 02/100 Dollars (\$348,851.02) in STP-L Funds and Two Hundred Ninety-Six Thousand Seven Hundred Forty-Eight and 98/100 Dollars (\$296,748.98) in City funds; and

WHEREAS, on an annual basis, a Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00) Top-of-Pot allocation from the Proposition C Local Return Fund

Budget has been established for COUNTY'S Traffic Congestion Management Program;  
and

WHEREAS, the County local match of the cost of TSSP will be funded from this  
Top-of-Pot allocation; and

WHEREAS, TSSP is consistent with the scope of work for traffic improvements  
within CITIES pursuant to Memorandum of Understanding Number P00F3308 between  
COUNTY and METRO; and

WHEREAS, such a proposal is authorized and provided for by the provisions  
of Sections 1680-1683 of the California Streets and Highways Code.

NOW, THEREFORE, it is hereby resolved as follows:

SECTION 1. The TSSP is of general COUNTY interest and County aid shall be  
extended, therefor.

SECTION 2. Subject to the terms and conditions set forth herein, COUNTY  
consents, pursuant to the provisions of Sections 1680-1683 of the California Streets and  
Highway Code, to extend aid to CITIES in the amount of Two Million Six Hundred Ninety  
Five Thousand and 00/100 Dollars (\$2,695,000) for the TSSP from the Proposition C  
Local Return Funds, to be expended in accordance with all applicable provisions of law  
relating to funds derived from the Proposition C local sales tax.

SECTION 3. The financial obligations of the COUNTY are expressly conditioned  
upon obtaining reimbursement from METRO pursuant to Memorandum of  
Understanding Number P00F3308 between COUNTY and METRO.

SECTION 4. If any provision of this resolution is held or declared to be invalid,  
the resolution shall be void and the consent granted hereunder shall lapse.

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The foregoing Resolution was adopted on the \_\_\_\_ day of \_\_\_\_\_, 2025, by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

EDWARD YEN  
Executive Officer of the  
Board of Supervisors of the  
County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By Katherine Hardy  
Deputy

**PROJECT NAME: MAIN STREET – LAS TUNAS DRIVE TRAFFIC SIGNAL  
SYNCHRONIZATION PROGRAM – HUNTINGTON DRIVE TO  
GOLDEN WEST AVENUE**

**PROJECT ID NO.: TSM0010248**

**List of specific brand names in accordance with California Public Contract Code  
Section 3400:**

Item/Category	Manufacturer	Model	Public Contract Code 3400 Justification*	Detailed Justification
Traffic Signal Controller Software	Fourth Dimension Traffic	D4 Firmware (Version 1.6.4)	(C) (2)	D4 Firmware in the 2070 Advanced Traffic Controller is necessary to maintain compatibility with the current traffic control system used in Public Works' Traffic Management Center.

\*(1) In order that a field test or experiment may be made to determine the product's suitability for future use. (2) In order to match other products in use on a particular public improvement either completed or in the course of completion. (3) In order to obtain a necessary item that is only available from one source. (4) (a) In order to respond to an emergency declared by a local agency, but only if the declaration is approved by a four-fifths vote of the governing board of the local agency issuing the Invitation for Bid or Request for Proposals; and (b) In order to respond to an emergency declared by the State, a State agency, or political subdivision of the State, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the authority issuing the Invitation for Bid or Request for Proposals.

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025	
<b>BOARD MEETING DATE</b>	9/30/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input checked="" type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Public Works	
<b>SUBJECT</b>	Rosecrans Avenue East Traffic Signal Synchronization Program - Ocean Gate Avenue to Vermont Avenue.	
<b>PROGRAM</b>	Countywide Traffic Congestion Management Program	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, e-mail your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board letter.</b>	
<b>DEADLINES/ TIME CONSTRAINTS</b>	There is no urgency.	
<b>COST &amp; FUNDING</b>	Total cost: \$2,949,700	Funding source: Proposition C Discretionary Grant Fund; City Jurisdictional Funding; Highways-Through-Cities Fund; Aid-to-City Fund; Proposition C Local Return Fund.
	TERMS (if applicable): N/A	
	Explanation: N/A	
<b>PURPOSE OF REQUEST</b>	To obtain Board approval to adopt the plans and specifications, advertise, and award and execute a construction contract for the Rosecrans Avenue East Traffic Signal Synchronization Program - Ocean Gate Avenue to Vermont Avenue project.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	This project is part of the Countywide Traffic Signal Synchronization Program. Traffic signal improvements would be made along Rosecrans Avenue from Ocean Gate Avenue to Vermont Avenue to improve traffic flow and safety.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: N/A	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Board Priority No. 7: Sustainability. The project would modify, install, and synchronize traffic signals to reduce vehicular stops, fuel consumption, air emissions, and accidents, thereby improving air quality.	
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Steve Burger, Deputy Director, Office (626) 458-4018, Cell (626) 476-9847, <a href="mailto:sburger@pw.lacounty.gov">sburger@pw.lacounty.gov</a>	



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 30, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
ADOPT RESOLUTION NO. 4006 FOR HIGHWAYS-THROUGH-CITIES  
AND AID-TO-CITIES FUNDING  
ADOPT, ADVERTISE, AND AWARD  
PROJECT ID NO. TSM0010255  
ROSECRANS AVENUE EAST TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM  
OCEAN GATE AVENUE TO VERMONT AVENUE  
IN THE CITIES OF GARDENA, HAWTHORNE, LAWDALE, AND LOS ANGELES  
(SUPERVISORIAL DISTRICT 2)  
(4-VOTES)**

### **SUBJECT**

Public Works is seeking Board approval to deliver the Rosecrans Avenue East Traffic Signal Synchronization Program - Ocean Gate Avenue to Vermont Avenue project in the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles; adopt Resolution No 4006; and authorize the Director of Public Works or his designee to execute Funding Cooperative Agreements to include appropriate city contributions to the project.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed project is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.



2. Adopt Resolution No. 4006 finding that the modification and synchronization of traffic signals in the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles is of general County interest and that County aid in the form of Highways-Through-Cities funds in the amount of \$2,374,800 shall be provided to the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles and Aid-to-Cities funds in the amount of \$7,319 shall be provided to the City of Hawthorne and \$28,576 to the City of Lawndale to be expended in accordance with all applicable provisions of law relating to funds derived from the Proposition C Discretionary Grant Fund, the Proposition C Local Return Fund, and the Highway Users Tax.
3. Approve and authorize the Director of Public Works or his designee to sign Funding Cooperative Agreements between the County and the Cities of Gardena and Lawndale to allow the cities to contribute their share of funding to the Rosecrans Avenue East Traffic Signal Synchronization Program - Ocean Gate Avenue to Vermont Avenue project. The total project cost is currently estimated to be \$2,949,700 with the City of Gardena's share estimated to be \$1,750,400; the City of Hawthorne's share estimated to be \$133,500; the City of Lawndale's share estimated to be \$1,020,900; the City of Los Angeles' share estimated to be \$5,500; and the County's share estimated to be \$39,400. The Director of Public Works or his designee may execute amendments to the Funding Cooperative Agreements to incorporate necessary programmatic and administrative changes.
4. Approve the proposed project and adopt the plans and specifications that are on file in Public Works' Project Management Division III for the Rosecrans Avenue East Traffic Signal Synchronization Program - Ocean Gate Avenue to Vermont Avenue project at an estimated construction contract cost between \$1,400,000 and \$2,100,000.
5. Instruct the Executive Officer of the Board to advertise for bids in accordance with the Instruction Sheet for Publishing Legal Advertisement that are to be received before 11 a.m. on October 28, 2025, in accordance with the Notice Inviting Bids.
6. Delegate authority to the Director of Public Works or his designee to determine whether the bid of the apparent responsible contractor with the lowest apparent responsive bid is, in fact, responsive and, if not responsive, to determine which apparent responsible contractor submitted the lowest responsive bid.
7. Delegate authority to the Director of Public Works or his designee to award and execute a construction contract for the Rosecrans Avenue East Traffic Signal Synchronization Program – Ocean Gate Avenue to Vermont Avenue project to the

apparent responsible contractor with the lowest responsive bid within or less than the estimated cost range of \$1,400,000 and \$2,100,000 or that exceeds the estimated cost range by no more than 15 percent, if additional and appropriate funds have been identified.

8. Delegate to the Director of Public Works or his designee the following authority in connection with this contract: (a) extend the date and time for the receipt of bids consistent with the requirements of California Public Contract Code, Section 4104.5; (b) allow substitution of subcontractors and relief of bidders upon demonstration of the grounds set forth in California Public Contract Code, Sections 4100 et seq. and 5100 et seq., respectively; (c) approve and execute change orders within the same monetary limits delegated to the Director of Public Works or his designee under California Public Contract Code Section 20395; (d) accept the project upon its final completion; and (e) release retention money withheld consistent with the requirements of California Public Contract Code, Sections 7107 and 9203.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find that the proposed project is exempt from the California Environmental Quality Act (CEQA); adopt a resolution that the project is of general County interest and that aid in the form of Highways-Through-Cities (HTC) funds in the amount of \$2,374,800 shall be provided to the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles; provide the Cities of Hawthorne and Lawndale with their remaining Aid-to-Cities (ATC) funds in the amount of \$7,319 and \$28,576, respectively; authorize Public Works to execute Funding Cooperative Agreements between the County of Los Angeles and the Cities of Gardena and Lawndale; and allow Public Works to construct the Rosecrans Avenue East Traffic Signal Synchronization Program – Ocean Gate Avenue to Vermont Avenue project in the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles (see Enclosure A).

The proposed project includes upgrading traffic signal equipment, pedestrian enhancements, and various other intersection safety improvements along the corridor for the users of the roadway. The project will modify and synchronize traffic signals on Rosecrans Avenue East between Ocean Gate Avenue to Vermont Avenue, thereby enhancing traffic flow, reducing congestion, and improving safety for the traveling public.

The HTC Program is a County program that was initiated to assist cities in developing a fully coordinated arterial system throughout the County recognizing that many small cities

do not have the funds to complete their portion of the County's Highway Plan. Under the HTC Program, cities receive assistance for the construction of specific highway projects.

Sections 1680-1683 of the California Streets and Highways Code provide that the Board of Supervisors of any County may, by a resolution adopted by a four-fifths vote of its members, determine that certain types of road improvements are of general County interest and that County aid shall be extended thereto.

Board adoption of Resolution No. 4006 approves the County's contribution of HTC funds in the amount of \$2,374,800 to finance a portion of the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles' jurisdictional shares of the project cost including ATC funds in the amount of \$35,895 for the Cities of Hawthorne and Lawndale's jurisdictional shares of the project cost (see Enclosure B).

The proposed project includes work within the Cities of Gardena, Hawthorne, and Lawndale. The County will perform preliminary engineering and administer construction of the proposed project. The County and the Cities will finance their respective jurisdictional share of the project costs. Actual costs for each jurisdiction will be based upon a final accounting after completion of the project. Agreement with the City of Hawthorne will be through a City Service Request. Funding Cooperative Agreements between the County and the Cities of Gardena and Lawndale are needed based on the amount of work within each jurisdiction. Authorizing the Director of Public Works or his designee to execute the Funding Cooperative Agreements will expedite project delivery. The agreements will be approved as to form by County Counsel before execution.

It is anticipated that the work will start in June 2026 and be completed in March 2027.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by replacing and improving public infrastructure assets that support the quality of life of Los Angeles County residents.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The estimated construction contract cost to complete this proposed project is in the range of \$1,400,000 to \$2,100,000 with a maximum construction contract cost to be within 15 percent above this range. The total project cost is estimated to be \$2,949,700. In addition to the construction contract cost, the total project cost includes the preparation of plans and specifications, consultant services, survey, right-of-way and utility clearances, inspection, contract administration, change order contingency, and other County services.

The proposed project is located in the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles. The City-County cooperative agreements with the Cities of Gardena and Lawndale will provide for the County to perform the preliminary engineering and administer the construction of the project with the Cities of Gardena and Lawndale to finance a portion of their jurisdictional shares of the project cost, estimated to be \$332,500 and \$157,924 respectively. The City of Hawthorne would finance its jurisdictional share of the project cost estimated to be \$9,181 under a City Service Request.

The proposed project is financed with \$1,654,400 in grant funds received from the Los Angeles County Metropolitan Transportation Authority 2009 Call for Projects, Proposition C Discretionary Grant Fund for the South Bay Forum Traffic Signal Corridors Project, \$759,800 from the County Proposition C Local Return Fund, and city contributions of \$499,605, of which \$322,500, \$9,181 and \$157,924 are from the Cities of Gardena, Hawthorne, and Lawndale, respectively. In addition, the Cities of Hawthorne and Lawndale will also utilize \$35,895 in ATC funding to finance a portion of their jurisdictional share of the project cost in the amount of \$7,319 and \$28,576, respectively. The County's anticipated expenses for the ATC program are in the Road Fund Budget administered by Public Works.

The \$2,374,800 in HTC funds consists of Proposition C Discretionary Grant funds and Proposition C Local Return funds.

The Cities of Gardena, Hawthorne, Lawndale, and Los Angeles' jurisdictional shares of the County HTC contribution from Proposition C Discretionary Grant funds are \$1,417,900, \$117,000, \$834,400, and \$5,500, respectively.

The Board has established a \$2,500,000 top-of-pot annual allocation from the Proposition C Local Return Fund Budget. The \$759,800 in County Proposition C Local Return funds will be funded from this top-of-pot allocation, of which \$416,800, \$64,400, \$239,800, and \$5,500 will be used for the Cities of Gardena, Hawthorne, Lawndale, and Los Angeles' respective shares in HTC funds, and \$33,300 for the County's share of Proposition C Local Return funds.

Funding for this proposed project is included in the Proposition C Local Return Fund (CN9–Capital Assets-Infrastructure and Services and Supplies) and the Road Fund (B03–Services and Supplies) Fiscal Year 2025-26 Budgets.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

ATC is authorized by Sections 1680-1684 and 1686 of the California Streets and Highways Code. Sections 1680-1684 provide that the Board may, by a resolution adopted by a four-fifths vote of its members, determine that certain types of road improvements are of general County interest and that County aid shall be provided therefor. Section 1686 allows the Board, by a resolution adopted by four-fifths of its members, to determine that County aid shall be extended for the improvement or maintenance of streets within an incorporated city or extending along or across the boundary of a city.

The County's ATC Program is governed by policies adopted by the Board on September 28, 1982, Item 69, and on March 20, 1990, Item 40. The 1982 policy provided for a portion of the County's gasoline tax funds to be apportioned annually to cities in accordance with a prescribed formula. The 1990 Board action revised the policy for the Fiscal Year 1989-90 ATC funds allocations, directing that the funds be allocated to cities for the following purposes:

(1) Regional Traffic Signal Synchronization projects; (2) Transportation Systems Management projects and Congestion Management projects that improve regional traffic mobility; and (3) design, acquisition of right-of-way, and construction of city streets on the County Highway Plan that are of general County interest and regional significance providing that the regional priorities in one and two are met to the satisfaction of the Director of Public Works.

County ATC apportionments were discontinued in Fiscal Year 1990-91. However, some cities have unclaimed ATC allocations from preceding years held on account with the County. The Cities of Hawthorne and Lawndale have cooperated in the implementation of regional Traffic Signal Synchronization, Transportation Systems Management, and/or Congestion Management projects. Therefore, we have determined that the proposed use of ATC funds meets all the Board's previously adopted criteria for use of ATC funds. The requested amount of \$35,895 represents all the cities' remaining ATC funds.

This proposed project will be advertised in accordance with Section 20392 of the California State Public Contract Code.

The contract award will comply with applicable Federal and State requirements and Board policies and mandates. The contract documents will require the contractor to comply with these same requirements, policies, and mandates. The construction contract will be in the form previously reviewed and approved by County Counsel.

As required by Board Policy No. 5.140, information, such as defaulted contracts with the County, complaints filed with the Contractors State License Board, labor violations, and debarment actions will be considered before a contract is awarded.

Documents related to the award of this proposed contract will be available at Los Angeles County Public Works, Project Management Division III, 900 South Fremont Avenue, 8th Floor, Alhambra, CA 91803.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed traffic signal synchronization project is exempt from CEQA. The project to upgrade and synchronize multiple traffic signals, with negligible or no expansion of use, is within a class of projects that have been determined not to have a significant effect on the environment and meets the criteria set forth in Section 15301 (c) and (g) and 15302 (c) of the CEQA Guidelines, and Class 1 (k) and (x), Subsections 4, 7, 14, 22, and Class 2 (e) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, which apply to repair, minor alterations, replacement, or reconstruction of existing structures and facilities. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code, Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

### **CONTRACTING PROCESS**

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy, the contract documents will require that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

To increase contractor awareness of Public Works' program to contract work out to the private sector, this project will be listed on both the County's "Doing Business with Los Angeles County" and "Do Business with Public Works" websites for open bids:

<https://lacounty.gov/business/doing-business-with-la-county/>

<http://pw.lacounty.gov/general/contracts/opportunities>

Additionally, contract solicitations will be advertised through web-based and social media platforms.

In order to increase opportunities for small businesses, Public Works will be offering preference to Local Small Business Enterprises in compliance with Los Angeles County Code, Chapter 2.204.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Minor impacts to adjacent residents, businesses, and motorists may occur while the project is underway. When the project is completed, it will have a positive impact by enhancing traffic flow, reducing congestion, and improving safety for the public.

The Honorable Board of Supervisors  
September 30, 2025  
Page 9

**CONCLUSION**

Please return one adopted copy of this Board letter and signed resolution to Public Works, Project Management Division III.

Respectfully submitted,

MARK PESTRELLA, PE  
Director of Public Works

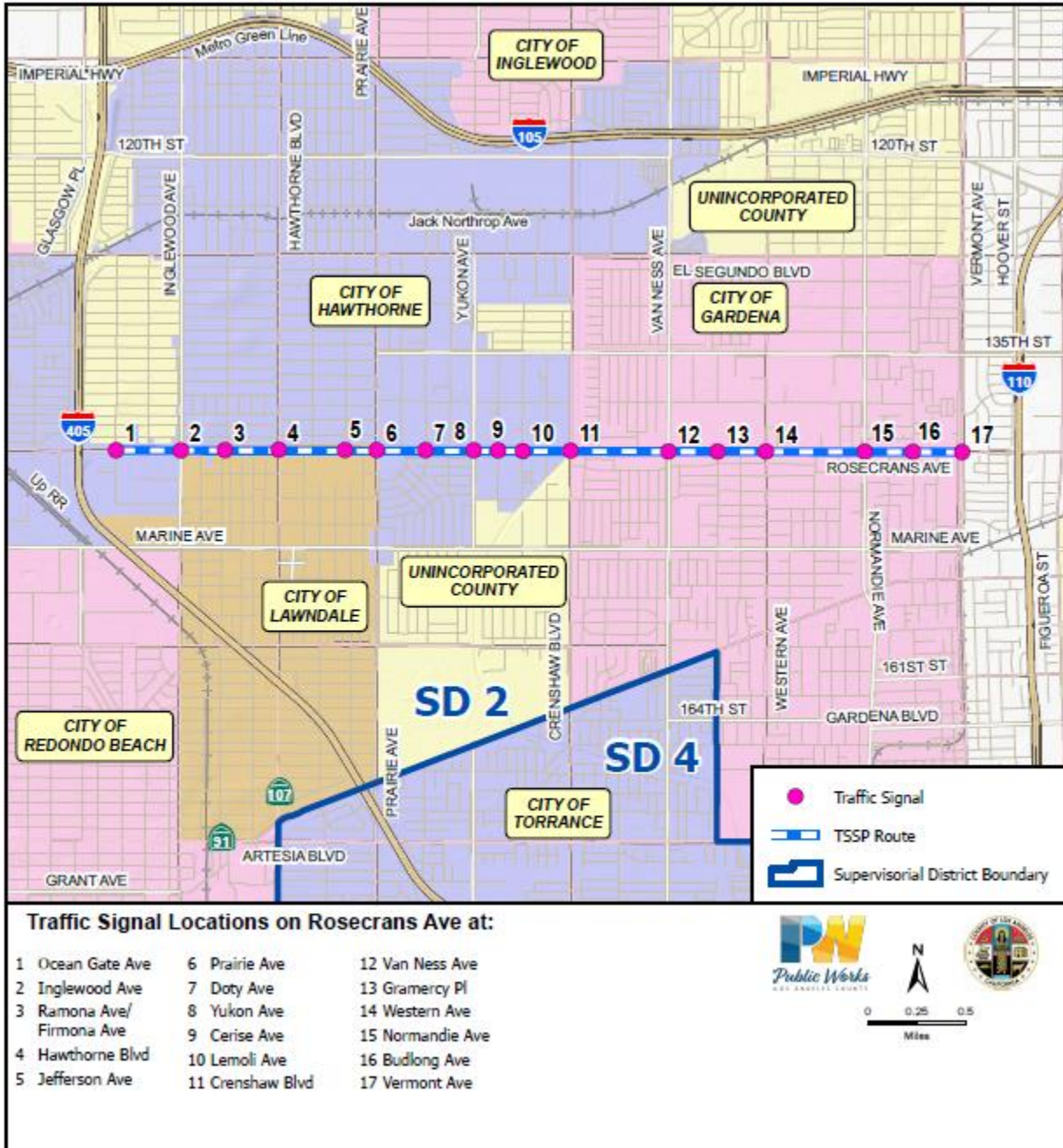
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Enclosures

c: Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors  
Internal Services (Countywide Contract Compliance)



**ROSECRANS AVENUE EAST TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM  
OCEAN GATE AVENUE TO VERMONT AVENUE  
PROJECT ID NO. TSM0010255**



**RESOLUTION NO. 4006 OF THE BOARD OF SUPERVISORS OF  
THE COUNTY OF LOS ANGELES TO EXTEND COUNTY AID TO  
THE CITIES OF GARDENA, HAWTHORNE, LAWNDAL, AND  
LOS ANGELES FOR THE DESIGN AND CONSTRUCTION OF  
TRAFFIC SIGNAL SYNCHRONIZATION IMPROVEMENTS**

WHEREAS, the Cities OF GARDENA, HAWTHORNE, LAWNDAL, and LOS ANGELES are hereinafter referred to as CITIES and the COUNTY OF LOS ANGELES, hereinafter referred to as COUNTY, desire to modify and synchronize the traffic signals along Rosecrans Avenue (East) TSSP from Ocean Gate Avenue to Vermont Avenue, which work is hereinafter referred to as TSSP; and

WHEREAS, portions of TSSP are located and will be utilized within the jurisdictional limits of CITIES and COUNTY; and

WHEREAS, TSSP is of general interest to CITIES and COUNTY; and

WHEREAS, the CITIES' shares of the total cost of TSSP is currently estimated to be Two Million Nine Hundred Ten Thousand Three Hundred and 00/100 Dollars (\$2,910,300.00); and

WHEREAS, COUNTY and CITIES previously executed or will execute cooperative agreements which outline the roles and responsibilities associated with the TSSP; and

WHEREAS, the CITIES' shares of the TSSP cost will be financed with One Million Six Hundred Forty-Eight Thousand Three Hundred and 00/100 Dollars (\$1,648,300.00) in Los Angeles County Metropolitan Transportation Authority (METRO) 2009 Call for Projects Grant funds administered by the COUNTY for the South Bay Forum Traffic Signal Corridors Project and Seven Hundred Twenty-Six Thousand and Five Hundred and 00/100 Dollars (\$726,500.00) in local matching funds and Thirty-Five Thousand Eight Hundred Ninety-Five and 00/100 Dollars (\$35,895.00) in the County Aid-to-Cities (ATC) Funds and Four Hundred Ninety-Nine Thousand Six Hundred Five and 00/100 Dollars (\$499,605.00) in City funds; and

WHEREAS, the City of Hawthorne has a credit of Seven Thousand Three Hundred Nineteen and 00/100 (\$7,319.00) and the City of Lawndale has a credit of Twenty-Eight Thousand Five Hundred Seventy-Six and 00/100 Dollars (\$28,576.00) allocated to them under the County Aid-to-Cities funds from Fiscal Years 1988-89 and 1989-90 respectively; and

WHEREAS, the Board of Supervisors intends to allocate City of Hawthorne Aid-to-Cities (ATC) funds in the amount of Seven Thousand Three Hundred Nineteen and 00/100 (\$7,319.00) and the City of Lawndale ATC funds in the amount of Twenty-Eight

Thousand Five Hundred Seventy-Six and 00/100 Dollars (\$28,576.00) towards the aforementioned project; and

WHEREAS, on an annual basis, a Two Million Five Hundred Thousand and 00/100 Dollars (\$2,500,000.00) Top-of-Pot allocation from the Proposition C Local Return Fund Budget has been established for COUNTY'S Traffic Congestion Management Program; and

WHEREAS, the local share of the cost of TSSP will be funded from this Top-of-Pot allocation; and

WHEREAS, TSSP is consistent with the scope of work for traffic improvements within CITY pursuant to Memorandum of Understanding Number P00F3310 between COUNTY and METRO; and

WHEREAS, such a proposal is authorized and provided for by the provisions of Sections 1680-1684 of the California Streets and Highways Code.

NOW, THEREFORE, it is hereby resolved as follows:

SECTION 1. The TSSP is of general COUNTY interest and County aid shall be extended therefor.

SECTION 2. Subject to the terms and conditions set forth herein, COUNTY consents, pursuant to the provisions of Streets and Highways Code, Sections 1680-1683, to extend aid to CITY in the amount of Two Million Three Hundred Seventy-Four Thousand Eight Hundred and 00/100 Dollars (\$2,374,800.00) for TSSP from the Proposition C Discretionary Grant Fund and Proposition C Local Return Fund, to be expended in accordance with all applicable provisions of law relating to funds derived from the Proposition C local sales tax.

SECTION 3. The financial obligations of the COUNTY are expressly conditioned upon obtaining reimbursement from METRO pursuant to Memorandum of Understanding Number P00F3310 between COUNTY and METRO.

SECTION 4. County Aid-to-Cities (ATC) shall be provided and expended in accordance with all applicable provisions of law relating to funds derived from the Highway Users Tax, in the amount of Thirty-Five Thousand Eight Hundred Ninety-Five and 00/100 Dollars (\$35,895.00), to be made available from the Road Fund for this purpose and that Seven Thousand Three Hundred Nineteen and 00/100 Dollars (\$7,319.00) and Twenty-Eight Thousand Eight Hundred Seventy-Six and 00/100 Dollars (\$28,576.00) be used by the Cities of Hawthorne and Lawndale, for said purpose, and Seven Thousand Three Hundred Nineteen and 00/100 Dollars (\$7,319.00) in City of Hawthorne ATC funds and Twenty-Eight Thousand Eight Hundred Seventy-Six and 00/100 Dollars (\$28,576.00) in City of Lawndale ATC funds is hereby allocated to the aforementioned project.

SECTION 5. If any provision of this resolution is held or declared to be invalid, the resolution shall be void and the consent granted hereunder shall lapse.

The foregoing Resolution was adopted on the \_\_\_\_ day of \_\_\_\_\_, 2025, by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts.

EDWARD YEN  
Executive Officer of the  
Board of Supervisors of the  
County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By \_\_\_\_\_  
Deputy

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025	
<b>BOARD MEETING DATE</b>	9/30/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Public Works	
<b>SUBJECT</b>	Lark Ellen Avenue Median Improvements, et al., Phase I	
<b>PROGRAM</b>	Transportation	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, e-mail your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board letter.</b>	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The proposed project must advertise as soon as possible, at the request of Supervisorial District 1.	
<b>COST &amp; FUNDING</b>	Total cost: \$3,792,000	Funding source: Supervisorial District 1 Board Office Transportation Improvement Program Fund.
	TERMS (if applicable): N/A	
	Explanation: N/A	
<b>PURPOSE OF REQUEST</b>	To obtain Board approval for delegated authority to adopt plans and specifications, advertise, and award and execute a construction contract for the Lark Ellen Avenue Median Improvements, et al., Phase I project in the unincorporated community of Vincent.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The project was initiated in response to community requests. The project will upgrade the frontage service medians and walls along Lark Ellen Avenue and Arrow Highway with landscaping, sidewalk improvements, Americans with Disabilities Act-compliant curb ramps, and vine plantings to reduce graffiti in the unincorporated community of Vincent. This project will improve the community by enhancing pedestrian access, increasing safety, and creating a more functional and visually cohesive corridor.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: N/A	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Board Priority No. 7: Sustainability. This project will enhance current conditions, which promote pedestrian access, accessibility and improved safety for area residents.	
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Steve Burger, Deputy Director, Office (626) 458-4018, Cell (626) 476-9847, <a href="mailto:sburger@pw.lacounty.gov">sburger@pw.lacounty.gov</a>	



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 30, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION CONTRACT  
TRANSPORTATION CORE SERVICE AREA  
DELEGATED AUTHORITY TO ADOPT, ADVERTISE, AND AWARD  
PROJECT ID NO. RDC0016556  
LARK ELLEN AVENUE MEDIAN IMPROVEMENTS, ET AL., PHASE I  
IN THE UNINCORPORATED COMMUNITY OF VINCENT  
(SUPERVISORIAL DISTRICT 1)  
(3-VOTES)**

**SUBJECT**

Public Works is seeking Board approval to carry out the accelerated delivery of the Lark Ellen Avenue Median Improvements, et al., Phase I project, including delegated authority to adopt plans and specifications, advertise for bids, and award and execute a construction contract in the unincorporated community of Vincent.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed project is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.
2. Approve the Lark Ellen Avenue Median Improvements, et al., Phase I project, with a total project budget of \$3,800,000.

3. Delegate authority to the Director of Public Works, acting as the Road Commissioner, or his designee to adopt plans and specifications for the Lark Ellen Avenue Median Improvements, et al., Phase I project.
4. Delegate authority to the Director of Public Works, acting as the Road Commissioner, or his designee to instruct the Executive Officer of the Board of Supervisors to advertise for bids in accordance with the Instruction Sheet for Publishing Legal Advertisement with the Notice Inviting Bids when ready to advertise this project.
5. Delegate authority to the Director of Public Works, acting as the Road Commissioner, or his designee to determine whether the bid of the apparent responsible contractor with the lowest apparent responsive bid is, in fact, responsive and, if not responsive, to determine which apparent responsible contractor submitted the lowest responsive bid.
6. Delegate authority to the Director of Public Works, acting as the Road Commissioner, or his designee to award and execute a construction contract for the Lark Ellen Avenue Median Improvements, et al., Phase I project with the responsible contractor with the lowest responsive bid within or less than the estimated cost range of \$1,600,000 and \$2,400,000 or that exceeds the estimated cost range by no more than 15 percent, if additional funds have been identified.
7. Delegate to the Director of Public Works, acting as the Road Commissioner, or his designee the following authority in connection with this contract: (a) extend the date and time for the receipt of bids consistent with the requirements of California Public Contract Code, Section 4104.5; (b) allow substitution of subcontractors and relief of bidders upon demonstration of the grounds set forth in California Public Contract Code, Sections 4100 et seq. and 5100 et seq., respectively; (c) approve and execute change orders within the same monetary limits delegated to the Director of Public Works or his designee under California Public Contract Code, Section 20395; (d) accept the project upon its final completion; and (e) make required findings and release retention money withheld consistent with the requirements of California Public Contract Code, Sections 7107 and 9203.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find that the proposed project is exempt from the California Environmental Quality Act (CEQA) and allow Public Works to reconstruct median and parkways and install landscaping in the unincorporated

community of Vincent to improve pedestrian safety and enhance the streetscape (See Enclosure).

The proposed project was initiated by Transportation Planning and Programs Division of Public Works and the Board office in response to community requests for improvements along Lark Ellen Avenue and Arrow Highway. The project would enhance pedestrian access and visibility through the reconstruction of sidewalks, installation of Americans with Disabilities Act-complaint curb ramps, new landscaping, and vine plantings to reduce graffiti. Improvements will occur within the frontage medians and along the frontage walls, providing safer and more accessible pathways for residents, pedestrians, and transit users, while contributing to a more functional and visually unified corridor.

It is anticipated the work will start in October 2026 and be completed in March 2027.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by replacing and improving public infrastructure assets that support the quality of life of Los Angeles County residents.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The estimated construction contract cost to complete this proposed project is in the range of \$1,600,000 to \$2,400,000 with a maximum construction contract cost to be within 15 percent of this range. The total project cost is estimated to be \$3,800,000. In addition to the construction contract cost, the total project cost includes the costs of preparation of plans and specifications, consultant services, survey, utility clearance, inspection, contract administration, change order contingency, and other County services.

Funding for this project is available in the First Supervisorial District's Transportation Improvement Program in Measure M Local Return Fund (CN2–Capital Assets-Infrastructure and Services and Supplies) Fiscal Year 2025-26 Budget. Funding for future years will be requested through the annual budget process.

The annual cost of landscape maintenance is estimated to be \$60,000. Commencing in Fiscal Year 2026-27, funding for ongoing maintenance costs will be made available and requested through the annual budget process.



## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed project would be advertised in accordance with Section 20392 of the California Public Contract Code. It is anticipated that the project will advertise for bids within the next 7 months.

The contract award will comply with applicable Federal and State requirements and Board policies and mandates. The contract documents will require the contractor to comply with these same requirements, policies, and mandates. The construction contract will be in the form previously reviewed and approved by County Counsel.

As required by Board Policy No. 5.140, information, such as defaulted contracts with the County, complaints filed with the Contractors State License Board, labor violations, and debarment actions will be considered before a contract is awarded.

Documents related to award of this contract will be available at Los Angeles County Public Works, Project Management Division III, 900 South Fremont Avenue, 8th Floor, Alhambra, CA 91803.

Effective June 7, 2023, Countywide Community Workforce Agreement applies to projects with an estimated construction contract value of \$5,000,000 or greater. Provisions of the Countywide Community Workforce Agreement will not be applied to this contract as the estimated construction contract value is below the threshold.

## **ENVIRONMENTAL DOCUMENTATION**

The proposed project is exempt from CEQA. The project, to reconstruct median and parkways and install landscaping, is within a class of projects that have been determined not to have a significant effect on the environment and which meets the criteria set forth in Sections 15301 (c), 15302 (c), and 15304 (b) of CEQA Guidelines; and Class 1 (s) and (x) Subsections 4, 7, 9, 10, 13, 14, and 22; Class 2 (e); and Class 4 (c) of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, which applies to repair, minor alterations, or reconstruction of existing facilities with negligible or no expansion of use, and minor alterations to land use including new landscaping. In addition, based on the proposed project records, it will comply with all applicable regulations, and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code, Section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption.

## **CONTRACTING PROCESS**

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy, the contract documents will include a best efforts goal that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

To increase contractor awareness of Public Works' program to contract work out to the private sector, this project will be listed on both the County's "Doing Business with Los Angeles County" and "Do Business with Public Works" websites for open bids:

<https://lacounty.gov/business/doing-business-with-la-county/>

<http://pw.lacounty.gov/general/contracts/opportunities>

Additionally, contract solicitation will be advertised through web-based and social media platforms.

In order to increase opportunities for small businesses, Public Works will be offering preference to Local Small Business Enterprises, Social Enterprises, and Disabled Veteran Business Enterprises in compliance with Los Angeles County Code, Chapter 2.204, 2.205, and 2.211.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

When the project is completed, it will have a positive impact by improving pedestrian safety and accessibility along Lark Ellen Avenue and Arrow Highway. The proposed improvements will reduce graffiti, enhance the streetscape with landscaping and vine plantings, and promote a safer, more walkable environment for residents and transit users.

The Honorable Board of Supervisors  
September 30, 2025  
Page 6

**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Project Management Division III.

Respectfully submitted,

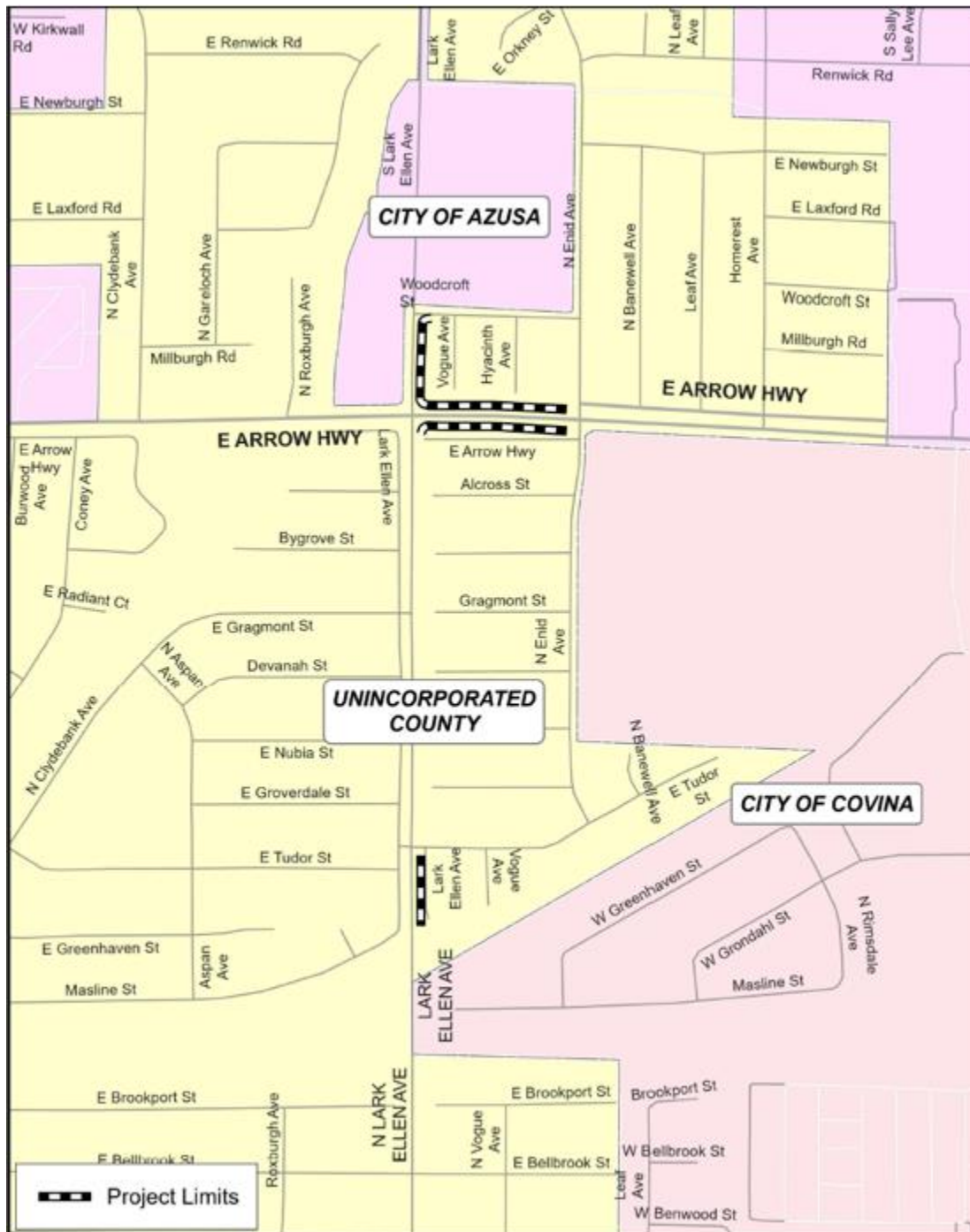
MARK PESTRELLA, PE  
Director of Public Works

MP:KF:ma

Enclosure

c: Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors  
Internal Services (Countywide Contract Compliance)

**LARK ELLEN AVENUE MEDIAN IMPROVEMENTS, ET AL., PHASE I**  
**PROJECT ID NO. RDC0016556**



# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025	
<b>BOARD MEETING DATE</b>	9/30/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Public Works	
<b>SUBJECT</b>	Award consultant services agreements for on-call environmental testing, inspection, and monitoring services.	
<b>PROGRAM</b>	Public Works capital projects throughout the County of Los Angeles.	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, e-mail your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board Letter.</b>	
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A	
<b>COST &amp; FUNDING</b>	Total cost: \$1,250,000 per contract or \$12,500,000 for all ten contracts.	Funding source:  Sufficient funding to finance work orders for these agreements will be financed through the appropriate capital, refurbishment, infrastructure, or various operating and special fund(s).  For capital and refurbishments projects, no work will be assigned to these consultants without prior review and funding verification from the Chief Executive Office. For Public Works' infrastructure and maintenance projects, no work will be assigned to these consultants without the appropriate funding authorization.  Expenditures for the subject services incurred by Public Works' Internal Service Fund Capital Project Management Program (B04) will be reimbursed through approved individual project budgets.
	<b>TERMS (if applicable):</b> Each contract is for an initial 3-year term with two 1-year extension options for a maximum contract term of 5 years.	
	Explanation: Each contract will be for \$1,000,000, which may be supplemented by up to 10 percent per amendment, and a not-to-exceed aggregate of 25 percent. The maximum contract sum for each agreement is \$1,250,000.	
<b>PURPOSE OF REQUEST</b>	Public Works is seeking Board approval to award ten consultant services agreements for on-call environmental testing, inspection, and monitoring services to be utilized on various Public Works capital projects throughout Los Angeles County.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The recommended on-call environmental testing, inspection, and monitoring services agreements will expand Public Works' ability to efficiently deliver renovations/improvements to various County buildings, various Public Works facilities, and capital projects.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain how: Public Works notified over 32,000 subscribers of our "Do Business with Public Works" website using our weekly GovDelivery notification.	

	Also, Public Works informed 1,688 Local Small Business Enterprises, 174 Social Enterprises, 175 Disabled Veteran Business Enterprises, 1,140 Community Business Enterprises, and 1,385 Community-Based Organizations about this business opportunity. The Department of Economic Opportunity informed 38 clients with the North American Industry Classification System code.
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: These recommendations support Board Priority No. 2, Alliance for Health Integration, as many projects at County sites, such as Los Angeles General Medical Center, use on-call environmental testing, inspection, and monitoring services. County Project Managers will use on-call environmental testing, inspection, and monitoring services for projects for the County departments (Health Services, Mental Health, and Public Health).
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone #, & Email:  Geetha Shan, Deputy Director, (626) 458-4008, cell (626) 721-2925, <a href="mailto:gshan@pw.lacounty.gov">gshan@pw.lacounty.gov</a>



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE:

September 30, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION-RELATED CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
AWARD CONSULTANT SERVICES AGREEMENTS  
ON-CALL ENVIRONMENTAL TESTING, INSPECTION,  
AND MONITORING SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3-VOTES)**

**SUBJECT**

Public Works is seeking Board approval to award ten consultant services agreements for on-call environmental testing, inspection, and monitoring services to be utilized on various Public Works capital projects throughout Los Angeles County.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find the proposed action is not a project pursuant to the California Environmental Quality Act for the reasons stated in this Board letter.
2. Award and delegate authority to the Director of Public Works or his designee to execute ten consultant services agreements with each of the following: Five small-sized firms (Eco & Associates, Inc., Remdax, Inc., Aurora Industrial Hygiene, Environmental Network Corporation, dba ENCORP, and MECA Consulting, Inc.), three medium-sized firms (ACC Environmental Consultants, Inc.,

The Converse Professional Group, dba Converse Consultants, and Clark Seif Clark Inc.), and two large-sized firms (Kleinfelder, Inc., and Citadel Environmental Services, Inc.) to provide on-call environmental testing, inspection, and monitoring services in support of the Public Works Capital Projects Program. Each contract will be for an initial amount of \$1,000,000 and a 3-year term plus two 1-year extension options, subject to the additional extension provisions listed below.

3. Delegate authority to the Director of Public Works or his designee to authorize additional services and extend the contract expiration date as necessary to complete those additional services when those additional services are: (1) previously unforeseen, (2) related to a previously assigned scope of work on a given project, and (3) are necessary for the completion of that given project.
4. Delegate authority to the Director of Public Works or his designee to supplement the initial \$1,000,000 contract amount by up to 10 percent per amendment or \$100,000, based on workload requirements. The aggregate amount of such amendments shall not exceed 25 percent of the original contract amount or \$250,000, for a maximum not-to-exceed contract amount of \$1,250,000.
5. Delegate authority to the Director of Public Works or his designee to administer the agreements and at the discretion of the Director of Public Works or his designee to exercise the options extending these agreements for the two 1-year extension options based upon project demands and the level of satisfaction with the services provided with no change to the contract amounts, and to suspend/terminate these agreements for convenience if it is in the best interest of the County to do so.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The purpose of the recommended actions is to award contracts to provide environmental testing, inspection, and monitoring services for County capital projects. Having access to environmental testing, inspection, and monitoring services will allow project managers to utilize these services for construction, repair, renovation, remediation, and demolition work associated with various County projects.

The recommended on-call environmental testing, inspection, and monitoring services agreements will allow Public Works to efficiently deliver renovations/improvements to various County buildings, various Public Works facilities, and capital projects.



### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal E, Economic Health, Strategy ii, Small Businesses, by improving the economic and social well-being of our communities while maximizing and leveraging resources. Consultants who have the specialized expertise to provide these services accurately, efficiently, timely, and in a responsive manner will support Public Works in meeting these goals.

### **FISCAL IMPACT/FINANCING**

Each agreement is for an initial amount of \$1,000,000. The contract may be supplemented by up to 10 percent of the initial contract sum or \$100,000 per amendment, up to an aggregate not-to-exceed 25 percent of the original contract amount or \$250,000. The maximum not-to-exceed contract amount over the maximum contract term of 5 years is \$1,250,000.

Sufficient funding to finance work orders for these agreements will be financed through the appropriate capital, refurbishment, infrastructure, or various operating and special fund(s).

For capital and refurbishments projects, no work will be assigned to these consultants without prior review and funding verification from the Chief Executive Office. For Public Works' infrastructure and maintenance projects, no work will be assigned to these consultants without the appropriate funding authorization.

Expenditures for the subject services incurred by Public Works' Internal Service Fund Capital Project Management Program (B04) will be reimbursed through approved individual project budgets.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

A standard consultant services agreement, in the form previously approved by County Counsel, will be used. The consultant services agreements contain terms and conditions in compliance with the Chief Executive Officer's and the Board's requirements.

The term of each consultant services agreement shall commence on the date of the full execution of the contract and shall extend for a period of 3 years from such commencement date, plus two 1-year extension options for each firm for a maximum contract duration of 5 years. The expiration of each agreement is also subject to the

following condition: Where services for a given project have been authorized by the County but are not completed by the consultant prior to the stated expiration date, the expiration date will be automatically extended solely to allow for the completion of such services.

Enclosure A reflects the consultants' minority participation and the Community Business Enterprises participation data.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed action does not constitute a project under the California Environmental Quality Act (CEQA) because the activity is excluded from the definition of a project by Section 21065 of the California Public Resources Code and Section 15378(b) of the CEQA Guidelines. The proposed action to award on-call environmental testing, inspection, and monitoring services is an administrative activity of government, which will not result in direct or indirect changes to the environment. We will return to the Board as necessary for consideration of appropriate environmental documentation pursuant to CEQA before the approval of any activities that constitute a project under CEQA.

### **CONTRACTING PROCESS**

On October 23, 2024, Public Works issued a Request for Proposals (RFP). The RFP was advertised on the County's "Doing Business with Los Angeles County" and Public Works' "Do Business with Public Works" websites, X (formerly Twitter), and in the *Los Angeles Daily Journal*, *Los Angeles Sentinel*, *La Opinión*, *San Gabriel Valley Tribune*, *Pasadena Star News*, *Long Beach Press Telegram*, *Santa Monica Daily Press*, *Daily Breeze*, *The Signal*, and *World Journal*. Also, Public Works informed 1,688 Local Small Business Enterprises, 174 Social Enterprises, 175 Disabled Veteran Business Enterprises, 1,140 Community Business Enterprises, and 1,385 Community-Based Organizations about this business opportunity. The Department of Economic Opportunity informed 38 clients with the North American Industry Classification System code. Public Works advertised this RFP in a weekly e-mail newsletter with over 32,000 subscribers. Twenty-one primary firms registered on Public Works' website for this RFP.

The RFP allowed firms to compete as primes in one of three categories: small-, medium-, or large-sized firms. Each firm was requested to certify its own size based on the number of personnel for competition with other firms in the same size category. The RFP stated that a total of ten firms would be awarded contracts as follows: Five small-sized firms (with 25 or fewer personnel), three medium-sized firms (with 26 to 75 personnel), and two large-sized firms (with over 75 personnel).

On December 18, 2024, 17 firms submitted proposals (9 small-sized firms, 3 medium-sized firms, and 5 large-sized firms).

An evaluation committee consisting of Public Works' staff evaluated the proposals based on criteria described in the RFP, including technical expertise, experience, personnel, qualifications, and understanding of the work requirements. Based on the evaluation of the proposals, the following firms were selected without regard to race, creed, color, or gender: Five small-sized firms (Eco & Associates, Inc., Remdax, Inc., Aurora Industrial Hygiene, Environmental Network Corporation, dba ENCORP, and MECA Consulting, Inc.), three medium-sized firms (ACC Environmental Consultants, Inc., The Converse Professional Group, dba Converse Consultants, and Clark Seif Clark Inc.), and two large-sized firms (Kleinfelder, Inc., and Citadel Environmental Services, Inc.). The firms selected represent the best-qualified firms to provide the required services. Public Works has determined that the firms' proposed rates for performing the services are reasonable. Three-year contracting history for the selected firms are on file with Public Works.

These services do not impact any of Public Works' represented classifications. Public Works has evaluated and determined that the Los Angeles County Code Chapter 2.201 (Living Wage Program) does not apply to the recommended agreements. These agreements are exempt from the requirements of Proposition A because the services are required on a part-time and intermittent basis.

The consultant services agreements include a cost-of-living adjustment provision in accordance with Board Policy No. 5.070 – Multi-Year Services Contract Cost-of-Living Adjustments.

#### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact to current County services or projects during the performance of the recommended consultant services agreements. These consultant services agreements will provide necessary on-call environmental testing, inspection, and monitoring services to assist various County projects in an efficient manner, enhancing the delivery of Public Works and County projects.

The Honorable Board of Supervisors  
September 30, 2025  
Page 6

**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Business Relations and Contracts Division.

Respectfully submitted,

MARK PESTRELLA, PE  
Director of Public Works

MP:SK:ao

Enclosures

c: Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors

PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR  
ON-CALL ENVIRONMENTAL TESTING, INSPECTION, AND MONITORING SERVICES

SELECTED FIRMS

	Proposer Name (Prime with subcontractors* listed below) *only subcontractors with Utilization Participation are listed.	Local Small Business Enterprise (LSBE)	Small Business Enterprise (SBE)	Minority	Women-Owned	Disadvantaged Business	Disabled Veteran Business Enterprise	Social Enterprise	Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning- Owned Business Enterprise
	Small-Sized Business Category								
1	Eco & Associates, Inc.		X		X	X			
	Panacea, Inc.	X	X						
2	Remdox, Inc.	X	X						
3	Aurora Industrial Hygiene	X					X		
4	Environmental Network Corporation dba ENCORP								
	Mundo Environmental, Inc.					X			
5	MECA Consulting, Inc.								
	Medium-Sized Business Category								
1	ACC Environmental Consultants, Inc.								
	D R Consultants & Designers, Inc.	X	X	X	X	X			
	AESCO Technologies, Inc.				X				
	AQ Laboratories Environmental LLC					X			
2	The Converse Professional Group dba Converse Consultants			X					
	Enviro-Chem, Inc.		X						
	Interphase Environmental, Inc.			X	X	X			
	Jones Environmental, Inc.		X						
	Spectrum Environmental Services, Inc.		X						
3	Clark Seif Clark Inc.								
	Blaine Technical Services, Inc.		X		X				
	Strongarm Environmental Field Services		X						
	Gregg Drilling, LLC			X					

PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR  
ON-CALL ENVIRONMENTAL TESTING, INSPECTION, AND MONITORING SERVICES

	Proposer Name (Prime with subcontractors* listed below) *only subcontractors with Utilization Participation are listed.	Local Small Business Enterprise (LSBE)	Small Business Enterprise (SBE)	Minority	Women-Owned	Disadvantaged Business	Disabled Veteran Business Enterprise	Social Enterprise	Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning- Owned Business Enterprise
	Large-Sized Business Category Proposer Name								
1	Kleinfelder, Inc.								
	AP Engineering and Testing, Inc.	X		X		X			
	Advanced Technology Laboratories DBA ASSET Laboratories		X	X	X	X			
	Environmental Treatment & Technology Inc	X	X						
	Aurora Industrial Hygiene, Inc.	X	X	X	X	X	X		
	Gregg Drilling, LLC		X	X		X			
	Harbor Environmental Group, Inc.				X				
	Mundo Environmental, Inc.		X			X			
2	Citadel Environmental Services, Inc.								
	AESCO Technologies, Inc.		X		X				
	ESML/LA Testing								
	Environmental Treatment & Technology Inc. DBA Advanced Technology Laboratories		X			X			
	Gasteiger Engineering, LLC			X		X			
	Veteran Drilling		X			X	X		

NON-SELECTED FIRMS

	Proposer Name (Prime with subcontractors* listed below) *only subcontractors with Utilization Participation are listed.	Local Small Business Enterprise (LSBE)	Small Business Enterprise (SBE)	Minority	Women-Owned	Disadvantaged Business	Disabled Veteran Business Enterprise	Social Enterprise	Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning- Owned Business Enterprise
	Small-Sized Business Category Proposer Name								
1	Bainbridge Environmental Consultants, Inc.	X	X	X		X			
2	Global Environmental Training & Consulting, Inc.	X	X				X		
	Micron Environmental Labs			X		X			

PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR  
ON-CALL ENVIRONMENTAL TESTING, INSPECTION, AND MONITORING SERVICES

3	CES Environmental Consultants Inc.	X	X	X					
	AIH Laboratory, Inc.		X			X			
	Environ-Chem, Inc.		X						
4	Material Analysis Consulting Services, Inc.		X						X
	Medium-Sized Business Category Proposer Name								
1	NA								
	Large-Sized Business Category Proposer Name								
1	Group Delta Consultants, Inc.		X						
2	Atlas Technical Consultants LLC								
3	Terracon Consultants, Inc.								
	Weck Laboratories, Inc.		X	X					
	EHS Analytical Solutions, Inc.		X				X		

\*Information provided by proposers in response to the Request for Proposal. On final analysis and consideration of award, vendors were selected without regard to race, creed, gender, or color.

PROPOSERS' UTILIZATION PARTICIPATION AND COMMUNITY BUSINESS ENTERPRISE PROGRAM INFORMATION FOR  
ON-CALL ENVIRONMENTAL TESTING, INSPECTION, AND MONITORING SERVICES

FIRM INFORMATION*		Eco & Associates, Inc.	Remdox, Inc.	Aurora Industrial Hygiene	Environmental Network Corporation dba ENCORP	MECA Consulting, Inc.	ACC Environmental Consultants, Inc.	The Converse Professional Group dba Converse Consultants	Clark Seif Clark Inc.	Kleinfelder, Inc.	Citadel Environmental Services, Inc.
BUSINESS STRUCTURE		Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation	Corporation
CULTURAL/ETHNIC COMPOSITION		NUMBER/% OF OWNERSHIP									
OWNERS/PARTNERS	Black/African American						2/100%			Proposal states: Kleinfelder, Inc. is 100% owned by Kleinfelder Parent, Inc., a Delaware Corporation	1/100%
	Hispanic/Latino				7/35%		25/100%	23/100%			26/100%
	Asian or Pacific Islander			1/49%			12/100%				16/100%
	Native American										
	Subcontinent Asian							43/100%			
	White	1/100%	2/100%	1/51%	5/65%	3/100%	44/100%	33/100%	1/100%		57/100%
	Female (included above)	1/100%	1/51%	2/100%	3/100%	1/33%	16/100%				35/100%
Total No. of Employees		25	10	11	11	24	46	70	26	1,985	83
COUNTY CERTIFICATION											
CBE		N	N	N	N	N	N	Y	N	N	N
LSBE		N	Y	Y	N	N	N	N	N	N	Y
OTHER CERTIFYING AGENCY		Supplier Clearinghouse, Metro Trans., CA Dept. of General Services, LAUSD	N/A	Dept. of Transportation	N/A	N/A	N/A	Supplier Clearinghouse, National Minority Supplier Development Council	N/A	N/A	N/A

\*Information provided by proposers in response to the Request for Proposal. On final analysis and consideration of award, vendors were selected without regard to race, creed, gender, or color.





(/LACoBids/)

lacounty.gov

## Solicitation Detail

<b>Solicitation Number:</b>	BRC0000550		
<b>Title:</b>	BRC0000550 Request For Proposals (RFP) On-Call Environmental Testing, Inspection, and Monitoring Services		
<b>Department:</b>	Public Works		
<b>Bid Type:</b>	Service	<b>Bid Amount:</b>	\$1,000,000.00
<b>Commodity:</b>	CONSULTING SERVICES - ENVIRONMENTAL		
<b>Description:</b>	<p>The County of Los Angeles Department of Public Works (Public Works) is inviting proposals from qualified firms to provide On-Call Environmental Testing, Inspection, and Monitoring Services in support of the County's Capital Projects Program.</p> <p>To view the Request For Proposals, go to the County of Los Angeles Department of Public Works website, <a href="https://dpw.lacounty.gov/contracts/aed_rfp/ProjectDetail.aspx?project_id=BRC0000550">https://dpw.lacounty.gov/contracts/aed_rfp/ProjectDetail.aspx?project_id=BRC0000550</a></p> <p>All posted items are on the PUBLIC WORKS Website.</p> <p style="text-align: right;">Less</p>		
<b>Open Day:</b>	10/23/2024	<b>Close Date:</b>	12/18/2024 5:30:00 PM
<b>Contact Name:</b>	Cheryl Wong	<b>Contact Phone:</b>	(626) 300-2330
<b>Contact Email:</b>	CWONG@dpw.lacounty.gov		
<b>Last Changed On:</b>	10/23/2024 8:28:59 PM		
<b>Attachment File (0) :</b>	 Click here to download attachment files.		



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**BOARD LETTER/MEMO  
CLUSTER FACT SHEET**

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025							
<b>BOARD MEETING DATE</b>	9/30/2025							
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input checked="" type="checkbox"/> 5 <sup>th</sup>							
<b>DEPARTMENT(S)</b>	Public Works							
<b>SUBJECT</b>	Grant a Proprietary Petroleum Pipeline Franchise to Crimson Resource Management Corp.							
<b>PROGRAM</b>	N/A							
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No							
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:							
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, email your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board Letter.</b>							
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A							
<b>COST &amp; FUNDING</b>	<table border="1"> <tr> <td>Total cost: N/A</td><td>Funding source: N/A</td></tr> <tr> <td colspan="2">TERMS (if applicable): N/A</td></tr> <tr> <td colspan="2">           Explanation: Crimson Resource will pay the County a granting fee of \$10,000 within 30 days of the adoption of the of the ordinance and an annual franchise fee of \$2.10 per cubic foot by applying this rate to the volume of space occupied within the road right of way, which will be subject to annual adjustments using the Consumer Price Index for All Urban Consumers for the base year of 2021. These amounts will be deposited into the County General Fund-Nondepartmental Revenue.             For the 2023 calendar year, Crimson Resource reported and paid the County a total annual franchise fee of \$6,130.63, which was deposited into the County General Fund-Nondepartmental Revenue.         </td></tr> </table>		Total cost: N/A	Funding source: N/A	TERMS (if applicable): N/A		Explanation: Crimson Resource will pay the County a granting fee of \$10,000 within 30 days of the adoption of the of the ordinance and an annual franchise fee of \$2.10 per cubic foot by applying this rate to the volume of space occupied within the road right of way, which will be subject to annual adjustments using the Consumer Price Index for All Urban Consumers for the base year of 2021. These amounts will be deposited into the County General Fund-Nondepartmental Revenue.  For the 2023 calendar year, Crimson Resource reported and paid the County a total annual franchise fee of \$6,130.63, which was deposited into the County General Fund-Nondepartmental Revenue.	
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<b>PURPOSE OF REQUEST</b>	Crimson Resource requires this 5-year franchise to continue using the public right of way while providing petroleum services to customers, as necessary, under new modernized franchise terms.							
<b>BACKGROUND</b> (include internal/external issues that may exist including any related motions)	The proposed franchise will allow Crimson Resource to continue to use the County's right of way and will obligate Crimson Resource to comply with the terms of the new franchise.							
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:							
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Priority No. 7: Sustainability-The revenues received from this transaction will help promote fiscal responsibility while providing continuous petroleum services to County residents.							
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Geetha Shan, Deputy Director, (626) 458-4008, <a href="mailto:gshan@pw.lacounty.gov">gshan@pw.lacounty.gov</a>							



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE:

September 30, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**TRANSPORTATION CORE SERVICE AREA  
RESOLUTION OF INTENTION AND INTRODUCTION OF AN ORDINANCE  
TO GRANT A PROPRIETARY PETROLEUM PIPELINE FRANCHISE  
TO CRIMSON RESOURCE MANAGEMENT CORP.  
(SUPERVISORIAL DISTRICT 5)  
(3-VOTES)**

**SUBJECT**

Public Works is seeking Board approval to grant a proprietary petroleum pipeline franchise to Crimson Resource Management Corp.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed project is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and the record of the project.
2. Approve the Resolution of Intention to Grant a 5-year Proprietary Petroleum Pipeline Franchise to Crimson Resource Management Corp.
3. Introduce, waive reading, and place on the Board of Supervisors' agenda for adoption of an ordinance to grant a 5-year proprietary petroleum pipeline franchise to Crimson Resource Management Corp.; set the matter for a public hearing on October 28, 2025, or on the next available hearing date within 60 days from the date of adoption of the resolution of intention; and instruct the Executive Officer of the Board to publish a Notice of Public Hearing, pursuant to Section 6232 of the California Public Utilities Code.

**AFTER THE PUBLIC HEARING, IT IS RECOMMENDED THAT THE BOARD:**

Adopt the ordinance to grant a 5-year proprietary petroleum pipeline to Crimson Resource Management Corp.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find that the project is exempt from the California Environmental Quality Act (CEQA) and allow the Board to approve the enclosed resolution of intention (Enclosure A), schedule a public hearing, and publish a Notice of Public Hearing, as needed, to adopt the enclosed ordinance (Enclosure B) to grant a 5-year proprietary petroleum pipeline franchise to Crimson Resource Management Corp.

On September 25, 2018, the Board adopted Ordinance No. 2018-0036F granting Crimson Resource a 5-year petroleum pipeline franchise, which expired on November 5, 2023. Adopting the ordinance will allow Crimson Resource to continue to use the County's right of way and will obligate Crimson Resource to comply with the terms of the new franchise.

Crimson Resource has requested a new 5-year petroleum franchise to operate and maintain its existing proprietary petroleum pipeline system in the same manner as of the operative date of this ordinance. Both Crimson Resource and the County will benefit as this will allow Crimson Resource to provide petroleum services to customers, as necessary, under new modernized franchise terms.

The franchise ordinance includes idle pipeline testing language in conformance with hazardous pipeline safety laws.

**Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal G, Internal Controls and Processes, Strategy ii, Manage and Maximize County Assets, by providing accessible funds for County programs, which will help promote fiscal responsibility. The recommended actions will also allow for the continuation of proprietary petroleum services to County residents.

### **FISCAL IMPACT/FINANCING**

Crimson Resource will pay the County a granting fee of \$10,000 within 30 days of the adoption of the ordinance and a base annual franchise fee of \$2.10 per cubic foot by applying this rate to the volume of space occupied within the road right of way, which will be subject to annual adjustments using the Consumer Price Index for All Urban Consumers for the base year of 2021. These amounts will be deposited into the County General Fund-Nondepartmental Revenue.

For the 2023 calendar year, Crimson Resource reported and paid the County a total annual franchise fee of \$6,130.63, which was deposited into the County General Fund-Nondepartmental Revenue.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Crimson Resource owns and operates an existing proprietary petroleum pipeline system in the franchise area to transport petroleum products. The proposed franchise ordinance will allow Crimson Resource, for a period of 5 years beginning on November 27, 2025, to operate and maintain its existing pipes and pipelines in the same manner as of the operative date of this ordinance. Changes to the existing operation of the franchise, including material changes to or expansion of infrastructure and/or operation, must undergo the applicable permitting process for approval by the County in accordance with Section 2.18.015 of the Los Angeles County Code, as well as compliance by Crimson Resource with all applicable laws, regulations, and policies. Approval of the grant of franchise does not approve any general or specific activity not currently in operation as of the operative date of the franchise.

Crimson Resource's pipelines in the franchise area transmit petroleum oil and are regulated by the State Divisions of Oil, Gas, and Geothermal Resources.

Division 3, Title 16, of the Los Angeles County Code authorizes the Board to grant a franchise associated with petroleum pipelines. County Counsel approved the accompanying resolution of intention as to form and the ordinance.

Pursuant to Section 6232 of the California Public Utilities Code, the Executive Officer of the Board shall arrange for the publishing of the Notice of Public Hearing in a newspaper of general circulation in the County at least once within 15 days but no later than October 14, 2025, after the Board's adoption of the resolution of intention.

## **ENVIRONMENTAL DOCUMENTATION**

The proposed project is exempt from CEQA. The project, which is to adopt the ordinance and grant a new franchise to Crimson Resource to operate and maintain its existing pipes and pipelines in the same manner as of the operative date of the ordinance for distribution of proprietary petroleum within the unincorporated County road right of way, is within certain classes of projects that have been determined not to have a significant effect on the environment in that they meet the criteria set forth in Sections 15301, 15302, and 15304 of the CEQA Guidelines and Classes 1, 2, and 4 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The proposed actions provide for operation, repair, and maintenance of existing facilities; replacement or reconstruction of existing facilities on the same site for substantially the same purpose and capacity; and minor ground-disturbing activities that will not affect sensitive resources. In addition, based on the proposed project records, it will comply with all applicable regulations; it is not in a sensitive environment; there are no cumulative impacts, unusual circumstances, damage to scenic highways, or listing on hazardous waste site lists compiled pursuant to Government Code, Section 65962.5; or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk and with the State Clearinghouse, Office of Planning and Research in accordance with Section 21152 of the California Public Resources Code and will post the Notice of Exemption on its website pursuant to Section 21092.2 of the California Public Resources Code.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact or adverse effect on any current services or future County projects.

The Honorable Board of Supervisors  
September 30, 2025  
Page 5

## **CONCLUSION**

Please return adopted copies of this Board letter, ordinance, and the resolution of intention to the attention of Ms. Terri Kenney, Crimson Resource Management Corp., 410 17th Street, Suite 1010, Denver, CO 80202; and Public Works, Survey/Mapping & Property Management Division.

Respectfully submitted,

MARK PESTRELLA, PE  
Director of Public Works

MP:GE:st

Enclosures

c: Auditor-Controller (Accounting Division–Asset Management)  
Chief Executive Office (Christine Frias, Joyce Chang)  
County Counsel  
Executive Office, Board of Supervisors



# Enclosure A

**RESOLUTION OF INTENTION  
TO GRANT A 5-YEAR PROPRIETARY PETROLEUM PIPELINE FRANCHISE  
TO CRIMSON RESOURCE MANAGEMENT CORP.**

BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles, State of California:

- A. Crimson Resource Management Corp., a Colorado corporation, hereinafter referred to as Franchisee, has applied to the Board of Supervisors of the County of Los Angeles, State of California, for a proprietary petroleum pipeline franchise for a period of five (5) years beginning on November 27, 2025, the operative date of the franchise, and terminating on November 26, 2030, to operate and maintain its pipes and pipelines, existing in the same manner as of the operative date of this ordinance, for the collection, transportation, and distribution of petroleum, oil, gas, gasoline, wet gas, industrial gas, chemicals, mud, steam, water, waste water, and other hydrocarbon or liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the "Comprehensive Environmental Response Compensation and Liability Act of 1980" (42 U.S.C. Section 9601 et seq.), as may be hereafter amended, and the "Federal Water Pollution Control Act," commonly referred to as the "Clean Water Act" (33 U.S.C. Section 1251 et seq.), as may be hereafter amended, together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, cables, including adjunct communications lines, and other appurtenances and equipment for fiber optic or telephone lines, or both, necessary or appropriate solely for Franchisee's operations in, on, along, upon, under, or across any and all highways, as defined in the Los Angeles County Code Section 16.36.080, now or hereafter dedicated to public use within the franchise area of the unincorporated territory of the County of Los Angeles ("County"), State of California, as depicted on the Exhibit Map of the proposed ordinance attached hereto.
- B. It is the intention of the Board of Supervisors to grant the franchise applied for upon the terms and conditions of said ordinance. Franchisee and its successors and assigns will, during the life of the franchise, pay annually to the County of Los Angeles, State of California, the amount specified in the proposed ordinance from the operative date of the franchise. In the event such payment is not made, the franchise will be forfeited.
- C. The franchise described in the ordinance is a franchise for the collection, transportation, and distribution of petroleum.
- D. That on October 28, 2025, or at the next available hearing date within sixty (60) days from the date of adoption of this Resolution of Intention, in the hearing room of the Board of Supervisors, Kenneth Hahn Hall of Administration, Room 381B,

of the Board of Supervisors, Kenneth Hahn Hall of Administration, Room 381B, 500 West Temple Street, Los Angeles, CA 90012, all persons having any objection to the granting of the franchise hereinabove described may appear before the Board of Supervisors and be heard thereon.

- E. The Executive Officer of the Board of Supervisors shall cause notice of said hearing to be published in accordance with California Public Utilities Code Section 6232 at least once within fifteen (15) days after adoption of this Resolution of Intention in a newspaper of general circulation published in the County of Los Angeles, State of California.

[illegible]

The foregoing resolution was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2025, by the Board of Supervisors of the County of Los Angeles, State of California, and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

EDWARD YEN  
Executive Officer of  
the Board of Supervisors of  
the County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By  \_\_\_\_\_  
Deputy

## **ANALYSIS**

This ordinance grants a proprietary petroleum pipeline franchise to Crimson Resource Management Corp., a Colorado corporation ("Franchisee"), to operate and maintain its existing petroleum pipeline system for a period of five (5) years, beginning on November 27, 2025, and expiring on November 26, 2030. The base annual fee payable to the County of Los Angeles by Franchisee will be determined according to a formula set forth in Section 2 of this franchise ordinance. Franchisee will also pay the County a granting fee of ten thousand dollars (\$10,000).

DAWYN R. HARRISON  
County Counsel

---

By

**ORDINANCE NO. \_\_\_\_\_**

An ordinance granting a proprietary petroleum pipeline franchise to Crimson Resource Management Corp., a corporation, to operate and maintain its existing petroleum pipeline system for a period of five (5) years, beginning November 27, 2025, and expiring on November 26, 2030.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**Section 1. Franchise Term; Grant.**

A petroleum pipeline franchise is hereby granted to Crimson Resource Management Corp., a Colorado corporation ("Franchisee"), and its successors and assigns, for a period of five (5) years, beginning on November 27, 2025, to operate and maintain its existing pipes and pipelines for collection, transportation, or distribution of petroleum, oil, gas, gasoline, wet gas, industrial gas, chemicals, mud, steam, water, waste water, and other hydrocarbon or liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), as it may hereafter be amended, and the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), as amended, and as it may hereafter be amended, together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, cables, including adjunct communications lines, and other appurtenances and equipment for fiber optic or telephone lines, or both, necessary or appropriate solely for Franchisee's operations in, under, along, or across any and all

highways, as defined in Section 16.36.080 of the Los Angeles County Code, now or hereafter dedicated to public use within the following described franchise areas within the unincorporated territory of the County of Los Angeles ("County"), State of California, as described below and as depicted on the Exhibit Maps attached hereto as "Exhibit Map" and made a part hereof.

**Section 2. Consideration; Payment of Fees.**

During such time as Franchisee's operations and rates for transportation are subject to the provisions of section 6231.5 of the California Public Utilities Code, the consideration shall be calculated pursuant to said section or other maximum amount permitted by law.

A. Granting Fee. As consideration for the franchise granted, transferred, extended, or otherwise amended, Franchisee shall pay to the County a fee of ten thousand dollars (\$10,000) within thirty (30) days after the adoption of this ordinance.

B. Annual Franchise Fee. As additional consideration for the franchise granted or extended, Franchisee shall pay to the County annually in arrears, on or before April 15 following the end of each calendar year ("Fee Payment Date"), for each year during the life of the franchise, to the County, in lawful money of the United States, a franchise fee computed annually ("Annual Franchise Fee"), as set forth below.

C. The Annual Franchise Fee payment by Franchisee shall accrue to the County on January 1 of each year for the highway space occupied by Franchisee's facilities as of December 31 of the calendar year immediately preceding the applicable

Fee Payment Date. The Annual Franchise Fee shall be comprised of the base annual fee, which shall be calculated as set forth in subsection 2.E., below ("Base Annual Fee"), which shall be calculated at the rate of two dollars and ten cents (\$2.10) per cubic foot of highway space occupied, as set forth in subsection 2.E., below, and an adjustment to that calculation, adjusted by the ratio of the price index as set forth in subsection 2.F., below, and computed to the nearest one-tenth (1/10) of a cent. The Base Annual Fee shall be calculated according to the highway space occupied by the pipelines and/or conduits, including the protective coverings, pipe casings, pipe connections, and any other appurtenance(s), such as manholes, valves, cathodic protection systems, connections, and any other structure(s).

D. To calculate the volume of highway space occupied by Franchisee's pipes and conduits (metal or plastic), the nominal internal diameter of the pipes and conduits shall be adjusted upward as follows:

1. The adjusted diameter of metal pipes and conduits shall be one (1) inch greater than the nominal internal diameter of such pipes and conduits;
2. The adjusted diameter of plastic pipes and conduits shall be two (2) inches greater than the nominal internal diameter of such pipes and conduits; and
3. In no event shall the adjusted diameter of any pipe or conduit (metal or plastic) be less than six (6) inches.

E. The Base Annual Fee shall be calculated in accordance with the following:



1. The rate set forth in subsection 2.C., above, of two dollars and ten cents (\$2.10) per cubic foot of highway space occupied, shall be used to calculate a Base Annual Fee as provided herein.

The diameter of pipe and conduit, as adjusted pursuant to subsection 2.D. above, shall be used to determine the applicable linear footage base rate per one (1) foot of highway space occupied as set forth in the schedule of base rates, below:

<b>A</b>	<b>B</b>	<b>C</b>
<b>Adjusted Diameter of Pipe and Conduit (In Inches)</b>	<b>Volume Per Foot (In Cubic Feet)</b>	<b>Base Rate Per Linear Foot (Based on \$2.10 Per Cubic Foot)</b>
6.00	0.1964	\$0.41
7.00	0.2673	\$0.56
8.00	0.3491	\$0.73
9.00	0.4418	\$0.93
10.00	0.5454	\$1.15
11.00	0.6600	\$1.39
12.00	0.7854	\$1.65
13.00	0.9218	\$1.94
14.00	1.0690	\$2.24
15.00	1.2272	\$2.58
16.00	1.3963	\$2.93
17.00	1.5763	\$3.31
18.00	1.7672	\$3.71
19.00	1.9690	\$4.13
20.00	2.1817	\$4.58
21.00	2.4053	\$5.05
22.00	2.6398	\$5.54
23.00	2.8853	\$6.06
24.00	3.1416	\$6.60
25.00	3.4089	\$7.16
26.00	3.6870	\$7.74
27.00	3.9761	\$8.35
28.00	4.2761	\$8.98
29.00	4.5870	\$9.63
30.00	4.9088	\$10.31
31.00	5.2415	\$11.01
32.00	5.5851	\$11.73
33.00	5.9396	\$12.47

34.00	6.3050	\$13.24
35.00	6.6814	\$14.03
36.00	7.0686	\$14.84

2. The linear footage base rate (depicted in column C, above) is derived based on the following:

$$\text{Pi} = 3.1416$$

$$r = \text{radius of pipe or conduit (in inches)} = \text{adjusted diameter (in inches)} / 2$$

$$L = \text{length of pipe or conduit (in inches)}$$

$$L / 12 = \text{length of pipe or conduit (in feet)}$$

$$\text{Volume of pipe or conduit (in cubic inches)} = \text{Pi} \times r^2 \times L$$

$$\text{Volume of pipe or conduit (in cubic feet)} = \text{Pi} \times r^2 \times L / 1,728 \text{ inches}$$

$$\text{Base Annual Fee} = \text{Volume of pipe or conduit (in cubic feet)} \times \$2.10 \text{ per cubic foot} = (\text{Pi} \times r^2 \times L / 1,728 \text{ inches}) \times \$2.10$$

$$\text{Linear footage base rate} = \text{Base Annual Fee per linear foot of pipe} = (\text{Pi} \times r^2) \times (12 \text{ inches} / 1,728 \text{ inches}) \times \$2.10$$

$$\begin{aligned} \text{Base Annual Fee} &= \text{Linear footage base rate} \times \text{Length of pipe or conduit} \\ (\text{in feet}) &= (\text{Pi} \times r^2) \times (12 \text{ inches} / 1,728 \text{ inches}) \times \$2.10 \times (L / 12 \text{ inches}) = \\ &= (\text{Pi} \times r^2 \times L / 1,728 \text{ inches}) \times \$2.10 \end{aligned}$$

3. For pipelines with an adjusted diameter greater than six (6) inches and not listed above, the fees shall be in the same proportion to the fees of a twelve (12) inch diameter pipe as the diameter of the unlisted pipe is to twelve (12) inches.

4. The volume of highway space occupied by any other appurtenance(s), such as manholes, valves, cathodic protection systems, connections, and any other structures, shall be computed using the outside dimensions of the structures.

5. The highway space occupied by overhead communications lines shall be taken as one-fifth ( $1/5$ ) cubic foot per linear foot of highway route occupied, being equivalent to a rate of forty-two cents (\$0.42) per linear foot ( $\$2.10 \times 1/5 = \$0.42$ ).

F. The Base Annual Fee shall be calculated as set forth in subsection 2.E., above, and adjusted each calendar year, including the year of the granting of this franchise, on the applicable Fee Payment Date in accordance with the following formula to derive the Annual Franchise Fee; provided, however, in no event shall the Annual Franchise Fee be less than seven thousand five hundred dollars (\$7,500).

1. The Base Annual Fee shall adjust annually on January 1st of each calendar year by an amount equal to one hundred percent (100%) of the increase in the Consumer Price Index for all Urban Consumers ("CPI-U") for the Los Angeles-Long Beach-Anaheim California Metropolitan Area (1982-84=100), All Items, as published by the United States Department of Labor, Bureau of Labor Statistics/Office of Information ("Bureau"), which shall be defined as the "index," and such index as it stands on December 1, 2021 (i.e., 297.925), shall be defined as the "base index," and the index for the month of September immediately preceding the Fee Payment Date shall be defined as the "current index."

2. If the current index differs from the base index, then the Base Annual Fee shall increase or decrease by the percentage increase or decrease between the current index and the base index, provided that, if the current index drops below the base index, no adjustment shall be made. The Base Annual Fee shall be multiplied by an adjustment factor determined by dividing the current index by the base index. For example, if the base index is one hundred (100) and the current index is two hundred and ten (210), the Annual Franchise Fee shall be two hundred and ten percent (210%) (i.e.,  $210 / 100 = 2.1 = 210\%$ ) times the Base Annual Fee; provided, however, under no circumstances shall the multiplying factor be less than one, nor shall the Annual Franchise Fee calculated using said factor be less than the Base Annual Fee. If the Bureau revises the index, the parties hereto shall accept the method of revision for conversion recommended by the Bureau.

3. If the Bureau discontinues the preparation or publication of the CPI-U for the area, and if no transposition table prepared by the Bureau is available to the year of 1982, then the amount of each Annual Franchise Fee shall be computed by reference to such other price index as may be chosen by the County, and the County shall be the sole judge of comparability of successive indices and its determination on this point shall be final and conclusive. In no event shall the Annual Franchise Fee adjusted by reference to such other price index be less than the Base Annual Fee as set forth in subsection 2.F., above.

G. In addition to the foregoing Annual Franchise Fee, Franchisee shall also pay to:

1. The Los Angeles County Department of Public Works ("Public Works"), on or before the Fee Payment Date, for each year of the life of the franchise, an initial construction fee calculated at a rate of one hundred dollars (\$100) per mile, and a prorated fraction thereof for any remainder equaling less than one mile, for all new main lines laid during that preceding calendar year; and

2. The County Auditor-Controller, on or before the Fee Payment Date, for each year during the life of the franchise, an annual fee of twenty-five dollars (\$25) per mile, and a prorated fraction portion thereof for any remainder equaling less than one mile, for aerial or above-ground lines, and twenty-five dollars (\$25) per mile, and a prorated fraction thereof for any remainder equaling less than one mile, for underground conduits, wires, cables, or telephone or telegraph lines maintained under the franchise during the preceding calendar year.

H. Franchisee shall also pay any application fees, administrative fees, processing fees, late charges, accrued interest, and penalties required in connection with this franchise, all of which may be charged at the then-current applicable rates.

### **Section 3. Reports.**

Franchisee shall, during the life of the franchise:

A. File with the County Auditor-Controller and Public Works, on or before the Fee Payment Date, with one copy to each, a report, verified under oath by a duly authorized representative of Franchisee, showing as of December 31 of the immediately preceding calendar year ("Franchise Report Period"), the length of the Franchisee's main lines in highways, the nominal internal diameter of such main lines, the "rate per

foot per year," defined as the amount payable per linear foot per year under Section 2, and the computation of the total amount of the Annual Franchise Fee due to the County, together with such data as is necessary in the opinion of the County Auditor-Controller and/or Public Works to calculate or verify the calculation of the Annual Franchise Fee as required by Section 2, above.

B. Show in the report prepared pursuant to subsection 3.A., above, any change in franchise footage since the end of the most recent Franchise Report Period, segregating such footage as to new main lines laid, old main lines removed, old main lines abandoned in place, including the internal diameter of such main lines laid, removed, and/or abandoned in place; the footage of new conduits laid for wires, cables, telegraph lines or telephone lines, old conduits removed, old conduits abandoned in place; the diameter of such conduits laid, removed, and/or abandoned in place; and the footage and internal diameter of main lines and conduits in territory annexed or incorporated since the last day of the most recent Franchise Report Period.

C. File with Public Works, on or before the Fee Payment Date, a report showing the permit number of each permit obtained, in accordance with Section 16.52.270 of the Los Angeles County Code, for the installation of new main lines and conduits during the most recently completed Franchise Report Period, together with the length and size of such main lines and conduits.

D. Within one year of the operative date of this franchise ordinance:

1. Prepare and submit to Public Works procedures and a schedule for conducting routine and as-needed safety inspections and integrity testing ("Testing") of

Franchisee's inactive pipelines ("Inactive Pipelines"), in compliance with all applicable federal, State, and local pipeline laws and regulations and the Los Angeles County Code (collectively "Pipeline Laws"). Inactive Pipelines are defined as Franchisee's static, idle, inactive, and out-of-service pipelines, excluding any water or wastewater pipelines.

2. Perform Testing of Franchisee's Inactive Pipelines through an independent third-party testing company, with oversight by appropriate agencies, or as may otherwise be requested by Franchisee and approved by Public Works, in compliance with the Pipeline Laws.

3. Provide evidence satisfactory to Public Works that each Pipeline not currently in use, in compliance with the Pipeline Laws, has either undergone required Testing and been approved for active use or been approved for removal or abandoned in place.

E. Comply with the Pipeline Laws, including but not limited to those pertaining to testing, operating, and maintaining, as applicable, with respect to all of Franchisee's pipelines subject to this franchise that are in active use or have been abandoned, throughout the term of the franchise.

#### **Section 4. Late Payments.**

A. In the event Franchisee fails to make any of the payments provided for herein on or before the dates they are due, Franchisee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due on the sixty-first (61st) day after the Fee Payment Date.

B. In the event full payment of any rate, payment, or fee, including the ten percent (10%) late charge, is not received within ninety (90) days after the Fee Payment Date, an assessment of interest shall accrue on the unpaid balance at ten percent (10%) per month, beginning on the ninety-first (91st) day after the Fee Payment Date until full payment is received. Should the franchise payment not be provided to the County, County reserves the right to terminate the franchise. Upon termination of this franchise, operation of the facilities covered by the franchise would no longer be authorized, and Franchisee will be liable for costs associated with such termination, including but not limited to, the costs of abandonment and/or removal of Franchisee's facilities. This term shall survive the expiration of this franchise.

#### **Section 5. Indemnification, Insurance, and Bonding.**

Franchisee shall meet the following indemnification, insurance, and bonding requirements:

A. Franchisee shall indemnify, defend, and hold harmless, the County and its special districts, elected and appointed officers, employees, and agents ("County's Agents") from and against any and all expenses, costs, fees, damages, claims, liabilities, and lawsuits of any nature, including, without limitation, those involving, relating to, or asserting bodily injury, personal injury, death, property damage, encroachment or encumbrance upon property rights or interests, infringement of property rights or interests, loss of property value, defense costs, attorneys' fees, workers' compensation benefits, expenses, and damages of any other type (collectively "Claims"), that relate to or arise from: (1) the County's grant and/or extension of the



franchise; (2) Franchisee's use or exercise of the franchise and/or the operations or services provided by Franchisee, its employees, agents, servants, receivers, contractors, subcontractors, successors, or assignees ("Franchisee's Agents") in connection with the franchise; and/or (3) any acts or omissions of Franchisee, Franchisee's Agents, or any person in connection with activities or work conducted or performed pursuant to the franchise and/or arising out of such activities or work. In furtherance of, and in no way limiting the foregoing, Franchisee shall indemnify, defend, and hold harmless the County and the County's Agents from and against any and all Claims that relate to, arise from, or involve pollution, contamination, degradation, and/or environmental non-compliance, relating to, arising from, or involving the franchise, or Franchisee's use or exercise thereof, including, but not limited to, any Claims arising from or relating to any threatened, actual, or alleged discharge, dispersal, release, or escape of any substance, including, but not limited to, any pollutant or contaminant of any kind, into or upon any person, thing, or place, including the land, soil, atmosphere, man-made structure, and/or any above or below ground watercourse or body of water, except where such Claims are the result of the County's gross negligence or willful misconduct.

B. Public Works shall be immediately notified by Franchisee of any discharge, release, or escape of any petroleum, oil, gas, other liquid hydrocarbon products, wet gas, industrial gas, chemicals, steam, water, wastewater, mud, or any other substances from Franchisee's pipelines and appurtenances within the franchise area. All actions to investigate, remove, or remediate any substance reasonably

demonstrated to be discharged, dispersed, released, or escaped from Franchisee's pipelines, and actions to repair or restore Franchisee's pipelines and appurtenances shall be the sole responsibility of Franchisee and shall be conducted by Franchisee or Franchisee's Agents, in conformance with any and all laws, ordinances, rules, regulations, requirements, and orders whatsoever, present or future, of the federal, State, County, or other applicable local government at Franchisee's sole cost and expense, and shall be immediately undertaken by Franchisee or Franchisee's Agents. If Franchisee fails to take any action required pursuant to this Section, the County may, but shall not be obligated to, take all reasonable and necessary actions it deems appropriate at Franchisee's sole expense. Upon written demand by the County and the submittal of an itemized invoice to Franchisee, Franchisee shall reimburse the County for all County expenses reasonably incurred in connection with the County's actions, including, but not limited to, all direct and indirect costs relating to investigation, remediation, and removal.

C. Without limiting Franchisee's indemnification of the County or the County's Agents, Franchisee shall provide and maintain at its own expense, during the term of this franchise, the following programs of insurance. Such programs and evidence of insurance are required to be satisfactory to the County, and shall be primary to, and not contributing with, any other insurance or self-insurance programs maintained by the County.

1. Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to Public Works on or before the operative date of this

franchise ordinance, and on or before the expiration date of each term of insurance.

Such certificates or other evidence of coverage shall:

- a. Specifically identify this franchise ordinance;
- b. Clearly evidence all insurance required in this franchise ordinance;
- c. Contain the express condition that the County is to be given written notice by registered mail at least thirty (30) days in advance of any modification, non-renewal, cancellation, expiration, or termination of any program of liability insurance, and at least thirty (30) days in advance of any modification, non-renewal, cancellation, expiration, or termination of any program of Workers' Compensation or other insurance required by this Section;
- d. Include a copy of the additional insured endorsement to the commercial general liability policy, adding the County and County's Agents as additional insureds for all activities arising from this franchise; and
- e. Show Franchisee's insurance as primary to the County's insurance and self-insurance programs. This may be evidenced by adding a statement to the additional insured endorsement required in subsection 5.C.1.d., above, stating:  
"It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the additional insureds, and the additional insureds' insurance and self-insurance programs are excess and non-contributing to Named Insured's insurance."

2. The County reserves the right to require copies of Franchisee's insurance policies at the County's request.

3. Insurance is to be provided by an insurance company with an A. M. Best rating of not less than A:VII, unless otherwise approved by the County.

4. Franchisee shall release the County and the County's Agents and waive its rights of recovery against them under the insurance policies specified in this franchise unless injury, death, loss, damage, or destruction is caused by either willful misconduct or sole negligence of the County.

5. Such insurance shall be endorsed naming the County and the County's Agents as additional insureds, and shall include, but not be limited to:

a. Commercial General Liability insurance written on a commercial general liability form (ISO policy form CG 00 01, or its equivalent, unless otherwise approved by the County), with a combined single limit of not less than five million dollars (\$5,000,000) per occurrence.

i. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination, expiration, or cancellation of this franchise.

b. Comprehensive Auto Liability insurance (written on ISO policy form CA 00 01, or its equivalent, unless otherwise approved by the County), endorsed for all owned, non-owned, and hired vehicles with a limit of not less than two million dollars (\$2,000,000) per occurrence.

c. Environmental Impairment Liability insurance, which insures liability for environmental impairment, including cleanup costs endorsed for "Sudden and Accidental" contamination or pollution. Such coverage shall be in an amount and form to meet all applicable State and federal requirements but in no event less than ten million dollars (\$10,000,000) per occurrence.

i. If written with an annual aggregate limit, the policy limit should be three (3) times the above-required occurrence limit.

ii. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination, expiration, or cancellation of this franchise.

6. A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the California Labor Code and the "Longshoreman and Harbor Worker Compensation Act," (33 U.S.C. § 901 et seq.), as it may hereafter be amended, including Employer's Liability with not less than a one million dollar (\$1,000,000) limit, covering all persons providing services on behalf of Franchisee and all persons Franchisee is legally required to cover.

D. Franchisee shall furnish Public Works, within thirty (30) days of the operative date of this franchise ordinance and within thirty (30) days of the expiration date of each term of insurance, either certified copies of the policies required by subsection 5.C., or a certificate of insurance for each of said policies executed by Franchisee's insurance agent, or by the company issuing the policy, certifying that the policy is in force.

E. Notwithstanding anything to the contrary contained in this Section 5, Franchisee may provide evidence of a program of self-insurance with evidence of financial worth of Franchisee by a Certified Public Accountant showing Franchisee has the financial ability to meet the insurance requirements contained herein. The County may allow Franchisee to self-insure provided the self-insurance program complies with the provisions and specified limits contained herein and is approved by County.

F. Within thirty (30) days following the operative date of this franchise ordinance, Franchisee shall provide to Public Works a faithful performance bond in the sum of not less than fifty thousand dollars (\$50,000), payable to the County of Los Angeles and executed by a corporate surety acceptable to the County and licensed to transact business as a surety in the State of California. Such bond shall be conditioned upon the faithful performance by Franchisee of the terms and conditions of this franchise and shall provide that, in case of the breach of any material condition of this franchise, the whole amount of the penal sum of fifty thousand dollars (\$50,000), or any portion thereof, and shall be immediately payable to the County by the principal and surety(ies) of the bond.

1. Throughout the term of this franchise, Franchisee shall maintain the faithful performance bond in the amount specified herein. Within ten (10) business days after receipt of notice from the County that any amount has been withdrawn from the bond as provided in this section, Franchisee shall immediately restore the bond to the full amount specified herein.

2. The faithful performance bond shall continue to exist for one (1) year following the expiration or termination of this franchise. The County, in its sole discretion, may release said bond prior to the end of the one-year period upon satisfaction by Franchisee of all its obligations under the franchise.

3. At its sole option, the County may accept Certificates of Deposit, Cash Deposits, irrevocable letters of credit, or U.S. Government Securities in lieu of, or in addition to, commercial bonds to meet the above bonding requirements. Such alternative instruments shall be made payable to the County and shall be deposited with the County's Auditor-Controller and/or Treasurer and/or Treasurer Tax Collector, as applicable.

G. The types and amounts of said insurance coverage and bonding shall be subject to review and reasonable adjustment by the County, in its sole discretion, at any time during the term of the franchise. In the event of such adjustment, Franchisee shall obtain said adjusted insurance coverage and bonding, in type(s) and amount(s) determined by the County, within thirty (30) days after written notice from the County.

H. Failure on the part of Franchisee to procure or maintain the required insurance and bonding, or to provide evidence of current insurance and bonding, shall constitute a material breach of the terms of this franchise upon which the County may immediately terminate or suspend this franchise.

I. It is the obligation of Franchisee to provide evidence of current insurance policies and bonding. Any franchise operations shall not commence until Franchisee has complied with the provisions of this Section, and any operations shall be suspended

during any period that Franchisee fails to obtain or maintain the insurance and bonding required hereunder.

**Section 6. Transfers and Assignments.**

A. Franchisee shall not sell, transfer, exchange, assign, lease, or divest itself of this franchise or any part thereof (each of which is hereinafter referred to as an "Assignment"), to any other person or entity ("Transferee"), except as provided in this Section, and after payment of a transfer fee detailed in subsection 6.G., below.

B. Franchisee shall inform Public Works of any pending Assignment, except as excluded in subsection 6.E., below, and shall provide all documents requested by the County, as set forth in subsection 6.F., below. Consent to any such Assignment shall only be refused if the County finds that Franchisee is not in compliance with the terms and conditions of the franchise and/or that the proposed Transferee, as applicable, is lacking in sufficient experience and/or financial ability to meet the franchise obligations. Consent shall be conditioned upon the terms and conditions set forth in the Assignment documents delivered to Public Works, the assumption by the proposed Transferee, as applicable, of all Franchisee's covenants and obligations under the franchise, and all information provided to the County being true and correct as of completion of the Assignment. Upon receipt of such consent from the County, Franchisee may proceed to consummate the Assignment.

C. Franchisee shall file with Public Works, within thirty (30) days after the effective date of any Assignment, a certified copy of the duly executed instrument(s) that officially evidence(s) such Assignment. If any such duly executed instrument(s) is



not filed with Public Works within thirty (30) days after the effective date of such proposed Assignment, or if any condition to consent by the County has not been met, then the County may determine, and then notify Franchisee and the proposed Transferee, that the Assignment has no force or effect and/or that the franchise is forfeited.

D. As a condition to granting consent to such Assignment, the County may impose such additional terms and conditions upon the Franchisee and/or the proposed Transferee as the Board deems to be in the public interest. Nothing contained herein shall be construed to grant Franchisee the right to complete an Assignment except in the manner aforesaid, whether by operation of law, by voluntary act of Franchisee, or otherwise.

E. Notwithstanding the foregoing, shareholders, partners, and/or any other person or entity owning an interest in Franchisee may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein without the consent of the County so long as such sale, transfer, exchange, Assignment, divestment, or other change, including a merger, does not result in giving majority control of Franchisee to any person or persons, corporation, partnership, or legal entity other than the person or entity with the controlling interest in Franchisee on the operative date of the franchise or the effective date of the last approved Assignment. Otherwise, consent thereof shall be required as otherwise provided in this Section.

F. Except for any Assignments made pursuant to subsection 6.E., above, upon notice by Franchisee of any proposed Assignment, the proposed Transferee shall submit an application to Public Works, which shall contain, at a minimum:

1. Identification of the proposed Transferee that indicates the corporate or business entity organization, including the submission of copies of the corporate or business formation papers (e.g., articles of incorporation and by-laws, limited partnership agreements, and/or operating agreements), and the names and addresses of any parent or subsidiary of the proposed Transferee, or any other business entity owning or controlling the proposed Transferee in part or in whole.

2. A current financial statement, which has been audited by a certified public accountant, demonstrating conclusively to the satisfaction of the County that the proposed Transferee has all the financial resources necessary to carry out all of the terms and conditions of the franchise. The financial statement shall include a balance sheet, a profit and loss statement for at least the three (3) most recent years, and a statement of changes in financial position; however, if the proposed Transferee has been in existence for less than three (3) years, then for such period of existence.

3. A copy of the proposed agreement of sale, letter of understanding, or other documentation, which details the proposed Assignment ("Assignment Documents").

4. Other information that may be required by the County to assess the capability of the proposed Transferee to operate and maintain the franchise.

G. A transfer fee of ten thousand dollars (\$10,000) shall be submitted with Franchisee's request for the County's consent to any Assignment described in subsection 6.A., above. If the County's actual costs to process the proposed Assignment application, including any consultant fees incurred by the County to assist in evaluating the application, exceed the transfer fee amount of ten thousand dollars (\$10,000), Franchisee and the proposed Transferee, or either, shall pay any additional costs incurred by the County in processing the Assignment application. Such additional costs shall be paid by Franchisee and the proposed Transferee, or either, prior to final consideration of the request for Assignment by the County or the Board, as applicable.

#### **Section 7. Removal or Abandonment of Facilities.**

A. At the time of expiration, revocation, or termination of this franchise or of the permanent discontinuance of the use of Franchisee's pipes and appurtenances, Franchisee shall, within sixty (60) days thereafter, make a written application to Public Works for permission to engage in one of the following in accordance with applicable federal, State, and local laws and regulations: (1) abandon all, or a portion, of such pipes and appurtenances in place; or (2) remove all, or a portion, of such pipes and appurtenances. Such application will describe the pipes and appurtenances desired to be abandoned by reference to the map or maps required by this franchise and will describe with reasonable accuracy the relative physical condition of the pipes and appurtenances. Upon receipt of written application, Public Works will determine within ninety (90) days whether any abandonment, removal, or transfer that is proposed may be effected without detriment to the public interest or under what conditions the

proposed abandonment, removal, or transfer may be safely effected and will promptly notify the Franchisee of any such requirements. If, for any reason, Franchisee suspends operations of any of the pipes and appurtenances contained in this franchise for a period more than ninety (90) days, Franchisee will notify Public Works. During this period of suspended operations, Franchisee will maintain said pipes and appurtenances in accordance with all applicable federal and/or State standards as directed by the California State Fire Marshal, and/or local laws and regulations.

B. If any pipes and appurtenances to be abandoned in place subject to prescribed conditions are not abandoned in accordance with all such conditions, then Public Works may make additional appropriate orders at its sole discretion, including, but not limited, to, an order that Franchisee remove all such pipes and appurtenances in accordance with applicable requirements. In the event Franchisee fails to remove any pipes and appurtenances that it is obligated to remove in accordance with applicable requirements within such reasonable time as may be prescribed by Public Works, then the County may remove such pipes and appurtenances at Franchisee's expense and Franchisee will pay to the County within sixty (60) days after delivery of an itemized bill the cost of removal including, but not limited to, reasonable overhead expenses in the sum no greater than an additional thirty percent (30%) of the actual cost of such work.

C. Abandoned pipelines on County highways remain property of Franchisee. Should the abandoned pipelines interfere with other uses in the right-of-way, including future utilities or underground facilities, said pipelines shall be removed by Franchisee, as necessary, at Franchisee's sole cost and expense. Alternatively, the County may

remove or cause to be removed said pipelines at Franchisee's sole cost and expense. For the purposes of the payment of fees provisions in Section 2 of this franchise, such facilities shall continue to be included in the calculation of fees until inspection reports prepared by Public Works indicate the work of removal or abandonment has been completed to the County's satisfaction.

D. This Section will survive the termination or expiration of this Franchise.

#### **Section 8. Relocation of Pipelines.**

In the event the County provides Franchisee notice to relocate its pipelines, facilities, and appurtenances, should Franchisee, after receipt of any such notice, neglect or fail to relocate its pipelines, facilities, and appurtenances in a timely manner and in accordance with applicable federal, State, and local laws and regulations, Franchisee shall be solely responsible for, and shall reimburse the County any and all costs or expenses incurred by the County due to, or resulting from, such neglect or failure with respect to relocation of the same.

#### **Section 9. Pipeline Franchise Ordinance.**

Franchisee acknowledges that it must comply with all applicable federal, State, and local laws and regulations, including the County Code, as may be amended hereafter, to the extent Franchisee continues to conduct activities within the County's right-of-way, and/or Franchisee's facilities continue to occupy the County's right-of-way, following the termination or expiration of this franchise.

#### **Section 10. County Addresses.**

All fee payments and reports required hereunder, except those expressly directed to be sent to Public Works, shall be sent to the County and addressed as follows:

Franchise/Concessions Section  
County of Los Angeles  
Office of the Auditor-Controller  
Administrative Services, Room 515  
500 West Temple Street  
Los Angeles, California 90012-2713

Applications, reports, notices, and other documents and information referenced in this franchise shall be sent to the County, at the same address referenced above, with a copy to:

Los Angeles County Public Works  
Attn: Survey/Mapping & Property Management Division  
900 South Fremont Avenue  
Alhambra, California 91803

Any notice, request, instruction, or other document to be given to Franchisee shall be addressed as follows:

Crimson Resource Management Corp.  
Attention: Land Department,  
410 17th Street, Suite 1010  
Denver, Colorado 80202

#### **Section 11. Franchise Ordinance Operative Date.**

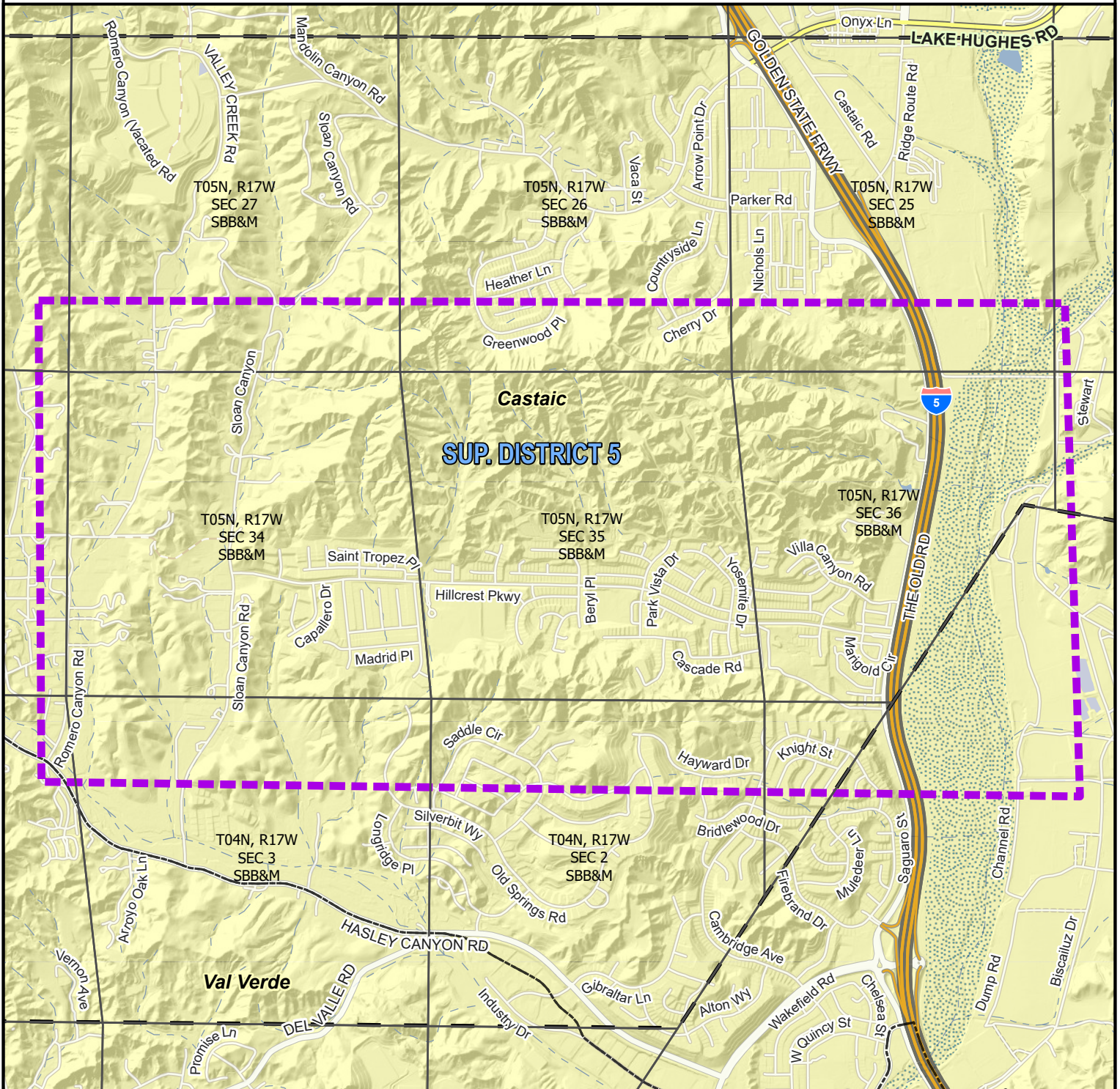
The operative date of this franchise ordinance shall be November 27, 2025.

#### **Section 12. Termination.**

A. If Franchisee fails to comply with any of the requirements of the franchise, the County may, in its sole discretion, terminate the franchise and/or seek any and all available remedies at law or in equity.

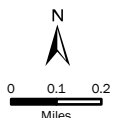


# Crimson Resource Management Corp. Proprietary Petroleum Pipeline Franchise



- Franchise Boundary
- Supervisorial District
- Unincorporated County Area

**Exhibit Map**



Date: 6/25/2025  
SMPM Division, Mapping & GIS Services Section (mthong)  
Data from eGIS Repository and Public Works. This map is for informational purposes only and should not be used for legal, engineering, or surveying.

# Enclosure B



## **ANALYSIS**

This ordinance grants a proprietary petroleum pipeline franchise to Crimson Resource Management Corp., a Colorado corporation ("Franchisee"), to operate and maintain its existing petroleum pipeline system for a period of five (5) years, beginning on November 27, 2025, and expiring on November 26, 2030. The base annual fee payable to the County of Los Angeles by Franchisee will be determined according to a formula set forth in Section 2 of this franchise ordinance. Franchisee will also pay the County a granting fee of ten thousand dollars (\$10,000).

DAWYN R. HARRISON  
County Counsel

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By

**ORDINANCE NO. \_\_\_\_\_**

An ordinance granting a proprietary petroleum pipeline franchise to Crimson Resource Management Corp., a corporation, to operate and maintain its existing petroleum pipeline system for a period of five (5) years, beginning November 27, 2025, and expiring on November 26, 2030.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**Section 1. Franchise Term; Grant.**

A petroleum pipeline franchise is hereby granted to Crimson Resource Management Corp., a Colorado corporation ("Franchisee"), and its successors and assigns, for a period of five (5) years, beginning on November 27, 2025, to operate and maintain its existing pipes and pipelines for collection, transportation, or distribution of petroleum, oil, gas, gasoline, wet gas, industrial gas, chemicals, mud, steam, water, waste water, and other hydrocarbon or liquid substances, excluding any hazardous substances or hazardous waste within the meaning of the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), as it may hereafter be amended, and the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), as amended, and as it may hereafter be amended, together with all manholes, valves, cathodic protection systems, appurtenances, and connections necessary or appropriate for the operation of said pipes or pipelines, including poles, conduits, wires, cables, including adjunct communications lines, and other appurtenances and equipment for fiber optic or telephone lines, or both, necessary or appropriate solely for Franchisee's operations in, under, along, or across any and all

highways, as defined in Section 16.36.080 of the Los Angeles County Code, now or hereafter dedicated to public use within the following described franchise areas within the unincorporated territory of the County of Los Angeles ("County"), State of California, as described below and as depicted on the Exhibit Maps attached hereto as "Exhibit Map" and made a part hereof.

**Section 2. Consideration; Payment of Fees.**

During such time as Franchisee's operations and rates for transportation are subject to the provisions of section 6231.5 of the California Public Utilities Code, the consideration shall be calculated pursuant to said section or other maximum amount permitted by law.

A. Granting Fee. As consideration for the franchise granted, transferred, extended, or otherwise amended, Franchisee shall pay to the County a fee of ten thousand dollars (\$10,000) within thirty (30) days after the adoption of this ordinance.

B. Annual Franchise Fee. As additional consideration for the franchise granted or extended, Franchisee shall pay to the County annually in arrears, on or before April 15 following the end of each calendar year ("Fee Payment Date"), for each year during the life of the franchise, to the County, in lawful money of the United States, a franchise fee computed annually ("Annual Franchise Fee"), as set forth below.

C. The Annual Franchise Fee payment by Franchisee shall accrue to the County on January 1 of each year for the highway space occupied by Franchisee's facilities as of December 31 of the calendar year immediately preceding the applicable

Fee Payment Date. The Annual Franchise Fee shall be comprised of the base annual fee, which shall be calculated as set forth in subsection 2.E., below ("Base Annual Fee"), which shall be calculated at the rate of two dollars and ten cents (\$2.10) per cubic foot of highway space occupied, as set forth in subsection 2.E., below, and an adjustment to that calculation, adjusted by the ratio of the price index as set forth in subsection 2.F., below, and computed to the nearest one-tenth (1/10) of a cent. The Base Annual Fee shall be calculated according to the highway space occupied by the pipelines and/or conduits, including the protective coverings, pipe casings, pipe connections, and any other appurtenance(s), such as manholes, valves, cathodic protection systems, connections, and any other structure(s).

D. To calculate the volume of highway space occupied by Franchisee's pipes and conduits (metal or plastic), the nominal internal diameter of the pipes and conduits shall be adjusted upward as follows:

1. The adjusted diameter of metal pipes and conduits shall be one (1) inch greater than the nominal internal diameter of such pipes and conduits;
2. The adjusted diameter of plastic pipes and conduits shall be two (2) inches greater than the nominal internal diameter of such pipes and conduits; and
3. In no event shall the adjusted diameter of any pipe or conduit (metal or plastic) be less than six (6) inches.

E. The Base Annual Fee shall be calculated in accordance with the following:

1. The rate set forth in subsection 2.C., above, of two dollars and ten cents (\$2.10) per cubic foot of highway space occupied, shall be used to calculate a Base Annual Fee as provided herein.

The diameter of pipe and conduit, as adjusted pursuant to subsection 2.D. above, shall be used to determine the applicable linear footage base rate per one (1) foot of highway space occupied as set forth in the schedule of base rates, below:

<b>A</b>	<b>B</b>	<b>C</b>
<b>Adjusted Diameter of Pipe and Conduit (In Inches)</b>	<b>Volume Per Foot (In Cubic Feet)</b>	<b>Base Rate Per Linear Foot (Based on \$2.10 Per Cubic Foot)</b>
6.00	0.1964	\$0.41
7.00	0.2673	\$0.56
8.00	0.3491	\$0.73
9.00	0.4418	\$0.93
10.00	0.5454	\$1.15
11.00	0.6600	\$1.39
12.00	0.7854	\$1.65
13.00	0.9218	\$1.94
14.00	1.0690	\$2.24
15.00	1.2272	\$2.58
16.00	1.3963	\$2.93
17.00	1.5763	\$3.31
18.00	1.7672	\$3.71
19.00	1.9690	\$4.13
20.00	2.1817	\$4.58
21.00	2.4053	\$5.05
22.00	2.6398	\$5.54
23.00	2.8853	\$6.06
24.00	3.1416	\$6.60
25.00	3.4089	\$7.16
26.00	3.6870	\$7.74
27.00	3.9761	\$8.35
28.00	4.2761	\$8.98
29.00	4.5870	\$9.63
30.00	4.9088	\$10.31
31.00	5.2415	\$11.01
32.00	5.5851	\$11.73
33.00	5.9396	\$12.47

34.00	6.3050	\$13.24
35.00	6.6814	\$14.03
36.00	7.0686	\$14.84

2. The linear footage base rate (depicted in column C, above) is derived based on the following:

$$\text{Pi} = 3.1416$$

$$r = \text{radius of pipe or conduit (in inches)} = \text{adjusted diameter (in inches)} / 2$$

$$L = \text{length of pipe or conduit (in inches)}$$

$$L / 12 = \text{length of pipe or conduit (in feet)}$$

$$\text{Volume of pipe or conduit (in cubic inches)} = \text{Pi} \times r^2 \times L$$

$$\text{Volume of pipe or conduit (in cubic feet)} = \text{Pi} \times r^2 \times L / 1,728 \text{ inches}$$

$$\text{Base Annual Fee} = \text{Volume of pipe or conduit (in cubic feet)} \times \$2.10 \text{ per cubic foot} = (\text{Pi} \times r^2 \times L / 1,728 \text{ inches}) \times \$2.10$$

$$\text{Linear footage base rate} = \text{Base Annual Fee per linear foot of pipe} = (\text{Pi} \times r^2) \times (12 \text{ inches} / 1,728 \text{ inches}) \times \$2.10$$

$$\begin{aligned} \text{Base Annual Fee} &= \text{Linear footage base rate} \times \text{Length of pipe or conduit (in feet)} \\ &= (\text{Pi} \times r^2) \times (12 \text{ inches} / 1,728 \text{ inches}) \times \$2.10 \times (L / 12 \text{ inches}) = \\ &= (\text{Pi} \times r^2 \times L / 1,728 \text{ inches}) \times \$2.10 \end{aligned}$$

3. For pipelines with an adjusted diameter greater than six (6) inches and not listed above, the fees shall be in the same proportion to the fees of a twelve (12) inch diameter pipe as the diameter of the unlisted pipe is to twelve (12) inches.

4. The volume of highway space occupied by any other appurtenance(s), such as manholes, valves, cathodic protection systems, connections, and any other structures, shall be computed using the outside dimensions of the structures.

5. The highway space occupied by overhead communications lines shall be taken as one-fifth ( $1/5$ ) cubic foot per linear foot of highway route occupied, being equivalent to a rate of forty-two cents (\$0.42) per linear foot ( $\$2.10 \times 1/5 = \$0.42$ ).

F. The Base Annual Fee shall be calculated as set forth in subsection 2.E., above, and adjusted each calendar year, including the year of the granting of this franchise, on the applicable Fee Payment Date in accordance with the following formula to derive the Annual Franchise Fee; provided, however, in no event shall the Annual Franchise Fee be less than seven thousand five hundred dollars (\$7,500).

1. The Base Annual Fee shall adjust annually on January 1st of each calendar year by an amount equal to one hundred percent (100%) of the increase in the Consumer Price Index for all Urban Consumers ("CPI-U") for the Los Angeles-Long Beach-Anaheim California Metropolitan Area (1982-84=100), All Items, as published by the United States Department of Labor, Bureau of Labor Statistics/Office of Information ("Bureau"), which shall be defined as the "index," and such index as it stands on December 1, 2021 (i.e., 297.925), shall be defined as the "base index," and the index for the month of September immediately preceding the Fee Payment Date shall be defined as the "current index."

2. If the current index differs from the base index, then the Base Annual Fee shall increase or decrease by the percentage increase or decrease between the current index and the base index, provided that, if the current index drops below the base index, no adjustment shall be made. The Base Annual Fee shall be multiplied by an adjustment factor determined by dividing the current index by the base index. For example, if the base index is one hundred (100) and the current index is two hundred and ten (210), the Annual Franchise Fee shall be two hundred and ten percent (210%) (i.e.,  $210 / 100 = 2.1 = 210\%$ ) times the Base Annual Fee; provided, however, under no circumstances shall the multiplying factor be less than one, nor shall the Annual Franchise Fee calculated using said factor be less than the Base Annual Fee. If the Bureau revises the index, the parties hereto shall accept the method of revision for conversion recommended by the Bureau.

3. If the Bureau discontinues the preparation or publication of the CPI-U for the area, and if no transposition table prepared by the Bureau is available to the year of 1982, then the amount of each Annual Franchise Fee shall be computed by reference to such other price index as may be chosen by the County, and the County shall be the sole judge of comparability of successive indices and its determination on this point shall be final and conclusive. In no event shall the Annual Franchise Fee adjusted by reference to such other price index be less than the Base Annual Fee as set forth in subsection 2.F., above.

G. In addition to the foregoing Annual Franchise Fee, Franchisee shall also pay to:



1. The Los Angeles County Department of Public Works ("Public Works"), on or before the Fee Payment Date, for each year of the life of the franchise, an initial construction fee calculated at a rate of one hundred dollars (\$100) per mile, and a prorated fraction thereof for any remainder equaling less than one mile, for all new main lines laid during that preceding calendar year; and

2. The County Auditor-Controller, on or before the Fee Payment Date, for each year during the life of the franchise, an annual fee of twenty-five dollars (\$25) per mile, and a prorated fraction portion thereof for any remainder equaling less than one mile, for aerial or above-ground lines, and twenty-five dollars (\$25) per mile, and a prorated fraction thereof for any remainder equaling less than one mile, for underground conduits, wires, cables, or telephone or telegraph lines maintained under the franchise during the preceding calendar year.

H. Franchisee shall also pay any application fees, administrative fees, processing fees, late charges, accrued interest, and penalties required in connection with this franchise, all of which may be charged at the then-current applicable rates.

### **Section 3. Reports.**

Franchisee shall, during the life of the franchise:

A. File with the County Auditor-Controller and Public Works, on or before the Fee Payment Date, with one copy to each, a report, verified under oath by a duly authorized representative of Franchisee, showing as of December 31 of the immediately preceding calendar year ("Franchise Report Period"), the length of the Franchisee's main lines in highways, the nominal internal diameter of such main lines, the "rate per

foot per year," defined as the amount payable per linear foot per year under Section 2, and the computation of the total amount of the Annual Franchise Fee due to the County, together with such data as is necessary in the opinion of the County Auditor-Controller and/or Public Works to calculate or verify the calculation of the Annual Franchise Fee as required by Section 2, above.

B. Show in the report prepared pursuant to subsection 3.A., above, any change in franchise footage since the end of the most recent Franchise Report Period, segregating such footage as to new main lines laid, old main lines removed, old main lines abandoned in place, including the internal diameter of such main lines laid, removed, and/or abandoned in place; the footage of new conduits laid for wires, cables, telegraph lines or telephone lines, old conduits removed, old conduits abandoned in place; the diameter of such conduits laid, removed, and/or abandoned in place; and the footage and internal diameter of main lines and conduits in territory annexed or incorporated since the last day of the most recent Franchise Report Period.

C. File with Public Works, on or before the Fee Payment Date, a report showing the permit number of each permit obtained, in accordance with Section 16.52.270 of the Los Angeles County Code, for the installation of new main lines and conduits during the most recently completed Franchise Report Period, together with the length and size of such main lines and conduits.

D. Within one year of the operative date of this franchise ordinance:

1. Prepare and submit to Public Works procedures and a schedule for conducting routine and as-needed safety inspections and integrity testing ("Testing") of

Franchisee's inactive pipelines ("Inactive Pipelines"), in compliance with all applicable federal, State, and local pipeline laws and regulations and the Los Angeles County Code (collectively "Pipeline Laws"). Inactive Pipelines are defined as Franchisee's static, idle, inactive, and out-of-service pipelines, excluding any water or wastewater pipelines.

2. Perform Testing of Franchisee's Inactive Pipelines through an independent third-party testing company, with oversight by appropriate agencies, or as may otherwise be requested by Franchisee and approved by Public Works, in compliance with the Pipeline Laws.

3. Provide evidence satisfactory to Public Works that each Pipeline not currently in use, in compliance with the Pipeline Laws, has either undergone required Testing and been approved for active use or been approved for removal or abandoned in place.

E. Comply with the Pipeline Laws, including but not limited to those pertaining to testing, operating, and maintaining, as applicable, with respect to all of Franchisee's pipelines subject to this franchise that are in active use or have been abandoned, throughout the term of the franchise.

#### **Section 4. Late Payments.**

A. In the event Franchisee fails to make any of the payments provided for herein on or before the dates they are due, Franchisee shall pay a late charge of ten percent (10%) of the amount due, said ten percent (10%) being due on the sixty-first (61st) day after the Fee Payment Date.

B. In the event full payment of any rate, payment, or fee, including the ten percent (10%) late charge, is not received within ninety (90) days after the Fee Payment Date, an assessment of interest shall accrue on the unpaid balance at ten percent (10%) per month, beginning on the ninety-first (91st) day after the Fee Payment Date until full payment is received. Should the franchise payment not be provided to the County, County reserves the right to terminate the franchise. Upon termination of this franchise, operation of the facilities covered by the franchise would no longer be authorized, and Franchisee will be liable for costs associated with such termination, including but not limited to, the costs of abandonment and/or removal of Franchisee's facilities. This term shall survive the expiration of this franchise.

#### **Section 5. Indemnification, Insurance, and Bonding.**

Franchisee shall meet the following indemnification, insurance, and bonding requirements:

A. Franchisee shall indemnify, defend, and hold harmless, the County and its special districts, elected and appointed officers, employees, and agents ("County's Agents") from and against any and all expenses, costs, fees, damages, claims, liabilities, and lawsuits of any nature, including, without limitation, those involving, relating to, or asserting bodily injury, personal injury, death, property damage, encroachment or encumbrance upon property rights or interests, infringement of property rights or interests, loss of property value, defense costs, attorneys' fees, workers' compensation benefits, expenses, and damages of any other type (collectively "Claims"), that relate to or arise from: (1) the County's grant and/or extension of the

franchise; (2) Franchisee's use or exercise of the franchise and/or the operations or services provided by Franchisee, its employees, agents, servants, receivers, contractors, subcontractors, successors, or assignees ("Franchisee's Agents") in connection with the franchise; and/or (3) any acts or omissions of Franchisee, Franchisee's Agents, or any person in connection with activities or work conducted or performed pursuant to the franchise and/or arising out of such activities or work. In furtherance of, and in no way limiting the foregoing, Franchisee shall indemnify, defend, and hold harmless the County and the County's Agents from and against any and all Claims that relate to, arise from, or involve pollution, contamination, degradation, and/or environmental non-compliance, relating to, arising from, or involving the franchise, or Franchisee's use or exercise thereof, including, but not limited to, any Claims arising from or relating to any threatened, actual, or alleged discharge, dispersal, release, or escape of any substance, including, but not limited to, any pollutant or contaminant of any kind, into or upon any person, thing, or place, including the land, soil, atmosphere, man-made structure, and/or any above or below ground watercourse or body of water, except where such Claims are the result of the County's gross negligence or willful misconduct.

B. Public Works shall be immediately notified by Franchisee of any discharge, release, or escape of any petroleum, oil, gas, other liquid hydrocarbon products, wet gas, industrial gas, chemicals, steam, water, wastewater, mud, or any other substances from Franchisee's pipelines and appurtenances within the franchise area. All actions to investigate, remove, or remediate any substance reasonably

demonstrated to be discharged, dispersed, released, or escaped from Franchisee's pipelines, and actions to repair or restore Franchisee's pipelines and appurtenances shall be the sole responsibility of Franchisee and shall be conducted by Franchisee or Franchisee's Agents, in conformance with any and all laws, ordinances, rules, regulations, requirements, and orders whatsoever, present or future, of the federal, State, County, or other applicable local government at Franchisee's sole cost and expense, and shall be immediately undertaken by Franchisee or Franchisee's Agents. If Franchisee fails to take any action required pursuant to this Section, the County may, but shall not be obligated to, take all reasonable and necessary actions it deems appropriate at Franchisee's sole expense. Upon written demand by the County and the submittal of an itemized invoice to Franchisee, Franchisee shall reimburse the County for all County expenses reasonably incurred in connection with the County's actions, including, but not limited to, all direct and indirect costs relating to investigation, remediation, and removal.

C. Without limiting Franchisee's indemnification of the County or the County's Agents, Franchisee shall provide and maintain at its own expense, during the term of this franchise, the following programs of insurance. Such programs and evidence of insurance are required to be satisfactory to the County, and shall be primary to, and not contributing with, any other insurance or self-insurance programs maintained by the County.

1. Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to Public Works on or before the operative date of this

franchise ordinance, and on or before the expiration date of each term of insurance.

Such certificates or other evidence of coverage shall:

- a. Specifically identify this franchise ordinance;
- b. Clearly evidence all insurance required in this franchise ordinance;
- c. Contain the express condition that the County is to be given written notice by registered mail at least thirty (30) days in advance of any modification, non-renewal, cancellation, expiration, or termination of any program of liability insurance, and at least thirty (30) days in advance of any modification, non-renewal, cancellation, expiration, or termination of any program of Workers' Compensation or other insurance required by this Section;
- d. Include a copy of the additional insured endorsement to the commercial general liability policy, adding the County and County's Agents as additional insureds for all activities arising from this franchise; and
- e. Show Franchisee's insurance as primary to the County's insurance and self-insurance programs. This may be evidenced by adding a statement to the additional insured endorsement required in subsection 5.C.1.d., above, stating:  
"It is further agreed that the insurance afforded by this policy is primary to any insurance or self-insurance programs maintained by the additional insureds, and the additional insureds' insurance and self-insurance programs are excess and non-contributing to Named Insured's insurance."

2. The County reserves the right to require copies of Franchisee's insurance policies at the County's request.

3. Insurance is to be provided by an insurance company with an A. M. Best rating of not less than A:VII, unless otherwise approved by the County.

4. Franchisee shall release the County and the County's Agents and waive its rights of recovery against them under the insurance policies specified in this franchise unless injury, death, loss, damage, or destruction is caused by either willful misconduct or sole negligence of the County.

5. Such insurance shall be endorsed naming the County and the County's Agents as additional insureds, and shall include, but not be limited to:

a. Commercial General Liability insurance written on a commercial general liability form (ISO policy form CG 00 01, or its equivalent, unless otherwise approved by the County), with a combined single limit of not less than five million dollars (\$5,000,000) per occurrence.

i. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination, expiration, or cancellation of this franchise.

b. Comprehensive Auto Liability insurance (written on ISO policy form CA 00 01, or its equivalent, unless otherwise approved by the County), endorsed for all owned, non-owned, and hired vehicles with a limit of not less than two million dollars (\$2,000,000) per occurrence.



c. Environmental Impairment Liability insurance, which insures liability for environmental impairment, including cleanup costs endorsed for "Sudden and Accidental" contamination or pollution. Such coverage shall be in an amount and form to meet all applicable State and federal requirements but in no event less than ten million dollars (\$10,000,000) per occurrence.

i. If written with an annual aggregate limit, the policy limit should be three (3) times the above-required occurrence limit.

ii. If written on a claims-made form, such insurance shall be endorsed to provide an extended reporting period of not less than two (2) years following termination, expiration, or cancellation of this franchise.

6. A program of Workers' Compensation insurance in an amount and form to meet all applicable requirements of the California Labor Code and the "Longshoreman and Harbor Worker Compensation Act," (33 U.S.C. § 901 et seq.), as it may hereafter be amended, including Employer's Liability with not less than a one million dollar (\$1,000,000) limit, covering all persons providing services on behalf of Franchisee and all persons Franchisee is legally required to cover.

D. Franchisee shall furnish Public Works, within thirty (30) days of the operative date of this franchise ordinance and within thirty (30) days of the expiration date of each term of insurance, either certified copies of the policies required by subsection 5.C., or a certificate of insurance for each of said policies executed by Franchisee's insurance agent, or by the company issuing the policy, certifying that the policy is in force.

E. Notwithstanding anything to the contrary contained in this Section 5, Franchisee may provide evidence of a program of self-insurance with evidence of financial worth of Franchisee by a Certified Public Accountant showing Franchisee has the financial ability to meet the insurance requirements contained herein. The County may allow Franchisee to self-insure provided the self-insurance program complies with the provisions and specified limits contained herein and is approved by County.

F. Within thirty (30) days following the operative date of this franchise ordinance, Franchisee shall provide to Public Works a faithful performance bond in the sum of not less than fifty thousand dollars (\$50,000), payable to the County of Los Angeles and executed by a corporate surety acceptable to the County and licensed to transact business as a surety in the State of California. Such bond shall be conditioned upon the faithful performance by Franchisee of the terms and conditions of this franchise and shall provide that, in case of the breach of any material condition of this franchise, the whole amount of the penal sum of fifty thousand dollars (\$50,000), or any portion thereof, and shall be immediately payable to the County by the principal and surety(ies) of the bond.

1. Throughout the term of this franchise, Franchisee shall maintain the faithful performance bond in the amount specified herein. Within ten (10) business days after receipt of notice from the County that any amount has been withdrawn from the bond as provided in this section, Franchisee shall immediately restore the bond to the full amount specified herein.

2. The faithful performance bond shall continue to exist for one (1) year following the expiration or termination of this franchise. The County, in its sole discretion, may release said bond prior to the end of the one-year period upon satisfaction by Franchisee of all its obligations under the franchise.

3. At its sole option, the County may accept Certificates of Deposit, Cash Deposits, irrevocable letters of credit, or U.S. Government Securities in lieu of, or in addition to, commercial bonds to meet the above bonding requirements. Such alternative instruments shall be made payable to the County and shall be deposited with the County's Auditor-Controller and/or Treasurer and/or Treasurer Tax Collector, as applicable.

G. The types and amounts of said insurance coverage and bonding shall be subject to review and reasonable adjustment by the County, in its sole discretion, at any time during the term of the franchise. In the event of such adjustment, Franchisee shall obtain said adjusted insurance coverage and bonding, in type(s) and amount(s) determined by the County, within thirty (30) days after written notice from the County.

H. Failure on the part of Franchisee to procure or maintain the required insurance and bonding, or to provide evidence of current insurance and bonding, shall constitute a material breach of the terms of this franchise upon which the County may immediately terminate or suspend this franchise.

I. It is the obligation of Franchisee to provide evidence of current insurance policies and bonding. Any franchise operations shall not commence until Franchisee has complied with the provisions of this Section, and any operations shall be suspended

during any period that Franchisee fails to obtain or maintain the insurance and bonding required hereunder.

**Section 6. Transfers and Assignments.**

A. Franchisee shall not sell, transfer, exchange, assign, lease, or divest itself of this franchise or any part thereof (each of which is hereinafter referred to as an "Assignment"), to any other person or entity ("Transferee"), except as provided in this Section, and after payment of a transfer fee detailed in subsection 6.G., below.

B. Franchisee shall inform Public Works of any pending Assignment, except as excluded in subsection 6.E., below, and shall provide all documents requested by the County, as set forth in subsection 6.F., below. Consent to any such Assignment shall only be refused if the County finds that Franchisee is not in compliance with the terms and conditions of the franchise and/or that the proposed Transferee, as applicable, is lacking in sufficient experience and/or financial ability to meet the franchise obligations. Consent shall be conditioned upon the terms and conditions set forth in the Assignment documents delivered to Public Works, the assumption by the proposed Transferee, as applicable, of all Franchisee's covenants and obligations under the franchise, and all information provided to the County being true and correct as of completion of the Assignment. Upon receipt of such consent from the County, Franchisee may proceed to consummate the Assignment.

C. Franchisee shall file with Public Works, within thirty (30) days after the effective date of any Assignment, a certified copy of the duly executed instrument(s) that officially evidence(s) such Assignment. If any such duly executed instrument(s) is

not filed with Public Works within thirty (30) days after the effective date of such proposed Assignment, or if any condition to consent by the County has not been met, then the County may determine, and then notify Franchisee and the proposed Transferee, that the Assignment has no force or effect and/or that the franchise is forfeited.

D. As a condition to granting consent to such Assignment, the County may impose such additional terms and conditions upon the Franchisee and/or the proposed Transferee as the Board deems to be in the public interest. Nothing contained herein shall be construed to grant Franchisee the right to complete an Assignment except in the manner aforesaid, whether by operation of law, by voluntary act of Franchisee, or otherwise.

E. Notwithstanding the foregoing, shareholders, partners, and/or any other person or entity owning an interest in Franchisee may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein without the consent of the County so long as such sale, transfer, exchange, Assignment, divestment, or other change, including a merger, does not result in giving majority control of Franchisee to any person or persons, corporation, partnership, or legal entity other than the person or entity with the controlling interest in Franchisee on the operative date of the franchise or the effective date of the last approved Assignment. Otherwise, consent thereof shall be required as otherwise provided in this Section.

F. Except for any Assignments made pursuant to subsection 6.E., above, upon notice by Franchisee of any proposed Assignment, the proposed Transferee shall submit an application to Public Works, which shall contain, at a minimum:

1. Identification of the proposed Transferee that indicates the corporate or business entity organization, including the submission of copies of the corporate or business formation papers (e.g., articles of incorporation and by-laws, limited partnership agreements, and/or operating agreements), and the names and addresses of any parent or subsidiary of the proposed Transferee, or any other business entity owning or controlling the proposed Transferee in part or in whole.

2. A current financial statement, which has been audited by a certified public accountant, demonstrating conclusively to the satisfaction of the County that the proposed Transferee has all the financial resources necessary to carry out all of the terms and conditions of the franchise. The financial statement shall include a balance sheet, a profit and loss statement for at least the three (3) most recent years, and a statement of changes in financial position; however, if the proposed Transferee has been in existence for less than three (3) years, then for such period of existence.

3. A copy of the proposed agreement of sale, letter of understanding, or other documentation, which details the proposed Assignment ("Assignment Documents").

4. Other information that may be required by the County to assess the capability of the proposed Transferee to operate and maintain the franchise.

G. A transfer fee of ten thousand dollars (\$10,000) shall be submitted with Franchisee's request for the County's consent to any Assignment described in subsection 6.A., above. If the County's actual costs to process the proposed Assignment application, including any consultant fees incurred by the County to assist in evaluating the application, exceed the transfer fee amount of ten thousand dollars (\$10,000), Franchisee and the proposed Transferee, or either, shall pay any additional costs incurred by the County in processing the Assignment application. Such additional costs shall be paid by Franchisee and the proposed Transferee, or either, prior to final consideration of the request for Assignment by the County or the Board, as applicable.

#### **Section 7. Removal or Abandonment of Facilities.**

A. At the time of expiration, revocation, or termination of this franchise or of the permanent discontinuance of the use of Franchisee's pipes and appurtenances, Franchisee shall, within sixty (60) days thereafter, make a written application to Public Works for permission to engage in one of the following in accordance with applicable federal, State, and local laws and regulations: (1) abandon all, or a portion, of such pipes and appurtenances in place; or (2) remove all, or a portion, of such pipes and appurtenances. Such application will describe the pipes and appurtenances desired to be abandoned by reference to the map or maps required by this franchise and will describe with reasonable accuracy the relative physical condition of the pipes and appurtenances. Upon receipt of written application, Public Works will determine within ninety (90) days whether any abandonment, removal, or transfer that is proposed may be effected without detriment to the public interest or under what conditions the

proposed abandonment, removal, or transfer may be safely effected and will promptly notify the Franchisee of any such requirements. If, for any reason, Franchisee suspends operations of any of the pipes and appurtenances contained in this franchise for a period more than ninety (90) days, Franchisee will notify Public Works. During this period of suspended operations, Franchisee will maintain said pipes and appurtenances in accordance with all applicable federal and/or State standards as directed by the California State Fire Marshal, and/or local laws and regulations.

B. If any pipes and appurtenances to be abandoned in place subject to prescribed conditions are not abandoned in accordance with all such conditions, then Public Works may make additional appropriate orders at its sole discretion, including, but not limited, to, an order that Franchisee remove all such pipes and appurtenances in accordance with applicable requirements. In the event Franchisee fails to remove any pipes and appurtenances that it is obligated to remove in accordance with applicable requirements within such reasonable time as may be prescribed by Public Works, then the County may remove such pipes and appurtenances at Franchisee's expense and Franchisee will pay to the County within sixty (60) days after delivery of an itemized bill the cost of removal including, but not limited to, reasonable overhead expenses in the sum no greater than an additional thirty percent (30%) of the actual cost of such work.

C. Abandoned pipelines on County highways remain property of Franchisee. Should the abandoned pipelines interfere with other uses in the right-of-way, including future utilities or underground facilities, said pipelines shall be removed by Franchisee, as necessary, at Franchisee's sole cost and expense. Alternatively, the County may



remove or cause to be removed said pipelines at Franchisee's sole cost and expense. For the purposes of the payment of fees provisions in Section 2 of this franchise, such facilities shall continue to be included in the calculation of fees until inspection reports prepared by Public Works indicate the work of removal or abandonment has been completed to the County's satisfaction.

D. This Section will survive the termination or expiration of this Franchise.

#### **Section 8. Relocation of Pipelines.**

In the event the County provides Franchisee notice to relocate its pipelines, facilities, and appurtenances, should Franchisee, after receipt of any such notice, neglect or fail to relocate its pipelines, facilities, and appurtenances in a timely manner and in accordance with applicable federal, State, and local laws and regulations, Franchisee shall be solely responsible for, and shall reimburse the County any and all costs or expenses incurred by the County due to, or resulting from, such neglect or failure with respect to relocation of the same.

#### **Section 9. Pipeline Franchise Ordinance.**

Franchisee acknowledges that it must comply with all applicable federal, State, and local laws and regulations, including the County Code, as may be amended hereafter, to the extent Franchisee continues to conduct activities within the County's right-of-way, and/or Franchisee's facilities continue to occupy the County's right-of-way, following the termination or expiration of this franchise.

#### **Section 10. County Addresses.**

All fee payments and reports required hereunder, except those expressly directed to be sent to Public Works, shall be sent to the County and addressed as follows:

Franchise/Concessions Section  
County of Los Angeles  
Office of the Auditor-Controller  
Administrative Services, Room 515  
500 West Temple Street  
Los Angeles, California 90012-2713

Applications, reports, notices, and other documents and information referenced in this franchise shall be sent to the County, at the same address referenced above, with a copy to:

Los Angeles County Public Works  
Attn: Survey/Mapping & Property Management Division  
900 South Fremont Avenue  
Alhambra, California 91803

Any notice, request, instruction, or other document to be given to Franchisee shall be addressed as follows:

Crimson Resource Management Corp.  
Attention: Land Department,  
410 17th Street, Suite 1010  
Denver, Colorado 80202

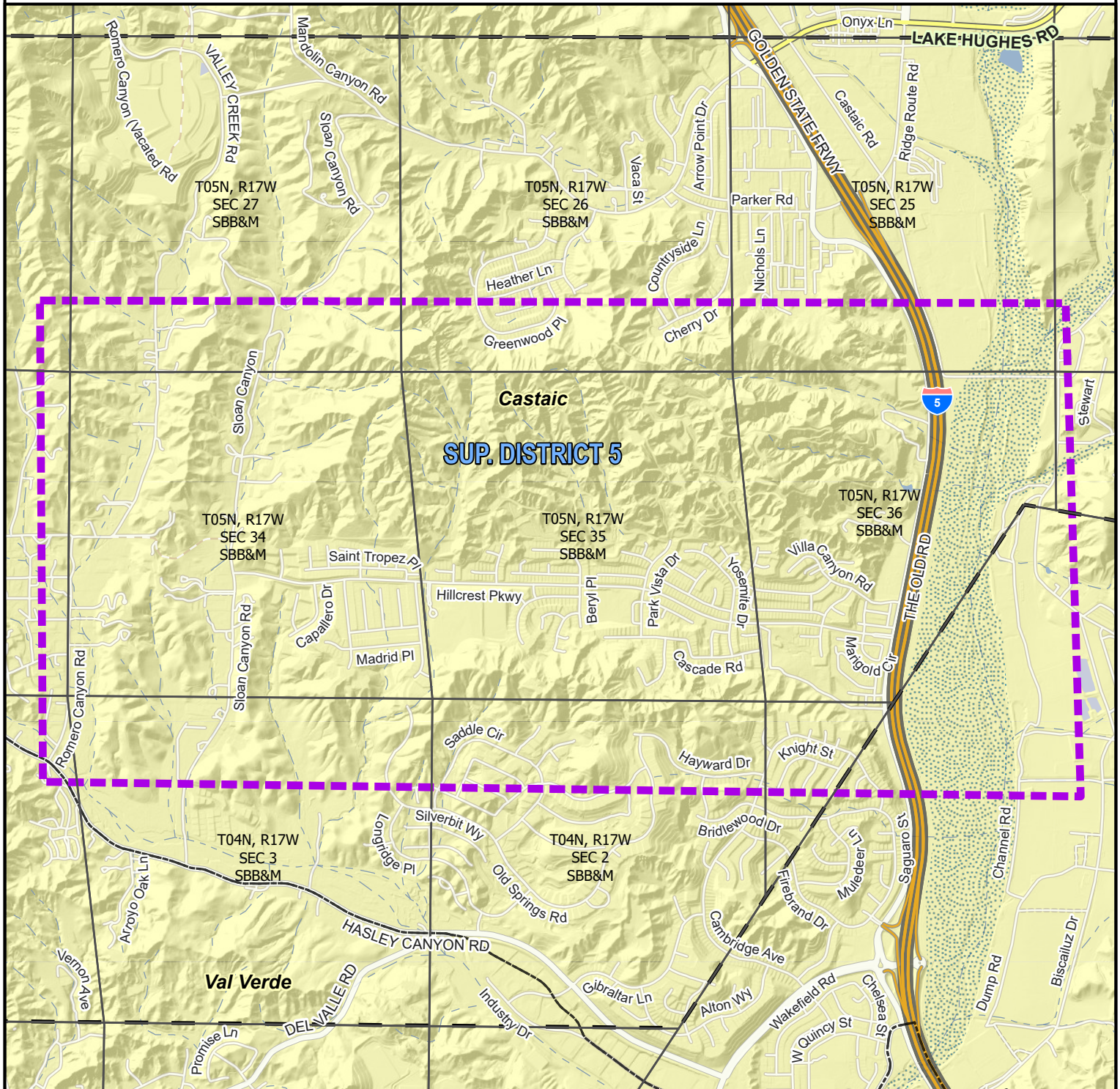
#### **Section 11. Franchise Ordinance Operative Date.**

The operative date of this franchise ordinance shall be November 27, 2025.

#### **Section 12. Termination.**

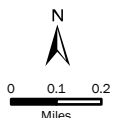
A. If Franchisee fails to comply with any of the requirements of the franchise, the County may, in its sole discretion, terminate the franchise and/or seek any and all available remedies at law or in equity.

# Crimson Resource Management Corp. Proprietary Petroleum Pipeline Franchise



- Franchise Boundary
- Supervisorial District
- Unincorporated County Area

**Exhibit Map**



Date: 6/25/2025  
SMPM Division, Mapping & GIS Services Section (mthong)  
Data from eGIS Repository and Public Works. This map is for informational purposes only and should not be used for legal, engineering, or surveying.

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025									
<b>BOARD MEETING DATE</b>	9/30/2025									
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input checked="" type="checkbox"/> 5 <sup>th</sup>									
<b>DEPARTMENT(S)</b>	Public Works									
<b>SUBJECT</b>	Los Angeles County Waterworks District No. 40, Antelope Valley, Approval of Joint Community Facilities Agreement for Community Facilities District No. 2022-3 (Ritter Ranch Phase 1 Public Facilities)									
<b>PROGRAM</b>	N/A									
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:									
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable									
<b>DEADLINES/ TIME CONSTRAINTS</b>	A Board meeting agenda date of September 30, 2025, is critical to align with the City of Palmdale's priority project bond issuance timeline.									
<b>COST &amp; FUNDING</b>	<table border="1"> <tr> <td>Total cost: \$0</td><td>Funding source: N/A</td></tr> <tr> <td colspan="2">TERMS (if applicable): N/A</td></tr> <tr> <td colspan="2">Explanation: There will be no impact to the County General Fund.</td></tr> <tr> <td colspan="2">There will be no negative impact on current County services or projects during the performance of these actions.</td></tr> </table>		Total cost: \$0	Funding source: N/A	TERMS (if applicable): N/A		Explanation: There will be no impact to the County General Fund.		There will be no negative impact on current County services or projects during the performance of these actions.	
Total cost: \$0	Funding source: N/A									
TERMS (if applicable): N/A										
Explanation: There will be no impact to the County General Fund.										
There will be no negative impact on current County services or projects during the performance of these actions.										
<b>PURPOSE OF REQUEST</b>	Approval of the Joint Community Facilities Agreement and Funding and Acquisition Agreement between the City; RdR Development Holdings, LLC; and the Los Angeles County Waterworks District No. 40, Antelope Valley (District) will allow Community Facilities District (CFD) No. 2022-3 to finance administrative costs and certain water facilities, which will ultimately be transferred to the District for ownership and operation; authorize execution of the Joint Community Facilities Agreement and Funding and Acquisition Agreement on behalf of the District for the Ritter Ranch Phase 1 Project.									
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<p>CFD No. 2022-3, formed by the City, will provide financing for water system facilities that are proposed to ultimately be transferred to, owned, and operated by the District to serve the Ritter Ranch Phase 1 Project. The project is a proposed development of 190 acres consisting of 1,180 residential dwelling units with community amenities.</p> <p>The District will have the authority to approve plans, inspect construction of the improvements, and require compliance with other conditions before the water facilities are accepted for District maintenance and operation.</p> <p>The District does not anticipate any issues arising from the project.</p>									

<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Board Priority #7: Sustainability. Approval of the Joint Community Facilities Agreement will promote sound, prudent, and transparent policies and practices that help preserve our water resources while maintaining the quality of life for County residents.
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Adam Ariki, Deputy Director, (626) 458-4012, cell (626) 476-6703, <a href="mailto:aariki@pw.lacounty.gov">aariki@pw.lacounty.gov</a>





MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 30, 2025

IN REPLY PLEASE  
REFER TO FILE: WW-1

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**WATER RESOURCES CORE SERVICE AREA  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY  
APPROVAL OF JOINT COMMUNITY FACILITIES AGREEMENT  
FOR COMMUNITY FACILITIES DISTRICT NO. 2022-3  
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)  
(SUPERVISORIAL DISTRICT 5)  
(3-VOTES)**

**SUBJECT**

This action is to approve the Joint Community Facilities Agreement and Funding and Acquisition Agreement between the City of Palmdale; RdR Development Holdings, LLC; and the Los Angeles County Waterworks District No. 40, Antelope Valley, to allow administrative costs and certain water facilities to be financed by Community Facilities District No. 2022-3 and ultimately be transferred to, owned, and operated by the Los Angeles County Waterworks District No. 40, Antelope Valley.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF  
THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY:**

1. Find that the proposed actions set forth in this Board letter are not a project under the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the proposed activities; alternatively, to the extent that they are a project, acting as a responsible agency for the Ritter Ranch Specific Plan for which an Environmental Impact Report has been certified and an addendum has been adopted by the lead agency, the City of Palmdale, certify that the Board has independently reviewed and considered the information contained in the

Environmental Impact Report and addendum and reached its own conclusions regarding the environmental effects of the approvals by the Los Angeles County Waterworks District No. 40, Antelope Valley; adopt the Mitigation Monitoring and Reporting Program, as applicable, finding that the Mitigation Monitoring and Reporting Program is adequately designed to ensure compliance with the mitigation measures during project implementation and determine that there are no significant and adverse effects from the proposed activities by the Los Angeles County Waterworks No. 40, Antelope Valley, for the project; adopt the Findings of Fact that are incorporated herein by reference, as applicable and find that the actions recommended by the Los Angeles County Waterworks No. 40, Antelope Valley, are within the scope of the Environmental Impact Report and addendum.

2. Approve the Joint Community Facilities Agreement between the City of Palmdale; RdR Development Holdings, LLC; and the Los Angeles County Waterworks District No. 40, Antelope Valley, for Community Facilities District No. 2022-3. Delegate authority to the Director of Public Works or his designee to execute the Joint Community Facilities Agreement on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley, and any necessary additional transactional documents, subject to approval as to form by County Counsel, in furtherance of such agreement.
3. Approve the Funding and Acquisition Agreement between the City of Palmdale; RdR Development Holdings, LLC; and the Los Angeles County Waterworks District No. 40, Antelope Valley, for Community Facilities District No. 2022-3 infrastructure reimbursement. Delegate authority to the Director of Public Works or his designee to execute the Funding and Acquisition Agreement on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley, and any necessary additional transactional documents, subject to approval as to form by County Counsel, in furtherance of such agreement.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to make appropriate findings under the California Environmental Quality Act (CEQA), approve the enclosed Joint Community Facilities Agreement (JCFA) (Enclosure A) and Funding and Acquisition Agreement (FAA) (Enclosure B), and authorize the Director of Public Works or his designee to execute the JCFA, FAA, and any necessary additional transactional documents in furtherance of the agreements on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley (District). This will allow Community Facilities District (CFD) No. 2022-3, formed by the City of Palmdale, to provide financing for administrative costs and certain water system facilities that are proposed to ultimately be transferred to the District for ownership and operation.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal E, Economic Health, Strategy i, Community-Based Institutions & Organizations. The recommended actions promote partnerships that support housing, economic development, and help secure financing of certain public facilities of critical, high-priority County public services, enhancing the quality of life for County residents.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The JCFA and FAA do not include any financial obligation for the County or the District General Fund (N63) or the District Accumulative Capital Outlay Funds (N64).

The JCFA considers the disposition of certain water system improvements, to be known as Acquisition Facilities, financed by CFD No. 2022-3. The District may accept transfer of ownership and subsequently operate the Acquisition Facilities upon their completion in compliance with the District's terms and conditions for acceptance of such Acquisition Facilities, and only if such Acquisition Facilities are constructed to the full and complete satisfaction of the District.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The enclosed JCFA and FAA have been reviewed and approved as to form by County Counsel.

The City of Palmdale formed CFD No. 2022-3 pursuant to the Mello-Roos Community Facilities Act of 1982 to provide financing for certain public facilities, including various water system improvements necessitated by the proposed Ritter Ranch Phase 1 development by RdR Development Holdings, LLC. The Ritter Ranch Phase 1 development proposes to construct approximately 1,180 residential dwelling units with community amenities and related infrastructure.

The Mello-Roos Community Facilities Act of 1982 requires an agreement between any jurisdiction creating a Mello-Roos CFD and any other jurisdiction that will own or operate the improvements financed through the CFD. Approval of the JCFA will enable the City to finance water system facilities, through Mello-Roos funding, that are proposed to ultimately be owned and operated by the District. The FAA outlines responsibilities and allows for reimbursement of administrative costs incurred in connection with the CFD.



The District will have the authority to approve plans, inspect construction of the improvements, and require compliance with other conditions before the water facilities are accepted for District maintenance and operation.

## **ENVIRONMENTAL DOCUMENTATION**

The proposed actions are not subject to CEQA because they are activities that are excluded from the definition of a project by Section 21065 of the California Public Resources Code and Section 15378(b) of the State CEQA Guidelines. The proposed action, to approve the JCFA, is to comply with a requirement of the Mello-Roos Community Facilities Act of 1982 that there be an agreement between any jurisdiction creating a Mello-Roos CFD and any other jurisdiction that will own or operate the improvements financed through the CFD, and is therefore an organizational or administrative activity of government, which will not result in direct or indirect physical changes in the environment.

Alternatively, to the extent the recommended activities are a project, the water facilities to be financed under the JCFA and FAA have already been subject to environmental review in the Environmental Impact Report (EIR) and addendum prepared and approved for the Ritter Ranch Specific Plan by the City, as lead agency under CEQA. The JCFA and FAA will not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. In 1992, as lead agency, the City certified the Final EIR for the Ritter Ranch Specific Plan, which included impacts of construction and operation of in-tract water system facilities. On February 18, 2025, the City approved an Addendum to the 1992 Final EIR for the Ritter Ranch Specific Plan in accordance with CEQA. The addendum analyzed the environmental impacts of water tank and pump station facilities and determined they would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects beyond what was analyzed in the 1992 Final EIR. No further environmental documentation is required under CEQA.

The location of the documents and other materials constituting the record upon which the Board's decision is based in this matter, including the previously certified EIR, addendum, Mitigation Monitoring and Reporting Program, Findings, and related documents are available and can be viewed at Los Angeles County Public Works, Waterworks Division, 1000 South Fremont Avenue, Building A9-East, 4th Floor, Alhambra, California 91803, as well as online at <https://pw.lacounty.gov/core-service-areas/water-resources/waterworks-districts/articles-newsletters-reports>. The custodian of such documents and materials is the Water Resources Senior Civil Engineer in Public Works' Waterworks Division.

The Honorable Board of Supervisors  
September 30, 2025  
Page 5

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Determination with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Office of Land Use and Climate Innovation in accordance with Section 21152 of the California Public Resources Code and will post the Notice to the District's website in accordance with Section 21092.2.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no negative impact on current County services or projects during the performance of these actions.

**CONCLUSION**

Please return an adopted copy of this Board letter to Public Works, Waterworks Division.

Respectfully submitted,

MARK PESTRELLA, PE  
Director of Public Works

MP:CTH:jc

Enclosures

c: Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors

**JOINT COMMUNITY FACILITIES AGREEMENT**

**Relating to:**

**COMMUNITY FACILITIES DISTRICT NO. 2022-3  
(RITTER RANCH PHASE 1 PUBLIC FACILITIES)**

**By and among**

**CITY OF PALMDALE, CALIFORNIA**

**and**

**LOS ANGELES COUNTY WATER WORKS DISTRICT 40**

**and**

**RDR DEVELOPMENT HOLDINGS, LLC**

**OCTOBER 1, 2025**

## **JOINT COMMUNITY FACILITIES AGREEMENT**

This Joint Community Facilities Agreement (this “Agreement”), dated as of October 1, 2025 is entered into by and among the CITY OF PALMDALE (the “Agency”), a municipal corporation existing under the laws of the State of California, COUNTY OF LOS ANGELES WATERWORKS DISTRICT 40, a county waterworks district formed in accordance with Division 16, Sections 55000 through 55991 of the State Water Code (the “WWD”), and RDR DEVELOPMENT HOLDINGS, LLC a Delaware limited liability company (“Owner” and together with the Agency and WWD, the “Parties”).

### **RECITALS**

WHEREAS, the Agency has conducted proceedings under the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 *et seq.*) (the “Act”) to form Community Facilities District No. 2022-3 (the “CFD”) encompassing properties located within the boundaries of WWD upon the request of the Owner as owner of such property (the “Property”); and

WHEREAS, the Owner requested and proposed that the CFD and any improvement areas therein be formed for the purpose of providing the means of financing design, planning, engineering, installation and acquisition or construction of certain public facilities and improvements to be constructed by the Owner and, consisting of, among others: water storage, pumping and transmission facilities (the “Acquisition Facilities”), which are more fully described in Exhibit “A” hereto; and

WHEREAS, under Section 53316.2 of the Act, the CFD has been formed to, among other things, finance the Acquisition Facilities in connection with new development in the boundaries of WWD and issue bonds, the proceeds of which are used by WWD for the Acquisition Facilities, provided Agency and WWD enter into a joint community facilities agreement such as this Agreement; and

WHEREAS, Agency intends to utilize the proceeds of sale of special tax bonds (the “Bonds”) and special taxes of the CFD (the “Special Taxes”) to finance some or all of the Acquisition Facilities; and

WHEREAS, the Acquisition Facilities are to be owned, operated, and maintained by WWD upon the completion of the construction thereof by the Owner and the acceptance thereof by WWD; and

WHEREAS, WWD is willing to cooperate with Agency, as set forth herein, in accomplishing the financing of the Acquisition Facilities through CFD; and

WHEREAS, this Agreement is made under the authority of Section 53316.2 of the Act; and

WHEREAS, the Parties find that this Agreement provides a public benefit to the residents within the CFD.

NOW, THEREFORE, for and in consideration of the mutual undertakings and covenants of the Parties stated herein, the Parties agree as follows:

### **AGREEMENT**

Section 1. Administration of CFD and Issuance of Bonds by Agency. The CFD has been established and administered in accordance with Agency's Statement of Goals and Policies for Mello-Ross Community Facilities Districts. Agency shall administer the CFD, including employing and paying all consultants, annually levying the Special Taxes and paying and administering the Bonds, and complying with all State and federal requirements appertaining to the proceedings establishing the CFD and issuing and using the proceeds of the Bonds, including the requirements of the United States Internal Revenue Code of 1986, as amended (the "Code") with respect to the tax-exempt Bonds that are issued.

The Agency will use its best efforts to cause to be sold and issued, pursuant to the terms of the Act and any related indenture, the Bonds in one or more series and a portion of the proceeds of the Bonds are intended to provide funds that will allow the CFD to finance the acquisition of the Acquisition Facilities. Should the Agency not sell and issue the Bonds within ten (10) years of the date hereof, the Agency, WWD, and the Owner will not be bound by the terms of this Agreement and it shall be considered null and void by the Parties to it.

The Owner acknowledges that the decision of the Agency to approve the formation of the CFD and to authorize the sale and issuance of the Bonds is an exercise of the legislative discretion of the legislative body of the CFD and that the Agency may not enter into a contract or obligate the legislative body of the CFD to exercise its legislative discretion in a particular manner. This Agreement does not, therefore, in any way create a contractual, legal or equitable obligation of or commitment by the Agency to approve the formation of the CFD or the legislative body of the CFD to authorize the sale and issuance of the Bonds.

The legislative body of the CFD shall have the jurisdiction to and shall be solely responsible for undertaking the proceedings to form the CFD and issue Bonds consistent with the provisions of the Act.

Additionally, prior to the issuance of any Bonds the proceeds of which are expected to fund Acquisition Facilities, Agency shall consult with WWD to determine if WWD can comply with federal tax requirements for the Bonds if issued on a tax-exempt basis. In no event shall the WWD or Owner have a right to compel the issuance of the Bonds or the disbursement of Bond proceeds to fund the Acquisition Facilities. With respect to the Acquisition Improvements, WWD shall execute and deliver such certifications as may reasonably be required in order for bond counsel to Agency to conclude that interest on any tax-exempt Bonds will be excluded from gross income under the Code, if applicable. To the extent such certifications cannot be executed, Bonds may be issued on a taxable basis, in Agency's sole discretion.

Section 2. Agreement to Hold Available Moneys. Agency shall hold or cause to be held within a separate fund (the "Project Fund") proceeds of each series of Bonds issued to finance the Acquisition Facilities, as well as proceeds of Special Taxes levied by the CFD for "pay-as-you-go" funding from Special Taxes collected in excess of the amounts needed for bond debt service and administration expenses (such bond proceeds and excess amounts are referred to as "Available Moneys"). The Project Fund shall be segregated from all other funds and, except for investment purposes, shall not be commingled with any other funds. The Project Fund may include separate accounts as necessary to separately account for the proceeds of tax-exempt and taxable Bonds (the "Tax-Exempt Account" and "Taxable Account," respectively). Investment earnings on amounts in each Tax-Exempt Account shall be retained in the Tax-Exempt Account, except to the extent a portion of such earnings are used to pay rebate or yield reduction payments to the U.S. Treasury pursuant to the Code. Amounts on deposit in the Project Fund shall be disbursed in accordance with Section 3 of this Agreement and Agency agrees to disburse, or cause to be disbursed, moneys on deposit in the Project Fund as provided herein.

Section 3. Disbursements From Special Taxes and Bond Proceeds. Proceeds from all Bonds and Special Taxes shall be disbursed in accordance with the Funding and Acquisition Agreement to be entered into among WWD, Agency and Owner (the "Acquisition Agreement").

Section 4. Acquisition Facilities. The Acquisition Facilities shall be acquired by WWD as set forth in the Acquisition Agreement. Owner hereby agrees to transfer the Acquisition Facilities to WWD, and the purchase price for the Acquisition Facilities shall be paid solely through proceeds of the Bonds or Special Taxes collected to the extent available, subject to the terms and conditions hereof and of the Acquisition Agreement. Acceptable title to any parcels on which any Acquisition Facility is constructed and for which title is not presently held by WWD shall be transferred to WWD as of the date of acceptance by WWD.

The purchase price of the Acquisition Facilities is to be paid solely from the amount of Special Taxes collected to the extent available and the amount of net Bond proceeds and earnings thereon held in the Project Fund, and neither the CFD nor WWD shall be obligated to pay the purchase price of the Acquisition Facilities except from such amounts in the Project Fund. Neither the Agency, the CFD, nor WWD make any warranty, either expressed or implied, that the amounts held in the Project Fund available for the payment of the purchase price of the Acquisition Facilities will be sufficient for such purpose.

Notwithstanding any other provision of this Agreement, the fact that there may not be sufficient funds available in the Project Fund to pay the purchase price for one or more Acquisition Facilities will not relieve the Owner from its obligation consistent with the conditions of approval for the Property to construct facilities.

Section 5. No Guarantee to Provide Service. The purpose of this Agreement is to authorize the Acquisition Facilities to be financed through the CFD, and is in no way intended to supplant, replace, or otherwise constitute a waiver of any conditions imposed by WWD on Owner relating to the provision of water service to properties within the CFD. As such, nothing contained herein shall constitute a requirement that WWD provide water service to the property owned by the Owner within the CFD. Provision of service is subject to fulfilling all requirements for service, including without limitation payment in full of all fees and obligations relating thereto, which exist

independent of this Agreement. In the event that the proceeds of Special Taxes and Bonds are insufficient to pay for the costs of the Acquisition Facilities, WWD shall have no obligation to provide service to the property within the CFD until such shortfall is made up with other funds, in addition to all other conditions of provision of service being met.

Section 6. Indemnification. The Owner agrees to indemnify, defend and hold the Agency and the WWD, and their respective officers, legislative body, members, directors, employees, advisors, and agents, and each of them, harmless from and against any and all claims, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs that the Agency or the WWD, or their respective officers, legislative body, member, directors, employees, advisors, and agents, or any combination thereof, may suffer or that may be sought against or recovered or obtained from the Agency or the WWD, or their respective officers, legislative body, members, directors, employees, advisors, or agents, or any combination thereof, as a result of or by reason of or arising out of, in consequence of or with respect to this Agreement, the formation of the CFD, the issuance of the Bonds, the design and construction of the Acquisition Facilities, or the financing of the Acquisition Facilities. If the Owner fails to do so, the Agency and the WWD shall have the right, but not the obligation, to defend the same and charge all of the direct and incidental costs of such defense, including any attorneys' fees or court costs, to and recover the same from the Owner. Notwithstanding anything to the contrary herein, Owner shall be responsible for, and WWD and the Agency shall recover from Owner, any attorneys' fees or court costs incurred by WWD and the Agency as a result of or by reason of or arising out of, in consequence of or with respect to this Agreement, the formation of the CFD, the issuance of the Bonds, the design and construction of the Acquisition Facilities, or the financing of the Acquisition Facilities.

Section 7. Owner as Independent Contractor. In performing under this Agreement, it is mutually understood that the Owner is acting as an independent contractor, and not as an agent of the CFD, the WWD or Agency. Neither the Agency nor WWD shall have any responsibility for payment to any contractor, subcontractor or supplier of the Owner. The Agency, acting for and on behalf of the CFD, shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Owner, unless such entity or individual is specifically listed as a payee on the payment request submitted by Owner pursuant to this Agreement and the Acquisition Agreement in which case the Agency, acting for and on behalf of the CFD, shall be responsible for making such payment only if such payment request is approved pursuant to the provisions of this Agreement and the Acquisition Agreement and only from funds available in the Project Fund.

Section 8. Costs and Expenses. The Owner shall, upon demand therefor, pay, or reimburse the WWD and/or the Agency for the payment of (a) the fees and expenses of their respective attorneys incurred in connection with the discussion, negotiation, structuring and implementation of the matters covered hereby and the drafting, review and revision of this Agreement, and (b) the fees and expenses of the respective attorneys incurred in connection with the issuance of the Bonds. Such payments made by the Owner may be reimbursed from the proceeds of Bonds.

Section 9. Amendments. This Agreement may be amended only by a writing signed by the Parties, including any exhibit hereto.

Section 10. Term of this Agreement. This Agreement shall be in full force and effect from this date to and including its termination by mutual written agreement of the parties hereto prior to the formation of the CFD or as provided for herein.

Section 11. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 12. Nature of Agreement; Allocation of Special Taxes. This Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Act. The entire amount of the proceeds of the Special Taxes shall be allocated and distributed to the Agency.

Section 13. Third-Party Beneficiary. Except for the CFD, there shall be no third-party beneficiary of this Agreement.

Section 14. California Law. This Agreement shall be governed and construed in accordance with the laws of the State of California, without regard to any conflicts of laws principles or rules. Venue for any action brought to enforce or interpret any provision of this Agreement shall be the Los Angeles County Superior Court.

Section 15. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 16. Binding on Successors and Assigns. The Owner may assign its duties and obligations pursuant to this Agreement to one or more purchasers of its Property, except the individual purchaser of a single-family residential unit, the owner of a multi-family residential complex or the end user of a non-residential parcel. Such a purchaser and assignee shall enter into an assignment agreement with the Owner, the Agency, WWD and the CFD, once formed, in a form acceptable to such parties, whereby such purchaser agrees, except as may be otherwise specifically provided therein, to assume the duties and obligations of the Owner pursuant to this Agreement and to be bound thereby. Neither this Agreement nor the duties and obligations of the Agency, WWD or the CFD hereunder may be assigned to any person or legal entity, without the written consent of the Owner, which consent shall not be unreasonably withheld or delayed. This Agreement shall be binding upon and inure to the benefit of the successors of the Parties hereto.

*(Signature Page Follows)*



IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their authorized representatives as of the effective date stated above.

CITY OF PALMDALE

By: \_\_\_\_\_  
Authorized Signatory

RDR DEVELOPMENT HOLDINGS, LLC, a  
Delaware limited liability company

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

WATERWORKS DISTRICT 40:

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

APPROVED AS TO FORM:

By: \_\_\_\_\_

*-Signature Page-  
Joint Community Facilities Agreement*

**EXHIBIT A****DESCRIPTION OF ACQUISITION FACILITIES**

The immediately following table lists the Acquisition Facilities to be constructed by Owner, including the current cost estimates related thereto, which are subject to change.

<b><u>Acquisition Facilities</u></b>	<b><u>Estimated Costs</u></b>
Water Tank - 3,000,000 MG - Pressure Zone 3240	\$ 8,662,544
Water Pump Station - O-14 & 25th Street West	12,133,390
Water Transmission Main - 36" Transmission Main in 25th Street West from Avenue O14 to Rancho Vista Blvd	1,484,243
Water Tank Access Road	3,421,899
Domestic Water - Ranch Center Drive from ELR to Westland Avenue	10,335
Domestic Water - Westland Avenue North - from Ranch Center Drive to 1B	5,388
Domestic Water - Westland Avenue South - from 1A to Avenue S	658,974
Domestic Water - City Ranch Road from Ranch Center Drive, West to End	14,403
Domestic Water - City Ranch Road from Ranch Center Drive, East to End	3,431
Domestic Water - Red Tail Drive from City Ranch Road	12,556
Domestic Water - Park View Drive from Westland Drive	24,955
Convert Raw Water Line in Ranch Center Drive to water district standards and connect to potable	405,964
Intract 51604 - Streets KK, OO, LL, NN, JJ, W, PP, X	1,159,390
Intract 51605 - Streets W, T, R, P, X, Q S, U, V, W	1,433,747
Intract 51606 - Streets L, M, N, O, K	887,097
Intract 51607 - Streets E, F, D, J,I, G, H	1,972,387
Intract 52116 - Streets UU, TT, SS, QQ, RR	596,126
Intract 52093 - Streets FF DD, CC, BB, AA, EE, II, HH, GG	1,118,440
Intract 63145-1- Streets A thru O	1,400,527
<b>TOTAL LACWWD FACILITIES</b>	<b>\$35,405,797</b>

**FUNDING AND ACQUISITION AGREEMENT**

**Relating to**

**COMMUNITY FACILITIES DISTRICT NO. 2022-3 OF THE CITY OF PALMDALE**

**By and among**

**CITY OF PALMDALE**

**and**

**LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY**

**and**

**RDR DEVELOPMENT HOLDINGS, LLC**

**SEPTEMBER 1, 2025**

## **FUNDING AND ACQUISITION AGREEMENT**

This FUNDING AND ACQUISITION AGREEMENT (the “Agreement”) dated as of September 1, 2025 is entered into by and among the CITY OF PALMDALE (“Agency”), a municipal corporation organized under the laws of the State of California, LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY, a county waterworks district formed in accordance with Division 16, Sections 55000 through 55991 of the State Water Code (the “WWD”), and RDR DEVELOPMENT HOLDINGS, LLC a Delaware limited liability company (“Owner” and together with the Agency and WWD, the “Parties”).

### **RECITALS**

A. Owner owns certain real property within the Agency’s boundaries, as more specifically set forth in Exhibit “A” hereto (the “Property”).

B. The Owner has applied for the financing of, among other things, the design, planning, engineering, installation, and construction of certain public facilities and improvements, to be owned, operated or maintained by WWD (the “Acquisition Facilities”). The Acquisition Facilities are generally described in Exhibit “B” attached hereto, which Acquisition Facilities are necessary for the provision of water service to the Property. The financing is to be accomplished through a community facilities district, which will be administered by the Agency under and pursuant to the Mello-Roos Community Facilities Act of 1982 (California Government Code Sections 53311 and following) (the “Act”) for the purpose of levying special taxes (the “Special Taxes”) and selling bonds, in one or more series (the “Bonds”), in an amount sufficient to finance the acquisition by WWD of the Acquisition Facilities. Said community facilities district shall be known as “Community Facilities District No. 2022-3 of the City of Palmdale” (the “District”).

C. The Agency has formed the District and to levy Special Taxes and issue Bonds, in one or more series, to fund, among other things, all or a portion of the costs of the Acquisition Facilities.

D. The Agency will provide financing for the acquisition by WWD of the Acquisition Facilities and the payment of the Purchase Price (as defined herein) of the Acquisition Facilities.

E. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in Exhibit “C” attached hereto and by this reference herein incorporated.

### **AGREEMENTS**

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties agree as follows:

Section 1. Establishment of District. The Agency has completed proceedings pursuant to the Act for the establishment of the District. Such proceedings included elections pursuant to Sections 53326, 53350 and 53353.5 of the Act on (i) the question of the issuance of the Bonds of the District to, among other things, finance the acquisition of the Acquisition Facilities, (ii) the question of the annual levy of the Special Taxes on those portions of the Property subject to the Special Taxes to pay for, among other things, the Acquisition Facilities, to pay the principal of and interest on the Bonds and the annual administrative expenses of Agency in levying and collecting

such Special Taxes, paying the principal and interest on such Bonds and providing for the registration, exchange and transfer of such Bonds, including the fees of fiscal agents and paying agents, and any necessary replenishment of the reserve fund for such Bonds, and (iii) the question of the establishment of an appropriations limit for the District.

Section 2.     Reserved.

Section 3.     Sale of Bonds. Upon Owner's written request, Agency shall use reasonable efforts, as hereinafter provided, to issue and sell Bonds, in one or more series, in accordance with the provisions of this Agreement and Agency's CFD Goals & Policies. Each series of Bonds is expected to have a debt service amortization schedule matching the annual Special Taxes available for debt service pursuant to the Rate and Method and for a term of not more than forty (40) years, for the purpose of raising an amount sufficient to pay for the design, planning, engineering, construction management, financing, installation and construction or acquisition of the Acquisition Facilities. The timing of the issuance and sale of each series of Bonds, the aggregate principal amount thereof, and the terms and conditions upon which they shall be sold shall be as set forth in this Agreement and otherwise as determined by Agency in its sole reasonable discretion after consultation with Owner. Owner shall use its reasonable best efforts to cooperate with Agency in connection with any Bond sale.

Section 4.     Advance of Certain Expenses. Owner shall deposit funds with Agency for Agency's reasonable out-of-pocket expenses associated with the sale of each series of Bonds, including, but not limited to, (i) the fees and expenses of any consultants and legal counsel to Agency employed in connection with the issuance of the Bonds, including an engineer, special tax consultant, municipal advisor, bond counsel and any other consultant deemed necessary or advisable by Agency, (ii) the costs of appraisals, market absorption and feasibility studies and other reports deemed necessary or advisable by Agency in connection with the issuance of the Bonds, (iii) the costs of publication of notices and other costs related to any proceeding undertaken in connection with the formation of the District and issuance of the Bonds, (iv) reasonable charges for Agency and WWD staff time incurred in connection with the issuance of the Bonds, including WWD consultants and/or legal counsel, and a reasonable allocation of Agency and WWD overhead expense, and (v) any and all other actual costs and expenses incurred by Agency and WWD in connection with the formation of the District and the issuance of the Bonds (together, the "Reimbursable Expenses"). If the Bonds are issued by the District, Agency shall reimburse Owner from proceeds of the Bonds, without interest, for the portion of the Reimbursable Expenses deposits that have been expended or encumbered, said reimbursement to be made from the proceeds of the Bonds on the date of issuance of the Bonds or as soon as reasonably possible thereafter and only to the extent otherwise permitted under the Act, and refund any unexpended or encumbered deposited amounts.

Agency shall keep records of all Reimbursable Expenses advanced by Agency pursuant to this Section 4, which records shall be available for inspection by Owner during regular business hours. The sole source of funds for reimbursement of any advance expenditure made by Agency or Owner shall be the uncommitted and unexpended payments made by Owner to Agency, proceeds of the Bonds receipts as determined by Agency.

Section 5. Tax Requirements. The timing of the sale of each series of Bonds, the nature of the investments in which the proceeds of the Bonds shall be invested, the duration of such investments, and the timing of the expenditure of such proceeds shall be as set forth in this Agreement and the applicable indenture or fiscal agent agreement (the “Indenture”); provided, that in all such matters Agency shall comply with the requirements of and limitations prescribed by the provisions of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986 (the “Code”), as amended, and the implementing regulations of the United States Department of the Treasury. Agency shall not be required to take any such action which in the opinion of Agency’s bond counsel could result in the Bonds being classified by the United States Department of the Treasury as “arbitrage bonds” or which could otherwise result in the interest on the Bonds being included in gross income for purposes of Federal income taxation.

Should any change in or regulatory interpretation of any such requirement or limitation which may occur after the date of this Agreement require or necessitate, in the reasonable opinion of such bond counsel, any action on the part of Agency in order to avoid such a classification or loss of tax exemption, Agency shall notwithstanding any provision of this Agreement, forthwith take such action. In the event Agency fails to comply with requirements set forth above in this Section 5, Agency’s liability is limited to the Special Tax revenues generated by the District. Prior to the issuance of any Bonds, Agency shall consult with WWD to confirm the Bonds, the proceeds of which will be used to pay for the acquisition of the Acquisition Facilities, can be issued on a tax-exempt basis.

Section 6. Construction of Acquisition Facilities. The Acquisition Facilities for which Owner seeks reimbursement under this Agreement shall be constructed and completed by Owner, as determined by WWD pursuant to Section 53313.5 of the Act. Payment of the Purchase Price of the Acquisition Facilities shall be in the manner described in Section 6 hereof.

(a) *Preparation and Approval of Plans.* To the extent that the Owner has not already done so, it shall cause Plans to be prepared for the Acquisition Facilities. To the extent any Plans have not been completed and approved, the Owner shall obtain the written approval of such Plans from WWD. WWD and/or its engineers shall provide review and approval or written disapproval and comments to the Owner. WWD and/or its engineers shall provide review and approval or written disapproval and comments to the Owner after submission of such Plans and Specifications to WWD and/or its engineers. Should changes need to be made, WWD and/or its engineers will review any additional submissions of the Plans and Specifications and provide written approval or disapproval and comments thereon. The Owner shall provide a copy of all such Plans to WWD and/or its engineers. Once the Plans have been approved, no changes are to be made thereto without prior written consent of WWD and/or its engineers.

(b) *Duty of Owner to Construct.* The Owner shall construct or cause to be constructed the Acquisition Facilities in accordance with the Plans approved by WWD and/or its engineers. The Owner shall perform all of its obligations hereunder and shall conduct all operations with respect to the construction of the Acquisition Facilities in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken.

(c) *Letting and Administering Design Contracts.* The Parties presently anticipate that the Owner has awarded and administered or will award and administer engineering design contracts for the Acquisition Facilities to be acquired from Owner. All eligible expenditures of the Owner for design, engineering, and related costs in connection with the Acquisition Facilities (whether as an advance to WWD or directly to the design consultant) shall be reimbursed at the time of acquisition of such Acquisition Facilities. The Owner shall be entitled to reimbursement for any design costs of the Acquisition Facilities only out of the Purchase Price and shall not be entitled to any payment for design costs independent of or prior to the acquisition of Acquisition Facilities.

(d) *Letting and Administration of Construction Contracts.* State law requires that all Acquisition Facilities not completed prior to the formation of the District shall be constructed as if they were constructed under the direction and supervision, or under the authority, of WWD. In order to assure compliance with those provisions, except for any contracts entered into prior to the date hereof, Owner agrees to comply with the requirements set forth in Exhibit "D" hereto with respect to the bidding and contracting for the construction of the Acquisition Facilities. The Owner's indemnification obligation set forth in this Agreement shall also apply to any alleged failure to comply with the requirements of this Section, and/or applicable State laws regarding public contracting and prevailing wages.

The Owner shall require, and the Plans and bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on Acquisition Facilities to pay not less than General Prevailing Wage Rates to all workers employed in the execution of the contract, to post a copy of the General Prevailing Wage Rates at the job-site in a conspicuous place available to all employees and applicants for employment, and to otherwise comply with applicable provisions of the California Labor Code, the Code and the California Public Contract Code relating to General Prevailing Wage Rates as required by the specifications approved by WWD's engineer. General Prevailing Wage Rates are available from the California Department of Industrial Relations (DIR).

The Owner shall require each principal contractor to provide proof of insurance coverage for commercial general liability, vehicle liability, and workers' compensation insurance, to the satisfaction of WWD, throughout the term of the construction of the Acquisition Facilities. Rather than requiring its principal contractors to provide such insurance, the Owner may elect to provide the same for the benefit of its principal contractors.

Each principal contractor engaged to perform work on any of the Acquisition Facilities shall be required to furnish (i) labor and material payment bonds, and (ii) contract performance bonds, each in an amount equal to 100% of the contract price naming the Owner, the District, the WWD and the Agency as obligees and issued by a California admitted surety having a current A.M. Best A:VIII (A:8) rating or an admitted surety insurer which complies with the provisions of Section 995.660 of the California Code of Civil Procedure. The bonds tendered pursuant to this sub-section are to be accepted and held by WWD's engineer. Rather than requiring its principal contractors to provide such bonds, the Owner may elect to provide the same for the benefit of its principal contractors.

The Owner shall require, and the Plans and bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on the Acquisition Facilities to submit certified weekly payroll records or other proof of payment of General Prevailing Wage Rates to the Owner for inspection, and to furnish certified payroll records or such other proof of payment of General Prevailing Wage Rates to WWD's engineer promptly upon request.

The Owner shall provide proof to WWD's engineer, at such intervals and in such form as the engineer may require, that the foregoing requirements have been satisfied.

Section 7. Acquisition and Payment of Acquisition Facilities.

(a) *Inspection.* WWD agrees that the Acquisition Facilities are eligible for payment, provided that the timing and amount of such payment shall be determined by WWD pursuant to this Section 7 of this Agreement. No payment hereunder shall be made by WWD to Owner for an Acquisition Facility until such Acquisition Facility has been inspected by WWD or other applicable public entity or utility and found to be substantially completed in accordance with the approved Plans. An Acquisition Facility shall be considered "substantially complete" when it has been reasonably determined by WWD or other applicable public entity to be usable. For Acquisition Facilities to be acquired by WWD, Owner shall request inspection using applicable WWD procedures. For Acquisition Facilities to be acquired by other public entities or utilities, Owner shall be responsible for obtaining such inspections and providing written evidence thereof to such entity's engineer. Owner agrees to pay all inspection, permit and other similar fees of WWD applicable to construction of the Acquisition Facilities.

WWD's engineer shall have primary responsibility for providing inspection of the work of construction of the Acquisition Facilities to ensure that the work of construction is accomplished in accordance with the Plans. WWD's engineer, or his/her designee, shall have access to the construction site at all reasonable times for the purpose of accomplishing such inspection.

Upon completion of construction of an Acquisition Facility, the Owner is to provide WWD's engineer with written notice that it considers construction of said Acquisition Facility to have been completed consistent with the approved Plans and, upon receipt of said notice, WWD's engineer, or his/her designee, shall perform a final inspection of said Acquisition Facility. WWD's engineer shall promptly inspect the Acquisition Facilities upon the delivery of such written notice. Upon finding that construction of said Acquisition Facility is completed substantially in accordance with the approved Plans and the provisions of this Agreement, WWD's engineer, or his/her designee, shall promptly provide written confirmation to the Owner that construction of said Acquisition Facility has been satisfactorily completed.

(b) *Maintenance of Facilities; Warranties.* The Owner shall maintain any Acquisition Facility in good and safe condition until the Acceptance Date of said Acquisition Facility. Prior to the Acceptance Date, the Owner shall be solely responsible for maintaining said Acquisition Facility in proper operating condition, and shall perform such maintenance on said Acquisition Facility as the WWD engineer reasonably determines to be necessary. As of the Acceptance Date, the performance bond provided by the Owner for said Acquisition Facility shall be reduced to an amount equal to 10% of the original amount thereof and shall serve as a warranty



bond to guarantee that said Acquisition Facility will be free from defects due to faulty workmanship or materials for a period of 12 months from the Acceptance Date, or the Owner may elect to provide a new warranty bond or cash in such an amount, and said warranty bond will be discharged 12 months from the Acceptance Date. At the conclusion of said 12 month period, the Owner shall assign to WWD all of the Owner's rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to said Acquisition Facility.

(c) *Agreement to Sell and Purchase Acquisition Facilities.* Owner hereby agrees to sell the Acquisition Facilities to WWD and WWD hereby agrees to use amounts available pursuant to the terms of this Agreement to pay the Purchase Price, as defined below, thereof to Owner, subject to the terms and conditions hereof. WWD shall not be obligated to pay the Purchase Price for the Acquisition Facilities except from the proceeds of the Bonds and proceeds of the Special Tax as provided herein.

(d) *Purchase Price.* The Purchase Price for an Acquisition Facility shall be equal to the Actual Cost of such Acquisition Facility, as approved in accordance with the procedure set forth in subsection (e) below but subject to the limitations of this Section 7.

(e) *Payment Requests.* In order to receive the Purchase Price for an Acquisition Facility, Owner shall deliver to the Agency's representative, or his or her designee (the "Authorized Representative") a "Payment Request" in the form of Exhibit "D" hereto, together with all attachments and exhibits required by this Section 7(e) to be included therewith. If the property on which the Acquisition Facility is located is not owned by WWD at the time of the request, Owner shall provide a copy of the recorded documents conveying to WWD Acceptable Title to the real property on, in or over which such Acquisition Facility is located, as described in Section 8(a) hereof.

(f) *Processing Payment Requests.* Upon receipt of a Payment Request (and all accompanying documents), the Authorized Representative shall conduct a review in order to confirm that such request is complete and to verify and approve the Actual Cost of the Acquisition Facility. The Authorized Representative shall also conduct such review as is required in his/her discretion to confirm the matters certified in the Payment Request. Owner agrees to cooperate with the Authorized Representative in conducting each such review and to provide the Authorized Representative with such additional information and documentation as is reasonably necessary for the Authorized Representative to conclude each such review. Within twenty (20) business days of receipt of the Payment Request, the Authorized Representative expects to review the request for completeness and notify Owner whether such Payment Request is complete, and, if not, what additional documentation must be provided. If such Payment Request is complete, the Authorized Representative expects to provide a written approval or denial (specifying the reason for any denial) of the request within thirty (30) days of its submittal.

(g) *Payment.* Upon approval of the Payment Request by the Authorized Representative, the Authorized Representative shall sign the Payment Request and forward the same to Agency. Upon receipt of the reviewed and fully signed Payment Request, Agency shall cause the same to be paid by the Trustee under the applicable provisions of the Indenture, to the extent of funds then on deposit in the appropriate account.

The Purchase Price paid hereunder for the Acquisition Facilities shall constitute payment in full for the Acquisition Facilities, including, without limitation, payment for all labor, materials, equipment, tools and services used or incorporated in the work, supervision, administration, overhead, expenses and any and all other things required, furnished or incurred for completion of the Acquisition Facilities.

(h) *Timing of Requisitions.* WWD and Owner acknowledge that (i) Owner may submit a Payment Request for an Acquisition Facility to WWD in advance of when sufficient, if any, funds are available for payment of the Purchase Price; (ii) the Payment Request submitted when there are insufficient proceeds available will be reviewed by WWD as set forth in this Agreement and, if appropriate, approved for payment when such funds are available and (iii) the payment approved in the preceding manner will be deferred until the date, if any, on which there are proceeds of Special Taxes or Bonds available to make all or part of such payment, at which time WWD will pay from the Special Fund or direct the Trustee to wire transfer (or pay in another mutually acceptable manner) from Bond proceeds the funds available to the payee identified in such Payment Request.

(i) *Restrictions on Payments.* Notwithstanding any other provisions of this Agreement, the following restrictions shall apply to any payments made to Owner under Sections 8(b) and 8(f) hereof:

(1) *Amounts of Payments.* Subject to the following paragraphs of this Section 7(i), payments for the Acquisition Facilities will be made only in the amount of the Purchase Price for the Acquisition Facilities.

Nothing herein shall require WWD in any event (i) to pay more than the Actual Cost of the Acquisition Facilities, or (ii) to make any payment beyond the available funds in the Special Fund or the applicable accounts identified in the Indenture. The parties hereto acknowledge and agree that all payments to Owner for the Purchase Price of the Acquisition Facilities are intended to be reimbursements to Owner for monies already expended or for immediate payment by Owner (or directly by WWD) to third parties in respect of the Acquisition Facilities.

(2) *Joint or Third Party Payments.* Agency may make any payment jointly to Owner and any mortgagee or trust deed beneficiary, contractor or supplier of materials, as their interests may appear, or solely to any such third party, if Owner so requests the same in writing or as Agency otherwise determines such joint or third party payment is necessary to obtain lien releases.

(3) *Withholding Payments.* Agency shall be entitled, but shall not be required, to withhold any payment hereunder for the Acquisition Facilities if Owner or any Affiliate is delinquent in the payment of *ad valorem* real property taxes, special assessments or taxes, or Special Taxes levied in the District. In the event of any such delinquency, Agency shall only make payments hereunder directly to contractors or other third parties employed in connection with the construction of the Acquisition Facilities or to any assignee of Owner's interests in this Agreement (and not to Owner or any Affiliate), until such time as Owner provides

the Authorized Representative with evidence that all such delinquent taxes and assessments have been paid.

Agency shall withhold final payment for an Acquisition Facility constructed on land until Acceptable Title to such land is conveyed to WWD, as described in Section 8 hereof.

Nothing in this Agreement shall be deemed to prohibit Owner from contesting in good faith the validity or amount of any mechanics or materialman's lien nor limit the remedies available to Owner with respect thereto so long as such delay in performance shall not subject the Acquisition Facility to foreclosure, forfeiture or sale. In the event that any such lien is contested, Owner shall only be required to post or cause the delivery of a bond in an amount equal to the amount in dispute with respect to any such contested lien, so long as such bond is drawn on an obligor and is otherwise in a form acceptable to the Authorized Representative.

(j) *Modification of Acquisition Facilities and Public Facilities.* The descriptions of the Acquisition Facilities in Exhibit "B" may be modified, or new Acquisition Facilities may be added to Exhibit "B," through a Supplement executed by the Parties hereto provided the modifications or new Acquisition Facilities are consistent with the facilities and costs authorized to be funded by the District pursuant to the formation proceedings and the Act.

Section 8. Ownership and Transfer of Acquisition Facilities.

(a) *Conveyance of Land and Easements to WWD.* Acceptable Title to all property on, in, or over which the Acquisition Facilities will be located, shall be deeded over to WWD by way of grant deed, quitclaim, or dedication of such property, or easement thereon, if such conveyance of interest is approved by WWD as being a sufficient interest therein to permit WWD to properly own, operate and maintain the Acquisition Facilities located therein, thereon or thereover, and to permit Owner to perform its obligations as set forth in this Agreement. Owner agrees to assist WWD in obtaining such documents as are required to obtain Acceptable Title. Completion of the transfer of title to land shall be accomplished prior to the payment of the Purchase Price for an Acquisition Facility and shall be evidenced by an irrevocable offer of dedication or recordation of the acceptance thereof by WWD.

(b) *Facilities to be Owned by WWD – Title Evidence.* Owner shall furnish to WWD a preliminary title report for land with respect to the Acquisition Facilities that have not previously been dedicated or otherwise conveyed to WWD, for review and approval at least fifteen (15) calendar days prior to the transfer of Acceptable Title of the Acquisition Facilities to WWD. WWD shall approve the preliminary title report unless it reveals a matter which, in the judgment of WWD, could materially affect WWD's use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event WWD does not approve the preliminary title report, WWD shall not be obligated to accept title to such Acquisition Facility or pay the Purchase Price for the Acquisition Facility until Owner has cured such objections to title to the satisfaction of WWD.

(c) *Facilities Constructed on Private Lands.* If any portion of an Acquisition Facility is located on privately-owned land, the owner thereof shall retain title to the land and the completed Acquisition Facility until the Acquisition Facility is accepted by WWD and transferred

to WWD pursuant to this Section 8. Pending the completion of such transfer, Owner shall not be entitled to receive any payment for the Acquisition Facility. Owner shall, however, be entitled to receive payments pursuant to Section 7 of the Acquisition Facility upon making an irrevocable offer of dedication of such land in form and substance acceptable to the Authorized Representative.

(d) *Facilities Constructed on WWD Land.* If any portion of an Acquisition Facility to be acquired is on land owned by WWD, WWD hereby grants to Owner a license to enter upon such land for purposes related to the construction (and maintenance pending acquisition) of the Acquisition Facility. The provisions for inspection and acceptance of the Acquisition Facilities otherwise provided herein shall apply.

Section 9. Indemnification.

Owner shall promptly defend, indemnify and hold harmless WWD, Agency, the District, and its officers, employees and agents, and each and every one of them, from any and all claims, actions, liability, damages, losses, expenses and costs arising out of (i) Owner's performance of, or failure to perform, its duties hereunder or by reason of, or arising out of, this Agreement, (ii) the design, acquisition, construction, or installation of any Acquisition Facility, (iii) the untruth or inaccuracy of any representation or warranty made by the Owner in this Agreement, or any related agreement, or in any certifications delivered by the Owner hereunder, or (iv) any act or omission of the Owner or any of its contractors, subcontractors, or their respective officers, employees or agents, in connection with the design and/or construction of the Acquisition Facilities. WWD reserves the right, as respects to future developers of the Property, to require the future developers to assume by contract with WWD any portion or all of this responsibility. If the Owner fails to do so, WWD, the Agency and the District shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from the Owner. The provisions of this Section shall survive the discharge or other termination of this Agreement.

In no event shall WWD be held liable for any damages or liability resulting from the formation of the District or issuance of Bonds, including with respect to tax liability on the Bonds.

Section 10. Agency Goals & Policies. The Rate and Method, the sale of the Bonds, and the ratio of the appraised market value or assessed value of all parcels of property within the District to the total amount of the assessment and special tax obligation thereof after the issuance and sale of the Bonds (the "Value-to-Lien Ratio") shall comply with the CFD Goals & Policies of Agency.

Section 11. Representations, Covenants and Warranties of Owner. Owner represents and warrants for the benefit of Agency and WWD as follows:

(a) *Organization.* Owner is duly organized, validly existing and in good standing under the laws of the State of Delaware, is duly qualified to conduct business as a limited liability company, and is in good standing under the laws of the State of California and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) *Authority.* Owner has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered by Owner, and this Agreement has been duly and validly executed and delivered by Owner.

(c) *Binding Obligation.* This Agreement is a legal, valid and binding obligation of Owner, enforceable against Owner in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) *Compliance with Laws.* Owner shall not with knowledge commit, suffer or permit any act to be done in, upon or to the lands of Owner in the District in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Acquisition Facilities.

(e) *Requests for Payment.* Owner represents and warrants that (i) it will not request payment from Agency out of the Special Taxes or proceeds of the Bonds for the acquisition of any improvements other than the Acquisition Facilities, and (ii) it will diligently follow all procedures set forth in this Agreement with respect to the Payment Request for the Acquisition Facilities.

(f) *Additional Information.* Owner agrees to cooperate with all reasonable written requests for nonproprietary information by the original purchasers of the Bonds or Agency related to the status of construction of improvements within the District, the anticipated completion dates for future improvements, and any other matter material to the investment quality of the Bonds.

(g) *Financial Records.* Until the determination of the Purchase Price of all Acquisition Facilities to be financed by the District, the Owner covenants to maintain proper books of record and account for the Acquisition Facilities and all costs related thereto. The Owner covenants that such accounting books will be maintained in accordance with generally accepted accounting principles, and will be available for inspection by the District, the Agency and WWD, and their respective agents, at any reasonable time during regular business hours on two (2) Business Days' prior written notice, subject to mutually acceptable arrangements regarding the confidentiality of proprietary data.

(h) *Hazardous Materials.* The Owner represents and warrants that neither the Owner, nor any subcontractor, agent or employee thereof will use, generate, manufacture, procure, store, release, discharge or dispose of any Hazardous Material on, under or about the Construction Site or the Acquisition Facilities or transport any Hazardous Material to or from the Construction Site or the Acquisition Facilities in violation of any federal, state or local law, ordinance, regulation, rule, decision or policy statement regulating Hazardous Material.

(i) *Continuing Disclosure.* Owner agrees to comply with all of its obligations under any continuing disclosure agreement executed by it in connection with the offering and sale of any of the Bonds.

Section 12. Independent Contractor. Owner is an independent contractor and not the agent of Agency, WWD or the District. This Agreement shall not and does not create a joint venture or partnership between Agency and Owner. Neither Agency nor WWD shall have no

responsibility or liability for the payment of any amount to any employee or subcontractor of Owner.

Section 13. Special Taxes. The parties are entering into this Agreement and establishing the District for the purpose of creating a stream of Special Tax revenues that will be available to the District to pay directly the costs of, among other things, the acquisition, construction and/or equipping the Acquisition Facilities and to pay debt service on the Bonds, the proceeds of which will be used to, among other things, pay the costs of acquisition, construction and/or equipping of the Acquisition Facilities. Owner and Agency hereby acknowledge and agree (i) that any reduction or termination of the Special Taxes by exercise of the initiative power or other action would constitute a substantial impairment of the Special Tax revenue stream that Owner and Agency intend to create for the purpose of providing an assured source of funding for construction, acquisition and/or equipping of the Acquisition Facilities, and (ii) that this Agreement is being entered into, and the Special Taxes are being imposed upon the Property pursuant to the Rate and Method, in accordance with existing laws relating to the imposition of fees and charges as a condition of development of the Property and such Special Taxes are being incurred as an incident of the voluntary act of development of the Property. To the fullest extent permitted by law, Owner, for itself and for each of its successors and assigns as owners or lessees of all or any portion of the Property included in the District hereby waives any right to exercise the initiative power that may be authorized in California Constitution Article XIII C, Section 3, to reduce or appeal the Special Taxes.

Section 14. Disclosure of Special Taxes.

(a) From and after the date of this Agreement, Owner shall provide a "Notice of Special Tax" (as defined in Section 15(b) below) to each prospective purchaser of a home in the District prior to the execution by the home buyer of the sale contract for such home. Owner shall (i) maintain records of each Notice of Special Tax for a period of five (5) years, and (ii) shall provide copies of each notice to Agency promptly following the giving of such notice. Owner shall include the Notice of Special Tax in all Owner's applications for Final Subdivision Reports required by the Department of Real Estate ("DRE"), which are filed after the effective date of this Agreement.

Owner shall require of a builder acquiring lots within the Property (a "Residential Builder"), prior to the close of escrow on any residential lot, to (i) maintain records of each Notice of Special Tax for a period of five (5) years, (ii) provide copies of each notice to Agency promptly following the giving of such notice, and (iii) include the Notice of Special Tax in all of such Residential Builder's applications for Final Subdivision Reports required by DRE.

(b) With respect to any parcel, the term "Notice of Special Tax" means a notice in the form prescribed by California Government Code Section 53341.5 which is calculated to disclose to the purchaser thereof (i) that the property being purchased is subject to the Special Taxes and other special taxes of the District; (ii) the classification of such property; (iii) the maximum annual amount of the Special Taxes and other special taxes of the District and the number of years for which they are authorized to be levied; and (iv) the types of facilities and services to be paid with the proceeds of the Special Taxes and other special taxes of the District.

(c) Agency will file with the Los Angeles County Recorder's office a notice of special tax lien that gives notice of the existence of the District and the levy of the Special Tax on property within the District for the benefit of subsequent property owners, pursuant to requirements of Section 3114.5 of the Streets and Highways Code.

(d) Owner and its successors and assigns shall prepare and have available in its sales office, copies of either a sample property tax bill in a form reasonably acceptable for Agency or special tax information sheet (the "Special Tax Information Sheet"), which shows the assigned annual Special Taxes and other special taxes authorized to be levied within the District under the Rate and Method. Owner and its successors and assigns shall make available to prospective homebuyers to take with them, copies of such sample property tax bill or Special Tax Information Sheet at the time written information regarding the base home price and property tax information for a specific home site is requested by and provided to such homebuyers. Owner intends to comply with this requirement by providing prospective homebuyers who request such additional written information, with the sample property tax bill in Owner's Master Property Disclosure Report, a copy of which has presented to and approved by Agency.

Section 15. Termination and Dissolution. Prior to the issuance of Bonds, Owner may elect to terminate this Agreement and request that Agency cancel the Special Taxes by providing written notice to Agency. Within thirty (30) days of such written notice, Agency shall record a notice of cancellation of the Special Taxes with respect to each parcel. Owner shall be responsible for reasonable Agency costs incurred relating to the cancellation of the Special Taxes and recordation of such notice; provided, however, that Agency shall not terminate the Special Taxes for any lot for which a building permit has been issued, unless Owner pays all WWD Fees or posts separate security therefore. Such termination of this Agreement and cancellation of Special Taxes shall have no effect on Owner's obligations to pay WWD's Fees and meet all other conditions of approval or for utility service upon issuance of a building permit.

Section 16. Binding on Community Facilities District. The District shall automatically become a party to this Agreement, and all provisions hereof which apply to Agency shall also apply to the District. The Governing Body of Agency, acting as the legislative body of the District, shall perform all parts of this Agreement which require performance on the part of the District.

Section 17. Assignment. Upon the successful formation of the District, this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto and shall run with the land without any further action of WWD, Agency or Owner unless terminated in writing pursuant to Section 16.

Section 18. Prompt Action. All consents, approvals and determinations required of either WWD, Agency or Owner pursuant to this Agreement shall be promptly given or made, and shall not be unreasonably withheld or conditioned.

Section 19. General. This Agreement, the Joint Community Facilities Agreement, and the Deposit Agreement contain the entire agreement between the parties with respect to the matters herein provided for. This Agreement may only be amended by a subsequent written agreement signed on behalf of the parties. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties. This Agreement shall be construed and governed by the

Constitution and laws of the State of California. The captions of the sections of this Agreement are provided for convenience only, and shall not have any bearing on the interpretation of any section hereof. This Agreement may be executed in several counterparts, each of which shall be an original of the same agreement.

*(signature page follows)*



IN WITNESS WHEREOF, the parties have caused this agreement to be signed as of the date first above written.

Dated: \_\_\_\_\_

RDR DEVELOPMENT HOLDINGS, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
\_\_\_\_\_, Authorized Agent

Dated: \_\_\_\_\_

CITY OF PALMDALE

By: \_\_\_\_\_  
Mayor

Dated: \_\_\_\_\_

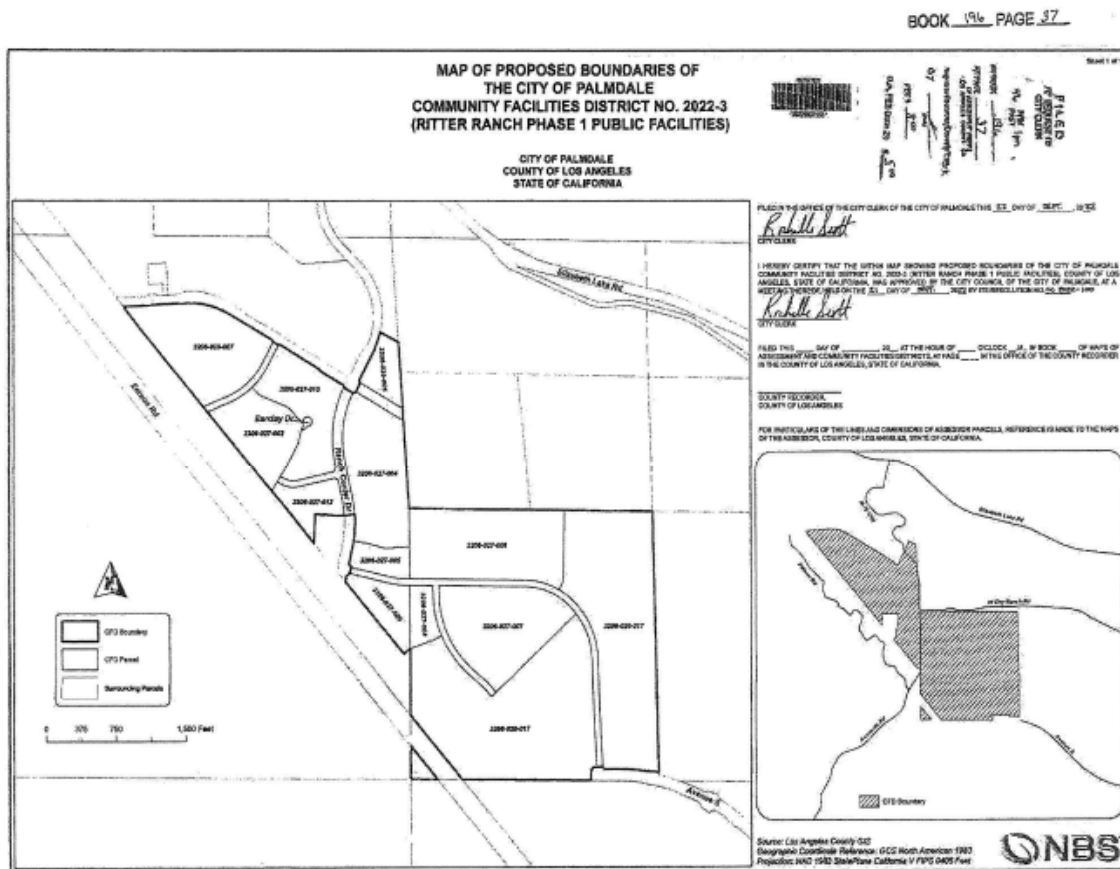
LOS ANGELES COUNTY  
WATERWORKS DISTRICT NO. 40,  
ANTELOPE VALLEY

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

*-Signature Page-  
Funding and Acquisition Agreement*

**EXHIBIT A**

**DESCRIPTION OF PROPERTY**



**EXHIBIT B****ACQUISITION FACILITIES AND PUBLIC FACILITIES**

The immediately following table lists the Acquisition Facilities to be constructed by Owner and to be owned, operated and maintained by WWD, including the current cost estimates related thereto, which are subject to change.

<b><u>Acquisition Facilities</u></b>	<b><u>Estimated Costs</u></b>
Water Tank - 3,000,000 MG - Pressure Zone 3240	\$ 8,662,544
Water Pump Station - O-14 & 25th Street West	12,133,390
Water Transmission Main - 36" Transmission Main in 25th Street West from Avenue O14 to Rancho Vista Blvd	1,484,243
Water Tank Access Road	3,421,899
Domestic Water - Ranch Center Drive from ELR to Westland Avenue	10,335
Domestic Water - Westland Avenue North - from Ranch Center Drive to 1B	5,388
Domestic Water - Westland Avenue South - from 1A to Avenue S	658,974
Domestic Water - City Ranch Road from Ranch Center Drive, West to End	14,403
Domestic Water - City Ranch Road from Ranch Center Drive, East to End	3,431
Domestic Water - Red Tail Drive from City Ranch Road	12,556
Domestic Water - Park View Drive from Westland Drive	24,955
Convert Raw Water Line in Ranch Center Drive to water district standards and connect to potable	405,964
Intract 51604 - Streets KK, OO, LL, NN, JJ, W, PP, X	1,159,390
Intract 51605 - Streets W, T, R, P, X, Q S, U, V, W	1,433,747
Intact 51606 - Streets L, M, N, O, K	887,097
Intract 51607 - Streets E, F, D, J,I, G, H	1,972,387
Intract 52116 - Streets UU, TT, SS, QQ, RR	596,126
Intract 52093 - Streets FF DD, CC, BB, AA, EE, II, HH, GG	1,118,440
Intract 63145-1- Streets A thru O	1,400,527
<b>TOTAL LACWWD FACILITIES</b>	<b>\$35,405,797</b>

**EXHIBIT C**

**DEFINITIONS**

The following terms shall have the meanings ascribed to them for purposes of this Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“Acceptable Title” means title to land or interest therein, in form acceptable to the Authorized Representative, free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether or not recorded, but subject to any exceptions determined by the Authorized Representative as not interfering with the actual or intended use of the land or interest therein. Notwithstanding the foregoing, an irrevocable offer of dedication may constitute land with an “Acceptable Title” if: (i) such offer is necessary to satisfy a condition to a tentative or final parcel map, (ii) such offer is in a form acceptable to the Authorized Representative, (iii) the Authorized Representative has no reason to believe that such offer of dedication will not be accepted by the applicable WWD, and (iv) the Owner commits in writing not to allow any liens to be imposed on such property prior to its acceptance.

“Acceptance Date” means the date WWD takes final action to accept dedication of or transfer of title to the Acquisition Facilities.

“Acquisition Facilities” means the facilities described as such in Exhibit B to the Agreement.

“Additional Bonds” means any series of Bonds issued by or on behalf of the District after the first series of Bonds, in each case in compliance with and under supplements to the Indenture, which Additional Bonds shall be secured on a parity lien or subordinate lien position with other Bonds previously issued.

“Affiliate” mean, with respect to the Owner, any other Person who controls, is controlled by or is under common control with the Owner, for purposes hereof, control means the power to exercise a controlling influence over the management or policies of a person, unless such power is solely the result of an official position with such person.

“Agreement” means this Agreement, together with any Supplement hereto.

“Act” means the Mello-Roos Community Facilities Act of 1982, Sections 53311 *et seq.* of the California Government Code, as amended.

“Actual Cost” means the substantiated cost of the Acquisition Facilities, which costs may include: (i) the costs incurred by the Owner for the construction of the Acquisition Facilities, including labor, material and equipment costs; (ii) the costs incurred by the Owner in preparing the Plans for the Acquisition Facilities and the related costs of environmental evaluations of the Acquisition Facilities; (iii) the fees paid to governmental agencies for obtaining permits, licenses or other governmental approvals for the Acquisition Facilities; (iv) a construction and project management fee of five percent (5%) of the costs described in clause (i) above incurred for the construction of the Acquisition Facilities; (v) professional costs incurred by the Owner, WWD or

Agency associated with the Acquisition Facilities, such as engineering, legal, accounting, inspection, construction staking, materials testing and similar professional services; (vi) costs directly related to the construction and/or acquisition of the Acquisition Facilities, such as costs of payment, performance and/or maintenance bonds, and insurance costs (including costs of any title insurance required hereunder); and (vii) costs of any real property or interest therein acquired from a third party, which real property or interest therein is either necessary for the construction of such Acquisition Facility (e.g., temporary construction easements, haul roads, etc.) or is required to be conveyed with such Acquisition Facility in order to convey Acceptable Title thereto to WWD. Actual Cost shall not include any cost of carry or interest expense with respect to any construction loan obtained by the Owner with respect to the Acquisition Facilities.

“Administrative Expense Requirement” means \$40,000 per year commencing in the first year of issuance of Bonds.

“Assessor’s Parcel” shall have the meaning ascribed to it in the Rate and Method.

“Bonds” means any series of bonds issued by or on behalf of the District.

“CFD Goals & Policies” means the Agency’s Goals and Policies for Mello-Roos Community Facilities Districts, as further amended from time to time.

“Deposit Agreement” means the Deposit Agreement between Agency and the Owner.

“Indenture” means, collectively, any agreement or agreements by that or similar name to be executed by the Agency, including, for and on behalf of the District, and the Trustee, which will provide for, among other matters, the issuance of the Bonds and the establishment of an “Improvement Fund” as originally executed by Agency and the trustee and as it may be amended from time to time.

“Owner” means RDR Development Holdings LLC, a Delaware limited liability corporation, as the owner of the Property, and its successors and assigns, other than individual homebuyers.

“Person” means an individual, a corporation, a partnership, an association, a limited liability company, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

“Plans” means the plans, specifications, schedules and related construction contracts for the Acquisition Facilities approved pursuant to the applicable standards of WWD or other entity that will own, operate or maintain the Acquisition Facilities when completed and acquired.

“WWD” means Waterworks District 40.

“WWD Fees” means any fees imposed by WWD as a condition of connecting to the WWD utility system, including connection fees and capacity fees.

“Purchase Price” means the amount paid by WWD for the Acquisition Facilities determined in accordance with Section 7 hereof, being an amount equal to the Actual Cost of such Acquisition Facilities, but subject to the limitations and reductions provided for in Section 7.

“Rate and Method” means the rate and method of apportionment of special taxes approved for the District in accordance with the Act.

“Special Fund” means a discrete, interest-bearing special fund of Agency to be established for the financing of the Acquisition Facilities and Public Facilities and administered pursuant to this Agreement.

“Special Tax or Special Taxes” means the special tax designated in the Rate and Method.

“Trustee” means the financial institution or other entity that enters into an Indenture with Agency with respect to the Bonds.

**EXHIBIT D****FORM OF PAYMENT REQUEST****COMMUNITY FACILITIES DISTRICT NO. 2022-3 OF THE CITY OF PALMDALE**

The undersigned, \_\_\_\_\_, a duly authorized representative of Owner, hereby requests payment of the Purchase Price of the Acquisition Facilities described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in that certain Funding and Acquisition Agreement, dated as of September 1, 2025 (the "Agreement"), by and between the Waterworks District 40 ("WWD"), the City of Palmdale ("Agency") on behalf of the Community Facilities District No. 2022-3 ("CFD 2022-3"), and RDR Development Holdings, LLC ("Owner"). In connection with this Payment Request, the undersigned hereby represents and warrants to CFD 2022-3 and WWD as follows:

1. He or she is a duly authorized representative of Owner, qualified to execute this request for payment on behalf of Owner and knowledgeable as to the matters set forth herein.

2. The Acquisition Facilities for which payment is being sought under this payment request have been substantially completed in accordance with the Agreement, and Attachment B hereto.

3. The true and correct Actual Cost of the Acquisition Facilities is set forth in Attachment A.

4. Attached hereto are invoices, receipts, worksheets and other evidence of costs which are in sufficient detail to allow WWD to verify the Actual Cost of the Acquisition Facilities.

5. There has not been filed with or served upon Owner notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.

6. Owner is in compliance with the terms and provisions of the Agreement.

The Purchase Price for the Acquisition Facilities shall be payable from the appropriate account created pursuant to the Indenture or the Special Fund established pursuant to the Indenture.

**Enclosure B**

I hereby certify that the above representations and warranties are true and correct.

Dated: \_\_\_\_\_

**OWNER**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By execution of this Payment Request, WWD does hereby approve of the payment as described in this Payment Request and directs the Trustee to pay such amounts, first, from bond proceeds held in the designated account pursuant to the Indenture and, second from any surplus Special Taxes held by Agency as applicable, to the payee listed above and/or WWD shall pay all or a portion thereof from funds designated by WWD for such purpose.

**WATERWORKS DISTRICT 40**

By: \_\_\_\_\_

Name: \_\_\_\_\_



ATTACHMENT A

Acquisition Facility	Estimated Cost	Actual Cost	Purchase Price
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Total Purchase Price to be Paid \$

**ATTACHMENT B****Public Works Bidding Requirements**

## Contract Bidding by Owner

Public funding reimbursement or approval by Waterworks District 40 (“WWD”) requires the following, in addition to any additional requirements of State and federal law:

- ☐ 10 consecutive day advertisement in a newspaper of general circulation (This generally requires a minimum bid period of 14 days to achieve. A three week bid period is recommended). Proof of publication should be submitted to WWD for verification of advertisement as required. (Pub. Cont. Code §20125). Failure to advertise the project in a newspaper of general circulation will disqualify the developer from receiving reimbursement from public funds.
- ☐ Requirement for contractors and subcontractors to be registered with the State of California Department of Industrial Relations (DIR) in order to be qualified to bid on, be listed in a bid proposal, or to perform public work (Labor Code §1725.5). Online application for registration with DIR can be found at the following website: <http://www.dir.ca.gov/Public-Works/PublicWorksContractorsAndSubcontractors.html>. Failure to comply with this requirement will disqualify the developer from receiving reimbursement from public funds.
- ☐ Requirement for payment of general prevailing wages and certified payroll (Labor Code §1770-§1774). General prevailing wage rates are available from the Department of Industrial Relations website at: <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>. Failure to comply with this requirement will disqualify the developer from receiving reimbursement from public funds.
- ☐ Bonds
  - ☐ Bid Bond 10% (recommended)
  - ☐ Performance Bond 100% (mandatory) (Pub. Cont. Code §20129).
  - ☐ Payment Bond 100% (mandatory) (Civil Code §9550).
  - ☐ Surety to be required to be an admitted surety in the State of California
  - ☐ The bonds shall include WWD as co-beneficiary.
- ☐ Required State Contractor’s license shall be specified in the notice inviting bids (Pub. Cont. Code §3300). License shall be verified before award. (Pub. Cont. Code §6100).
- ☐ Proprietary and brand specific items shall not be specified (Pub. Cont. Code §3400).
- ☐ Standard WWD bid items and units of measurement should be utilized. Failure to do so will delay reimbursements authorized by WWD.
- ☐ Sufficient liability insurance, naming WWD as additional insured for both General and Automobile liability policies. Insurance company to be required to be an admitted insurance company in the State of California and to have a Best Guide rating of A with a financial size of VIII or greater. General liability insurance coverage to be at least \$2 Million Aggregate and \$2 Million per occurrence (or higher if exposure is great).
- ☐ Hold Harmless Clause (Specifically naming WWD).
- ☐ The bid items should be only for the public works improvements. On site work should not be

included in the scope of work.

- ☐ Construction plans and specifications shall be signed and stamped by a duly registered engineer prior to advertisement (Bus. & Prof. Code §6735).
- ☐ Construction plans shall be signed as approved by WWD, as appropriate, prior to advertisement.
- ☐ Bid exclusions are not allowed. Bids must be required for all items of work in order for a proper, legal and fair determination of who is the lowest responsive bidder.
- ☐ Time and place of bid opening must be made known to the bidders. Sealed bids shall be opened in a public forum and read aloud. (Pub. Cont. Code §20393)
- ☐ Working days and liquidated damages should be clearly noted in the Notice Inviting Bids and/or other prominent location in the general conditions. Liquidated damages should be calculated using Caltrans methodology, or other industry standard means.
- ☐ Non-collusion affidavit shall be required of each bidder. (Pub. Cont. Code §7106).
- ☐ Advertisement in trade Journals (F.W. Dodge, CMD, etc.). A listing of plan rooms is available upon request.
- ☐ All sub-contractors shall be listed. (Pub. Cont. Code §4104)
- ☐ Bids shall be required to be prepared in ink, signed, with the name, address, phone number and contractor's license number provided.
- ☐ Addenda should be reviewed and approved by WWD for all addenda that either modify any bidding requirements or modify any item addressed herein. Addenda shall be signed and stamped by a Civil Engineer duly registered in the State of California.
- ☐ Addenda issued within 72 hours of bid closing, and which contain material changes, shall extend the bidding period by at least 72 hours. (Pub. Cont. Code §4104.5).
- ☐ A summary of bids is to be prepared, summarizing each bid item, the unit price bid and the total price bid for each bid item, as well as the total sum bid. The bid summary should include the engineer's estimate of unit prices. The bid summary shall include a summary of alternate bid schedules, if applicable.
- ☐ Award to the lowest responsive and responsible bidder. (Pub. Cont. Code §20128 and §6100 *et seq.*) Contract to be kept on file by the Owner, and provided to WWD upon request.

**Additional Information and Requirements**

- WWD review and approval are required prior to advertisement, and, separately, prior to award.
- Submission of an Engineer's Estimate of quantities, unit costs and extended totals should be made with the Owner's first request for review of the bid documents.
- All work shall be coordinated with WWD's Engineer. WWD's Engineer, or their respective designated subordinates, will provide oversight inspection. Approval of the final quantities

shall be obtained from WWD's Engineer prior to final payment. Contract Change Orders shall be reviewed and approved by WWD's Engineer prior to execution.

- Bidding and contract records shall be maintained for a period of not less than three years, and shall be made available upon request to WWD. Documents to be retained shall include:
  1. Bid documents
  2. Addenda issued
  3. Bidders list, including date and time of bid submissions
  4. Each bid received
  5. Summary of bids
  6. Executed contracts
  7. Certified payroll records
  8. Other pertinent documents.

The following items shall be provided to WWD after bid opening:

1. Proof of Publication - Advertisement.
2. Developer's written certification of Public Bid Opening.
3. Log of bids received including date/time of receipt.
4. Tabulated Bid Summary.
5. Copy of low-bidder's proposal.

The following items shall be provided to WWD after award:

1. Copy of Insurance Certificate, meeting the above requirements, and naming WWD as additional insured.
2. Copy of contract, performance bond and payment bond.

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025			
<b>BOARD MEETING DATE</b>	9/30/2025			
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input checked="" type="checkbox"/> 5 <sup>th</sup>			
<b>DEPARTMENT(S)</b>	Public Works			
<b>SUBJECT</b>	Los Angeles County Waterworks District No. 40, Antelope Valley, Approval of Water Supply Assessment for the Westside Annexation and Specific Plan Project			
<b>PROGRAM</b>	N/A			
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, email your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board letter.</b>			
<b>DEADLINES/ TIME CONSTRAINTS</b>	None			
<b>COST &amp; FUNDING</b>	<table border="1"> <tr> <td>Total cost: \$0</td><td>Funding source: N/A</td></tr> </table>		Total cost: \$0	Funding source: N/A
Total cost: \$0	Funding source: N/A			
	TERMS (if applicable): N/A			
	Explanation: There will be no impact to the County General Fund.  There will be no negative impact on current County services or projects during the performance of these actions.			
<b>PURPOSE OF REQUEST</b>	Public Works is seeking Board approval of the Water Supply Assessment for the Westside Annexation and Specific Plan Project in the unincorporated community of Antelope Valley and authorization to sign the Water Supply Assessment and Notice of Determination and submit both to the City of Lancaster.			
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<p>The California Water Code requires the District to prepare an assessment for certain projects in the District's service area or sphere of influence subject to the California Environmental Quality Act. The assessment must include a discussion of whether the District's total projected water supplies available during normal and single- and multiple-dry water years during a 20-year projection will meet the projected water demand associated with the Westside Annexation and Specific Plan Project in addition to the District's existing and planned future water uses.</p> <p>The proposed 7,153-acre development of the Westside Annexation area, including 1,860-acre Specific Plan area, consists of 38.5 million square feet of industrial use development. The project's estimated water demand is approximately 8,872.6 acre-feet per year.</p> <p>The District does not anticipate any water supply issues arising from the project.</p>			

<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Board Priority #7: Sustainability. Approval of the Water Supply Assessment will promote sound, prudent, and transparent policies and practices that help preserve our water resources while maintaining the quality of life for County residents.
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Adam Ariki, Deputy Director, (626) 458-4012, cell (626) 476-6703, <a href="mailto:aariki@pw.lacounty.gov">aariki@pw.lacounty.gov</a>



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 30, 2025

IN REPLY PLEASE  
REFER TO FILE:

WW-1

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**WATER RESOURCES CORE SERVICE AREA  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY  
APPROVAL OF WATER SUPPLY ASSESSMENT FOR THE  
WESTSIDE ANNEXATION AND SPECIFIC PLAN PROJECT  
(SUPERVISORIAL DISTRICT 5)  
(3-VOTES)**

**SUBJECT**

Public Works is seeking Board approval of the Water Supply Assessment for the proposed Westside Annexation and Specific Plan Project in the unincorporated community of Antelope Valley and to authorize the Director of Public Works or his designee to sign the Water Supply Assessment Senate Bill 610 California Water Code Section 10910 et seq., Notice of Determination for the proposed Westside Annexation and Specific Plan Project.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF  
THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY:**

1. Find that the recommended action set forth in this Board letter is not a project pursuant to the California Environmental Quality Act pursuant to Section 21065 of the California Public Resources Code and Section 15378(b) of the California Environmental Quality Act Guidelines and is exempt under Section 15061(b)(3).
2. Approve the Water Supply Assessment for the Westside Annexation and Specific Plan Project in the unincorporated community of Antelope Valley.

3. Authorize the Director of Public Works or his designee to sign the Water Supply Assessment Senate Bill 610 California Water Code Section 10910 et seq., Notice of Determination for the proposed Westside Annexation and Specific Plan Project.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to approve the Water Supply Assessment (WSA) (Enclosure A) for the proposed Westside Annexation and Specific Plan Project in the unincorporated community of Antelope Valley as required by California Water Code Section 10910 et seq., and Senate Bill 610, and sign the WSA, Notice of Determination (Enclosure B) showing Los Angeles County Waterworks District No. 40, Antelope Valley (District) has sufficient water supply to provide for the proposed development.

The 7,153-acre proposed Westside Annexation area, generally encompassed by Avenue B, Sierra Highway, Avenue G, and 30th Street West in Antelope Valley, includes a 1,860-acre Specific Plan area southeast of Avenue D and 20th Street West. The proposed development consists of 38.5 million square feet of industrial use. The project's estimated water demand is approximately 8,872.6 acre-feet per year.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategy Plan: North Star 2, Foster Vibrant and Resilient Communities, Focus Area Goal D, Sustainability, Strategy iii, Natural Resources, and Strategy iv, Environmental Justice. The recommended actions promote sound, prudent, and transparent policies and practices that help ensure the maintenance of critical public water services and protect precious water resources that support the quality of life for County residents.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

Sufficient funds are included in the District's General Fund (N63 – Services and Supplies) Fiscal Year 2025-26 Budget to cover the minor costs of the document review and confirmation that it conforms to the District's Urban Water Management Plan.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

California Water Code Section 10910 et seq., also known as Senate Bill 610, requires the District to prepare WSAs for certain proposed projects within its service area or sphere of



influence subject to the California Environmental Quality Act (CEQA). The WSA must include a discussion of whether the District's total projected water supplies is available during normal and single- and multiple-dry water years during a 20-year projection will meet the projected water demand associated with the project in addition to the District's existing and planned future water uses. Pursuant to California Water Code Section 10910(g)(1), the Board must approve the assessment at a regular or special meeting.

Based on the District's 2020 Urban Water Management Plan adopted by the Board on October 19, 2021, the assessment shows the District has sufficient supplies to meet the demands of the project. However, at the time water service is established for each development within the project, demands will be evaluated to ensure alignment with available water supplies. Potential constraints on future supply availability, particularly during dry years or extended drought periods, may impact projected water supplies. If needed, the District will work with the Antelope Valley-East Kern Water Agency to acquire additional water supplies for the project. The City of Lancaster acknowledges the potential need to secure additional water supplies for the project and affirms its understanding that the developer or project owner will be responsible for funding should the District pursue additional water supplies under the existing New Water Supply Acquisition Memorandum of Understanding with the Antelope Valley-East Kern Water Agency.

Consistent with the provisions of Senate Bill 610, neither the WSA nor its approval shall be construed to create a right or entitlement to water service or any specific level of water service and shall not impose, expand, or limit any duty concerning the obligation of the District to provide certain service to its existing customers or any future potential customers.

The WSA does not constitute a will-serve, plan of service, or agreement to provide water service to the project and does not entitle or approve any project, project applicant, or any other person or entity to any right, priority, or allocation in any supply, capacity, or facility.

To receive water service, the proposed project would be subject to an agreement with the District, together with all applicable fees, charges, plans and specifications, conditions, and other applicable District requirements in place and as amended from time to time. Nor does anything in the WSA prevent or otherwise interfere with the District's discretionary authority to declare a water shortage emergency in accordance with the California Water Code.

## **ENVIRONMENTAL DOCUMENTATION**

The District is required to approve a WSA for the project and submit it to the City under California Water Code Section 10910(g)(1). This action does not constitute an approval of a project under Section 21065 of the California Public Resources Code and is excluded from the definition of a project pursuant to Section 15378(b)(5) of the CEQA Guidelines because it is an administrative activity of government that will not result in direct or indirect physical changes in the environment. Further, CEQA applies only to projects that have the potential to cause a significant effect on the environment. The proposed action includes an assessment of water supply. Pursuant to California Water Code Section 10911(b), the City, as the land-use authority responsible for approving the proposed project in question and the lead agency under CEQA for the proposed project, is required to include the WSA provided by the District in the Environmental Impact Report the City is preparing for the proposed project. Approval of the WSA does not approve or authorize any project under CEQA, including the proposed project. Prior to proceeding with any activity that would constitute a project, appropriate findings under CEQA and approval of the project activities would be necessary.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the California Public Resources Code and will post the Notice to its website in accordance with Section 21092.2.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no negative impact on current County services or projects during the performance of these actions.

The Honorable Board of Supervisors  
September 30, 2025  
Page 5

**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Waterworks Division.

Respectfully submitted,

MARK PESTRELLA, PE  
Director of Public Works

MP:CTH:jc

Enclosures

c: Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors

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**ATTACHMENT**

September 10, 2025

**WATER RESOURCES CORE SERVICE AREA  
LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40,  
ANTELOPE VALLEY  
APPROVAL OF WATER SUPPLY ASSESSMENT FOR THE  
WESTSIDE ANNEXATION AND SPECIFIC PLAN PROJECT  
(SUPERVISORIAL DISTRICT 5)  
(3-VOTES)**

This Board letter has a large attachment.  
Click on link to access:

[PW - Waterworks District No. 40 Antelope Valley - Westside Annexation.pdf](#)

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025		
<b>BOARD MEETING DATE</b>	9/30/2025		
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input checked="" type="checkbox"/> 5 <sup>th</sup>		
<b>DEPARTMENT(S)</b>	Public Works		
<b>SUBJECT</b>	Quitclaim of Easement in the Unincorporated Community of Val Verde.		
<b>PROGRAM</b>	N/A		
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, email your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board Letter.</b>		
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A		
<b>COST &amp; FUNDING</b>	Total cost:	Funding source:	
	\$5,000	B07-Flood Control District Fund	
	TERMS (if applicable): N/A		
	Explanation: The Newhall Land and Farming Company (A California Limited Partnership), A California Limited Partnership, will deposit into the Flood Control District Fund (B07, Revenue Source Code 9908-Sale of Capital Assets-Land) \$5,000 for the quitclaim of easement, which represents the minimum sales price.		
<b>PURPOSE OF REQUEST</b>	The quitclaim of easement is for a covered storm drain and appurtenant structures and ingress and ingress purposes.		
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<p>On September 12, 1996, the Los Angeles County Flood Control District acquired an easement for a covered storm drain and appurtenant structures and ingress and egress purposes for Private Drain No. 2298 Unit II-Line B (PD 2298-Unit II). PD 2298-Unit II was constructed but it was never transferred to the District for operation and maintenance, and as part of Newhall's proposed development of the Valencia Commerce Center, PD 2298-Unit II is proposed to be relocated. Since the District does not operate and maintain the existing storm drain over which its easement is located and because the storm drain will be relocated by Newhall, the easement is no longer required by the District.</p> <p>The quitclaim of easement was requested by Newhall. Newhall and the District will benefit from the quitclaim as it will allow Newhall to develop their property and will eliminate potential liability to the District.</p>		
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Priority No. 7: Sustainability–This transaction will eliminate potential liability to the District.		
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Geetha Shan, Deputy Director, (626) 458-4008, <a href="mailto:gshan@pw.lacounty.gov">gshan@pw.lacounty.gov</a>		



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 30, 2025

IN REPLY PLEASE  
REFER TO FILE:

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**WATER RESOURCES CORE SERVICE AREA  
QUITCLAIM OF EASEMENT  
FROM THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT  
TO THE NEWHALL LAND AND FARMING COMPANY  
PRIVATE DRAIN NO. 2298 UNIT II-LINE B, PARCEL 1EXE.1  
IN THE UNINCORPORATED COMMUNITY OF VAL VERDE  
(SUPERVISORIAL DISTRICT 5)  
(3-VOTES)**

**SUBJECT**

Public Works is seeking Board approval to quitclaim its easement for a covered storm drain and appurtenant structures and ingress and egress purposes affecting Parcel 1EXE.1 related to Private Drain No. 2298 Unit II-Line B, in the unincorporated community of Val Verde, from the Los Angeles County Flood Control District to the underlying fee property owner, The Newhall Land and Farming Company (A California Limited Partnership), A California Limited Partnership.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF  
THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Acting as a responsible agency, find that the proposed project is exempt from the California Environmental Quality Act for the reasons stated in the Board letter and in the record of the project.

2. Find that the easement for a covered storm drain and appurtenant structures and ingress and egress purposes affecting Parcel 1EXE.1 related to Private Drain No. 2298 Unit II-Line B, in the unincorporated community of Val Verde, is no longer required for the purposes of the Los Angeles County Flood Control District.
3. Approve the project, which is the quitclaim of easement for a covered storm drain and appurtenant structures and ingress and egress purposes affecting Parcel 1EXE.1 related to Private Drain No. 2298 Unit II-Line B, in the unincorporated community of Val Verde, from the Los Angeles County Flood Control District to the underlying fee property owner, The Newhall Land and Farming Company (A California Limited Partnership), A California Limited Partnership.
4. Delegate authority to the Chief Engineer of the Los Angeles County Flood Control District or his designee to execute the Quitclaim of Easement document and authorize delivery to The Newhall Land and Farming Company (A California Limited Partnership), A California Limited Partnership.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find that the project is exempt from the California Environmental Quality Act (CEQA) and allow the Los Angeles County Flood Control District to quitclaim its easement for a covered storm drain and appurtenant structures and ingress and egress purposes affecting Parcel 1EXE.1 related to Private Drain No. 2298 Unit II-Line B (PD 2298-Unit II), in the unincorporated community of Val Verde, as shown on the enclosed map, to the underlying property owner, The Newhall Land and Farming Company (A California Limited Partnership), A California Limited Partnership.

On September 12, 1996, the District acquired an easement for a covered storm drain and appurtenant structures and ingress and egress purposes for PD 2298-Unit II. PD 2298-Unit II was constructed but it was never transferred to the District for operation and maintenance, and as part of Newhall's proposed development of the Valencia Commerce Center, PD 2298-Unit II is proposed to be relocated. Since the District does not operate and maintain the existing storm drain over which its easement is located and because the storm drain will be relocated by Newhall, the easement is no longer required by the District.

The quitclaim of easement was requested by Newhall. Newhall and the District will benefit from the quitclaim as it will allow Newhall to develop their property and will eliminate potential liability to the District.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal G, Internal Controls and Processes, Strategy ii, Manage and Maximize County Assets, by allowing the District to quitclaim its easement, which will eliminate potential liability to the District.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

Newhall will deposit into the Flood Control District Fund (B07, Revenue Source Code 9908-Sale of Capital Assets-Land) \$5,000 for the quitclaim of easement, which represents the minimum sales price.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed quitclaim of easement is authorized by Section 2, Subsection 13, of the Los Angeles County Flood Control Act. This section states the following: "The Los Angeles County Flood Control District is hereby declared to be a body corporate and politic, and has all the following powers...13. To lease, sell or dispose of any property (or any interest therein) whenever in the judgment of the board of supervisors of the property, or any interest therein or part thereof, is no longer required for the purposes of the district, or may be leased for any purpose without interfering with the use of the same for the purposes of the district..."

County Counsel will approve the Quitclaim of Easements document as to form prior to execution and it will be recorded.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed project is exempt from CEQA. The project, which is the quitclaim of easement of the subject property to make way for Newhall's project known as Valencia Commerce Center Planning Area 4 due to the minor realignment of storm drain, is within a class of projects that has been determined not to have a significant effect on the environment in that it meets the criteria set forth in Section 15304 (c) of the CEQA



Guidelines and Class of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. This applies to the minor alteration to private land that entails the filling of earth into previously excavated land with material comparable with natural features of the site. In addition, based on the proposed project records, it will comply with all applicable regulations; it is not in a sensitive environment; there are no cumulative impacts, unusual circumstances, damage to scenic highways, or listing on hazardous waste site lists compiled pursuant to Government Code, Section 65962.5; or indications that it may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

There will be no impact on current services or projects.

**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Survey/Mapping & Property Management Division.

Respectfully submitted,

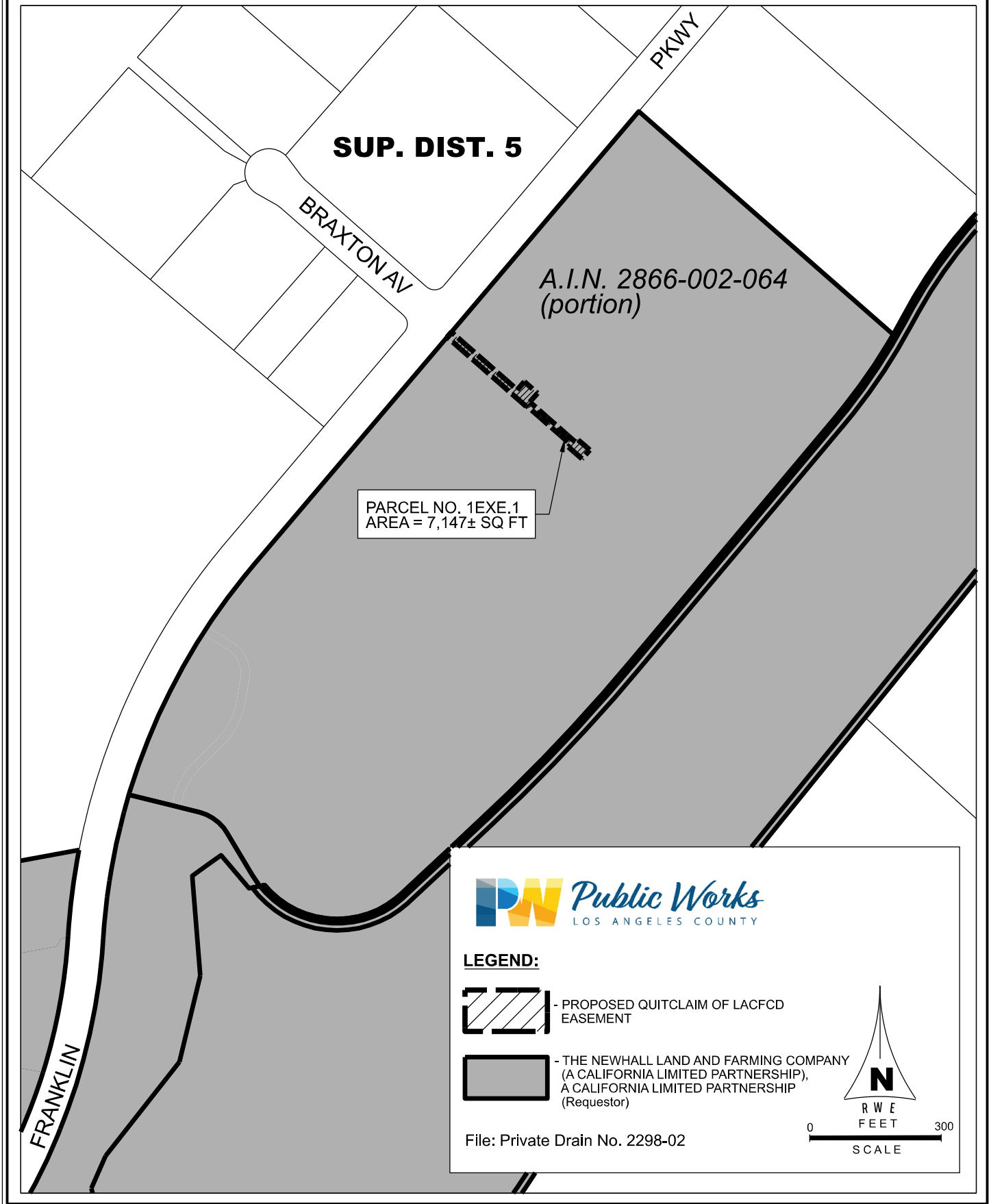
MARK PESTRELLA, PE  
Director of Public Works

MP:GE:dd

Enclosure

c: Auditor-Controller (Accounting Division–Asset Management)  
Chief Executive Office (Christine Frias)  
County Counsel  
Executive Office, Board of Supervisors

# PRIVATE DRAIN NO. 2298 - UNIT II - LINE B UNINCORPORATED COMMUNITY OF VAL VERDE



# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025				
<b>BOARD MEETING DATE</b>	9/30/2025				
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>				
<b>DEPARTMENT(S)</b>	Public Works				
<b>SUBJECT</b>	CP Treasurer and Tax Collector Warehouse Deferred Maintenance Repairs Project				
<b>PROGRAM</b>	N/A				
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why: N/A				
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, e-mail your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board letter.</b>				
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A				
<b>COST &amp; FUNDING</b>	Total cost: \$21,250,000	Funding source: Facility Reinvestment Program (Net County Cost and Lease Revenue Obligation Notes financing)			
	TERMS (if applicable): N/A				
	Explanation: N/A				
<b>PURPOSE OF REQUEST</b>	Approve and authorize Public Works to finalize and execute two construction change orders with PCN3, Inc., for a total not-to-exceed amount of \$2,360,000, including \$1,180,000 to revise the proposed new fire sprinkler system and \$1,180,000 to incorporate full-height, fire-rated interior partition walls in the warehouse to comply with the Fire Code requirements for the intended warehouse operations and functions.				
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<p>On November 30, 2021, the Board approved the project as part of the ongoing Facility Reinvestment Program to address the high-priority deficiencies identified in the County's Strategic Asset Management database. The project consists of replacing the roof structure, and repairing and upgrading the building's electrical, mechanical, plumbing, and fire protection systems to meet current codes and extend the service life of the warehouse facility.</p> <p>During the initial phase of construction, the County Fire Inspector observed the current warehouse operations and functions and determined that the large volume and high height of the stacked storage containers required changes and additional improvements in the warehouse to comply with the current Fire Code requirements and help mitigate potential fire hazards.</p>				
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how: N/A				
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: The project supports Board Priority No. 7, Sustainability, by investing in County facilities to provide improved public services and workforce environments that will lead to increased productivity.				
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Vincent Yu, Deputy Director, (626) 458-4010, cell (626) 614-7217, <a href="mailto:vyu@pw.lacounty.gov">vyu@pw.lacounty.gov</a>				



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

September 30, 2025

IN REPLY PLEASE  
REFER TO FILE:

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
TREASURER AND TAX COLLECTOR WAREHOUSE  
DEFERRED MAINTENANCE REPAIRS PROJECT  
APPROVE CONSTRUCTION CHANGE ORDERS  
SPECS. 7793; CAPITAL PROJECT NOS. 87787 AND 89245  
FISCAL YEAR 2025-26  
(SUPERVISORIAL DISTRICT 1)  
(4-VOTES)**

**SUBJECT**

Public Works is seeking Board approval to execute two construction change orders with PCN3, Inc., for the Treasurer and Tax Collector Warehouse Deferred Maintenance Repairs Project.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the scope of work to be carried out under the proposed change orders is within the scope of the previous findings of exemption under the California Environmental Quality Act for the previously approved Treasurer and Tax Collector Warehouse Deferred Maintenance Repairs Project or is also exempt for the reasons stated in this letter and in the record of the project.
2. Approve and authorize the Director of Public Works or his designee to finalize and execute a change order with PCN3, Inc., for a total not-to-exceed amount of \$1,180,000, to revise the proposed new fire sprinkler system to comply with the Fire Code requirements for the intended warehouse operations and functions.

3. Approve and authorize the Director of Public Works or his designee to finalize and execute a change order with PCN3, Inc., for a total not-to-exceed amount of \$1,180,000, to incorporate full-height, fire-rated interior partition walls in the warehouse to comply with the Fire Code requirements for the intended warehouse operations and functions.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find the proposed change orders within the scope of the previous exemption findings for the previously approved Treasurer and Tax Collector Warehouse Deferred Maintenance Repairs Project and authorize Public Works to execute two construction change orders with PCN3, Inc., for a combined total not-to-exceed amount of \$2,360,000 to complete the project.

#### **Background**

The Treasure and Tax Collector (TTC) warehouse is located at 16610 Chestnut Street, City of Industry, CA 91748 and is operated and maintained by TTC. The 120,000-square-foot warehouse is a single-story, concrete tilt-up structure that was originally constructed in 1970. The warehouse facility stores personal property on behalf of the estates administered by the Public Administrator and clients of the Office of Public Guardian. The warehouse roof structure is damaged and in poor condition, and the building's mechanical, electrical, and plumbing systems are in need of repair or replacement to meet current code requirements.

On November 30, 2021, the Board approved the project as part of the ongoing Facility Reinvestment Program to address the high-priority deficiencies noted above as identified in the County's Strategic Asset Management database. On February 7, 2023, the Board approved the revised project scope to include the repair and replacement of the fire protection systems and the revised project budget of \$21,250,000.

On June 6, 2023, the Board authorized Public Works to advertise for construction bids using the County's competitive low bid process and to award the construction contract to the lowest responsive and responsible bidder within the Board-approved project budget. On January 4, 2024, Public Works awarded the construction contract for \$11,868,000 to PCN3, Inc.

The project consists of replacing the roof structure and repairing and replacing the building mechanical, electrical, plumbing, and fire protection systems to meet current codes and extend the service life of the warehouse facility. Construction is ongoing and being phased to maintain the warehouse in operation.

The TTC warehouse consists of an open floor plan for the storage areas where storage containers of various sizes are used and stacked vertically on top of each other to maximize storage capacity and secure estate personal property in the warehouse.

During the initial phase of construction, the County Fire Inspector observed the current TTC warehouse operations and functions and determined that the large volume and high height of the stacked storage containers required changes and additional improvements in the warehouse to comply with the current Fire Code requirements and help mitigate potential fire hazards. The additional improvements include subdividing the open storage area in the warehouse by incorporating full-height, fire-rated interior partition walls to comply with the allowable total volume of high pile storage and to help contain and prevent the spread of fire in case of an emergency; revising the proposed fire sprinkler system to increase the pipe sizing and number of sprinkler heads to provide required coverage in the partitioned storage areas in case of a fire; and revising the proposed fire alarm system to provide full coverage for the partitioned storage areas and integration with the expanded fire sprinkler system.

#### Change Orders

Approval of the recommended actions would approve two proposed change orders to the contract for a total not-to-exceed amount of \$2,360,000, which change orders consist of \$1,180,000 to revise the proposed new fire sprinkler system, and \$1,180,000 to incorporate the full-height, fire-rated interior partition walls in the warehouse. Public Works is currently negotiating the final costs with the contractor for implementing the changes.

The change order to revise the new fire alarm system and associated controls will be executed under the delegated authority of Public Works.

Approval of the proposed change orders will allow Public Works to achieve construction substantial completion by January 2026.

#### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal F, Flexible and Efficient Infrastructure, Strategy ii, Modernize Infrastructure, by renovating and modernizing public infrastructure assets that will improve the operational effectiveness of existing County assets.

#### **FISCAL IMPACT/FINANCING**

The two proposed change orders are for a total not-to-exceed amount of \$2,360,000.

The Board-approved project budget of \$21,250,000, under Capital Project Nos. 87787 and 89245, includes design, plan check, consultant services, construction, change order contingency, and County services. Sufficient funding is available in the approved project budget to cover the costs of the proposed change orders. The project budget and schedule summaries are included in the Enclosure.

The project is funded with \$10,000 in net County cost from the Extraordinary Maintenance Budget for predevelopment costs; \$3,440,000 in net County cost from the Extraordinary Maintenance Budget, Capital Project No. 87787; and \$17,800,000 from Lease Revenue Obligation Notes financing, Capital Project No. 89245.

#### Operating Budget Impact

Following completion of the project, TTC will fund any additional associated maintenance and operational costs for the facility with existing budgetary resources from its Operating Budget.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Section 20137 of the California Public Contract Code allows the Board, with a four-fifths vote, to authorize an individual change order to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. The two proposed change orders are each below 10 percent of the original contract amount and within the statutory threshold.

Section 20145 of the California Public Contract Code limits the aggregate total amount of change orders that Public Works can approve under delegated authority to 25 percent of the original contract amount, and the amount of each individual change order cannot exceed 10 percent of the original contract amount or \$330,000, whichever is less. The two proposed change orders exceed Public Works delegated authority of \$330,000 for individual change orders. Therefore, Public Works is seeking approval and authorization from the Board to execute the proposed change orders.

Any change orders for the remainder of the project will be executed under the delegated authority of Public Works and consistent with the requirements of California Public Contract Code Section 20145.

In accordance with the Board's Civic Art Policy amended on August 4, 2020, the proposed project involves repair and building system replacements under the Facility Reinvestment Program and is exempt from requirements of the policy.

The project supports the Board's policy for Green Building/Sustainable Design Program by incorporating water and energy-efficient plumbing, mechanical, and electrical equipment and fixtures as part of the improvements.

In accordance with Board Policy 5.270, Countywide Local and Targeted Worker Hiring, the project requires that at least 30 percent of the California construction labor hours be performed by qualified Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

On February 28, 2023, the Board approved the execution of the Countywide Community Workforce Agreement, which will apply to projects with an estimated construction contract value of \$5,000,000 or greater. Therefore, the contractor and all subcontractors must comply with all terms and conditions of the Countywide Community Workforce Agreement which, among other things, increases work opportunities for those seeking to start a new career in the construction industry and promotes the hiring of underrepresented individuals on the project.

### **ENVIRONMENTAL DOCUMENTATION**

On November 30, 2021, and June 6, 2023, the Board found the project exempt from the California Environmental Quality Act (CEQA). The approved project, which consists of replacement of the existing roof structure and repairs and upgrades to the building's electrical, mechanical, plumbing, and fire protection systems, is within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Sections 15301 (a), (d), and (l); 15302 (b) and (c); and 15303 of the CEQA Guidelines, and Classes 1 (c), (d), (h), (j), (l), and (m); 2 (a), (b), and (e); and 3 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G. The project provides for repair, refurbishment, and alterations of existing facilities and installation of new equipment involving negligible or no expansion of an existing use and where replacement features will have the same purpose and capacity.

The approved project continues to be within the scope of the Board's previous finding of exemption. The work included in the proposed change orders described above to the approved project is either within the scope of the Board's findings of exemption or is also similarly exempt from CEQA under the provisions included in the previous findings of exemption.

Additionally, the project will continue to comply with all applicable regulations and is not located in a sensitive environment. There are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste sites compiled pursuant to Government Code Section 65962.5, or indications that the project may cause a substantial adverse change in the significance of a historical resource that would make



the exemptions inapplicable based on the record of the proposed project.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk and with the State Clearinghouse in the Office of Land Use and Climate Innovation in accordance with Section 21152 of the California Public Resources Code and will post the notice to its website in accordance with Section 21092.2.

### **CONTRACTING PROCESS**

On June 6, 2023, the Board authorized Public Works to advertise for construction bids using the County's competitive low bid process and to award the construction contract to the lowest responsive and responsible bidder within the Board-approved project budget. On January 4, 2024, Public Works awarded the construction contract for \$11,868,000 to PCN3, Inc., as the lowest responsive and responsible bidder.

Since the award of the contract, Public Works has executed five change orders for a combined amount of \$325,531 under delegated authority pursuant to California Public Contract Code Section 20145. Approval of the two proposed change orders to PCN3, Inc., will increase the contract amount by a \$2,360,000 not-to-exceed amount for a revised total contract amount of \$14,553,531.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommended actions will have no impact on current County services or projects. The construction work is being phased to maintain the warehouse facility in operation during construction. Public Works is coordinating with the contractor for execution of the work to minimize disruptions to the facility operations.

The Honorable Board of Supervisors  
September 30, 2025  
Page 7

**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

MARK PESTRELLA, PE  
Director of Public Works

MP:GT:sl

Enclosure

c: Chief Executive Office (Capital Programs Division)  
County Counsel  
Executive Office, Board of Supervisors  
Treasurer and Tax Collector

**CONSTRUCTION CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
TREASURER AND TAX COLLECTOR WAREHOUSE  
DEFERRED MAINTENANCE REPAIRS PROJECT  
APPROVE CONSTRUCTION CHANGE ORDERS  
SPECS. 7793; CAPITAL PROJECT NOS. 87787 AND 89245  
FISCAL YEAR 2025-26  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**I. PROJECT SCHEDULE**

<b>Project Activity</b>	<b>Scheduled Completion Date</b>
Construction Documents	09/01/2022*
Jurisdictional Approvals	12/07/2022*
Construction Award	01/04/2024*
Construction Start	02/26/2024*
Substantial Completion	01/31/2026
Project Acceptance	03/31/2026

\*Actual Completion Date

**II. PROJECT BUDGET SUMMARY**

<b>Project Activity</b>	<b>Approved Project Budget</b>
Construction	\$11,878,000*
Change Order Contingency	\$ 2,300,000
Project Contingency	\$ 2,622,000
Plans and Specifications	\$ 1,650,000
Consultant Services	\$ 530,000
Miscellaneous Expenditures	\$ 5,000
Jurisdictional Review/Plan Check/Permits	\$ 171,000
County Services	\$ 2,094,000
<b>TOTAL</b>	<b>\$21,250,000</b>

\*Includes \$10,000 consultant agreement fee for preparation of baseline construction schedule.

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025	
<b>BOARD MEETING DATE</b>	10/28/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	LA County Library	
<b>SUBJECT</b>	2024-25 Fiscal Year End-Report for the Library Facilities Mitigation Fee Funds and Updated Capital Improvement Plan	
<b>PROGRAM</b>	County Library	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	California Government Code Sections 66006 require the County to make available to the public specific information about each library facilities mitigation fee fund within 180 days after each fiscal year and Section 66002 requires the County to update annually a capital improvement plan at a noticed public hearing. In order to meet these requirements, the last Board date would be 11/25/2025.	
<b>COST &amp; FUNDING</b>	Total cost:	Funding source:
	TERMS (if applicable):	
	Explanation:	
<b>PURPOSE OF REQUEST</b>	Receive and file the fiscal year-end report for the library facilities mitigation fee funds and adopt the resolution updating the capital improvement plan for LA County Library facilities.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<p>On October 27, 1998, the Board adopted a County ordinance establishing a library facilities mitigation fee, also known as the Developer Fee Program, to assist in defraying the LA County Library's costs associated with servicing new patrons resulting from new residential development in LA County's Unincorporated Areas.</p> <p>An annual Board letter and reporting is the mechanism by which LA County Library complies with the code requirement which states that within 180 days after the last day of each fiscal year, the County make available to the public two items: 1) a year-end report detailing financial information including beginning and ending balances, amount of fees collected, interest earned and public improvements on which fees were expended; and 2) and Updated Capital Improvement Plan (CIP).</p> <p>For the purposes of the Developer Fee Program, the County is divided into seven contiguous areas, known as Planning Areas, that have similar property values and geography. Fees received from each Planning Area may only be spent in the Planning Area in which it was collected, including in both City and Unincorporated Area libraries operated by LA County Library.</p>	

	<p>The ordinance was intended to specifically address issues related to capital projects/infrastructure, and therefore does <u>not</u> allow funds to be used to offset ongoing operating expenses such as Library salaries and employee benefits. Allowable costs include library Improvements such as acquiring land (lease or purchase), construction, expansion, library furnishings and materials, library services and programs such as collection development and maintenance; and auxiliary work related to establishing, implementing and monitoring library services such as a small administrative fee, engineering and architectural work and some legal expenses.</p>
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<p><input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p> <p>If Yes, please explain how:</p>
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<p><input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p> <p>If Yes, please state which one(s) and explain how: Board Priority #7: Sustainability: Approval of the grant award supports the vision of making the County more livable, economically stronger, more equitable, and more resilient, by investing in public infrastructure that will enhance cultural, recreational, and learning opportunities for County residents and visitors, and improve the operational effectiveness of an existing County asset.</p>
<b>DEPARTMENTAL CONTACTS</b>	<p>Name, Title, Phone # &amp; Email:</p> <p>Grace Reyes (Library), Administrative Deputy, (562) 940-8406, <a href="mailto:greyes@library.lacounty.gov">greyes@library.lacounty.gov</a></p>



## LA COUNTY LIBRARY

7400 Imperial Hwy, Downey, CA 90242 | 562.940.8400



**SKYE PATRICK**  
County Librarian

October 28, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**2024-25 FISCAL YEAR-END REPORT  
FOR THE LIBRARY FACILITIES MITIGATION FEE FUNDS AND  
UPDATED CAPITAL IMPROVEMENT PLAN  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**SUBJECT**

LA County Library is recommending that the Board of Supervisors (Board) -approve and file the fiscal year-end report for the library facilities mitigation fee funds and adopt the resolution updating the capital improvement plan for LA County Library facilities.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Find that the proposed actions are not a project under the California Environmental Quality Act (CEQA) for the reasons stated in this Board letter and the record.

**IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING:**

- 1) Approve and file the Fiscal Year-End Report for the Library Facilities Mitigation Fee Funds for Fiscal Year 2024-25, Attachment A.
- 2) Adopt the resolution, Attachment B, updating the Capital Improvement Plan for LA County Library facilities as of October 10, 2025, Attachment B-1.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On October 27, 1998, the Board adopted an ordinance establishing a library facilities mitigation fee to assist in defraying LA County Library's increase in costs associated with

COUNTY OF LOS ANGELES  
SUPERVISORS

**HILDA L. SOLIS**  
Chair Pro Tem, 1st District

**HOLLY J. MITCHELL**  
2nd District

**LINDSEY P. HORVATH**  
3rd District

**JANICE HAHN**  
4th District

**KATHRYN BARGER**  
Chair, 5th District

new residential development projects. This ordinance codified as Chapter 22.264 (formerly Chapter 22.72) of the Los Angeles County Code, took effect on December 26, 1998, and was implemented in all unincorporated communities served by LA County Library. A separate fund was established for each of LA County Library's seven planning areas and the first deposit was made in Fiscal Year 1998-99. The Planning Areas have similar property values and geography, comprised as follows: 1) Santa Clarita Valley, 2) Antelope Valley, 3) West San Gabriel Valley, 4) East San Gabriel Valley, 5) Southeast County, 6) Southwest County and 7) Santa Monica Mountains.

#### Fiscal Year-End Report

Government Code section 66006, subdivision (b)(1) requires that within 180 days after the last day of each fiscal year, the County of Los Angeles (County) make available to the public specific information for each separate account or fund established for library facilities mitigation fees collected.

#### Capital Improvement Plan

Government Code section 66002, subdivision (b) requires the County to update annually a capital improvement plan and adopt the plan by a resolution of the Board at a noticed public hearing.

#### **Implementation of Strategic Plan Goals**

The County Strategic Plan directs the provisions of North Star 2, Focus Area Goal F. Community Connections, and North Star 3, Focus Area Goal E. Data-Driven Decision Making and Focus Area Goal F. Flexible and Efficient Infrastructure. The recommended actions support the Strategic Plan by investing in public infrastructure that will enhance cultural, recreational, and learning opportunities for County residents and visitors, provide welcoming spaces for community and relationship building, and improve the operational effectiveness of an existing County asset.

#### **FISCAL IMPACT/FINANCING**

Based on Government Code section 66006, Library Mitigation Fees received from each Planning Area may only be spent in the Planning Area in which it was collected, including in both City and Unincorporated Area libraries operated by the LA County Library. The ordinance was intended to specifically address issues related to capital projects/infrastructure and therefore does not allow funds to be used to offset ongoing

operating expenses such as Library salaries and employee benefits. The costs of administering the Library Mitigation Fee are prorated and charged to each Planning Area account.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Government Code section 66006, subdivision (b)(1) requires the County to make publicly available the following information for all seven planning areas: 1) the type of fee in the account or fund; 2) the amount of the fee; 3) the beginning and ending balance; 4) the amount of fees collected and interest earned; 5) public improvements on which fees were expended and the amount of the expenditures on each public improvement, including the total percentage of the cost of the public improvement that was funded with fees; 6) the approximate date by which construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement; 7) a description of each interfund transfer or loan made from the account or fund; 8) and the amount of any refunds made. Attached is the fiscal year-end report reflecting these requirements, Attachment A.

Government Code section 66002, subdivision (b) requires the County to update its Capital Improvement Plan, which shall indicate the approximate location, size, time of availability, and estimates of cost for all facilities or improvements to be financed with the library facilities mitigation fees. The Capital Improvement Plan is developed using service level guidelines to determine the needs of each community based on various factors and population size. Attached is the updated Capital Improvement Plan reflecting these requirements, Attachment B-1.

Notice of the public hearing was given pursuant to Government Code sections 66006(b)(1)(H)(2) and 65090.

The attached resolution was approved as to form by County Counsel, Attachment B.

### **ENVIRONMENTAL DOCUMENTATION**

The recommended actions are not subject to CEQA requirements because they are activities that are excluded from the definition of a project by Public Resources Code section 21065 and CEQA Guidelines section 15378(b)(5). The recommended actions of annual financial reporting are administrative and will not result in a direct or indirect physical change in the environment.



### **IMPACT ON CURRENT SERVICES**

LA County Library strives to provide its customers with strong service and adequate facilities. The library facilities mitigation fees provide revenue to assist LA County Library in meeting the needs of a growing population in the unincorporated areas of the County by planning and constructing new library facilities and enhancing existing library facilities.

### **CONCLUSION**

If there are any questions or there is a need for additional information, please contact Yolanda Pina, Chief Deputy Director, at (562) 940-8412.

Respectfully submitted,

Skye Patrick  
County Librarian

SP:YP:GR

Attachments (3)

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Auditor-Controller

## LA COUNTY LIBRARY

LIBRARY FACILITIES MITIGATION FEE FUNDS  
2024-25 FISCAL YEAR-END REPORT

	Fund BM1 Developer Fee Area 1 Santa Clarita Valley	Fund BM 2 Developer Fee Area 2 Antelope Valley	Fund BM3 Developer Fee Area 3 West San Gabriel Valley	Fund BM4 Developer Fee Area 4 East San Gabriel Valley	Fund BM5 Developer Fee Area 5 Southeast County	Fund BM6 Developer Fee Area 6 Southwest County	Fund BM7 Developer Fee Area 7 Santa Monica Mountains
Beginning Balance <sup>1</sup>	\$ 2,386,922	\$ 328,338	\$ 638,810	\$ 472,349	\$ 3,854,104	\$ 1,373,758	\$ 55,491
Interfund Transfers	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Loans	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fees Collected	\$ 88,704	\$ 2,388	\$ 371,334	\$ 166,380	\$ 410,501	\$ 316,806	\$ 0
Refunds <sup>2</sup>	\$ (54)	\$ (100)	\$ (1,194)	\$ 0	\$ 0	\$ 0	\$ 0
Interest Earned <sup>3</sup>	\$ 69,576	\$ 9,462	\$ 20,323	\$ 15,489	\$ 112,832	\$ 43,298	\$ 1,600
Funds Transferred In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures	\$ (17,113) (a)	\$ (2,354) (a)	\$ (4,579) (a)	\$ (3,385) (a)	\$ (27,994) (a)	\$ (9,846) (a)	\$ (398) (a)
Ending Balance <sup>3</sup>	<u>\$ 2,528,035</u>	<u>\$ 337,734</u>	<u>\$ 1,024,694</u>	<u>\$ 650,833</u>	<u>\$ 4,349,443</u>	<u>\$ 1,724,016</u>	<u>\$ 56,693</u>
Developer Fee Rate <sup>4</sup>	\$1,182	\$1,144	\$1,194	\$1,180	\$1,183	\$1,191	\$1,185

Description of Expenditures:

(a) General developer fee program administration costs.

Notes:<sup>1</sup> The beginning balance includes interest earned in the 13th period for FY 2023-24. Source Fund Balance Closing by Fund July 01, 2024 - 13th Period 2024.<sup>2</sup> Refunds refer to amount of refunds made pursuant to Government Code section 66006, subdivision (H).<sup>3</sup> Interest Earned is as of 6/30/25 and is subject to change. Additional interest may be accrued during the 13th Period.<sup>4</sup> In accordance with the County Code Chapter 22.264, fees are adjusted annually based on the Consumer Price Index (CPI) and are charged on a per dwelling unit basis at the time building permits are issued.

**RESOLUTION OF THE BOARD OF SUPERVISORS  
FOR ADOPTING THE UPDATED CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
TO BE FINANCED WITH LIBRARY FACILITIES MITIGATION FEES**

**WHEREAS**, population growth associated with new residential development in unincorporated areas of the County of Los Angeles (County) results in a demand for LA County Library facilities in excess of the existing capacity of LA County Library; and

**WHEREAS**, existing and future sources of revenue are inadequate to fund substantial portions of LA County Library facilities needed to avoid unacceptable service levels and related adverse impacts; and

**WHEREAS**, on October 27, 1998, the LA County Librarian filed with this Board of Supervisors (Board) a report recommending the establishment of a library facilities mitigation fee to generate additional funds to provide LA County Library facilities to accommodate the library needs generated by such development. At that time, the Board adopted a capital improvement plan for LA County Library facilities to be financed with the fees; and

**WHEREAS**, the capital improvement plan indicates the approximate locations, sizes, time of availability and cost estimates for all facilities or improvements to be financed with the library facilities mitigation fees, in compliance with the requirements of Government Code section 66002, subdivision (a); and

**WHEREAS**, the County is required to annually update the capital improvement plan for LA County Library facilities in accordance with the Government Code section 66002, subdivision (b); and

**WHEREAS**, the Board finds as follows:

1. The LA County Library has updated its capital improvement plan (Updated Capital Improvement Plan, Attachment B-1), and this plan complies with Government Code section 66002, subdivision (a) requirements.
2. The Updated Capital Improvement Plan facilitates implementing specific goals and policies of the General Plan as articulated in Los Angeles County Code section 22.264.010.A.; implementing the Mitigation Fee Act; and mitigating any significant adverse impacts of increased residential development upon public library facilities as required by the California Environmental Quality Act (CEQA).
3. The Updated Capital Improvement Plan is excluded from the project definition of CEQA pursuant to Public Resources Code section 21065 and CEQA Guidelines section 15378(b)(5). It is annual financial reporting which is administrative in nature and will not result in a direct or indirect physical change in the environment.
4. The public hearing notice regarding adoption of the Updated Capital Improvement Plan was given as required by Government Code section 66002, subdivision (b); and

**NOW, THEREFORE, BE IT RESOLVED**, that the Board hereby:

1. Finds that the Updated Capital Improvement Plan is not a project under CEQA.
2. Adopts the Updated Capital Improvement Plan for LA County Library facilities dated October 10, 2025.

The foregoing resolution was, on the \_\_\_\_\_ day of \_\_\_\_\_, 2025, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

EDWARD YEN, Executive Officer of the  
Board of Supervisors of the County of Los Angeles

\_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By:

\_\_\_\_\_  
CASEY YOURN

Senior Deputy County Counsel

Attachment

B-1 – Updated Capital Improvement Plan

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 1 - SANTA CLARITA VALLEY**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>				PROJECT STATUS
TBD	<b>Newhall Ranch Library Service Area <sup>2</sup></b> (Unincorporated areas)	New Library	Land	\$ -	87,120	sq. ft.	Future <sup>2</sup>
			Construction	\$ 21,222,300	25,000	sq. ft.	
			Library Materials	<u>\$ 4,000,000</u>	142,857	items	
			Total Project Cost	<u>\$ 25,222,300</u>			
TBD	<b>North Valencia Library Service Area</b> (Unincorporated areas)	New Library	Land	\$ 920,000	40,000	sq. ft.	Future
			Construction	\$ 10,670,000	10,000	sq. ft.	
			Library Materials	<u>\$ 100,632</u>	3,594	items	
			Total Project Cost	<u>\$ 11,690,632</u>			
TBD	<b>Placerita Canyon Library Service Area</b> (Unincorporated areas)	New Library	Land	\$ 920,000	40,000	sq. ft.	Future
			Construction	\$ 10,670,000	10,000	sq. ft.	
			Library Materials	<u>\$ 231,084</u>	8,253	items	
			Total Project Cost	<u>\$ 11,821,084</u>			
TBD	<b>Various Library Service Areas</b>	Enhancement of Existing Library Facilities	Total Project Cost	<u>\$ 1,531,488</u>			Not Started
<b>PLANNING AREA 1 SUMMARY</b>			LAND	\$ 1,840,000			
			CONSTRUCTION	\$ 42,562,300			
			LIBRARY MATERIALS	\$ 4,331,716			
			ENHANCEMENT OF EXISTING LIBRARY FACILITIES	<u>\$ 1,531,488</u>			
			TOTAL PROJECT COST	\$ 50,265,504			
			PROGRAM ADMINISTRATION	<u>\$ 2,513,275</u>			
			<b>Total Cost <sup>3</sup></b>	<u><b>\$ 52,778,779</b></u>			

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 1 - SANTA CLARITA VALLEY**

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<sup>1</sup> New Library: The estimated cost of land is based on an average of \$23 per square foot (varies per Library Planning Area), per CEO-Real Estate Division 2013 analysis. Land size is based on a 1 to 4 building-to-land ratio. The estimated cost of construction is based on an average of \$1,067 per square foot, as per the 2018 average cost of construction for the Willowbrook Library. The size of a library is based on a 0.5 square foot per capita, with a minimum size of 10,000 square feet. The estimated cost of library materials is based on additional materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita.

Existing Library: Includes an estimated cost of additional library materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita as well as an average cost of \$1,800 per additional computers needed using a 1.0 computer per 1,000 people served.

<sup>2</sup> On July 18, 2017 the Board of Supervisors (Board) approved the findings, conditions and order for the Newhall Ranch Project. Subsequently, on September 24, 2020, Library entered into a Memorandum of Understanding (MOU) with Five Point to include a 25,000 sq. ft. library on a 3-acre site. The MOU was later amended on July 5, 2025, which, among other revisions, reduced the land size to 2 acres. The total cost of the library, which excludes the cost of land, will not exceed the library facilities mitigation fee obligation, as determined pursuant to Section 22.246.060 of Title 22 of the County Code at the time the permit is issued for each dwelling unit. The fee for FY 2025-26 is \$1,218 per dwelling unit, subject to an annual adjustment based on the Consumer Price Index.

<sup>3</sup> Total cost for all facilities or improvements will be financed by existing and future library facilities mitigation fees and other funding sources.

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 2 - ANTELOPE VALLEY**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>			PROJECT STATUS
Completed	<b>Antelope Valley Bookmobile Library Service Area</b> (Unincorporated areas)	New Library	Land		sq. ft.	New Purchase <sup>2,3</sup>
			Construction	\$ 500,000	sq. ft.	
			Library Materials		items	
			Total Project Cost	<u>\$ 500,000</u>		
TBD	<b>Centennial Library Service Area</b> (Unincorporated areas)	New Library	Land	\$ 1,320,000	120,000 sq. ft.	Future <sup>4</sup>
			Construction	\$ 32,010,000	30,000 sq. ft.	
			Library Materials	<u>\$ 4,689,216</u>	167,472 items	
			Total Project Cost	<u>\$ 38,019,216</u>		
TBD	<b>East Lancaster Library Service Area</b> (Includes the City of Lancaster and unincorporated areas)	New Library	Land	\$ 440,000	40,000 sq. ft.	Future
			Construction	\$ 10,670,000	10,000 sq. ft.	
			Library Materials	<u>\$ 378,840</u>	13,530 items	
			Total Project Cost	<u>\$ 11,488,840</u>		
TBD	<b>Lake Elizabeth Library Service Area</b> (Unincorporated areas)	New Library	Land	\$ 440,000	40,000 sq. ft.	Future
			Construction	\$ 10,670,000	10,000 sq. ft.	
			Library Materials	<u>\$ 348,040</u>	12,430 items	
			Total Project Cost	<u>\$ 11,458,040</u>		
Completed	<b>Pearblossom Bookmobile (Santa Clarita Valley) Library Service Area</b> (Unincorporated areas)	New Library	Land		sq. ft.	New Purchase <sup>2,3</sup>
			Construction	\$ 500,000	sq. ft.	
			Library Materials		items	
			Total Project Cost	<u>\$ 500,000</u>		

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 2 - ANTELOPE VALLEY**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>			PROJECT STATUS
TBD	<b>West Lancaster Library Service Area</b> (Includes the City of Lancaster and unincorporated areas)	New Library	Land	\$ 1,056,000	96,000 sq. ft.	Future
			Construction	\$ 25,608,000	24,000 sq. ft.	
			Library Materials	<u>\$ 3,745,980</u>	133,785 items	
			Total Project Cost	<u>\$ 30,409,980</u>		
TBD	<b>Various Library Service Areas</b>	Enhancement of Existing Library Facilities	Total Project Cost	<u>\$ 8,898,572</u>		Not Started
<b>PLANNING AREA 2 SUMMARY</b>			LAND	\$ 3,256,000		
			CONSTRUCTION	\$ 79,958,000		
			LIBRARY MATERIALS	\$ 9,162,076		
			ENHANCEMENT OF EXISTING LIBRARY FACILITIES	<u>\$ 8,898,572</u>		
			TOTAL PROJECT COST	\$ 101,274,648		
			PROGRAM ADMINISTRATION	<u>\$ 5,063,732</u>		
			<b>Total Cost <sup>5</sup></b>	<u><b>\$ 106,338,380</b></u>		

<sup>1</sup> New Library: The estimated cost of land is based on an average of \$11 per square foot (varies per Library Planning Area), per CEO-Real Estate Division 2013 analysis. Land size is based on a 1 to 4 building-to-land ratio. The estimated cost of construction is based on an average of \$1,067 per square foot, as per the 2018 average cost of construction for the Willowbrook Library. The size of a library is based on a 0.5 square foot per capita, with a minimum size of 10,000 square feet. The estimated cost of library materials is based on additional materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita.

Existing Library: Includes an estimated cost of additional library materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita as well as an average cost of \$1,800 per additional computers needed using a 1.0 computer per 1,000 people served.

<sup>2</sup> Total cost for construction is based on 2018 purchase of propane and electric bookmobiles.

<sup>3</sup> On February 13, 2018 the Board of Supervisors (Board) approved the solicitation and acquisition of bookmobiles to replace Antelope Valley and Santa Clarita Valley Bookmobiles. The project will be partially funded by Library Mitigation Fee. The project was completed.

<sup>4</sup> On April 30, 2019 the Board approved a resolution certifying the final EIR and adopting Findings for the Centennial Project.

<sup>5</sup> Total cost for all facilities or improvements will be financed by existing and future library facilities mitigation fees and other funding sources.



**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 3 - WEST SAN GABRIEL VALLEY**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>		PROJECT STATUS
TBD	Various Library Service Areas	Enhancement of Existing Library Facilities	Total Project Cost	\$ 10,297,188	Not Started
PLANNING AREA 3 SUMMARY			LAND	\$ -	
			CONSTRUCTION	\$ -	
			LIBRARY MATERIALS	\$ -	
			ENHANCEMENT OF EXISTING LIBRARY FACILITIES	\$ 10,297,188	
			TOTAL PROJECT COST	\$ 10,297,188	
			PROGRAM ADMINISTRATION	\$ 514,859	
			<b>Total Cost <sup>2</sup></b>	<b>\$ 10,812,047</b>	

<sup>1</sup> Existing Library: Includes an estimated cost of additional library materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita as well as an average cost of \$1,800 per additional computers needed using a 1.0 computer per 1,000 people served.

<sup>2</sup> Total cost for all facilities or improvements will be financed by existing and future library facilities mitigation fees and other funding sources.

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 4 - EAST SAN GABRIEL VALLEY**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>				PROJECT STATUS
TBD	<b>West Covina East Library Service Area</b> (Includes the City of West Covina and unincorporated areas)	New Library	Land	\$ 2,720,000	136,000	sq. ft.	Future
			Construction	\$ 36,278,000	34,000	sq. ft.	
			Library Materials	<u>\$ 5,191,508</u>	185,411	items	
			Total Project Cost	<u>\$ 44,189,508</u>			
TBD	<b>Various Library Service Areas</b>	Enhancement of Existing Library Facilities	Total Project Cost	<u>\$ 21,585,268</u>			Not Started
<b>PLANNING AREA 4 SUMMARY</b>			LAND	\$ 2,720,000			
			CONSTRUCTION	\$ 36,278,000			
			LIBRARY MATERIALS	\$ 5,191,508			
			ENHANCEMENT OF EXISTING LIBRARY FACILITIES	<u>\$ 21,585,268</u>			
			TOTAL PROJECT COST	\$ 65,774,776			
			PROGRAM ADMINISTRATION	<u>\$ 3,288,739</u>			
			<b>Total Cost <sup>2</sup></b>	<u><b>\$ 69,063,515</b></u>			

<sup>1</sup> New Library: The estimated cost of land is based on an average of \$20 per square foot (varies per Library Planning Area), per CEO-Real Estate Division 2013 analysis. Land size is based on a 1 to 4 building-to-land ratio. The estimated cost of construction is based on an average of \$1,067 per square foot, as per the 2018 average cost of construction for the Willowbrook Library. The size of a library is based on a 0.5 square foot per capita, with a minimum size of 10,000 square feet. The estimated cost of library materials is based on additional materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita.

Existing Library: Includes an estimated cost of additional library materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita as well as an average cost of \$1,800 per additional computers needed using a 1.0 computer per 1,000 people served.

<sup>2</sup> Total cost for all facilities or improvements will be financed by existing and future library facilities mitigation fees and other funding sources.

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 5 - SOUTHEAST**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>		PROJECT STATUS
TBD	Various Library Service Areas	Enhancement of Existing Library Facilities	Total Project Cost	\$ 32,976,340	Not Started
PLANNING AREA 5 SUMMARY			LAND	\$ -	
			CONSTRUCTION	\$ -	
			LIBRARY MATERIALS	\$ -	
			ENHANCEMENT OF EXISTING LIBRARY FACILITIES	\$ 32,976,340	
			TOTAL PROJECT COST	\$ 32,976,340	
			PROGRAM ADMINISTRATION	\$ 1,648,817	
			<b>Total Cost <sup>2</sup></b>	<b>\$ 34,625,157</b>	

<sup>1</sup> Existing Library: Includes an estimated cost of additional library materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita as well as an average cost of \$1,800 per additional computers needed using a 1.0 computer per 1,000 people served.

<sup>2</sup> Total cost for all facilities or improvements will be financed by existing and future library facilities mitigation fees and other funding sources.

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 6 - SOUTHWEST**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>		PROJECT STATUS
TBD	Various Library Service Areas	Enhancement of Existing Library Facilities	Total Project Cost	\$ 11,633,916	Not Started
PLANNING AREA 6 SUMMARY			LAND	\$ -	
			CONSTRUCTION	\$ -	
			LIBRARY MATERIALS	\$ -	
			ENHANCEMENT OF EXISTING LIBRARY FACILITIES	\$ 11,633,916	
			TOTAL PROJECT COST	\$ 11,633,916	
			PROGRAM ADMINISTRATION	\$ 581,696	
			<b>Total Cost <sup>2</sup></b>	<b>\$ 12,215,612</b>	

<sup>1</sup> Existing Library: Includes an estimated cost of additional library materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita as well as an average cost of \$1,800 per additional computers needed using a 1.0 computer per 1,000 people served.

<sup>2</sup> Total cost for all facilities or improvements will be financed by existing and future library facilities mitigation fees and other funding sources.

**LA COUNTY LIBRARY  
CAPITAL IMPROVEMENT PLAN FOR LA COUNTY LIBRARY FACILITIES  
AS OF OCTOBER 10, 2025**

**PLANNING AREA 7 - SANTA MONICA MOUNTAINS**

ANTICIPATED DATE OF COMPLETION	APPROXIMATE LOCATION	PROJECT DESCRIPTION	ESTIMATED PROJECT COSTS <sup>1</sup>		PROJECT STATUS
TBD	Various Library Service Areas	Enhancement of Existing Library Facilities	Total Project Cost	\$ 180,720	Not Started
PLANNING AREA 7 SUMMARY			LAND	\$ -	
			CONSTRUCTION	\$ -	
			LIBRARY MATERIALS	\$ -	
			ENHANCEMENT OF EXISTING LIBRARY FACILITIES	\$ -	
			TOTAL PROJECT COST	\$ 180,720	
			PROGRAM ADMINISTRATION	\$ 9,036	
			<b>Total Cost <sup>2</sup></b>	<b>\$ 189,756</b>	

<sup>1</sup> Existing Library: Includes an estimated cost of additional library materials needed using an average cost of \$28 per item with a 2.75 item ratio per capita as well as an average cost of \$1,800 per additional computers needed using a 1.0 computer per 1,000 people served.

<sup>2</sup> Total cost for all facilities or improvements will be financed by existing and future library facilities mitigation fees and other funding sources.

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	9/10/2025			
<b>BOARD MEETING DATE</b>	10/28/2025			
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input checked="" type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>			
<b>DEPARTMENT(S)</b>	Public Works			
<b>SUBJECT</b>	Hearing on Resolution to Vacate a Portion of Alley West of Alameda Street and North of 134th Street in the Unincorporated Community of Willowbrook			
<b>PROGRAM</b>	N/A			
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:			
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, email your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board Letter.</b>			
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A			
<b>COST &amp; FUNDING</b>	<table border="1" style="width: 100%;"> <tr> <td>Total cost: \$0</td><td>Funding source: B03-Road Fund</td></tr> </table> TERMS (if applicable): N/A Explanation: Public Works provided the funding for this project from the Road Fund (B03).		Total cost: \$0	Funding source: B03-Road Fund
Total cost: \$0	Funding source: B03-Road Fund			
<b>PURPOSE OF REQUEST</b>	Public Works is seeking Board approval to vacate a portion of the alley west of Alameda Street and north of 134th Street in the unincorporated community of Willowbrook, which is no longer needed for prospective public use.			
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The vacation of the easement was requested by Public Works to remove the encumbrances from the property and to help alleviate issues regarding illegal dumping and persons experiencing homelessness. The recommended actions will allow for the removal of the easement and for the area to be fenced off, which will prevent illegal dumping and other nuisance activities. In addition, the recommended actions will allow the Compton Unified School District, the underlying property owner, to use the vacated area and will allow the cul-de-sac portion of the alley to be removed from the County System of Highways as a public road. Easement rights for Southern California Edison Company will be reserved within the area to be vacated.			
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:			
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Priority No. 7: Sustainability–The recommended actions will provide for transportation infrastructure improvements, which will improve the quality of life for the residents of the unincorporated community of Willowbrook and will allow for the County to relinquish rights, which will promote fiscal sustainability and reduce the County's exposure to potential liability.			
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Geetha Shan, Deputy Director, (626) 458-4008, <a href="mailto:gshan@pw.lacounty.gov">gshan@pw.lacounty.gov</a>			



MARK PESTRELLA, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE:

October 28, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**PUBLIC HEARING  
TRANSPORTATION CORE SERVICE AREA  
RESOLUTION TO VACATE A PORTION OF ALLEY  
WEST OF ALAMEDA STREET AND NORTH OF 134TH STREET  
IN THE UNINCORPORATED COMMUNITY OF WILLOWBROOK  
(SUPERVISORIAL DISTRICT 2)  
(3-VOTES)**

**SUBJECT**

Public Works is seeking Board approval to vacate a portion of the alley west of Alameda Street and North of 134th Street in the unincorporated community of Willowbrook, which is no longer needed for prospective public use.

**IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING:**

1. Find that the proposed project is exempt from the California Environmental Quality Act for the reasons stated in this Board letter and in the record of the project.
2. Find that the portion of the alley west of Alameda Street and north of 134th Street in the unincorporated community of Willowbrook is unnecessary for prospective public use.
3. Find that the public convenience and necessity require the reservation and exception of easement to Southern California Edison Company for construction, maintenance, operation, and use of appurtenant structures with ingress and egress purposes pursuant to Sections 8340 and 8341 of the California Streets and Highways Code.

4. Adopt the Resolution to vacate a portion of the alley west of Alameda Street and north of 134th Street with reservation pursuant to Section 8324 of the California Streets and Highways Code.
5. Upon approval, authorize the Director of Public Works or his designee to record the certified original resolution with the Registrar-Recorder/County Clerk.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to find that the project is exempt from the California Environmental Quality Act (CEQA) and allow the County to vacate a portion of the alley west of Alameda Street and north of 134th Street in the unincorporated community of Willowbrook since it is unnecessary for prospective public use. The recommended actions will allow for the removal of the easement and for the area to be fenced off, which will prevent illegal dumping and other nuisance activities. In addition, the recommended actions will allow the Compton Unified School District, the underlying property owner, to use the vacated area and will allow the cul-de-sac portion of the alley to be removed from the County System of Highways as a public road.

The proposed vacation of the easement was requested by Public Works to remove the encumbrances from the property and protect the elementary school from the proximity of illegal dumping and persons experiencing homelessness. The County and the Compton Unified School District will benefit from this transaction.

Easement rights for an existing utility facility will be reserved for Southern California Edison Company within the area to be vacated.

#### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 3, Realize Tomorrow's Government Today, Focus Area Goal G, Internal Controls and Processes, Strategy ii, Manage and Maximize County Assets, by allowing the County to vacate the easement, which will help promote fiscal sustainability and reduce the County's exposure to potential liability.

#### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.



### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The area of the easement to be vacated is approximately 1,450 square feet as shown on the enclosed map (Enclosure A).

The County's interests in the alley were acquired by dedication on Lynwood Park Tract Book 9, page 60 of Maps, and Document No. 2150 recorded on April 1, 1970, as easements for public road and highway purposes.

The easement proposed to be vacated was reviewed by the County Sanitation Districts, Fire Department, Department of Parks and Recreation, Department of Regional Planning, and Public Works.

The easement proposed to be vacated has been determined to be unnecessary for present or prospective public use and is not required for public access or transportation.

The procedure for the vacation of a County highway is set forth in Chapter 3, Part 3, Division 9, of the California Streets and Highways Code, commencing with Section 8320. Easement rights for an existing utility facility will be reserved to Southern California Edison Company for construction, maintenance, operation, and use of appurtenant structures with ingress and egress purposes pursuant to Sections 8340 and 8341 of the California Streets and Highways Code.

The enclosed Resolution (Enclosure B) has been approved as to form by County Counsel and will be recorded. Adoption and subsequent recordation of the Resolution will terminate the County's rights and interest in the easement and will result in the property being unencumbered by the easement.

### **ENVIRONMENTAL DOCUMENTATION**

This proposed project is exempt from CEQA. The project, which is the vacation of easement for public road and highway purposes, is within certain classes of projects that have been determined not to have a significant effect on the environment in that it meets the criteria set forth in Sections 15305 and 15321 of the CEQA Guidelines relating to minor alterations in land use and regulatory actions to enforce use entitlement. In addition, based on the proposed project records, it will comply with all applicable regulations; it is not in a sensitive environment; there are no cumulative impacts, unusual

circumstances, damage to scenic highways, or listing on hazardous waste site lists compiled pursuant to Government Code, Section 65962.5; or indications that they may cause a substantial adverse change in the significance of a historical resource that would make the exemption inapplicable.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will have no significant impact on current County services or projects.

**CONCLUSION**

Public Works will post notices of the hearing in accordance with Section 8323 of the California Streets and Highways Code.

Please return one adopted copy of this Board letter to Public Works, Survey/Mapping & Property Management Division.

Respectfully submitted,

MARK PESTRELLA, PE  
Director of Public Works

MP:GE:mr

Enclosures

c: Auditor-Controller (Accounting Division–Asset Management)  
Chief Executive Office (Christine Frias)  
County Counsel  
County Sanitation District  
Executive Office, Board of Supervisors  
Fire  
Parks and Recreation  
Regional Planning

# Enclosure A

# PROPOSED VACATION OF A PORTION OF ALLEY WEST OF ALAMEDA STREET AND NORTH OF 134TH STREET

133RD

ST

JEFFERSON

ELEMENTARY

SCHOOL

134TH

ST

TO ALAMEDA ST →

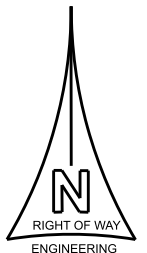


## LEGEND



PARCEL NO. 2-9VAC  
AREA: 1,450± SQ. FT

VAC: DENOTES PROPOSED VACATION  
OF A PORTION OF ALLEY



# Enclosure B

**RESOLUTION TO VACATE  
A PORTION OF THE ALLEY WEST OF ALAMEDA STREET  
AND NORTH OF 134TH STREET  
WITH RESERVATION**

WHEREAS, the Board of Supervisors of the County of Los Angeles has conducted a noticed public hearing regarding the proposed vacation of a portion of alley west of Alameda Street and north of 134th Street (hereinafter referred to as easement), in the unincorporated community of Willowbrook, in the County of Los Angeles, State of California, as legally described in Exhibit A and depicted on Exhibit B, both attached hereto, in accordance with Chapter 3, Part 3, Division 9, of the California Streets and Highways Code, commencing with Section 8320, and has considered all evidence submitted at the hearing:

NOW, THEREFORE, THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES HEREBY FINDS, DETERMINES, AND RESOLVES AS FOLLOWS:

1. The easement in the unincorporated community of Willowbrook is no longer needed for present or prospective public use.
2. The public convenience and necessity require the reservation of the easement to Southern California Edison Company for construction, maintenance, operation, and use of appurtenant structures with ingress and egress purposes pursuant to Sections 8340 and 8341 of the California Streets and Highways Code.
3. The easement is hereby vacated pursuant to Chapter 3, Part 3, Division 9, of the California Streets and Highways Code, commencing with Section 8320, reserving and excepting therefrom easement rights to Southern California Edison Company for construction, maintenance, operation, and use of appurtenant structures with ingress and egress purposes pursuant to Sections 8340 and 8341 of the California Streets and Highways Code.
4. That the Director of Public Works or his designee is authorized to record the certified original resolution with the Registrar-Recorder/County Clerk, at which time the easement shall be vacated and will no longer constitute a street, highway, or public service easement.

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The foregoing resolution was adopted on the \_\_\_\_ day of \_\_\_\_\_, 2025, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts for which said Board so acts.

EDWARD YEN  
Executive Officer of the  
Board of Supervisors of  
the County of Los Angeles

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON  
County Counsel

By \_\_\_\_\_  
Deputy

# EXHIBIT A

Project Name: VACATION OF A PORTION OF  
ALLEY WEST OF ALAMEDA  
STREET AND NORTH OF  
134TH STREET  
**134TH STREET 2-9VAC**  
A.M.B. 6154-018--ALLEY (POR)  
R.D. 241  
I.M. 069-217  
S.D. 2  
R090HCSD2

## LEGAL DESCRIPTION

**PARCEL NO. 2-9VAC** (Vacation of public road and highway easement):

### Part A:

Those portions of Lots 11 and 12, Block 11, Lynwood Park Tract, as shown on map recorded in Book 9, page 60, of Maps, in the office of the Registrar-Recorder/County Clerk of the County of Los Angeles, described as Parcel 2-5, in deed to said county, recorded on April 1, 1970, as Document No. 2150, of Official Records, in the office of said Registrar-Recorder/County Clerk.

### Part B:

Those portions of Lots 50 and 51 of above-mentioned Block 11, described as Parcel 2-6, in deed to above-mentioned county, recorded on April 1, 1970, as Document No. 2150, of Official Records, in the office of the above-mentioned Registrar-Recorder/County Clerk.

### Part C:

That portion of that 15-foot-wide alley adjoining Lots 11, 12, 50, and 51 of the above-mentioned Block 11, bounded easterly by the northerly prolongation of the easterly line of said Lot 51, and bounded westerly by a line parallel with and 30 feet westerly, measured at right angles, from the easterly line of said Lot 51.

Total area of PARCEL NO. 2-9VAC, having 3 parts, containing 1,450± square feet.



## EXHIBIT A

RESERVING an easement for the construction, maintenance, operation, replacement, removal, and renewal of utility facilities to Southern California Edison Company in, on, over, and across the above-described PARCEL NO. 2-9VAC.

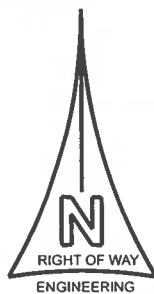
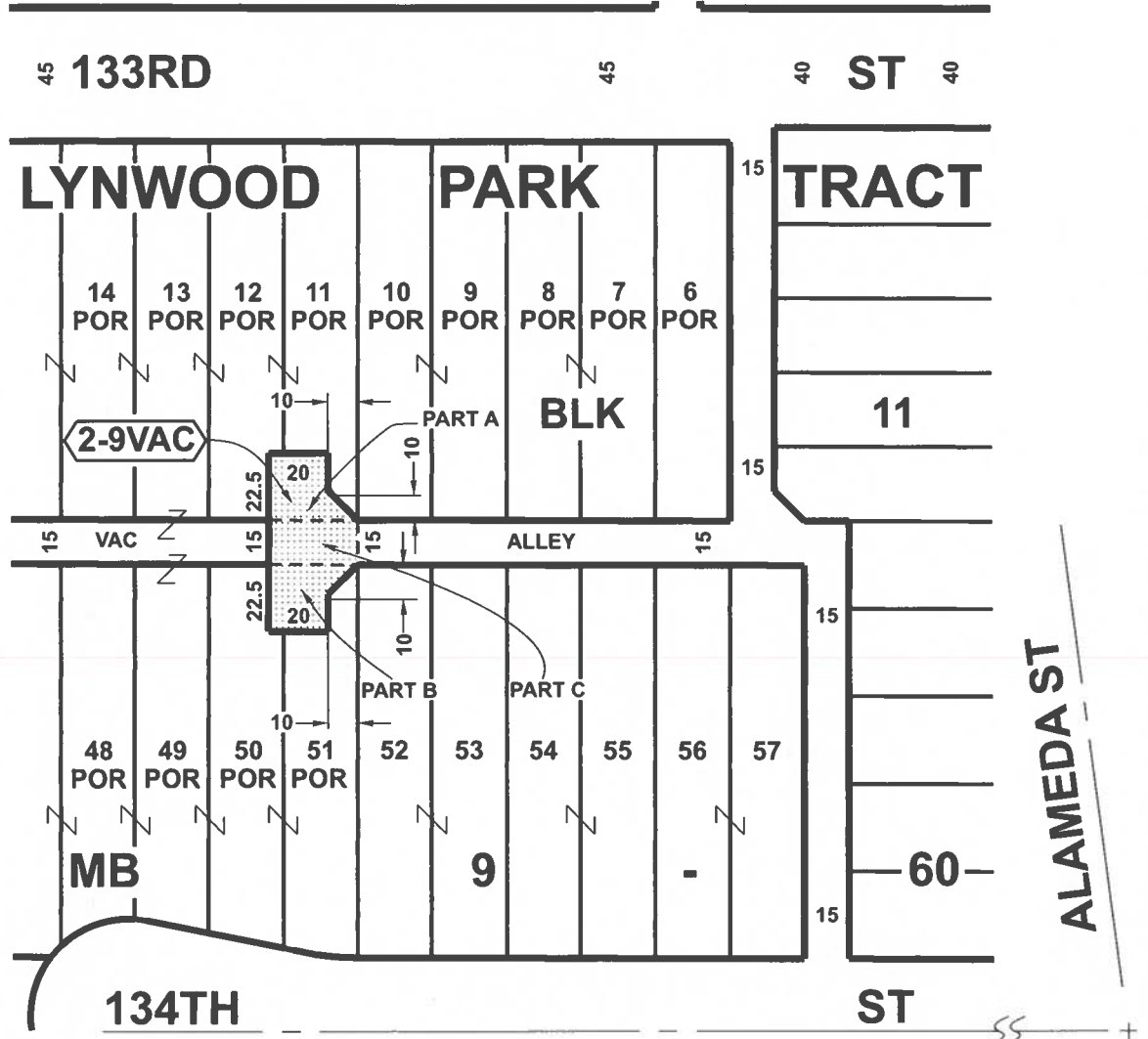


APPROVED AS TO DESCRIPTION

By   
LICENSED LAND SURVEYOR  
Los Angeles County Public Works

Dated 6/24/2025

# EXHIBIT B



BY gao  
LICENSED SURVEYOR

6/24/2025  
DATE

## LEGEND



PARCEL NO. 2-9VAC  
TOTAL AREA: 1,450± SQ. FT

VAC: DENOTES VACATION OF A  
PORTION OF ALLEY  
FOR ROAD OR HIGHWAY PURPOSES

UNITS ARE IN FEET

## LOS ANGELES COUNTY PUBLIC WORKS SURVEY/MAPPING & PROPERTY MANAGEMENT DIVISION

I.M. 069-217  
S.D. 2  
R.D. 241

VACATION OF A  
PORTION OF ALLEY  
WEST OF ALAMEDA STREET  
AND NORTH OF 134TH STREET

DATE  
6-24-2025

SCALE:  
NO SCALE

A.M.B.  
6154-018-ALLEY (POR)

PREPARED BY  
C. PADRON

REVIEWED BY  
V. LIPANA

PROJECT I.D.  
MPV0000253

PROJECT NO.  
R090HCSD2