



**Agenda**  
**City of Vernon**  
**Regular City Council Meeting**  
**Tuesday, March 15, 2022, 9:00 AM**  
**City Hall, Council Chamber**  
**4305 Santa Fe Avenue**  
**Vernon, California**

**Melissa Ybarra, Mayor**  
**William Davis, Mayor Pro Tem**  
**Leticia Lopez, Council Member**  
**Crystal Larios, Council Member**  
**Judith Merlo, Council Member**

**MEETING ATTENDANCE PROTOCOLS**

Assembly Bill 361 (AB 361) authorizes public meetings to take place via teleconference because State and Local officials are recommending measures to promote social distancing. Meetings are conducted in a hybrid format that includes both in-person and Zoom public participation.

The public is encouraged to view the meeting at <https://www.cityofvernon.org/webinar-cc> or by calling (408) 638-0968, Meeting ID 865-3566-6070#. You may address the Council via Zoom or submit comments to [PublicComment@ci.vernon.ca.us](mailto:PublicComment@ci.vernon.ca.us) with the meeting date and item number in the subject line.

**CALL TO ORDER**

**FLAG SALUTE**

**ROLL CALL**

**APPROVAL OF THE AGENDA**

**PUBLIC COMMENT**

At this time the public is encouraged to address the City Council on any matter that is within the subject matter jurisdiction of the City Council. The public will also be given a chance to comment on matters which are on the posted agenda during City Council deliberation on those specific matters.

**PRESENTATIONS**

**1. Human Resources**

[Employee Service Pin Awards for February 2022](#)

Recommendation:

No action required by the City Council. This is a presentation only.

**2. Finance/Treasury**

[Fiscal Year 2020-2021 Government-wide Audited Financial Results](#)

Recommendation:

- A. Receive presentation on Government-wide Audited Financial Results for Fiscal Year 2020-2021; and
- B. Receive and file Fiscal Year 2020-2021 Government-wide Annual Financial Report.
  - 1. [2021 Audited City-wide Financial Statements](#)
  - 2. [2021 Audited VPU Financial Statements](#)
  - 3. [2021 Audited Water Financial Statements](#)

**CONSENT CALENDAR**

All matters listed on the Consent Calendar are to be approved with one motion. Items may be removed from the Consent Calendar for individual consideration. Removed items will be considered immediately following the Consent Calendar.

**3. City Clerk**

[Approval of Minutes](#)

Recommendation:

Approve the March 1, 2022 Regular City Council meeting minutes.

- 1. [20220301 City Council Minutes](#)

**4. Finance/Treasury**

[Operating Account Warrant Register](#)

Recommendation:

Approve Operating Account Warrant Register No. 83, for the period of February 13 through February 26, 2022, totaling \$10,359,152.54 and consisting of ratification of electronic payments totaling \$10,098,309.85 and ratification of the issuance of early checks totaling \$260,842.69.

- 1. [Operating Account Warrant Register No. 83](#)

**5. Finance/Treasury**

[City Payroll Warrant Register](#)

Recommendation:

Approve City Payroll Warrant Register No. 789, for the period of February 1 through February 28, 2022, totaling \$2,993,490.97 and consisting of ratification of direct deposits, checks and taxes totaling \$2,102,761.38 and ratification of checks and electronic fund transfers (EFT) for payroll related disbursements totaling \$890,729.59 paid through operating bank account.

- 1. [City Payroll Account Warrant Register No. 789](#)

**6. Fire Department**

[Fire Department Activity Report](#)

Recommendation:

Receive and file the January 2022 Fire Department Activity Report.

- 1. [Fire Department Activity Report - January 2022](#)

**7. Police Department**

[Police Department Activity Report](#)

Recommendation:

Receive and file the January 2022 Police Department Activity Report.

1. [Police Department Activity Report - January 2022](#)

**8. Public Works**

[Quarterly City Housing Report](#)

Recommendation:

Receive and file the March 2022 City Housing Quarterly Report.

1. [March 2022 Quarterly Housing Report](#)

**9. Finance/Treasury**

[Quarterly Report of Cash and Investments](#)

Recommendation:

Receive and file the Cash and Investment Report for the quarters ending September 30, 2021 and December 31, 2021.

1. [2021-12 Quarterly Cash and Investments Report](#)
2. [2021-09 Quarterly Cash and Investments Report](#)

**10. Public Works**

[Right of Way Agreements for the Atlantic Bridge Improvement Project](#)

Recommendation:

- A. Find that the proposed action is categorically exempt from California Environmental Quality Act (CEQA) review, in accordance with CEQA Guidelines Section 15301, because the project consists of the minor alteration of existing facilities and involves negligible or no expansion of an existing use;
  - B. Approve and authorize the City Administrator to execute a Possession and Use Agreement with Magellan Atlantic I, LLC, in substantially the same form as submitted, for portions of 3030 Atlantic and deposit an amount of \$453,000 in escrow, and authorize the Mayor to execute related Certificates of Acceptance for certain easements;
  - C. Approve and authorize the City Administrator to execute a Fixtures/Equipment Agreement with Clear Channel Outdoor, in substantially the same form as submitted, for the removal of a billboard located at 5122 S. Atlantic Blvd for an amount of \$34,405; and
  - D. Approve and Authorize the City Administrator to execute a Document Approval Letter with Los Angeles County Flood Control District, in substantially the same form as submitted, for the permanent easements and temporary construction easements over Los Angeles Rivers Parcels for an amount of \$1,431,762, and authorize the Mayor to execute related Certificates of Acceptance for certain easements.
1. [Magellan Atlantic I, LLC Possession and Use Agreement](#)
  2. [3030 Atlantic Preliminary Report](#)
  3. [Clear Channel Outdoor Fixtures/Equipment Agreement](#)
  4. [Los Angeles County Flood Control District Document Approval Letter](#)

**11. Finance/Treasury**

[Professional Service Agreement with GovInvest Inc. for Actuarial Consulting and Technology Services](#)

Recommendation:

Approve and authorize the City Administrator to execute a Professional Services Agreement with GovInvest Inc., in substantially the same form as submitted, for actuarial consulting and technology services for a total amount not-to-exceed \$116,600, for a three-year term.

[1. Agreement with GovInvest](#)

**12. Public Works**

[Amendment No. 2 Janitorial Services Agreement with Priority Building Services](#)

Recommendation:

A. Find that the approval of the proposed amendment is exempt from California Environmental Quality Act (CEQA) review, as it is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore is not a “project” as defined by Section 15378 of the CEQA Guidelines; and

B. Approve and authorize the City Administrator to execute Amendment No. 2 to Services Agreement with Priority Building Services, LLC, in substantially the same form as submitted, for janitorial services, changing the contract total from \$398,307 to \$436,006.30.

[1. Amendment No. 2 - Priority Building Services](#)

**13. Public Works**

[Supplemental to Purchase Contract No. CS-1363 with Mega Renovation, Inc. for the Remodel of 4328 Furlong Place](#)

Recommendation:

A. Find that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15301, because the project consists of the maintenance, repair or minor alteration of an existing facility and involves negligible or no expansion of an existing use; and

B. Approve and authorize the issuance of a Supplemental to Purchase Contract No. CS-1363 with Mega Renovations, Inc. for the Remodel of City-Owned Residential Property Located at 4328 Furlong Place for an amount not to exceed \$19,283.95.

## **NEW BUSINESS**

### **14. Finance/Treasury**

#### [Fiscal Year 2021-22 Mid-Year Financial Update](#)

Recommendation:

- A. Find that approval of the proposed action is exempt from California Environmental Quality Act (CEQA) review, because it is a government fiscal activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and
- B. Adopt Resolution No. 2022-05 approving Mid-Year Budget Appropriations and amending the Annual Operating and Capital Budget for Fiscal Year 2021-22.

#### [1. Resolution No. 2022-05](#)

### **15. City Administration**

#### [Reimbursement Agreement for Shelter Beds Within the Salvation Army Bell Shelter](#)

Recommendation:

Approve and authorize the Mayor to execute a Reimbursement Agreement for shelter beds within the Salvation Army Bell Shelter with the cities of Bell, Bell Gardens, Commerce, Cudahy, Huntington Park, Maywood, and Southgate, collectively referred to as the Local Coordinating Alliance 1 (LCA1) at an estimated cost of \$62,415.50 and not to exceed total of \$100,000 for a term beginning March 1, 2022 and ending on June 30, 2023.

#### [1. Joint Agency Reimbursement Agreement for Salvation Army Bell Shelter Beds](#)

## 16. Public Utilities

### [Change Order No.16 to the Amended and Restated Services Agreement with Siemens Energy, Inc.](#)

Recommendation:

- A. Find that approval of the proposed action is exempt from California Environmental Quality Act (CEQA) review, because it is a government fiscal activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; to the extent the Services Agreement with Siemens Energy provides for facility and equipment maintenance or repairs, such work is categorically exempt from CEQA review, in accordance with CEQA Guidelines § 15301, because the project consists of the maintenance, repair or minor alteration of existing structures, facilities, or equipment, and involves negligible or no expansion of an existing use;
- B. Approve and authorize the City Administrator to execute Change Order No. 16 to the Amended and Restated Services Agreement with Siemens Energy, Inc., (Siemens Energy) in substantially the same form as submitted, to revise the Payment Schedule and amend the termination date of the agreement; and
- C. Approve the issuance of a blanket Purchase Contract in an amount not-to-exceed \$450,000 for maintenance services with Siemens Energy for the remainder of fiscal year 2021-2022.

#### [1. Change Order 16 - Siemens Energy Inc. - Redacted](#)

## 17. City Clerk

### [City Council Appointments to Outside Agencies](#)

Recommendation:

Appoint a delegate and alternate to represent the City at the Southern California Association of Government 2022 Regional Conference and General Assembly.

## **18. Public Utilities**

### [Labor and Materials Contract with Petrelli Electric, Inc. to Provide High Voltage Electric System Service, Maintenance and Utility Support](#)

Recommendation:

- A. Approve and authorize the City Administrator to execute a Labor and Materials Contract with Petrelli Electric, Inc. (Petrelli Electric), in substantially the same form as submitted, for a five-year term effective July 18, 2022, with an option to extend for an additional five years after the expiration of the initial term, to provide high voltage electric system service, maintenance, and utility support to Vernon's Electric and Fiber Optic Systems; and
- B. Pursuant to Sections 3.32.220(B) and 3.32.110(B)(3) of the Vernon Municipal Code (VMC), find that it is commercially unreasonable to rebid the proposed contract for high voltage electric system service, maintenance, and utility support every three years due to significant risks to the electric system reliability and responsiveness, as well as added costs to the City and contractor including a steep learning curve in potential frequent transitions in contracted services.

#### [1. Petrelli Electric Inc. - Labor and Materials Contract](#)

## **ORAL REPORTS**

City Administrator Reports on Activities and Other Announcements.

City Council Reports on Activities (including AB 1234), Announcements, or Directives to Staff.

## **CLOSED SESSION**

### **19. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Government Code Section 54957(b)(1)

Title: City Administrator

### **20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Initiation of Litigation

Government Code Section 54956.9(d)(4)

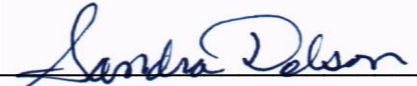
Number of potential cases: 1

## **CLOSED SESSION REPORT**

**ADJOURNMENT**

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted in accordance with applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours prior to the meeting.

Dated this 10<sup>th</sup> day of March, 2022.

By:  \_\_\_\_\_  
Sandra Dolson, Administrative Secretary



## Guide to City Council Proceedings

**Meetings** of the City Council are held the first and third Tuesday of each month at 9:00 a.m. and are conducted in accordance with Rosenberg's Rules of Order (Vernon Municipal Code Section 2.04.020).

**Copies** of all agenda items and back-up materials are available for review in the City Clerk Department, Vernon City Hall, 4305 Santa Fe Avenue, Vernon, California, and are available for public inspection during regular business hours, Monday through Thursday, 7:00 a.m. to 5:30 p.m. Agenda reports may be reviewed on the City's website at [www.cityofvernon.org](http://www.cityofvernon.org) or copies may be purchased for \$0.10 per page.

**Disability-related services** are available to enable persons with a disability to participate in this meeting, consistent with the Americans with Disabilities Act (ADA). In compliance with ADA, if you need special assistance, please contact the City Clerk department at [CityClerk@ci.vernon.ca.us](mailto:CityClerk@ci.vernon.ca.us) or (323) 583-8811 at least 48 hours prior to the meeting to assure arrangements can be made.

The **Public Comment** portion of the agenda is for members of the public to present items, which are not listed on the agenda but are within the subject matter jurisdiction of the City Council. The City Council cannot take action on any item that is not on the agenda but matters raised under Public Comment may be referred to staff or scheduled on a future agenda. Comments are limited to three minutes per speaker unless a different time limit is announced. Speaker slips are available at the entrance to the Council Chamber.

**Public Hearings** are legally noticed hearings. For hearings involving zoning matters, the applicant and appellant will be given 15 minutes to present their position to the City Council. Time may be set aside for rebuttal. All other testimony shall follow the rules as set for under Public Comment. If you challenge any City action in court, you may be limited to raising only those issues you or someone else raised during the public hearing, or in written correspondence delivered to the City Clerk at or prior to the public hearing.

**Consent Calendar** items may be approved by a single motion. If a Council Member or the public wishes to discuss an item, it may be removed from the calendar for individual consideration. Council Members may indicate a negative or abstaining vote on any individual item by so declaring prior to the vote on the motion to adopt the Consent Calendar. Items excluded from the Consent Calendar will be taken up following action on the Consent Calendar. Public speakers shall follow the guidelines as set forth under Public Comment.

**New Business** items are matters appearing before the Council for the first time for formal action. Those wishing to address the Council on New Business items shall follow the guidelines for Public Comment.

**Closed Session** allows the Council to discuss specific matters pursuant to the Brown Act, Government Code Section 54956.9. Based on the advice of the City Attorney, discussion of these matters in open session would prejudice the position of the City. Following Closed Session, the City Attorney will provide an oral report on any reportable matters discussed and actions taken. At the conclusion of Closed Session, the Council may continue any item listed on the Closed Session agenda to the Open Session agenda for discussion or to take formal action as it deems appropriate.

## **City Council Agenda Item Report**

Submitted by: Denise Palomares  
Submitting Department: Human Resources  
Meeting Date: March 15, 2022

### **SUBJECT**

Employee Service Pin Awards for February 2022

### **Recommendation:**

No action required by the City Council. This is a presentation only.

### **Background:**

The following employees are eligible to receive their service pin based on the number of service years with the City of Vernon:

#### **20 YEARS OF SERVICE**

Victor A. Vasquez Jr., Street Maintenance Worker, Lead, Hired February 2002

#### **5 YEARS OF SERVICE**

Raymond L. Godoy, Police Officer, Hired February 2017

### **Fiscal Impact:**

There is no fiscal impact associated with this report.

### **Attachments:**

None.

# City Council Agenda Item Report

Submitted by: Jessica Alcaraz  
Submitting Department: Finance/Treasury  
Meeting Date: March 15, 2022

## **SUBJECT**

Fiscal Year 2020-2021 Government-wide Audited Financial Results

## **Recommendation:**

- A. Receive presentation on Government-wide Audited Financial Results for Fiscal Year 2020-2021; and
- B. Receive and file Fiscal Year 2020-2021 Government-wide Annual Financial Report.

## **Background:**

Audits are to be performed in accordance with the standards set forth for financial audits by the Governmental Accounting Standards Board (GASB), in the General Accounting Office (GAO). In addition, Article VIII, Chapter 8.11 of the City Charter requires City Council to appoint a California certified public accounting firm to provide an independent, annual audit of all City accounts, including the accounts of all departments, officers, and employees who receive, handle or disburse public funds.

The City's contracted audit firm, CliftonLarsonAllen (CLA), presented the Electric Fund Financials to Council on January 18, 2022 and will present the City's Government-wide audited financial results for Fiscal Year 2020-2021 to Council at its March 15, 2022 meeting.

## **Fiscal Impact:**

There is no fiscal impact associated with this report.

## **Attachments:**

1. [2021 Audited City-wide Financial Statements](#)
2. [2021 Audited VPU Financial Statements](#)
3. [2021 Audited Water Financial Statements](#)

**CITY OF VERNON**  
**ANNUAL COMPREHENSIVE FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2021**



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## **INTRODUCTORY SECTION**



4305 Santa Fe Avenue, Vernon, California  
90058 Telephone (323) 583-8811

City of Vernon, California  
Finance Department

March 3, 2022  
To the Honorable Mayor and City Council  
Vernon, California

In accordance with the Charter of the City of Vernon (City), please accept submission of the Annual Financial Report for the fiscal year ended June 30, 2021. Responsibility for the accuracy of the data, completeness, and fairness of the presentation, including all disclosures, rests with the City. We believe the data included is accurate in all material aspects, and is presented in a manner designed to fairly set forth the financial position and operational achievements of the City, as measured by the financial activity of its various funds. In addition, all disclosures necessary to enable the reader to gain a maximum understanding of the City's financial activities have been included.

Vernon's City Charter requires an annual audit of the City's financial statements by an independent Certified Public Accountant. Accordingly, this year's audit was completed by CliftonLarsonAllen LLP. The auditors' report on the basic financial statements is included in the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the City's basic financial statements. MD&A complements this letter of transmittal and, as such, should be read in conjunction.

### **ECONOMIC CONDITION AND OUTLOOK**

Since it was founded in 1905, Vernon has maintained a business-friendly environment, thus allowing the City to remain one of Southern California's prime locations for industry of all types. Vernon offers businesses a range of advantages compared to nearby cities in L.A. County. Features such as lower permit fees; lower electricity, water and natural gas utility rates; excellent City services tailored to specific business needs; easy access to major transportation hubs; and proximity to a substantially skilled workforce enable business and industry to thrive in Vernon.

Vernon is the industrial heart of Southern California. Major manufacturers, processors and distributors have made Vernon their home for more than a century. Vernon businesses employ more than 50,000 men and women from nearby communities throughout the Greater Los Angeles area. There are 1,800 businesses that call Vernon home. These include food processors, fashion apparel manufacturers, furniture manufacturers, electronics manufacturers, paper products producers and business logistics companies.



Vernon is a key contributor to the diverse Los Angeles County economy. After several years of slow and steady growth, the economy is finally shifting into a higher gear as it continues to recover from the Impact of the most recent recession. Job growth is contributing to the flourishing local economy, as well as at the state and national levels. Vernon is largely industrial and does not maintain an unemployment rate tally of its small population. However, the unemployment rate of adjacent communities is currently 10.5%, which is higher than the State of California's average unemployment rate of 7.7%, and the national average unemployment rate of 5.9%. The occupancy rate of the City 's central business district ranges between 96% and 98%.

The City will continue to build on the successes and achievements realized in the current year and remains committed to serving its customers. The City's main revenue sources consisting of utilities fees, property and parcel taxes, business license taxes, and sales and use tax, have all sustained steady growth this year. As the City moves into fiscal year 2022, we are optimistic about continued growth but will remain attentive to the prevailing economic climate and mindful of managing enhanced services within the limits of our adopted budget.

Additionally, the City continues to make strides in developing its community relationships. With seasonal community outreach events, it is connecting with Vernon residents and those residents in neighboring communities in the southeast region. The City has begun circulating a Resident Newsletter and is also active on its social media platforms, focusing on dissemination of information that is relevant to the community, ensuring that its population is well-informed on City matters. By forging these connections with community members, the City is confident that the bi-directional conversations that result will allow it to better serve the needs of its constituents.

### **Vernon's Fashionable Business Resources**

Vernon serves a major center for Southern California's fashion industry. Vernon is home to more than 10% of fashion-related jobs in Los Angeles County. The fashion industry accounts for approximately 15% of Vernon's businesses. The availability of specialized office and warehouse space in Vernon makes the City a top site for apparel, textile design, storage and manufacturing companies in the fashion industry. More than 265 fashion industry companies engaged in design, dyeing, cutting, sewing, importing and distribution are located in Vernon. Fashion industry businesses prosper in Vernon because they do not need to leave Vernon to connect with most of their key business partners. Fashion industry companies have quick access to Los Angeles, Orange County and the Inland Empire for their product distribution channels and can easily utilize national and international trade routes through nearby freeways, railroads and ports. Vernon's low taxes, lower cost power and water rates, and business- friendly municipal services are why the fashion industry calls Vernon its home.

### **Powering Business Competitiveness**

The City of Vernon Public Utilities Department (VPU) serves as an essential resource to the City's business and residential community, providing dependable, high-quality utility services at very competitive rates. VPU offers electricity, natural gas, water, and fiber optic services to Vernon based businesses and residents, often at a cost savings compared to neighboring utility providers. The City- owned electric, natural gas, water, and fiber optic distribution systems have a strong, established history of reliability, capable of efficiently and successfully serving the needs of the City's unique largely industrial community.

The electric utility provides businesses reliable and competitive electrical services. The electric utility has operated for more than 80 years. Its electrical power and distribution system helps guarantee uninterrupted electrical service for Vernon's businesses. Electricity costs for large businesses are comparable and less than power costs from competing utility providers in the Los Angeles region, depending on the customer type and service being provided.

Vernon's natural gas distribution system offers significant advantages for businesses. Vernon's natural gas transportation rates are less than those offered by a large private natural gas utility in the same service area. Vernon's natural gas is distributed through a robust network of more than 44 miles gas distribution pipelines.

Vernon has 35 miles of fiber optic cable spanning its five-square miles, offering businesses "dark fiber" and "lit fiber" data services. Vernon's advanced network of fiber optic cable provides businesses new high-speed methods to virtually connect their buildings and offices to the Internet at lower costs with high reliability.

Vernon's water utility offers large industrial users water rates that are among the lowest in Southern California. Vernon maintains reliable water sources to serve a customer base that uses a high volume of water. Vernon supplies most of the water it sells from City-owned wells and purchases the remaining water supplies from regional agencies through agreements with the Metropolitan Water District of Southern California (MWD).

### **Safeguarding the Environment**

Vernon is one of four cities in the State of California with a health department. Vernon's Health and Environmental Control Department regulates industrial operations conducted in the City.

Since Vernon maintains a municipal health authority, local businesses are able to deal directly with the City health department officials to address important environmental issues, which help businesses streamline the monitoring and enforcement of health-related Federal laws, and State, LA County and Municipal ordinances, rules and regulations.

Vernon is focused on protecting the environment. Accordingly, Vernon has in place strict ordinances governing the practices of heavy manufacturers, food processors, garment manufacturers, and hazardous waste storage and disposal. Each function in a manner that allows the City to effectively serve the community in protecting public health.

Vernon manages several special programs and operations to safeguard the public's health and safety and protect the City's environment. Among these are the following: Certified Unified Program Agency, Accidental Release Prevention, Animal/Vector Control, Food Inspection Program, Garment Manufacturing Program, Hazardous Materials Monitoring, Hazardous Waste, Public/Employee Health Education, Solid Waste Management, Storm Water Control, Above Ground Storage Tank Inspection, Underground Storage Tank Inspection, and Water Quality programs. Each of these programs is designed to ensure a safe environment for residents and the business community.

### **Public Safety**

Creating a safe environment for residents and businesses to thrive is a key factor to Vernon's success. The City's skilled Police and Fire Department personnel are some of the best in their respective fields. Expeditious response times and community engagement are hallmarks of their exceptional service.

The mission of the Vernon Police Department (VPD) is to provide swift, skillful and responsive law enforcement services to the people and businesses of our community through the application of proactive problem-solving strategies and the development of equal partnerships with the people served. Officers seek to ensure a sense of well-being in the community and they are guided by their commitment to working closely with the industrial population. VPD is dedicated to maintaining the highest degree of professionalism and ethical standards in its pursuit of this mission, ever mindful of the need to safeguard the individual liberties of all members of the community.

VPD responds to emergency calls in less than four minutes. Vernon police officers are specially trained and outfitted with the latest technology to investigate offenses unique to an industrial community. Using mobile computer terminals in their patrol cars, officers can query criminal databases from the field and connect seamlessly with the Department's advanced communications center, which is fully integrated with its records management and E911 systems. With its specialized units, the VPD maintains an effective community policing strategy.

The Vernon Fire Department continues to be the leader in “exclusively Industrial” firefighting among its peers and has been awarded a Class 1 Public Classification rating by the Insurances Services Office (ISO), an organization that independently evaluates municipal fire protection efforts in communities throughout the United States. The Class 1 rating is the highest possible score that agencies in California can receive. A total of 10 such departments in California and 58 departments nationally have achieved this prestigious, significant ranking. Vernon Fire Department team members are public servant oriented and take immense pride in the superior service provided to the community.

The City maintains four stations within the City's five square-miles that enable its firefighters and paramedics to achieve an average emergency response time of three minutes. Vernon's firefighters are highly trained to manage complex emergency incidents and equipped to deal with industrial fires and toxic hazards. The Fire Department consists of seven main Divisions which are key to its successful operation: Fire Suppression, Emergency Medical Services (EMS), Emergency Management, Fire Apparatus & Equipment, Training & Safety, Hazardous Materials and Administration. These divisions function in a manner that allows the department to effectively serve the community in emergency and non-emergency situations.

Vernon's Police and Fire Departments serve as a major emergency response and disaster preparedness resource for the Greater Los Angeles region. Vernon works closely with L.A. County and municipal public safety agencies in neighboring cities to offer essential public safety resources and assistance at times of an emergency through mutual aid agreements. Vernon consistently provides more police and fire emergency response mutual aid coverage than that which the City requests through these agreements. Vernon's specialized emergency service of hazardous materials and search-and-rescue units frequently lend their expertise at major public safety incidents throughout Southern California.

## **MAJOR INITIATIVES**

Under the direction of the Mayor and City Council, City management identifies the priorities that shape the path leading into the City's future. City initiatives are reevaluated regularly, and new goals are frequently vetted to ensure that City efforts are consistent with the priorities of our policy body and the community. The City strives each year to better fulfill its mission of delivering outstanding municipal services that are responsive, comprehensive, and beneficial to the entire community by continuing its tradition of fostering innovation, ingenuity, and opportunity within its operations. City staff remains focused on actions that achieve the primary goals of tending to the public's needs, building neighborhood connections, and governing for results that strengthen our community. The City's dedication to improvement and modernization has created an environment where City of Vernon residents and businesses are dialed in and able to collaborate with staff, voice their concerns, and have access to a plethora of information on the City and their chosen topic(s) of interest. As these relationships flourish, businesses and residents alike are able to enjoy all that Vernon has to offer while also participating in guiding Vernon down its path into the future.

1. Vernon is very committed to meeting its debt service coverages. In order to address the budget deficit historically present in the General Fund, the City placed on the ballot a measure to increase the Utility Users Tax from 1% to 6% which passed in April 2019. The passage of this measure will effectively eliminate operating transfers from its enterprise activities to the General Fund. To minimize the burden on the business community, an equivalent discount has been provided to Vernon's electric, gas, water, and fiber optics utility customers.
2. Vernon has the capacity to expand its services as new businesses emerge and as existing businesses flourish and expand. An attractive, business friendly approach is extended to customers in the form of discounts that are available for large electricity consumers. Revenue sharing mechanisms have also been implemented to help stimulate both growth and retention. The City's Good Governance and Reform initiatives provide a tangible demonstration of the overarching commitment to sound governance and best business practices.
3. Vernon is a party to a long-term pre-paid natural gas agreement with Citigroup Energy, Inc. ("CEI"), which obligates Vernon to take natural gas for 15 years (from 2006 to 2021). At the end of 2015, the credit rating of Citigroup, Inc., CEI's parent and guarantor under the pre-paid agreement ("Citigroup"), was downgraded. Vernon believed this downgrade triggered a credit support obligation under the agreement. CEI and Citigroup disagreed. In March 2016, the City brought an action for declaratory relief in federal district court against, among others, Citigroup and CEI, alleging that the defendants had breached the pre-paid agreement. In August 2016, the parties entered into a confidential settlement agreement and ended the litigation. Under the terms of the settlement agreement, Vernon does not believe it has any exposure under the pre-paid agreement should either CEI or Citigroup fail to perform.
4. Based upon the City's electric debt service schedule, there will be a significant reduction in debt service starting in 2027. With input from business and residential communities, the City continues to evaluate its position and initiatives to ensure that electric rates remain competitive and that infrastructure needs are being addressed.
5. The inherent governance challenges in the City, due to a very small residential population, continues to be addressed by its residents, businesses, Chamber of Commerce, and City Council. Over the past 5 years, the public has become much more engaged in the political process and continues to keep a watchful eye on all important issues facing the City. The disincorporation controversy raised by assembly bill 46 in 2011 has been addressed with the whole-hearted adoption of key reforms and comprehensive implementation of best practices in all City operations.
6. The State of California Joint Legislative Audit Committee (JLAC) is no longer pursuing the disincorporation of the City. Vernon has addressed all outstanding JLAC recommendations effective July 2018. Emphatically committed to good governance and transparency, the City is proud of its success in satisfying each reform that JLAC recommended. As a result, the City moves forward with clear, concise, and comprehensive policies and procedures that uphold best practices.
7. The shutdown of the Exide recycled battery plant operation has been and will continue to be under State of California oversight. The Department of Toxic Substances Control is completely responsible for monitoring the site and all related cleanup on a continual basis. The State of California has established funding for the Exide plant cleanup effort collected through a fee on each battery recycled along with any restitution from Exide which remains a global company. There is no direct impact on City operations and Exide does not pose a concern to existing Vernon businesses.

8. Vernon's electric rates remain competitive, and in many cases, lower than adjacent municipal and investor owned utilities. However, in many respects, Vernon's electric utility services continue to outperform its neighboring peers thanks to a higher reliability rating and greater customer satisfaction. In fact, VPU's electric reliability ranked in the top 10% nationwide in a recent benchmarking study.

## **FINANCIAL INFORMATION**

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with U.S. generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

This report consists of management's representations concerning the finances of the City. As a result, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. Management asserts that, to the best of their knowledge and belief, this financial report is complete and reliable in all material respects.

## **BUDGETARY CONTROLS**

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all governmental funds and proprietary funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level.

## **RELEVANT FINANCIAL POLICIES**

Over the years, through sound fiscal management, the City has positioned itself well to weather economic downturns, create a positive atmosphere for economic development, and allow flexibility in addressing budgetary challenges. As of June 30, 2021, the City's overall total net position was \$211.9 million. This consisted of a positive governmental net position of \$64.5 million and business-type net position of \$147.4 million. By continuing to develop sound fiscal management plans, the City intends to maintain an overall positive net position.

## **ACKNOWLEDGMENTS**

The preparation of this report on a timely basis is a team effort involving many dedicated people across the entire organization. I would like to extend a special thanks to the talented finance professionals throughout the City, led by Joaquin Leon, Deputy City Treasurer, Angela Melgar, Finance Manager and Jessica Alcaraz, Financial Services Administrator. Appreciation is also expressed to Carlos Fandino, City Administrator; Zaynah Moussa, Interim City Attorney; Abraham Alemu, General Manager of Public Utilities; Michael Earl, Human Resource Director, and Diana Figueroa, Administrative Analyst.

In closing, without the leadership and support of the City Council, the preparation and results presented within this report would not have been conceivable. Their steadfast leadership has made possible the implementation of the City's important, innovative concepts in fiscal management discussed herein.

Should you have any questions regarding the documentation provided, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink that reads "Scott Williams". The signature is written in a cursive style with a long, sweeping underline.

Scott Williams  
Director of Finance/City Treasurer

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and  
Members of the City Council  
City of Vernon  
Vernon, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vernon, California (the City), as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Honorable Mayor and  
Members of the City Council  
City of Vernon

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the General Fund budgetary comparison schedule, the schedules of changes in net pension liability and related ratios and schedules of pension contributions related to the City's miscellaneous and safety pension plans, and the schedule of changes in net OPEB liability and related ratios related to the City's other postemployment benefits plan, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
March 3, 2022

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

As management of the City of Vernon ("the City"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021.

**OVERVIEW OF BASIC FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (i) government-wide financial statements, (ii) fund financial statements, and (iii) notes to the basic financial statements.

***Government-wide financial statements***

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, and health services. The business-type activities of the City is administered by the Vernon Public Utilities which consists of the Electric, Gas, Water, and Fiber Optics utilities.

The government-wide financial statements include not only the City of Vernon (known as the *primary government*), but also blended component units. Certain blended component units, although legally separate entities are, in substance, part of the primary government's operations and are included as part of the primary government. Fiduciary funds are not presented in the government-wide financial statements as the resources are not available to support City programs.

The government-wide financial statements can be found on pages 16-18 of this report.

***Fund financial statements***

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

***Governmental funds***

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund (see page 75).

The basic governmental funds financial statements can be found on pages 19- 22 of this report.

***Proprietary funds***

The City's proprietary funds consist of enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Vernon Public Utilities which consists of the Electric, Gas, Water, and Fiber Optics utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Vernon Public Utilities. Segment information for each of the Electric, Gas, Water, and Fiber Optics utilities are presented in Note 9 on pages 68-70.

The basic proprietary funds financial statements can be found on pages 23-27 of this report.

***Fiduciary funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support City programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary funds financial statements can be found on pages 28-29 of this report.

**Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-73 of this report.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

***City's Net Position***

The table below summarizes the City's net position as of June 30, 2021 and June 30, 2020. The details of the current year's summary can be found on page 16 of this report.

**City of Vernon  
Net Position  
June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Assets:</b>						
Current and other assets	\$ 15,676,741	\$ 8,852,317	\$ 174,666,191	\$ 193,387,820	\$ 190,342,932	\$ 202,240,137
Restricted assets	5,070,045	3,289,382	56,392,885	66,575,492	61,462,930	69,864,874
Capital assets	165,326,345	172,018,391	257,253,484	249,059,098	422,579,829	421,077,489
Total assets	<u>186,073,131</u>	<u>184,160,090</u>	<u>488,312,560</u>	<u>509,022,410</u>	<u>674,385,691</u>	<u>693,182,500</u>
<b>Deferred Outflows of Resources</b>						
Deferred outflows related to pensions	23,952,913	13,918,552	4,901,360	2,547,788	28,854,273	16,466,340
Deferred outflows related to OPEB liability	3,326,931	3,309,587	680,773	605,820	4,007,704	3,915,407
Deferred amount on bond refunding	-	-	292,472	3,802,144	292,472	3,802,144
Total deferred outflows of resources	<u>27,279,844</u>	<u>17,228,139</u>	<u>5,874,605</u>	<u>6,955,752</u>	<u>33,154,449</u>	<u>24,183,891</u>
<b>Liabilities:</b>						
Current liabilities	3,779,531	3,619,282	21,910,613	19,689,942	25,690,144	23,309,224
Long term liabilities	135,010,934	131,325,331	316,254,536	340,724,893	451,265,470	472,050,224
Total liabilities	<u>138,790,465</u>	<u>134,944,613</u>	<u>338,165,149</u>	<u>360,414,835</u>	<u>476,955,614</u>	<u>495,359,448</u>
<b>Deferred Inflows of Resources</b>						
Deferred inflows related to pensions	2,754,345	1,283,734	563,607	234,987	3,317,952	1,518,721
Deferred inflows related to OPEB liability	7,315,776	9,260,506	1,496,988	1,695,132	8,812,764	10,955,638
Deferred gain from sale of generation assets	-	-	6,555,916	10,243,685	6,555,916	10,243,685
Total deferred inflows of resources	<u>10,070,121</u>	<u>10,544,240</u>	<u>8,616,511</u>	<u>12,173,804</u>	<u>18,686,632</u>	<u>22,718,044</u>
<b>Net Position:</b>						
Net investment in capital assets	165,326,345	170,034,582	148,442,763	159,733,492	313,769,108	329,768,074
Restricted	4,146,007	3,289,382	23,894,665	23,932,142	28,040,672	27,221,524
Unrestricted (deficit)	<u>(104,979,963)</u>	<u>(117,424,588)</u>	<u>(24,931,923)</u>	<u>(40,278,582)</u>	<u>(129,911,886)</u>	<u>(157,703,170)</u>
Total net position	<u>\$ 64,492,389</u>	<u>\$ 55,899,376</u>	<u>\$ 147,405,505</u>	<u>\$ 143,387,052</u>	<u>\$ 211,897,894</u>	<u>\$ 199,286,428</u>

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$211,897,894 (net position).

The category of the City's net position with the largest balance totaling \$313,769,108 represents resources that are invested in capital assets, net of the related debt.

The second-largest category of net position, totaling \$28,040,672 represents the City's restricted assets, which are restricted for employee flexible spending account, grants and debt service.

The last remaining category of net position, totaling (\$129,911,886) represents a deficit in unrestricted net position that is expected to be recovered from the City's future revenues.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Governmental activities, net position:**

- Current and other assets increased by \$6,824,424 from the prior year due to increase in cash and cash equivalents of \$4,905,979, and internal balances of \$2,268,524 offset by a decrease in inventory of \$754,900 and taxes receivable of \$259,969.
- Restricted assets increased by \$1,780,663 from the prior year mainly due to an increase in restricted cash and investments balance for streets improvements.
- Capital assets decreased by \$6,692,046 from the prior year mainly due to depreciation of \$5,000,142 offset by the acquisition of machinery and equipment and infrastructure and building upgrades and improvements as well as the liquidation & disposal of fire department's assets.
- Deferred outflows of resources for pension costs increased by \$10,034,361 from the prior year mainly due to a change in current year's contribution to the pension that will be applied as a reduction in net pension liability in the next fiscal year, or other items arising from changes in actuarial assumptions, difference between actual and projected experiences, difference between actual and projected investment gains/losses, or changes in a fund's proportionate share of the net pension liability.
- Deferred outflows of resources for other postemployment benefits (OPEB) increased by \$17,344 from the prior year due a change in current year contribution to the OPEB plan that will be applied as a reduction in net OPEB liability in the next fiscal year, or other items arising from changes in actuarial assumptions, difference between actual and projected experiences, difference between actual and projected investment gains/losses, or changes in a fund's proportionate share of the net OPEB liability.
- Current liabilities increased by \$160,249 from the prior year mainly due to a increase in accounts payable of \$369,212 and unearned revenue of \$239,956 offset by a decrease in accrued wages of \$460,405
- Long-term liability increased by \$3,685,603 from the prior year mainly due to increase in net pension liability \$10,201,394 offset by a decrease in other postemployment benefit liability and in liabilities due in more than 1 year of \$1,748,700 and \$2,013,330, respectively.
- Deferred inflows of resources for pension actuarial increased by \$1,470,611 from the prior year due to changes in total pension liability that are to be recognized as an increase in pension expenses in future fiscal years. These balances arise from changes in actuarial assumptions, the difference between actual and projected experiences, the difference between actual and projected investment gains/losses, or changes in the fund's proportionate share of the plan's net pension liability.

**Governmental activities, net position (continued):**

- Deferred inflows of resources for OPEB decreased by \$1,944,730 from the prior year mainly due to changes in actuarial assumptions and the difference between actual and expected experience.
- Net investment in capital assets decreased by \$4,708,237 from the prior year which is equivalent to the decrease in capital assets, net of capital lease obligations during the current year.
- Restricted net position increased by \$856,625 from the prior year mainly due to a decrease in the restricted designation placed on street improvement account and asset forfeiture account.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

- The unrestricted net deficit decreased by \$12,444,625 from the prior year mainly due to the current year's change in net position of \$8,593,013 offset by a decrease in net investment in capital assets of \$4,708,237.

**Business-type activities, net position:**

- Current and other assets decreased \$18,721,629 from the prior year mainly due to a decrease in prepaid natural gas of \$25,646,420 and in advances to other City funds of \$2,270,995 offset by an increase in cash and cash equivalents of \$8,825,552.
- Restricted assets decreased by \$10,182,607 from the prior year mainly due to the drawdowns funding the capital improvement projects.
- Capital assets increased \$8,194,386 from the prior year mainly due to acquisitions of new equipment and facility improvements of \$15.9 million, offset by depreciation of \$9,486,682 (See Note 5).
- Deferred outflows of resources decreased by \$1,081,147 due to the decrease in amount on bond refunding of \$3,509,672 offset by an increase in deferred pensions of \$2,353,572.
- Current liabilities increased \$2,220,671 mainly due to an increase in accounts payable of \$1,995,320 and bond interest payable \$160,140.
- Long-term liabilities decreased by \$24,470,357 from the prior year mainly due to bonds payable (see Note 6).
- Deferred inflows of resources decreased by \$3,557,293 mainly due to the amortization of deferred gain from sale of generation assets by \$3,687,769.
- Net investment in capital assets decreased by \$11,290,729 from the prior year, which is attributable to the increase in capital assets, net of capital bonds payable.
- The unrestricted net deficit decreased by \$15,346,659 from the prior year due primarily to an increase in the change in net position by \$4,018,453 and the decrease in net investment in capital assets by \$11,290,729.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Changes in Net Position**

The table below summarizes the City's changes in net position between the current and prior fiscal year. The details of the current year's changes in net position can be found on page 18 of this report.

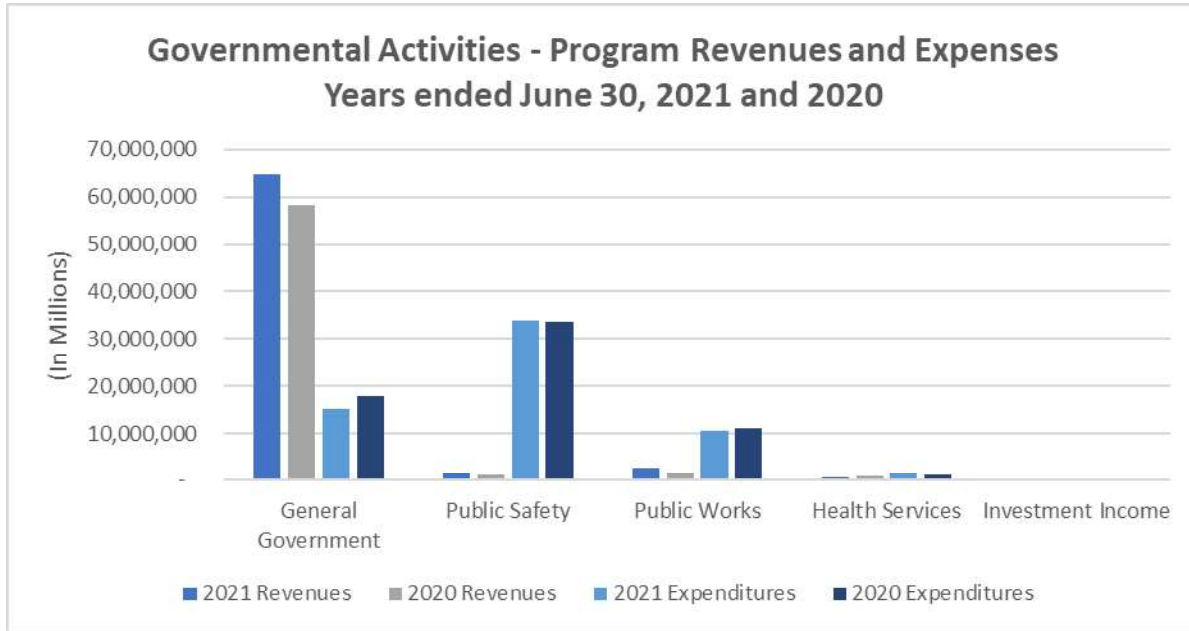
**City of Vernon  
Statement of Activities  
Years ended June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 6,470,901	\$ 6,501,983		\$ -	\$ 6,470,901	\$ 6,501,983
Vernon public utilities			212,205,129	206,547,293	212,205,129	206,547,293
Operating and capital grants and contributions	2,103,424			-	2,103,424	-
General revenues						
Taxes	39,163,804	30,280,868		-	39,163,804	30,280,868
State allocations	14,445,575	9,557,747		-	14,445,575	9,557,747
Investment income (loss)	70,480	137,738	69,606	1,018,563	140,086	1,156,301
Gain (loss) on the sale of land and assets	-	-	-	(424,922)	-	(424,922)
Other revenues	2,531,566	3,535,926		-	2,531,566	3,535,926
Total revenues	<u>64,785,750</u>	<u>50,014,262</u>	<u>212,274,735</u>	<u>207,140,934</u>	<u>277,060,485</u>	<u>257,155,196</u>
<b>Expenses:</b>						
Governmental activities						
General government	15,238,548	13,870,221	-	-	15,238,548	13,870,221
Public safety	33,919,854	32,482,216	-	-	33,919,854	32,482,216
Public works	10,468,302	9,573,948	-	-	10,468,302	9,573,948
Health services	1,280,046	291,510	-	-	1,280,046	291,510
Interest on long-term debt	67,707	76,131	-	-	67,707	76,131
Business-type activities						
Vernon public utilities		-	203,474,562	196,546,385	203,474,562	196,546,385
Total expenses	<u>60,974,457</u>	<u>56,294,026</u>	<u>203,474,562</u>	<u>196,546,385</u>	<u>264,449,019</u>	<u>252,840,411</u>
Change in net position before transfers	3,811,293	(6,279,764)	8,800,173	10,594,549	12,611,466	4,314,785
<b>Transfers:</b>						
Interfund transfers	4,781,720	4,582,784	(4,781,720)	(4,582,784)	-	-
Net Transfers	<u>4,781,720</u>	<u>4,582,784</u>	<u>(4,781,720)</u>	<u>(4,582,784)</u>	<u>-</u>	<u>-</u>
Change in net position	8,593,013	(1,696,980)	4,018,453	6,011,765	12,611,466	4,314,785
Net position - beginning of year	55,899,376	57,596,356	143,387,052	137,375,287	199,286,428	194,971,643
Net position - end of year	<u>\$ 64,492,389</u>	<u>\$ 55,899,376</u>	<u>\$ 147,405,505</u>	<u>\$ 143,387,052</u>	<u>\$ 211,897,894</u>	<u>\$ 199,286,428</u>

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Governmental activities, changes in net position:**

Governmental activities' net position increased by \$8,593,013 and business-type activities' net position increased by \$4,018,453 for a net increase of \$12,611,466 for the City.

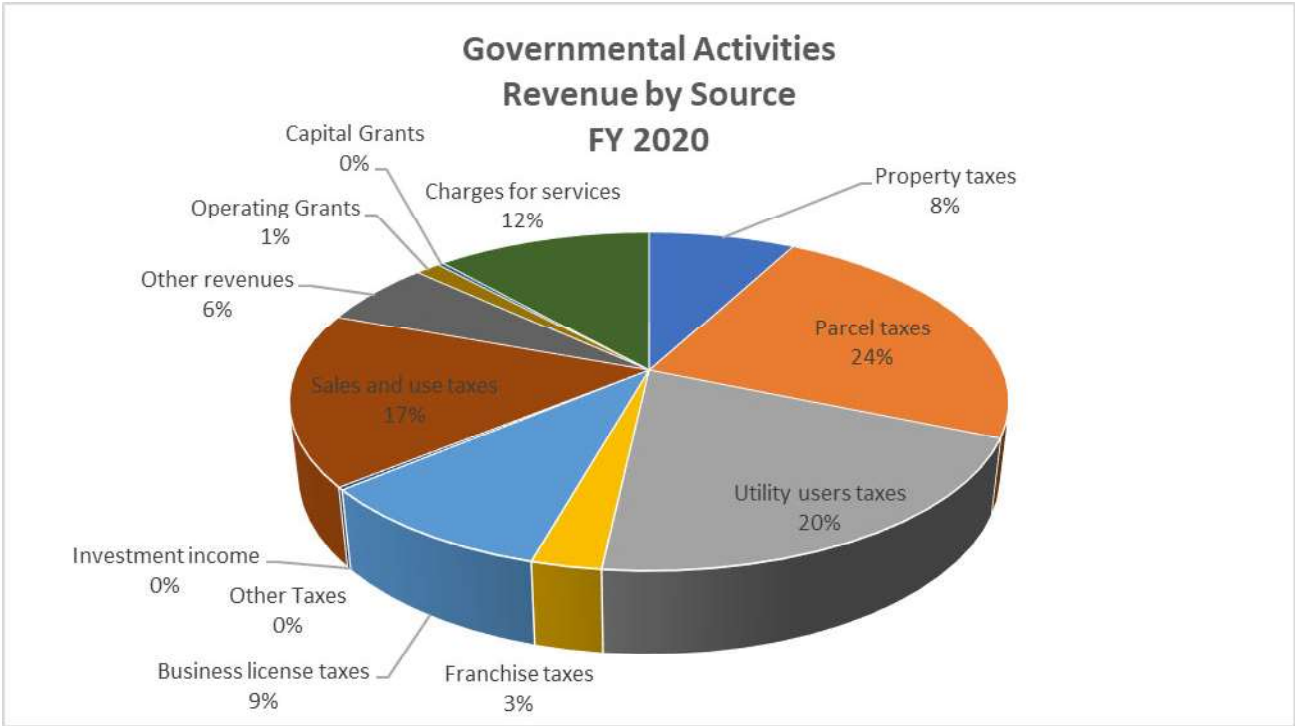
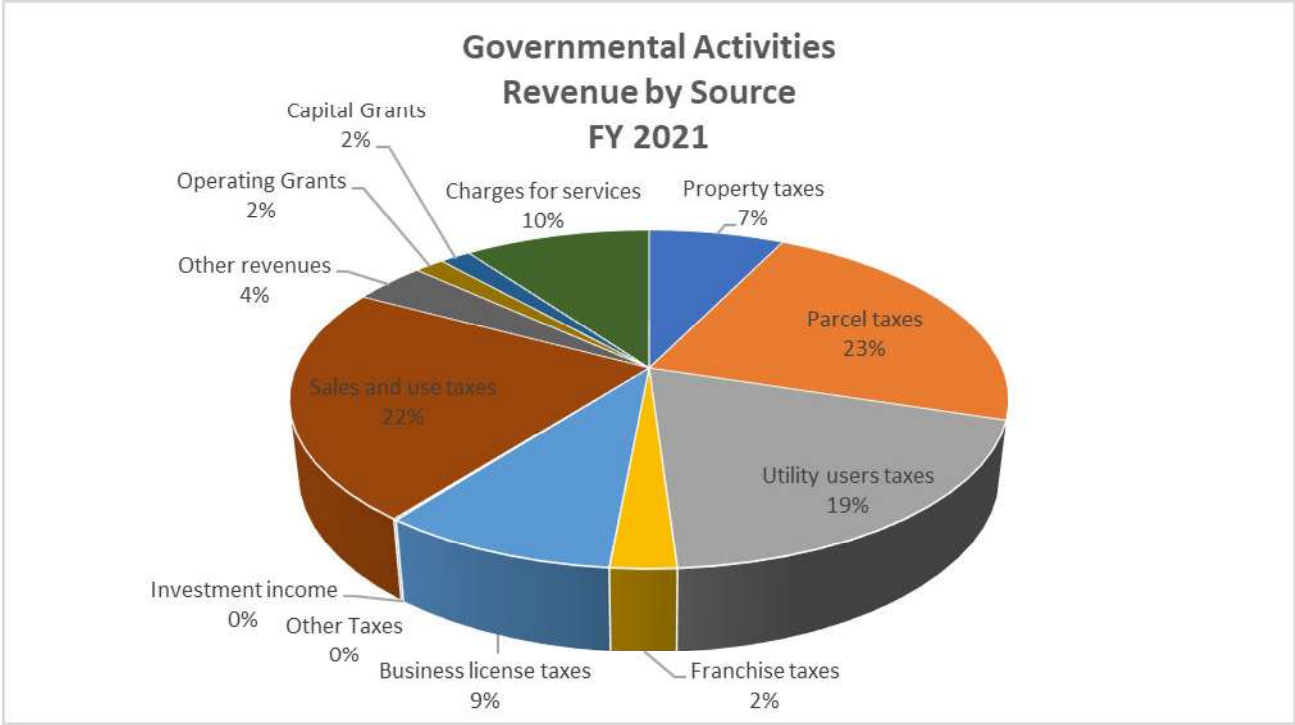


Governmental activities consist of the following departments:

(1) General Government:	(2) Public Safety	(3) Public Works	(4) Health Services
a. City Council	a. Police	a. Community Services Administration	a. Health
b. City Administrator	b. Fire	b. Building Department	b. Health - Solid Waste
c. City Clerk	c. Civil Defense	c. Street Lighting	c. Health - Hazardous Material
d. Finance	d. Fire - Hazardous Material	d. Street Operations	
e. Treasurer		e. City Garage	
f. Purchasing		f. City Warehouse	
g. Community Promotion		g. City Housing	
h. City Attorney		h. Industrial Development	
i. Risk Management			
j. Human Resources			
k. City Building			
l. Parcel Tax			
m. Information Technology			



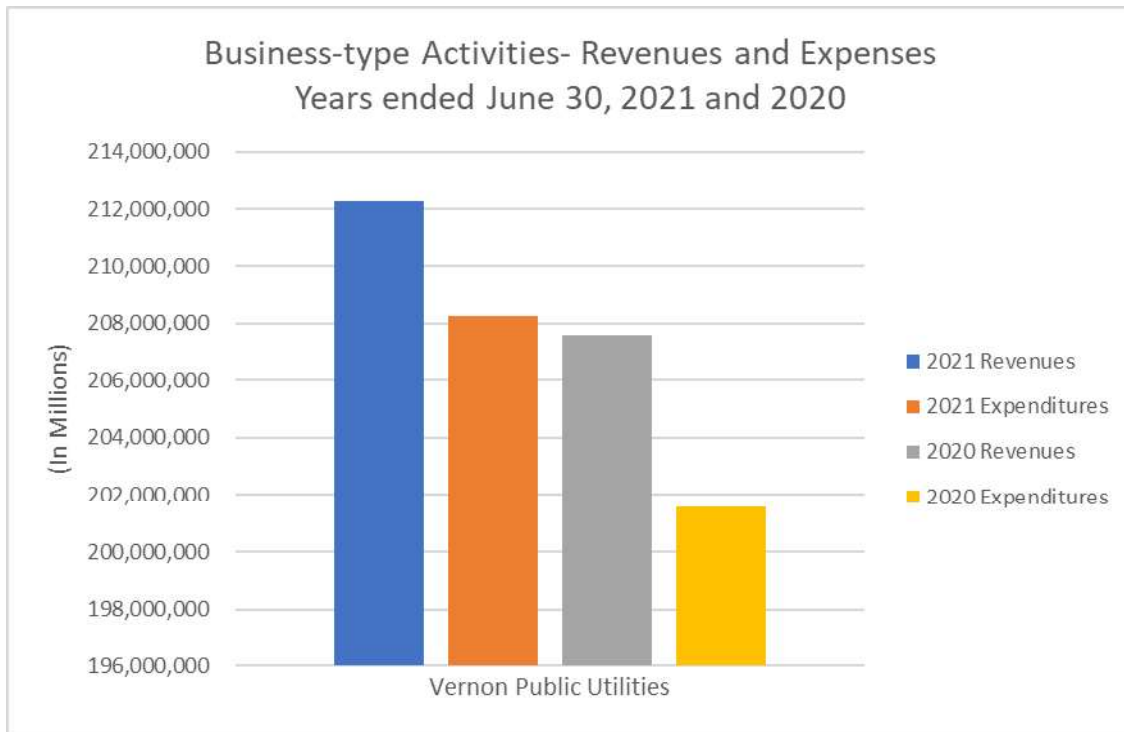
**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**



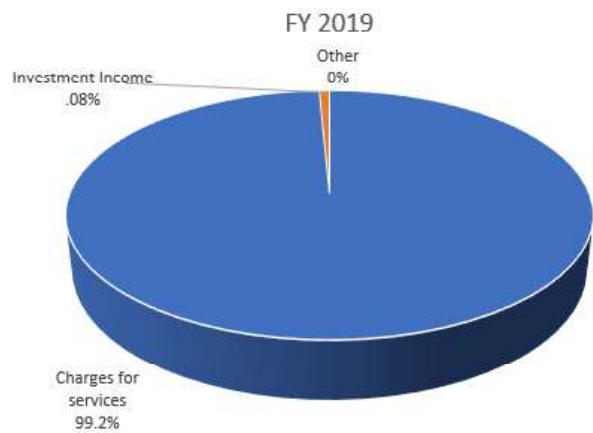
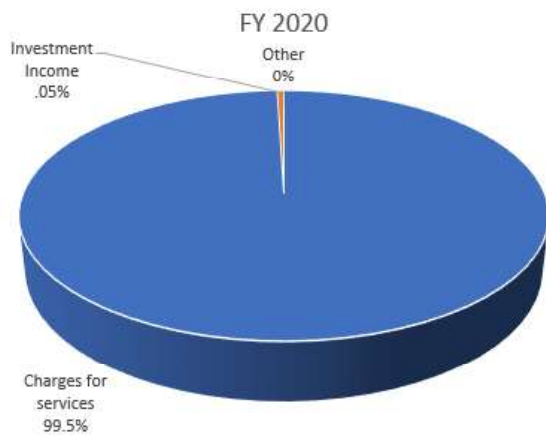
**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Business-type activities, changes in net position:**

Business-type activities increased the City's net position by \$8,800,173 before transfers which is a \$1,794,376 decrease from the prior year. The key reason for this decrease was due to an increase in the cost of sale by \$6,928,177 and offset by an increase in revenues by \$5,657,836.



**Business Activities  
Revenues by Source**



**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental funds***

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, the *nonspendable, restricted, committed, assigned, and unassigned fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balances of \$16,967,255 (see page 19), an increase of \$8,444,838 from the prior year. Approximately 0.03% of the total fund balance amount, \$51,672, constitutes *nonspendable fund balance*, which are amounts that are not in a spendable form or are required to be maintained intact. Approximately 24.5% of the total fund balance amount, \$4,146,007, constitutes *restricted fund balance*, which are amounts that can be spent only for specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. The remainder of the fund balance amount, \$12,769,576 is an *unassigned* fund balance deficit to indicate that it is the residual classification that is not contained in the other classifications.

The General Fund is the operating fund of the City. At the end of the current fiscal year, the total fund balance was \$16,967,255 (see page 21). At the end of the current fiscal year, the total fund balance represents 27.5% of the total expenditures for the year.

***Proprietary funds***

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position for the Vernon Public Utilities at the end of the year amounted to a deficit balance of \$24,931,923 (see page 24). This deficit balance in unrestricted net position is primarily due to the proprietary funds being heavily invested in capital assets for which it has not yet recovered the cost of capital invested. The proprietary funds expect to eliminate these deficit balances through increased future revenues.

The total increase in net position for the Vernon Public Utilities was \$4,018,453 (see page 25). Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**GENERAL FUND AND BUDGETARY HIGHLIGHTS**

For the current year, the General Fund's total positive variance between the final budgeted amounts and the actual amount of change in fund balance was \$10,010,644. The key reasons for this variance were due to higher actual revenues than projected of \$8,919,741 and lower actual expenditures than appropriated by \$818,174.

For the current year, the General Fund's total positive variance between the final budgeted estimated revenues and actual revenues was \$8,919,741. The main reason for the variance, overall revenues came in higher than expected in most categories especially taxes by \$1,374,948 and \$8,935,173 respectively offset by a decrease in other revenues and intergovernmental revenues by \$288,926 and \$153,981 respectively.

For the current year, the General Fund's total positive variance between the final budgeted amount and the actual amount for expenditures was \$818,174. The key reasons for this variance were due to higher appropriations than actual expenditures of \$4,152,475 in capital outlay offset by an increase in public safety of \$5,300,440.

For the current year, the General Fund's total positive variance between the final budgeted amounts and the actual amount for other financing sources was \$272,729. The key reason for this variance was due to a gain on sale of asset by \$486,009 offset by a lower amount transferred by the Electric Fund by \$213,280 than budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital assets***

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$313,769,108 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building, utility system improvements, machinery and equipment, infrastructure such as roads, and intangible assets such as environmental emission credits. The total decrease in the City's investment in capital assets for the current fiscal year was \$15,998,966, less depreciation of \$14,486,824, for a net increase of \$1,502,340 (See Note 4).

There were no significant construction commitments outstanding as of June 30, 2021.

Additional information on the City's capital assets can be found in Note 4 on pages 45-47 of this report.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

***Outstanding debt***

As of June 30, 2021, the following debt remains outstanding:

- \$38,840,000 City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A
- \$37,640,000 City of Vernon Electric System Revenue Bonds, 2012 Series A
- \$35,100,000 City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B
- \$111,720,000 City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A
- \$43,335,000 City of Vernon Electric System Revenue Bonds, 2020 Series A
- \$14,840,000 City of Vernon Water System Revenue Bonds, 2020 Series A

The City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A were issued to provide funds to (i) finance the cost of certain capital improvements to the City's Electric System, (ii) fund a deposit to the Debt Service Reserve Fund, and (iii) to pay costs of issuance of the 2008 Bonds.

The City of Vernon Electric System Revenue Bonds, 2012 Series A were issued to provide funds to (i) pay a portion of the costs of certain capital improvements to the City's Electric System, (ii) to provide for capitalized interest on the 2012 Series A Bonds, and (iii) to pay costs of issuance of the 2012 Series A Bonds.

The City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B were issued to provide funds to (i) refund the \$28,680,000 aggregate principal amount of 2009 Bonds maturing on August 1, 2012, (ii) to pay a portion of the Costs of the 2012 Project, and (iii) to pay costs of issuance of the 2012 Taxable Series B Bonds.

The City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A were issued to provide funds to (i) refund a portion of the Outstanding Electric System Revenue Bonds, 2009 Series A; (ii) finance the costs of certain capital improvements to the City's Electric System by reimbursing the Electric System for the prior payment of such costs from the Light and Power Fund; (iii) fund a deposit to the Debt Service Reserve Fund; and (iv) pay costs of issuance of the 2015 Bonds.

The City of Vernon Electric System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Electric System of the City, (ii) to refund all of the City's outstanding Electric System Revenue Bonds, 2009 Series A, and (iii) to pay costs of issuance of the 2020 Bonds.

The City of Vernon Water System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Water System of the City, (ii) purchase a municipal bond debt service reserve insurance policy for deposit in the Reserve Fund in satisfaction of the Reserve Requirement, and (iii) to pay costs of issuance of the 2020 Bonds.

As of June 30, 2021, the ratings on all Electric System Revenue Bonds of the City changed from the prior year to BBB+ rating by S&P and Baa2 rating by Moody's and the ratings on all Water Revenue Bonds is AA by S&P and not rated by Moody's.

Additional information on the City's long-term debt can be found in Note 5 on pages 47-53 of this report.

**CITY OF VERNON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**ECONOMIC FACTORS AND NEW YEAR'S BUDGET AND RATES**

These factors were considered in preparing the VPU and the City's budget for the 2022 fiscal year.

- The City is strictly industrial and does not maintain an unemployment rate study of its small population. However, the unemployment rate of adjacent communities is currently 10.5%, which is higher than the State of California's average unemployment rate of 7.7%, and the national average unemployment rate of 5.9%.
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate of the City's central business district ranges between 96% and 98%.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Vernon, 4305 Santa Fe Avenue, Vernon, California, 90058.

**CITY OF VERNON  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 14,406,423	\$ 146,360,319	\$ 160,766,742
Accounts Receivable, Net of Allowance	9,928	7,096,905	7,106,833
Taxes Receivable	3,316,784	-	3,316,784
Notes and Loans Receivable	6,033	-	6,033
Other Receivables	3,894	-	3,894
Accrued Unbilled Revenue	-	16,978,805	16,978,805
Accrued Interest Receivable	-	2,361	2,361
Internal Balances	(2,117,993)	2,117,993	-
Inventories	51,672	-	51,672
Prepaid Expenses	-	1,028,714	1,028,714
Deposits	-	1,081,094	1,081,094
Restricted Cash and Investments	5,070,045	56,392,885	61,462,930
Capital Assets:			
Nondepreciable	64,855,535	64,785,212	129,640,747
Depreciable, Net	100,470,810	192,468,272	292,939,082
Total Assets	<u>186,073,131</u>	<u>488,312,560</u>	<u>674,385,691</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions	23,952,913	4,901,360	28,854,273
Deferred Outflows Related to OPEB Liability	3,326,931	680,773	4,007,704
Deferred Amount on Bond Refunding	-	292,472	292,472
Total Deferred Outflows of Resources	<u>27,279,844</u>	<u>5,874,605</u>	<u>33,154,449</u>
<b>LIABILITIES</b>			
Accounts Payable	1,109,748	14,079,041	15,188,789
Accrued Wages and Benefits	1,438,922	616,131	2,055,053
Customer Deposits	200,475	504,539	705,014
Bond Interest Payable	-	6,710,902	6,710,902
Unearned Revenue	1,030,386	-	1,030,386
Noncurrent Liabilities:			
Due Within One Year	2,129,351	25,748,503	27,877,854
Due in More than One Year	3,785,276	264,089,729	267,875,005
Net Other Postemployment Benefit Liability	16,778,544	3,433,306	20,211,850
Net Pension Liability	112,317,763	22,982,998	135,300,761
Total Liabilities	<u>138,790,465</u>	<u>338,165,149</u>	<u>476,955,614</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows Related to Pensions	2,754,345	563,607	3,317,952
Deferred Inflows Related to OPEB Liability	7,315,776	1,496,988	8,812,764
Deferred Gain from Sale of Generation Assets	-	6,555,916	6,555,916
Total Deferred Inflows of Resources	<u>10,070,121</u>	<u>8,616,511</u>	<u>18,686,632</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	165,164,750	148,442,763	313,607,513
Restricted for:			
Employee Flexible Spending Account	25,090	-	25,090
Street Improvements	3,601,571	-	3,601,571
Asset Forfeiture Funds	519,346	-	519,346
Debt Service	-	23,894,665	23,894,665
Unrestricted (Deficit)	(104,818,368)	(24,931,923)	(129,750,291)
Total Net Position	<u>\$ 64,492,389</u>	<u>\$ 147,405,505</u>	<u>\$ 211,897,894</u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities:				
General Government	\$ 15,238,548	\$ 8,779,549	\$ 1,989	\$ -
Public Safety	33,919,854	182,912	1,027,418	-
Public Works	10,468,302	1,647,017	5,460	1,068,557
Health Services	1,280,046	643,143	-	-
Interest on Long Term Debt	67,707	-	-	-
Total Governmental Activities	<u>60,974,457</u>	<u>11,252,621</u>	<u>1,034,867</u>	<u>1,068,557</u>
Business-Type Activities:				
Electric	182,725,787	184,828,389	-	-
Gas	15,582,691	16,154,140	-	-
Water	9,376,922	10,741,694	-	-
Fiber Optics	570,882	480,906	-	-
Total Business-Type Activities	<u>208,256,282</u>	<u>212,205,129</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 269,230,739</u>	<u>\$ 223,457,750</u>	<u>\$ 1,034,867</u>	<u>\$ 1,068,557</u>

See accompanying Notes to Financial Statements.



**CITY OF VERNON  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

Function/Program Activities	Net (Expenses) Revenues and Change in Net Position		Total
	Governmental Activities	Business-Type Activities	
<b>PRIMARY GOVERNMENT</b>			
Governmental Activities:			
General Government	\$ (6,457,010)	\$ -	\$ (6,457,010)
Public Safety	(32,709,524)	-	(32,709,524)
Public Works	(7,747,268)	-	(7,747,268)
Health Services	(636,903)	-	(636,903)
Interest on Long Term Debt	(67,707)	-	(67,707)
Total Governmental Activities	<u>(47,618,412)</u>	<u>-</u>	<u>(47,618,412)</u>
Business-Type Activities:			
Electric	-	2,102,602	2,102,602
Gas	-	571,449	571,449
Water	-	1,364,772	1,364,772
Fiber Optics	-	(89,976)	(89,976)
Total Business-Type Activities	<u>-</u>	<u>3,948,847</u>	<u>3,948,847</u>
Total Primary Government	(47,618,412)	3,948,847	(43,669,565)
General Revenues:			
Property Taxes	4,700,085		4,700,085
Parcel Taxes	14,651,097	-	14,651,097
Utility Users Taxes	12,367,272	-	12,367,272
Franchise Taxes	1,622,649	-	1,622,649
Business License Taxes	5,810,837	-	5,810,837
Other Taxes	11,864	-	11,864
Investment Income	70,480	69,606	140,086
State Contribution - Sales and Use Taxes	14,445,575	-	14,445,575
Other Revenues	2,531,566	-	2,531,566
Total General Revenues	<u>56,211,425</u>	<u>69,606</u>	<u>56,281,031</u>
<b>CHANGE IN NET POSITION</b>	8,593,013	4,018,453	12,611,466
Net Position - Beginning of Year	<u>55,899,376</u>	<u>143,387,052</u>	<u>199,286,428</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 64,492,389</u>	<u>\$ 147,405,505</u>	<u>\$ 211,897,894</u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
BALANCE SHEET – GOVERNMENTAL FUND  
JUNE 30, 2021**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 14,406,423
Accounts Receivable, Net of Allowance	9,928
Taxes Receivable	3,316,784
Notes and Loans Receivable	6,033
Other Receivables	3,894
Inventories	51,672
Restricted Cash and Investments	<u>5,070,045</u>
Total Assets	<u><u>\$ 22,864,779</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Accounts Payable	\$ 1,109,748
Accrued Wages and Benefits	1,438,922
Unearned Revenue	1,030,386
Customer Deposits	200,475
Advances from Other Funds	<u>2,117,993</u>
Total Liabilities	5,897,524
<b>FUND BALANCE</b>	
Nonspendable:	
Inventories	51,672
Restricted for:	
Employee Flexible Spending Account	25,090
Street Improvements	3,601,571
Asset Forfeiture Funds	519,346
Unassigned	<u>12,769,576</u>
Total Fund Balance	<u>16,967,255</u>
Total Liabilities and Fund Balance	<u><u>\$ 22,864,779</u></u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
RECONCILIATION TO THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES  
JUNE 30, 2021**

Fund Balance - Governmental Fund	\$ 16,967,255
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental fund</p>	165,326,345
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund</p>	
Compensated Absences	(2,505,255)
Claims Payable	(3,409,372)
<p>Net pension and other post-employment benefit (OPEB) liabilities applicable to the City's governmental activities are not due and payable in the current period and therefore are not reported in the governmental fund. Deferred outflows and inflows of resources related to the pension and OPEB liabilities applicable to the City's governmental activities are only reported in the government-wide financial statements</p>	
Deferred Outflows of Resources for Pensions	23,952,913
Deferred Outflows of Resources for OPEB	3,326,931
Deferred Inflows of Resources for Pensions	(2,754,345)
Deferred Inflows of Resources for OPEB	(7,315,776)
Net Pension Liability	(112,317,763)
Net OPEB Liability	<u>(16,778,544)</u>
Net Position of Governmental Activities	<u>\$ 64,492,389</u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE – GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>
<b>REVENUES</b>	
Taxes	\$ 53,677,257
Special Assessments	1,524,362
Licenses and Permits	2,083,795
Fines, Forfeitures, and Penalties	136,899
Investment Income	70,480
Intergovernmental Revenues	1,364,950
Charges for Services	9,577,442
Other Revenues	1,132,285
Total Revenues	<u>69,567,470</u>
 <b>EXPENDITURES</b>	
Current:	
General Government	15,129,409
Public Safety	34,754,653
Public Works	7,054,990
Health Services	1,357,199
Capital Outlay	3,312,390
Total Expenditures	<u>61,608,641</u>
 Excess of Revenues Over Expenditures	 7,958,829
 <b>OTHER FINANCING SOURCES (USES)</b>	
Sale of General Capital Assets	<u>486,009</u>
 <b>CHANGE IN FUND BALANCE</b>	 8,444,838
 Fund Balance - Beginning of Year	 <u>8,522,417</u>
 <b>FUND BALANCE - END OF YEAR</b>	 <u><u>\$ 16,967,255</u></u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE  
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balance - Total Governmental Fund \$ 8,444,838

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as a depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation expense charged for the year.

Capital Outlay	3,312,390
Depreciation Expense	(5,000,142)
Loss on Disposal of Capital Assets	(5,004,294)

Principal payment of long term debt uses current financial resources but is not reported in the Statement of Activities

Principal Payment of Capital Lease Obligation	1,983,809
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund:

Change in Net Pension Liability	(10,201,394)
Change in Net OPEB Liability	1,748,700
Change in Deferred Outflows Related to Pensions	10,034,361
Change in Deferred Outflows Related to OPEB	17,344
Change in Deferred Inflows Related to Pensions	(1,470,611)
Change in Deferred Inflows Related to OPEB	1,944,730
Change in Compensated Absences	2,352,574
Change in Claims Payable	430,708

Change in Net Position of Governmental Activities	\$ 8,593,013
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**CITY OF VERNON**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activities				Totals
	Enterprise Funds				
	Electric Fund	Gas Fund	Water Fund	Nonmajor Fiber Optics Fund	
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 123,485,481	\$ 7,853,003	\$ 14,159,051	\$ 862,784	\$ 146,360,319
Accounts Receivable, Net of Allowance	5,723,729	363,909	977,524	31,743	7,096,905
Accrued Unbilled Revenue	14,521,973	1,337,998	1,118,834	-	16,978,805
Accrued Interest Receivable	2,321	-	40	-	2,361
Due from Other Funds	593,486	-	-	-	593,486
Prepaid Expenses	16,312	-	-	-	16,312
Total Current Assets	<u>144,343,302</u>	<u>9,554,910</u>	<u>16,255,449</u>	<u>894,527</u>	<u>171,048,188</u>
Noncurrent Assets					
Restricted Cash and Investments	45,052,746	-	11,340,139	-	56,392,885
Advances to Other Funds	27,193,955	-	2,117,993	-	29,311,948
Prepaid Expenses	1,012,402	-	-	-	1,012,402
Deposits	1,081,094	-	-	-	1,081,094
Capital Assets:					
Nondepreciable	59,682,155	-	5,103,057	-	64,785,212
Depreciable, Net	167,558,410	15,830,766	8,041,598	1,037,498	192,468,272
Total Noncurrent Assets	<u>301,580,762</u>	<u>15,830,766</u>	<u>26,602,787</u>	<u>1,037,498</u>	<u>345,051,813</u>
Total Assets	445,924,064	25,385,676	42,858,236	1,932,025	516,100,001
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Outflows Related to Pensions	3,468,111	396,660	995,501	41,088	4,901,360
Deferred Outflows Related to OPEB Liability	481,702	55,094	138,270	5,707	680,773
Deferred Amount on Refunding	292,472	-	-	-	292,472
Total Deferred Outflows of Resources	<u>4,242,285</u>	<u>451,754</u>	<u>1,133,771</u>	<u>46,795</u>	<u>5,874,605</u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)**  
**JUNE 30, 2021**

	Business-Type Activities				Totals
	Enterprise Funds				
	Electric Fund	Gas Fund	Water Fund	Nonmajor Fiber Optics Fund	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	\$ 12,570,395	\$ 50,606	\$ 1,416,554	\$ 41,486	\$ 14,079,041
Accrued Wages and Benefits	449,380	50,090	112,211	4,450	616,131
Due to Other Funds	-	-	593,486	-	593,486
Customer Deposits	430,597	13,558	60,384	-	504,539
Bond Interest Payable	6,463,412	-	247,490	-	6,710,902
Bonds Payable	24,975,000	-	240,000	-	25,215,000
Note Payable	-	-	139,535	-	139,535
Compensated Absences	350,799	7,928	34,397	844	393,968
Total Current Liabilities	<u>45,239,583</u>	<u>122,182</u>	<u>2,844,057</u>	<u>46,780</u>	<u>48,252,602</u>
Noncurrent Liabilities					
Advances from Other Funds	-	23,226,257	-	3,967,698	27,193,955
Bonds Payable	246,925,951	-	15,154,913	-	262,080,864
Note Payable	-	-	1,220,930	-	1,220,930
Compensated Absences	701,597	15,856	68,794	1,688	787,935
Other Postemployment Benefit Liability	2,429,343	277,852	697,329	28,782	3,433,306
Net Pension Liability	16,262,340	1,859,979	4,668,011	192,668	22,982,998
Total Noncurrent Liabilities	<u>266,319,231</u>	<u>25,379,944</u>	<u>21,809,977</u>	<u>4,190,836</u>	<u>317,699,988</u>
Total Liabilities	311,558,814	25,502,126	24,654,034	4,237,616	365,952,590
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Inflows Related to Pensions	398,798	45,612	114,473	4,724	563,607
Deferred Inflows Related to OPEB Liability	1,059,241	121,149	304,049	12,549	1,496,988
Deferred Gain from Sale of Generation Assets	6,555,916	-	-	-	6,555,916
Total Deferred Inflows of Resources	<u>8,013,955</u>	<u>166,761</u>	<u>418,522</u>	<u>17,273</u>	<u>8,616,511</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	124,297,278	15,816,827	7,303,813	1,024,845	148,442,763
Restricted for Debt Service	23,894,665	-	-	-	23,894,665
Unrestricted (Deficit)	(17,598,363)	(15,648,284)	11,615,638	(3,300,914)	(24,931,923)
Total Net Position	<u>\$ 130,593,580</u>	<u>\$ 168,543</u>	<u>\$ 18,919,451</u>	<u>\$ (2,276,069)</u>	<u>\$ 147,405,505</u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION – PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds				Totals
	Electric Fund	Gas Fund	Water Fund	Nonmajor Fiber Optics Fund	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 184,828,389	\$ 16,154,140	\$ 10,741,694	\$ 480,906	\$ 212,205,129
Total Operating Revenue	184,828,389	16,154,140	10,741,694	480,906	212,205,129
<b>OPERATING EXPENSES</b>					
Cost of Sales	155,820,170	14,857,233	8,413,559	377,814	179,468,776
Depreciation	8,178,971	725,458	389,185	193,068	9,486,682
Total Operating Expenses	163,999,141	15,582,691	8,802,744	570,882	188,955,458
<b>OPERATING INCOME (LOSS)</b>	20,829,248	571,449	1,938,950	(89,976)	23,249,671
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	57,190	5,334	6,660	422	69,606
Net Decrease in Fair Value of Investments	(3,033)	-	-	-	(3,033)
Interest Expense	(18,723,613)	-	(574,178)	-	(19,297,791)
Total Nonoperating Revenues (Expenses)	(18,669,456)	5,334	(567,518)	422	(19,231,218)
<b>CHANGE IN NET POSITION</b>	2,159,792	576,783	1,371,432	(89,554)	4,018,453
Net Position (Deficit) - Beginning of Year	128,433,788	(408,240)	17,548,019	(2,186,515)	143,387,052
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 130,593,580</u>	<u>\$ 168,543</u>	<u>\$ 18,919,451</u>	<u>\$ (2,276,069)</u>	<u>\$ 147,405,505</u>

See accompanying Notes to Financial Statements.



**CITY OF VERNON**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities				Totals
	Enterprise Funds				
	Electric Fund	Gas Fund	Water Fund	Nonmajor Fiber Optics Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 184,984,914	\$ 16,007,270	\$ 10,472,143	\$ 476,112	\$ 211,940,439
Cash Paid to Suppliers for Goods and Services	(122,185,221)	(14,273,190)	(6,447,917)	(302,427)	(143,208,755)
Cash Paid to Employees for Services	(3,850,277)	(279,866)	(1,260,208)	(30,821)	(5,421,172)
Cash Paid to City for Services	(4,781,720)	-	-	-	(4,781,720)
Net Cash Provided by Operating Activities	54,167,696	1,454,214	2,764,018	142,864	58,528,792
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Repayment of Bonds	(29,520,000)	-	-	-	(29,520,000)
Bond Interest Paid	(15,208,498)	-	(437,232)	-	(15,645,730)
Proceeds from Note Payable	-	-	761,280	-	761,280
Payment of Note Payable	-	-	(139,535)	-	(139,535)
Net Acquisition of Capital Assets	(14,976,512)	(19,492)	(2,685,064)	-	(17,681,068)
Net Cash Used by Capital and Related Financing Activities	(59,705,010)	(19,492)	(2,500,551)	-	(62,225,053)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Advance (from) to Other Funds	185,639	14,361	2,270,995	(200,000)	2,270,995
Net Cash Provided (Used) by Noncapital Financing Activities	185,639	14,361	2,270,995	(200,000)	2,270,995
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income	55,712	5,334	6,743	422	68,211
Cash Provided by Investing Activities	55,712	5,334	6,743	422	68,211
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>					
	(5,295,963)	1,454,417	2,541,205	(56,714)	(1,357,055)
Cash and Cash Equivalents - Beginning of Year	173,834,190	6,398,586	22,957,985	919,498	204,110,259
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 168,538,227</b>	<b>\$ 7,853,003</b>	<b>\$ 25,499,190</b>	<b>\$ 862,784</b>	<b>\$ 202,753,204</b>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>					
Cash and Cash Equivalents	\$ 123,485,481	\$ 7,853,003	\$ 14,159,051	\$ 862,784	\$ 146,360,319
Restricted Cash and Investments	45,052,746	-	11,340,139	-	56,392,885
Total	<b>\$ 168,538,227</b>	<b>\$ 7,853,003</b>	<b>\$ 25,499,190</b>	<b>\$ 862,784</b>	<b>\$ 202,753,204</b>

See accompanying Notes to Financial Statements.

**CITY OF VERNON**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2021**

	Business-Type Activities				Totals
	Enterprise Funds				
	Electric Fund	Gas Fund	Water Fund	Nonmajor Fiber Optics Fund	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 20,829,248	\$ 571,449	\$ 1,938,950	\$ (89,976)	\$ 23,249,671
Adjustments To Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	8,178,971	725,458	389,185	193,068	9,486,682
Change in Operating Assets and Liabilities:					
Accounts Receivable	(761,728)	255,444	(208,130)	(4,794)	(719,208)
Accrued Unbilled Revenue	901,103	(402,314)	(60,621)	-	438,168
Due from Other Funds	(588,100)	-	-	-	(588,100)
Prepaid Expenses and Deposits	(90,832)	-	-	-	(90,832)
Prepaid Natural Gas	25,646,420	-	-	-	25,646,420
Deferred Outflows of Resources	(1,723,107)	(219,034)	(464,944)	(21,440)	(2,428,525)
Accounts Payable	1,996,698	(11,141)	(9,391)	19,154	1,995,320
Accrued Wages and Benefits	54,690	2,425	(8,559)	305	48,861
Due to Other Funds	(2,161)	(310)	588,100	-	585,629
Customer Deposits	17,150	-	(800)	-	16,350
Compensated Absences	203,182	(262)	(90,688)	895	113,127
Other Postemployment Benefit Liability	34,730	27,585	(21,932)	1,515	41,898
Net Pension Liability	3,063,985	480,585	703,672	42,382	4,290,624
Deferred Inflows of Resources	(3,592,553)	24,329	9,176	1,755	(3,557,293)
Net Cash Provided by Operating Activities	<u>\$ 54,167,696</u>	<u>\$ 1,454,214</u>	<u>\$ 2,764,018</u>	<u>\$ 142,864</u>	<u>\$ 58,528,792</u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2021**

	<u>Redevelopment Successor Agency Trust Fund</u>
<b>ASSETS</b>	
Other Receivable	\$ 119
Restricted Cash and Investments	<u>20,667,571</u>
Total Assets	<u>20,667,690</u>
<b>LIABILITIES</b>	
Customer Deposits	42,968
Bond Interest Payable	807,400
Long-Term Debt:	
Due Within One Year	3,385,000
Due in More than One Year	<u>38,712,761</u>
Total Liabilities	<u>42,948,129</u>
<b>NET POSITION (DEFICIT)</b>	
Total Net Position Held in Trust for Dissolution of Former Redevelopment Agency	<u><u>\$ (22,280,439)</u></u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUND  
YEAR ENDED JUNE 30, 2021**

	Redevelopment Successor Agency Trust Fund
<b>ADDITIONS</b>	
Property Tax Increment	\$ 6,176,105
Investment Earnings	2,635
Total Additions	6,178,740
<b>DEDUCTIONS</b>	
Community Development	699,618
Interest on Long-Term Debt	2,489,555
Total Deductions	3,189,173
<b>CHANGE IN NET POSITION</b>	2,989,567
Net Position (Deficit) Held in Trust- Beginning of Year	(25,270,006)
<b>NET POSITION (DEFICIT) HELD IN TRUST- END OF YEAR</b>	<b>\$ (22,280,439)</b>

See accompanying Notes to Financial Statements.

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Vernon, California (City) have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. Reporting Entity**

The City was incorporated on September 16, 1905 as a General Law City. Effective July 1, 1988, the City became a Charter City. The City operates under a Council-City Administrator form of government. As required by generally accepted accounting principles, the accompanying financial statements present the City of Vernon (primary government) and its component units, entities for which the primary government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with the data of the primary government. For the fiscal year ended June 30, 2021, the City transferred its fire department operations to Los Angeles County, California. See Note 4 and Note 7 for further details on how the transfer impacted the City's capital assets and safety pension plan, respectively.

**B. Basis of Presentation**

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. It is the City's policy to make eliminations to minimize the double counting of internal activities, except for services rendered by governmental activities to business-type activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties. Effective February 1, 2012, due to AB 1X 26, the dissolution of Redevelopment Agencies throughout California, the activities of the dissolved Vernon Redevelopment Agency are recorded in the Vernon Redevelopment Successor Agency trust fund which is a component unit of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function; and therefore, are clearly identifiable to a particular function. Program revenues include (i) charges paid by the recipients of goods or services offered by the programs and (ii) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

Government-Wide Financial Statements (Continued)

Separate financial statements are provided for governmental fund, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The major individual governmental fund and the major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The fund financial statements provide information about the City's funds and blended component units. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

The City reports one major governmental fund:

The *General Fund* is the City's primary operating fund. It is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, health services, and public works.

The City reports three major enterprise funds:

- The *Electric Fund* accounts for the maintenance and operations of the City's electric utility plant. Revenues for this fund are primarily from charges for services.
- The *Gas Fund* accounts for the maintenance and operations of the City's gas utility plant. Revenues for this funds are primarily from charges for services.
- The *Water Fund* accounts for the maintenance and operations of the City's water utility plant. Revenues for this fund are primarily from charges for services.

The City also reports a fiber optics nonmajor enterprise fund for the maintenance and operation of the City's fiber optics utility plant.

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

The City reports one fiduciary fund:

- **Vernon Redevelopment Successor Agency Private-Purpose Trust Fund** – This is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved Vernon Redevelopment Agency. Unlike the limited reporting typically utilized for Agency Funds, the Private-Purpose Trust Fund reports a statement of fiduciary net position and a statement of changes in fiduciary net position.

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental fund type financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and other governmental fund type financial resources are recognized when they become susceptible to accrual – that is, when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property, sales, and other taxes are considered available and are accrued when received within 60 days after fiscal year-end. Additionally, all other revenue sources are considered available and are accrued when received within 60 days of year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental fund statements.

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

Fund Financial Statements (Continued)

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City maintains a separate fund to report the activities of the Successor Agency to the Dissolved Redevelopment Agency. These assets do not belong to the City. The accounting used for fiduciary funds is much like that used for proprietary funds.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements for governmental activities, reconciliations are presented which briefly explain the adjustments necessary to reconcile the fund financial statements to the governmental-wide statements.

**C. Cash and Investments**

The City follows the practice of pooling cash and investments of all funds to maximize returns for all funds, except for funds held by trustees or fiscal agents.

For purposes of the statement of cash flows, the City considers amounts on deposit in the City's cash and investment pool and all highly liquid investments (including restricted cash and investments) with an original maturity of three months or less when purchased to be cash equivalents. Investment transactions are recorded on the trade date. Investments in nonparticipating interest-earning investment contracts are reported at cost and all other investments are reported at fair value. Fair value is defined as the amount that the City could reasonably expect to receive for an investment in a current sale between a willing buyer and a seller and is generally measured by quoted market prices.

**D. Receivables/Payables**

Short-term interfund receivables and payables are classified as "due from other funds" and "due to other funds", respectively, on the balance sheet and as internal balances on the statement of net position. Long-term interfund receivables and payables are classified as "advances to/from other funds," respectively, on the balance sheet and as internal balances on the statement of net position.

Proprietary fund trade receivables are shown net of an allowance for uncollectible accounts. Allowances for uncollectible were \$1,072,323 as of June 30, 2021. Utility customers are billed monthly. The estimated value of services provided, but unbilled at year-end, has been included in the accompanying financial statements.



**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Inventories**

All inventories are valued at cost, or estimated historical costs when historical information is unavailable, using the first-in/first-out (FIFO) method. Inventory costs in the governmental funds are recorded as an expenditure when used and are reported under the consumption method of accounting. Inventory costs in the proprietary funds are recorded as an expense or capitalized into capital assets when used.

**F. Prepaid Items**

The City entered into an agreement for the purchase and sale of natural gas in 2006 with Citigroup Energy Inc. for a specified quantity of gas to be delivered to the Electric Fund in accordance with the terms of the agreement. As full compensation for the total contract quantity to be delivered, the City made a prepayment which is amortized over the life of the agreement based on the monthly contract quantities to be delivered. The agreement was in effect until May 31, 2021. As of June 30, 2021, the prepayment was fully amortized.

The City also made a prepayment to Southern California Public Power Authority (SCPPA) for the City's share of SCPPA's payoff of the Hoover Center and Air Slots debt. This prepaid amount is amortized over the life of the debt based on the annual debt service obligations. See Note 9 for further information regarding SCPPA.

**G. Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if the actual historical cost is not available. Contributed capital assets are valued at their acquisition value on the date contributed. Capital assets include intangible assets with indefinite lives and public domain (infrastructure) general capital assets consisting of certain improvements including roads and bridges, sidewalks, curbs and gutters, and traffic light systems. The capitalization threshold for all capital assets is \$5,000. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide and proprietary funds statements.

The estimated useful lives are as follows:

Infrastructure	10 to 50 Years
Utility Plant and Buildings	25 to 50 Years
Improvements	10 to 20 Years
Machinery and Equipment	3 to 35 Years

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Capital Assets (Continued)**

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the changes in net financial position.

**H. Compensated Absences**

Accumulated vacation is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for accrued vacation is recorded in the governmental fund only to the extent that such amounts have matured (i.e., as a result of employee resignations and retirements). Upon termination of employment, the City will pay the employee all accumulated vacation leave at 100% of the employee's base hourly rate.

**I. Deferred Outflows and Inflows of Resources**

The statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time.

The City has the following items that qualify for reporting as deferred outflows of resources:

- Deferred outflows related to pension and OPEB plans equal to employer contributions made after the measurement date of the pension and OPEB liabilities.
- Deferred outflows related to pension and OPEB plans for differences between expected and actual experiences and for changes in employer's proportion and differences between employer's contributions and the proportionate share of employer contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB benefits through the plans.
- Deferred outflows related to OPEB plans for changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB benefits through the plans.
- Deferred outflows related to pension and OPEB plans resulting from the net difference between projected and actual earnings on plan investments. These amounts are amortized over five years.

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Deferred Outflows and Inflows of Resources (Continued)**

- Deferred amount on bond refunding which is amortized over the life of refunding debt.

The statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows related to pension and OPEB plans for changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB benefits through the plans.
- Deferred inflows related to OPEB plans for differences between expected and actual experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB benefits through the plans.
- Deferred inflows related to pension plans for changes in employer's proportion and differences between employer's contributions and the proportionate share of employer contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension benefits through the plans.
- Deferred inflows related to the deferred gain from the sale of generation assets. These amounts are amortized over the lives of the related sale agreements.

**J. Long-Term Obligations**

Certain of the City's governmental fund obligations not currently due and payable at year-end are reported in the government-wide statement of net position. Long-term debt and other obligations financed by proprietary funds and the fiduciary fund are reported as liabilities in the appropriate proprietary fund, fiduciary fund and government-wide statement of net position, respectively. Bond discounts and premiums, and deferred amounts on refunding are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

**K. Net Position**

The government-wide financial statements and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Net Position (Continued)**

- **Net Investment in Capital Assets** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- **Restricted Net Position** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This category represents the net position of the City not reported in other categories.

The City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is to use restricted resources first.

**L. Fund Balance**

In the fund financial statements, the governmental fund balance is classified in the following categories:

- **Nonspendable Fund Balance** – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid amounts, and long-term notes receivable.
- **Restricted Fund Balance** – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed Fund Balance** – includes amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision-making authority, its City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example, ordinance).
- **Unassigned Fund Balance** – includes the residual classification for the General Fund and includes all amounts not contained in the other classifications.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Encumbrances**

The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations, which have not yet been fulfilled, canceled or discharged. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Encumbrances outstanding at year-end are reported as a component of unassigned fund balance. Unencumbered appropriations lapse at year-end.

**N. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**O. Property Taxes**

The County of Los Angeles (County) levies, collects and apportions property taxes for all taxing jurisdictions within the County. Property taxes are determined by applying approved rates to the properties' assessed values. The County remits property taxes applicable to the City less an administrative fee throughout the year.

Article XIII A of the state of California Constitution limits the property tax levy to support general government services of the various taxing jurisdictions to \$1.00 per \$100 of assessed value. Taxes levied to service voter-approved debt prior to June 30, 1978, are excluded from this limitation.

Secured property taxes are levied in two installments, November 1 and February 1. They become delinquent with penalties after December 10 and April 10, respectively. The lien date is January 1 of each year for secured and unsecured property taxes and the levy date occurs on the 4th Monday of September of the tax year. Unsecured property taxes on the tax roll as of July 31 become delinquent with penalties on August 31.

**P. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) and PARS plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Q. Postemployment Benefits Other than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 CASH AND INVESTMENTS**

**Cash and Investments**

Cash and investments as of June 30, 2021, are classified in the accompanying financial statements as follows:

	<u>Primary Government</u>	<u>Fiduciary Fund</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 160,766,742	\$ -	\$ 160,766,742
Restricted Cash and Cash Equivalents	61,462,930	20,667,571	82,130,501
Total Cash and Cash Equivalents	<u>\$ 222,229,672</u>	<u>\$ 20,667,571</u>	<u>\$ 242,897,243</u>

Cash and investments as of June 30, 2021, consist of the following:

Cash on Hand	\$ 1,300
Deposits with Financial Institutions	123,417,314
Investments	119,478,629
Total Cash and Investments	<u>\$ 242,897,243</u>

**The City's Investment Policy**

The City's Investment Policy sets forth the investment guidelines for all funds of the City. The Investment Policy conforms to the California Government Code Section 53600 et. seq. The authority to manage the City's investment program is derived from the City Council. Pursuant to Section 53607 of the California Government Code, the City Council annually, appoints the City Treasurer to manage the City's investment program and approves the City's Investment Policy. The Treasurer is authorized to delegate this authority as deemed appropriate. No person may engage in investment transactions except as provided under the terms of the Investment Policy and the procedures established by the Treasurer.

This Investment Policy requires that the investments be made with the prudent person standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the City.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**The City's Investment Policy (Continued)**

The Investment Policy also requires that when following the investing actions cited above, the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, and then achieve a return on the funds under the trustee's control. Further, the intent of the Investment Policy is to minimize the risk of loss on the City's held investments from:

- A. Credit risk
- B. Custodial credit risk
- C. Concentration of credit risk
- D. Interest rate risk

**Investments Authorized by the California Government Code and the City's Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's Investment Policy. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Obligations	5 Years	None	None	None
U.S. Agency Securities	5 Years	None	None	None
Local Agency Bonds	5 Years	None	None	AA
CA State and Local Agency Bonds	5 Years	30%	None	None
Bankers' Acceptances	180 Days	40%	30%	None
Commercial Paper	270 Days	25%	10%	(1)
Negotiable Certificates of Deposit	5 Years	30%	None	None
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements	92 Days	20%	None	None
Medium-Term Notes	5 Years	30%	None	A
Mutual Funds Investing in Eligible Securities	N/A	20%	10%	AAA
Money Market Mutual Funds	N/A	20%	10%	AAA
Mortgage Pass-Through Securities	5 Years	20%	None	AA
State Administered Pool Investment	N/A	None	None	None

(1) Highest letter and numerical rating by a nationally recognized statistical ratings organization.

\* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's Investment Policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Obligations	None	None	None	None
U.S. Agency Securities	None	None	None	None
Certificates of Deposit	None	None	None	None
Bankers' Acceptances	1 Year	None	None	None
Commercial Paper	None	None	None	(1)
Money Market Mutual Funds	N/A	None	None	AAA
State Administered Pool Investment	N/A	None	\$50 Million	None
Investment Contracts	None	None	None	None

(1) Highest letter and numerical rating by a nationally recognized statistical ratings organization.

**Disclosure Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

Investment Type	Fair Value as of 6/30/2021	Investment Maturities		
		(in Months)		
		Less than 12 Months	13 to 24 Months	25 to 60 Months
Investments:				
Local Agency Investment Fund	\$ 633,506	\$ 633,506	\$ -	\$ -
Investments with Fiscal Agent:				
Money Market Mutual Funds	118,845,123	118,845,123	-	-
Total Investments	<u>\$ 119,478,629</u>	<u>\$ 119,478,629</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's Investment Policy, or debt agreements, and the actual rating as of the year-end for each investment type.

**Concentration of Credit Risk**

The City's Investment Policy places no limit on the amount the City may invest in any one issuer excluding a 10% limitation on commercial paper, mutual funds, and money market mutual funds and a 30% limitation on bankers' acceptances. The City's Investment Policy also places no limit on the amount of debt proceeds held by a bond trustee that the trustee may invest in one issuer that is governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy. As of June 30, 2021, there were no investments held by the City that exceeded 5% in any one issuer, excluding the investments in money market mutual funds.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. Under the California Government Code, a financial institution is required to secure deposits, in excess of the FDIC insurance amount of \$250,000, made by state or local governmental units by pledging government securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Such collateral is held by the pledging financial institution's trust department or agent in the City's name.

At year-end, the carrying amounts of the City's deposits were \$123,417,314. The bank balances were \$123,572,101, respectively. The difference between the bank balances and the carrying amounts represents outstanding checks and deposits in transit. As of June 30, 2021, the City's deposits with financial institutions were either FDIC-insured or collateralized by the pledging financial institution as required by Section 53652 of the California Government Code.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Local Agency Investment Fund (LAIF)**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the state of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not rated.

**Fair Value Measurement**

The City categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The fair value of the City's investments in the Local Agency Investment Fund and the money market mutual funds are not subject to the fair value hierarchy requirement.

<u>Investment Type</u>	<u>Minimum Required Rating</u>	<u>Credit Rating Moody's / S&amp;P</u>	<u>Fair Value as of June 30, 2020</u>
Investments:			
Local Agency Investment Fund	Not Rated	Not Rated	\$ 633,506
Investments with Fiscal Agent:			
Money Market Mutual Funds	Aaa / AAA	Aaa / AAA	<u>118,845,123</u>
Total Investments			<u>\$ 119,478,629</u>

**NOTE 3 INTERFUND TRANSACTIONS**

Interfund receivables and payables were as follows at June 30, 2021:

**Due to/from Other Funds**

<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Amount</u>
Electric Enterprise Fund	Water Enterprise Fund	<u>\$ 593,486</u>

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 INTERFUND TRANSACTIONS (CONTINUED)**

**Due to/from Other Funds (Continued)**

The interfund balances resulted from borrowing of cash for temporary purposes. All balances are expected to be reimbursed within the subsequent year.

**Advances to/from Other Funds**

Receivable Fund	Payable Fund	Amount
Electric Enterprise Fund	Gas Enterprise Fund	\$ 23,226,257
	Fiber Optics Enterprise Fund	3,967,698
Water Enterprise Fund	General Fund	2,117,993
Total		\$ 29,311,948

The advance between the Electric Enterprise Fund and the Gas and Fiber Optics Enterprise Funds do not accrue interest due to the nature of the City's operational relationship and capital projects funded by the Electric Enterprise Fund that benefit all City operations. On November 6, 2012, the City adopted Resolution No. 2012-215 extending the repayment term of the advance from 15 months to a period of over 10 years.

The advance between the Water Enterprise Fund and the General Fund does not accrue interest due to the nature of the City's operational relationship and capital projects funded by the Water Fund that benefit both. On November 6, 2012, the City adopted Resolution No. 2012-215 extending the repayment term of the advance from 15 months to a period of over 10 years.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 4 CAPITAL ASSETS**

Capital asset activity of governmental activities for the fiscal year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 62,140,108	\$ 1,429,000	\$ -	\$ 63,569,108
Construction in Progress	1,226,404	170,807	(110,784)	1,286,427
Total Capital Assets, Not Being Depreciated	63,366,512	1,599,807	(110,784)	64,855,535
Capital Assets, Being Depreciated:				
Infrastructure	158,949,660	18,367	-	158,968,027
Building and Improvements	16,711,672	-	-	16,711,672
Improvements Other than Buildings	11,433,237	580,684	(33,672)	11,980,249
Machinery and Equipment	32,641,910	1,131,900	(13,494,263) *	20,279,547
Total Capital Assets, Being Depreciated	219,736,479	1,730,951	(13,527,935)	207,939,495
Less: Accumulated Depreciation for:				
Infrastructure	(71,567,687)	(3,567,204)	-	(75,134,891)
Building and Improvements	(8,821,597)	(394,249)	-	(9,215,846)
Improvements Other than Buildings	(5,946,979)	(322,589)	40,826	(6,228,742)
Machinery and Equipment	(24,748,337)	(716,100)	8,575,231	(16,889,206)
Total Accumulated Depreciation	(111,084,600)	(5,000,142)	8,616,057	(107,468,685)
Total Capital Assets, Being Depreciated, Net:				
Infrastructure	87,381,973	(3,548,837)	-	83,833,136
Building and Improvements	7,890,075	(394,249)	-	7,495,826
Improvements Other than Buildings	5,486,258	258,095	7,154	5,751,507
Machinery and Equipment	7,893,573	415,800	(4,919,032)	3,390,341
Total	108,651,879	(3,269,191)	(4,911,878)	100,470,810
Governmental Activities Capital Assets, Net				
	<u>\$ 172,018,391</u>	<u>\$ (1,669,384)</u>	<u>\$ (5,022,662)</u>	<u>\$ 165,326,345</u>

\* On October 1, 2020, the City transferred its fire department operations to Los Angeles County, California. As a result, \$13,433,110 of machinery and equipment related to the Vernon Fire Department was donated or sold during fiscal year 2021. See Note 10 for further information.

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 677,381
Public Safety	371,892
Public Works	3,950,869
Total Depreciation Expense - Governmental Functions	<u>\$ 5,000,142</u>

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Capital asset activity of business-type activities for the fiscal year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<b>Business-Type Activities:</b>				
<b>Capital Assets, Not Being Depreciated:</b>				
Electric Utility - Land	\$ 4,240,129	\$ -	\$ 8,953,465	\$ 13,193,594
Water Utility - Water	467,640	-	-	467,640
Electric Utility - Intangibles - Environmental Credits	1,163,811	-	-	1,163,811
Electric Utility - Construction in Progress	54,130,254	147,961	(8,953,465)	45,324,750
Water Utility - Construction in Progress	3,668,700	1,633,512	(666,795)	4,635,417
Total Capital Assets, Not Being Depreciated	63,670,534	1,781,473	(666,795)	64,785,212
<b>Capital Assets, Being Depreciated</b>				
Electric Utility - Production Plant	16,189,303	-	-	16,189,303
Electric Utility - Transmission Plant	4,888,113	-	-	4,888,113
Electric Utility - Distribution Plant	243,879,181	14,571,998	-	258,451,179
Electric Utility - General Plant	9,258,248	256,553	73,132	9,587,933
Water Utility Plant	22,025,313	1,104,609	635,431	23,765,353
Gas Utility Plant	26,954,200	19,492	-	26,973,692
Fiber Optic Utility Plant	4,161,378	-	-	4,161,378
Total Capital Assets, Being Depreciated	327,355,736	15,952,652	708,563	344,016,951
<b>Less: Accumulated Depreciation for:</b>				
Electric Utility - Production Plant	(10,295,956)	(461,537)	-	(10,757,493)
Electric Utility - Transmission Plant	(3,332,436)	(92,145)	-	(3,424,581)
Electric Utility - Distribution Plant	(94,007,029)	(7,220,094)	-	(101,227,123)
Electric Utility - General Plant	(5,670,594)	(405,195)	(73,132)	(6,148,921)
Water Utility Plant	(15,312,877)	(389,185)	(21,693)	(15,723,755)
Gas Utility Plant	(10,417,468)	(725,458)	-	(11,142,926)
Fiber Optic Utility Plant	(2,930,812)	(193,068)	-	(3,123,880)
Total Accumulated Depreciation	(141,967,172)	(9,486,682)	(94,825)	(151,548,679)
<b>Total Capital Assets, Being Depreciated, Net:</b>				
Electric Utility - Production Plant	5,893,347	(461,537)	-	5,431,810
Electric Utility - Transmission Plant	1,555,677	(92,145)	-	1,463,532
Electric Utility - Distribution Plant	149,872,152	7,351,904	-	157,224,056
Electric Utility - General Plant	3,587,654	(148,642)	-	3,439,012
Water Utility Plant	6,712,436	715,424	613,738	8,041,598
Gas Utility Plant	16,536,732	(705,966)	-	15,830,766
Fiber Optic Utility Plant	1,230,566	(193,068)	-	1,037,498
Total	185,388,564	6,465,970	613,738	192,468,272
<b>Business-Type Activities Capital Assets, Net</b>				
	<u>\$ 249,059,098</u>	<u>\$ 8,247,443</u>	<u>\$ (53,057)</u>	<u>\$ 257,253,484</u>

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to the business-type functions as follows:

Electric Fund	\$ 8,178,971
Gas Fund	725,458
Water Fund	389,185
Fiber Optics Fund	<u>193,068</u>
Total Depreciation Expense - Business- Type Functions	<u>\$ 9,486,682</u>

**NOTE 5 LONG-TERM OBLIGATIONS**

As of June 30, 2021, outstanding debt obligations consisted of the following:

**\$43,765,000 Electric System Revenue Bonds (2008 Taxable Series A)**

At June 30, 2021, \$38,840,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$76,291,541, payable through fiscal year 2039. For the current year, debt service and net electric revenues were \$4,238,508 and \$33,789,939, respectively. Under the Bond Indenture of Trust, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A were issued to provide funds to (i) finance the cost of certain capital improvements to the City's Electric System, (ii) fund a deposit to the Debt Service Reserve Fund, and (iii) to pay costs of issuance of the 2008 Bonds.

**\$37,640,000 Electric System Revenue Bonds (2012 Series A)**

At June 30, 2021, \$37,640,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$71,100,228, payable through fiscal year 2042. For the current year, debt service and net electric revenues were \$2,031,394 and \$33,789,939, respectively. Under the Bond Indenture of Trust, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2012 Series A were issued to provide funds to (i) pay a portion of the costs of certain capital improvements to the City's Electric System, (ii) to provide for capitalized interest on the 2012 Series A Bonds, and (iii) to pay costs of issuance of the 2012 Series A Bonds.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$35,100,000 Electric System Revenue Bonds (2012 Taxable Series B)**

At June 30, 2021, \$35,100,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$43,205,713, payable through fiscal year 2027. For the current year, debt service and net electric revenues were \$2,222,900 and \$33,789,939, respectively. Under the Bond Indenture of Trust, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B were issued to provide funds to (i) refund the \$28,680,000 aggregate principal amount of 2009 Bonds maturing on August 1, 2012, (ii) to pay a portion of the Costs of the 2012 Project, and (iii) to pay costs of issuance of the 2012 Taxable Series B Bonds.

**\$111,720,000 Electric System Revenue Bonds (2015 Taxable Series A)**

At June 30, 2021, \$111,720,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$129,227,536, payable through fiscal year 2027. For the current year, debt service and net electric revenues were \$5,087,518 and \$33,789,939, respectively. Under the Bond Indenture of Trust, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A were issued to provide funds to (i) refund a portion of the Outstanding Electric System Revenue Bonds, 2009 Series A; (ii) finance the Costs of certain Capital Improvements to the City's Electric System by reimbursing the Electric System for the prior payment of such Costs from the Light and Power Fund; (iii) fund a deposit to the Debt Service Reserve Fund; and (iv) pay costs of issuance of the 2015 Bonds.

**\$71,990,000 Electric System Revenue Bonds (2020 Series A)**

At June 30, 2021, \$43,335,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$55,915,875, payable through fiscal year 2038. For the current year, debt service and net electric revenues were \$31,148,179 and \$33,789,939, respectively. Under the Indenture of Trust dated September 1, 2008, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2020 Series A were issued to provide funds to (i) to finance the acquisition and construction of certain capital improvements to the Electric System of the City, (ii) to refund all of the City's outstanding Electric System Revenue Bonds, 2009 Series A, and (iii) to pay costs of issuance of the 2020 Bonds.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$14,840,000 Water System Revenue Bonds (2020 Series A)**

At June 30, 2021, \$14,840,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of water revenues payable to bondholders. The debt service remaining on the bonds is \$25,868,013, payable through fiscal 2051. For the current year, debt service and net water revenues were \$437,232 and \$2,328,135, respectively. Under the Indenture of Trust dated May 6, 2020, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Water Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Water System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Water System of the City, (ii) purchase a municipal bond debt service reserve insurance policy for deposit in the Reserve Fund in satisfaction of the Reserve Requirement, and (iii) to pay costs of issuance of the 2020 Bonds.

A summary of bonds payable for business-type activities is as follows:

Bonds	Maturity	Fixed Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding June 30, 2021
City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A	07/01/38	7.40% - 8.59%	To begin 07/01/10: \$265,000 - \$4,065,000	\$ 43,765,000	\$ 38,840,000
City of Vernon Electric System Revenue Bonds, 2012 Taxable Series A	08/01/41	5.00% - 5.50%	To begin 08/01/27: \$1,075,000 - \$7,120,000	37,640,000	37,640,000
City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B	08/01/26	6.25% - 6.50%	To begin 08/01/22: \$6,165,000 - \$7,940,000	35,100,000	35,100,000
City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A	08/01/26	4.05% - 4.85%	To begin 08/01/23: \$15,925,000 - \$22,540,000	111,720,000	111,720,000
City of Vernon Electric System Revenue Bonds, 2020 Taxable Series A	08/01/50	5.00%	To begin 08/03/20: \$1,525,000 - \$28,655,000	71,990,000	43,335,000
Premiums					7,189,882
Discounts					<u>(1,923,931)</u>
Total Electric System Revenue Bonds					<u>271,900,951</u>
Water System: City of Vernon Water System Revenue Bonds, 2020 Taxable Series A	08/01/50	5.00%	To begin 08/01/21: \$240,000 - \$3,785,000	14,840,000	14,840,000
Premium					<u>554,913</u>
Total Water System Revenue Bonds					<u>15,394,913</u>
Total Revenue Bonds					<u><u>\$ 287,295,864</u></u>



**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Note Payable – Direct Borrowing**

In May 2019, the City entered into an agreement with Water Replenishment District of Southern California (WRD) for assistance with the construction of a new groundwater well or rehabilitation of an existing groundwater well. The promissory note is unsecured and has no interest basis for an amount not to exceed \$1,500,000. As of June 30, 2021, WRD has disbursed all of the funds under the agreement to the City. The note is payable in quarterly principal payments commencing September 1, 2020, in an amount which, together with all quarterly payments, will be sufficient to fully amortize the principal balance of the note by the maturity date of April 1, 2031.

Upon an event of default, WRD may declare any or all of the outstanding and unpaid principal balance immediately due and payable, without presentment, demand, protest, notice of protest, notice of acceleration or of intention to accelerate or any other notice, declaration or act of any kind, all of which are hereby expressly waived by the City.

**Business-Type Activities Debt Service Requirements**

As of June 30, 2021, annual debt service requirements of business-type activities to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2008 Taxable Series A	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 945,000	\$ 3,295,768
2023	1,025,000	3,211,157
2024	1,120,000	3,119,029
2025	1,220,000	3,018,526
2026	1,330,000	2,909,004
2027-2031	8,670,000	12,525,079
2032-2036	13,315,000	7,872,520
2037-2040	11,215,000	1,500,458
Total Requirements	<u>\$ 38,840,000</u>	<u>\$ 37,451,541</u>

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2012 Taxable Series A	
	<u>Principal</u>	<u>Interest</u>
2022	\$ -	\$ 2,031,394
2023	-	2,031,394
2024	-	2,031,394
2025	-	2,031,394
2026	-	2,031,394
2027-2031	4,645,000	9,707,094
2032-2036	7,315,000	8,086,266
2037-2041	18,560,000	5,314,100
2042-2045	7,120,000	195,800
Total Requirements	<u>\$ 37,640,000</u>	<u>\$ 33,460,228</u>

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Business-Type Activities Debt Service Requirements (Continued)**

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2012 Taxable Series B	
	Principal	Interest
	2022	\$ -
2023	6,165,000	2,030,244
2024	6,565,000	1,632,431
2025	6,990,000	1,208,838
2026	7,440,000	753,250
2027-2030	7,940,000	258,050
Total Requirements	\$ 35,100,000	\$ 8,105,713

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2015 Taxable Series A	
	Principal	Interest
	2022	\$ -
2023	22,540,000	4,580,368
2024	23,520,000	3,596,938
2025	24,585,000	2,530,618
2026	25,780,000	1,341,193
2027-2030	15,295,000	370,904
Total Requirements	\$ 111,720,000	\$ 17,507,536

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2020 Taxable Series A	
	Principal	Interest
	2022	\$ 24,030,000
2023	-	965,250
2024	-	965,250
2025	-	965,250
2026	-	965,250
2027-2031	4,815,000	4,473,125
2032-2036	9,820,000	2,444,250
2037-2040	4,670,000	236,500
Total Requirements	\$ 43,335,000	\$ 12,580,875

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Business-Type Activities Debt Service Requirements (Continued)**

<u>Fiscal Year Ending June 30,</u>	Water System Revenue Bonds 2020 Taxable Series A	
	<u>Principal</u>	<u>Interest</u>
	2022	\$ 240,000
2023	250,000	575,725
2024	265,000	562,850
2025	275,000	549,350
2026	-	542,475
2027-2031	1,985,000	2,662,750
2032-2036	2,180,000	2,161,625
2037-2041	2,680,000	1,625,900
2042-2046	3,180,000	1,163,225
2047-2051	3,785,000	596,138
Total Requirements	<u>\$ 14,840,000</u>	<u>\$ 11,028,013</u>

<u>Fiscal Year Ending June 30,</u>	Note Payable	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 139,535	\$ -
2023	139,535	-
2024	139,535	-
2025	139,535	-
2026	139,535	-
2027-2031	662,791	-
Total Requirements	<u>\$ 1,360,465</u>	<u>\$ -</u>

**Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the fiscal year ended June 30, 2021:

	Balance			Amounts	
	June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Claims Payable (Note 6)	\$ 3,840,080	\$ 836,537	\$ (1,267,245)	\$ 3,409,372	\$ 1,294,266
Compensated Absences	4,857,829	114,653	(2,467,227) *	2,505,255	835,085
Capital Lease Obligation (Note 12)	1,983,809	-	(1,983,809)	-	-
Total	<u>\$ 10,681,718</u>	<u>\$ 951,190</u>	<u>\$ (5,718,281)</u>	<u>\$ 5,914,627</u>	<u>\$ 2,129,351</u>
Business-Type Activities:					
Other Debt:					
Bonds Payable	\$ 310,995,000	\$ -	\$ (29,520,000)	\$ 281,475,000	\$ 25,215,000
Bond Premium	8,209,211	-	(464,416)	7,744,795	-
Bond Discount	(2,370,596)	-	446,665	(1,923,931)	-
Notes Payable - Direct Borrowing	738,720	761,280	(139,535)	1,360,465	139,535
Compensated Absences	1,068,776	648,598	(535,471)	1,181,903	393,968
Total	<u>\$ 318,641,111</u>	<u>\$ 1,409,878</u>	<u>\$ (30,212,757)</u>	<u>\$ 289,838,232</u>	<u>\$ 25,748,503</u>

\* \$974,651 represents the cash-out portion of remaining leave hours after transferring the City's fire department to Los Angeles County. See Note 10 for further details.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 LONG-TERM OBLIGATIONS (CONTINUED)**

**Expense Stabilization Fund**

The City maintains an Expense Stabilization Fund held by a Trustee in such amounts, at such times and from sources as shall be determined by the City in its sole discretion. In the event of default under the Indenture shall have occurred and is continuing, the Trustee shall transfer all moneys in the fund to the debt service funds as provided in the Indenture. Moneys on deposit in this fund may be withdrawn by the City at any time no event of default exists under the Indenture. As at June 30, 2021, this fund has a balance of \$13,917,555.

**Right to Accelerate Upon Default**

Notwithstanding anything contrary in the Indenture or in the Bonds, upon the occurrence of an Event of Default, the Trustee may, with the consent of each Credit Provider whose consent is required by a Supplemental Indenture or a Credit Support Agreement, and shall, at the direction of the Owners of a majority in principal amount of Outstanding Bonds (other than Bonds owned by or on behalf of the City) by written notice to the City, declare the principal of the Outstanding Bonds and the interest thereon to be immediately due and payable, whereupon such principal and interest shall, without further action, become and be immediately due and payable.

**Credit Ratings**

As of June 30, 2021, the ratings on all Electric System Revenue Bonds is BBB+ by S&P and Baa2 by Moody's and the ratings on all Water System Revenue Bonds is AA by S&P and not rated by Moody's.

**Line of Credit**

As at June 30, 2021, the City does not have a line of credit with a financial institution.

**NOTE 6 RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees, and natural disasters. The City utilizes insurance policy(s) to transfer these risks. Each policy has either self-insured retention or deductible, which are parts of our Risk Financing Program. There have been no significant settlements or reductions in insurance coverage during the past three fiscal years.

Starting in Fiscal 2010, the City chose to establish the Risk Financing Program in the General Fund, whereby assets are set aside for claim-litigation settlements associated with the above-mentioned risks up to their self-insured retentions or policy deductibles. Athens Administrators Inc. is our Third Party Administrator for the City's workers' compensation program and they provide basic services for general liability claims and litigation.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 RISK MANAGEMENT (CONTINUED)**

The insurance limits for the fiscal year 2021 are as follows (amounts in thousands):

Insurance Type	Program Limits	Deductible/SIR (Self-Insured Retention)
Excess Liability Insurance	\$20,000,000	\$2,000,000 SIR per occurrence
D and O Employment Practice	\$2,000,000	\$150,000 SIR non-safety; \$150,000 SIR safety
Excess Workers Compensation	\$50,000,000	\$1,500,000 SIR per occurrence for presumptive loss
Employer's Liability	\$1,000,000	\$1,000,000 SIR per occurrence for all employees
Commercial Property Insurance	\$100,000,000 \$25,000,000 Flood Sublimit	\$25,000 except: \$250,000 power stations \$1.5/kVA transfers, subject to a \$250,000 minimum \$500,000 named transformers
Employee Dishonest - Crime	\$1,000,000	\$25,000
Pollution - Site Owned	\$5,000,000	\$25,000 for non-utility locations, divested locations and scheduled storage tanks \$50,000 for utility locations \$100,000 for natural gas pipeline
Cyber Liability	\$3,000,000	\$100,000
Contractors Equipment/Auto Physical Damage	\$10,000,000 Maximum Loss Per Occurrence \$1,000,000 Equipment Limit-loss or damage to any one piece	\$5,000
Residential Property Insurance	\$8,023,126 Blanket Building Limit \$89,013 Blanket Business Personal Property Limit	\$2,500
Terrorism and Sabotage	\$100,000,000 Policy Aggregate \$5,000,000 Active Shooter and Malicious Attack Per Occurrence/Aggregate \$5,000,000 Terrorism and Sabotage Liability Per Occurrence/Aggregate	N/A

The City has numerous claims and pending litigations, which generally involve accidents and/or liability or damage to City property. The balance of claims/litigations against the City is in the opinion of management, ordinary routine matters, incidental to the normal business conducted by the City. In the opinion of management, such proceedings are substantially covered by insurance, and the ultimate dispositions of such proceedings are not expected to have a material adverse effect on the City's financial position, results of operations or cash flows.

Changes in the balance of claims liabilities for the past two fiscal years for all self-insurance activities combined are as follows:

	2021	2020
Claims Payable, Beginning of Fiscal Year	\$ 3,840,080	\$ 3,214,775
Incurred Claims and Change in Estimates	836,537	1,309,962
Claims Payments	(1,267,245)	(684,657)
Claims Payable, End of Fiscal Year	<u>\$ 3,409,372</u>	<u>\$ 3,840,080</u>

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 PENSION PLANS**

The following is a summary of pension related items for the year ended June 30, 2021:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
Miscellaneous	\$ 46,618,461	\$ 9,272,328	\$ (49,948)	\$ 8,691,162
Safety	88,682,300	19,581,945	(3,268,004)	3,903,316
Total	<u>\$ 135,300,761</u>	<u>\$ 28,854,273</u>	<u>\$ (3,317,952)</u>	<u>\$ 12,594,478</u>

**A. General Information About the Pension Plans**

On October 1, 2020, the City transferred its fire department operations to Los Angeles County, California. The City's full-time safety (police and fire personnel) employees were converted from the City's agent multiple-employer defined benefit pension plan to a cost-sharing defined benefit pension plan during the fiscal year ended June 30, 2021. See Note 10 for further information.

Plan Descriptions

All full-time safety (police and fire personnel) and miscellaneous personnel and temporary or part-time employees who have worked a minimum of 1,000 hours in a fiscal year are eligible to participate in the City's cost-sharing and agent multiple-employer defined benefit pension Safety and Miscellaneous Plans, respectively, administered by the California Public Employees' Retirement System (CalPERS) that acts as a common investment and administrative agent for participating public entities within the state of California. Benefits vest after five years of service. Employees who retire at the minimum retirement age with five years of credited service are entitled to retirement benefits. Monthly retirement benefits are based on a percentage of an employee's average compensation for his or her highest consecutive 12 or 36 months of compensation for each year of credited service.

Benefits Provided

Miscellaneous members hired prior to January 1, 2013, with five years of credited service may retire at age 55 based on a benefit factor derived from the 2.7% at 55 Miscellaneous formula or may retire between ages 50 and 54 with reduced retirement benefits. New Miscellaneous members (PEPRA) with five years of credited service may retire at age 62 based on a benefit factor derived from the 2% at 62 Miscellaneous formula or may retire between age 52 and 61 with reduced retirement benefits. The benefit factor increases to a maximum of 2.5% at age 67. Safety members with five years of credited service may retire at age 50 based on a benefit factor derived from the 3% at 50 Safety formula for sworn Police and Fire Department employees. New Safety members (PEPRA) with five years of credited service may retire at age 57 based on a benefit factor derived from the 2.7% at 57 Safety (PEPRA) formula or may retire between age 50 and 56 with reduced retirement benefits for new Safety (PEPRA) members of both Police and Fire Departments. CalPERS also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute provided through a contract between the City and CalPERS.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 PENSION PLAN (CONTINUED)**

**A. General Information About the Pension Plans (Continued)**

Benefits Provided (Continued)

The Plans' provisions and benefits in effect as of the measurement date of June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7%@55	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Contribution Rates:		
Normal Cost Rate	11.758%	11.758%
Payment of Unfunded Liability	\$ 3,185,676	\$ -

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3.0%@50	2.7%@57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50
Monthly Benefits, as a % of Eligible Compensation	3%	2.0% to 2.7%
Required Employee Contribution Rates	9.000%	12.750%
Required Employer Contribution Rates:		
Normal Cost Rate	23.164%	23.164%
Payment of Unfunded Liability	\$ 5,885,793	\$ -

Employees Covered

At June 30, 2021, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive Employees or Beneficiaries Currently Receiving Benefits	221	248
Inactive Employees Entitled to But Not Yet Receiving Benefits	211	148
Active Employees	154	42
Total	<u>586</u>	<u>438</u>

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 PENSION PLAN (CONTINUED)**

**A. General Information About the Pension Plans (Continued)**

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute to the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the fiscal year ended June 30, 2021, included \$9,071,469 for the UAL and \$3,559,021 for the normal cost rate resulting in a total amount paid of \$12,630,490.

**B. Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.625%	2.625%
Payroll Growth	2.875%	2.875%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post-Retirement Benefit Increase	(3)	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(3) The lessor of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.



**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 PENSION PLAN (CONTINUED)**

**B. Net Pension Liability (Continued)**

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00%	2.62%
Inflation Assets	0.00	0.77%	1.81%
Private Equity	8.00	6.30%	7.23%
Real Assets	13.00	3.75%	4.93%
Liquidity	1.00	0.00%	-0.92%
Total	<u>100.00%</u>		

(a) In the CalPERS ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 PENSION PLAN (CONTINUED)**

**B. Net Pension Liability (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

**C. Changes in the Net Pension Liability**

The changes in the Net Pension Liability for the Miscellaneous Plan over the measurement period follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Miscellaneous Plan:</b>			
Balance at June 30, 2019 (Measurement Date)	\$ 175,949,364	\$ 133,986,834	\$ 41,962,530
Changes in the Year:			
Service Cost	2,905,980	-	2,905,980
Interest on the Total Pension Liability	12,502,379	-	12,502,379
Changes in Assumptions	-	-	-
Differences Between Expected and Actual Experience	1,316,307	-	1,316,307
Contribution - Employer	-	4,501,532	(4,501,532)
Contribution - Employee	-	1,271,580	(1,271,580)
Net Investment Income	-	6,484,512	(6,484,512)
Benefit Payments, Including Refunds of Employee Contributions	(7,720,453)	(7,720,453)	-
Administrative Expenses	-	(188,889)	188,889
Net Changes	<u>9,004,213</u>	<u>4,348,282</u>	<u>4,655,931</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 184,953,577</u>	<u>\$ 138,335,116</u>	<u>\$ 46,618,461</u>

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 PENSION PLAN (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

The City reported a net pension liability for its proportionate share of the net pension liability of the safety plan as of June 30, 2021, in the amount of \$88,682,300.

The City's net pension liability for the safety plan is measured as the proportionate share of the net pension liability of the CalPERS cost sharing pool. The City's net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the safety plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the safety plan as of June 30, 2019 and 2020 measurement dates was as follows:

	<u>Safety</u>
Proportion - June 30, 2019	0.00000%
Proportion - June 30, 2020	<u>1.33110%</u>
Change - Increase (Decrease)	<u><u>1.33110%</u></u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is a one percentage point lower or a one percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 73,079,036	\$ 133,481,479
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 46,618,461	\$ 88,682,300
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 24,971,929	\$ 51,920,851

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 PENSION PLAN (CONTINUED)**

**C. Changes in the Net Pension Liability (Continued)**

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the measurement period ended June 30, 2020, the City recognized pension expense of \$8,691,162 related to the miscellaneous plan and \$3,903,316 related to the safety plan. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,979,905	\$ -	\$ 7,650,585	\$ -	\$ 12,630,490	\$ -
Differences Between Expected and Actual Experience	2,667,104	-	6,876,885	-	9,543,989	-
Change in Assumptions	-	(49,948)	-	(295,403)	-	(345,351)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,625,319	-	1,927,446	-	3,552,765	-
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	-	3,127,029	(2,972,601)	3,127,029	(2,972,601)
<b>Total</b>	<b>\$ 9,272,328</b>	<b>\$ (49,948)</b>	<b>\$ 19,581,945</b>	<b>\$ (3,268,004)</b>	<b>\$ 28,854,273</b>	<b>\$ (3,317,952)</b>

The \$12,630,490 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2022	\$ 1,486,131	\$ 2,096,792	\$ 3,582,923
2023	1,280,583	3,266,604	4,547,187
2024	875,442	2,272,431	3,147,873
2025	600,319	996,643	1,596,962
2026	-	30,887	30,887

**E. Payable to the Pension Plan**

At June 30, 2021, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2021.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**A. General Information About the OPEB Plan**

Plan Description

Retiree medical and dental benefits are established through the City's Fringe Benefits and Salary Resolution as well as individual memoranda of understanding between the City and the City's various employee bargaining groups.

Benefits Provided

Generally, the City will provide a postemployment benefit plan for the employee only to those who retire at age sixty (60) or later with twenty (20) years of continuous uninterrupted service up to the age of sixty-five (65). Alternatively, employees who retire before the age of sixty (60) with twenty (20) years of continuous uninterrupted service, will be permitted to pay their medical and dental premium cost and upon reaching the age of fifty (50), the City will pay the premium for the medical and dental plans until they reach the age of sixty-five (65).

Resolution 2011-129 provided lifetime medical benefits to Police Management employees and their spouses, who have been employed as sworn safety personnel for a minimum of twenty (20) years and a minimum of ten (10) years of that services have been with the City of Vernon. Resolution 2011-127 sets forth the Memorandum of Understanding of the Vernon Police Officers' Benefit Association, provided lifetime medical benefits to those employees and their spouses, who have been employed as sworn safety personnel for a minimum of twenty (20) years and a minimum of ten (10) years of that service has been with the City of Vernon. Resolution 2012-217 granted specific retiree medical benefits to employees who retire during the 2012-2013 fiscal year in order to provide an incentive for early retirement whereby the City authorized the payment of medical and dental insurance premiums for eligible retiring employees and their eligible dependents with at least ten (10) years of service plus 5% for each additional full year of service above the ten (10) years of service, and that this offer be extended as an option to safety and safety management groups, at their discretion, in addition to the related options provided in the Vernon Firefighters Association Memorandum of Understanding and the Vernon Police Officers' Benefit Association Memorandum of Understanding. Resolution 2013-06 declared that the retiree medical benefits which had not been a vested right for employees will continue to be non-vested right for employees who continue to be employed by the City on or after July 1, 2013, but will become a vested right for those who retire during the 2012-2013 fiscal year. The City's plan is considered a substantive OPEB plan and the City recognizes cost in accordance with GASB Statement No 75. The City may terminate its unvested OPEB in the future.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**A. General Information About the OPEB Plan (Continued)**

Funding Policy and Contributions

The City has established an irrevocable OPEB trust with assets dedicated to paying future retiree medical benefits. The City intends to contribute 100% or more of the actuarially determined contribution for the explicit subsidy liability only. The portion of the liability due to the implicit subsidy is not prefunded but is paid as benefits come due.

For the year ended June 30, 2021, the City contributed \$1,931,700 to the trust, paid \$853,133 for retiree premiums, and the estimated implied subsidy was \$346,693, resulting in a total contribution of \$3,131,526.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

<u>Category</u>	<u>Count</u>
Active Employees	208
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	115

**B. Net OPEB Liability**

The City's net OPEB liability is measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The valuation has been prepared on a closed group basis. Assumptions such as age-related healthcare claims, healthcare trends, retiree participation rates, and spouse coverage, were selected based on demonstrated plan experience and the best estimate of expected future experience.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

Actuarial Assumptions (Continued)

The total OPEB liability in the June 30, 2019, actuarial valuation was rolled forward to the June 30, 2020, measurement date using standard actuarial techniques. Explicit subsidy benefit payments by employee group were allocated based on expected benefit payments. The following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Funding Method	Entry age normal level percent of pay cost method
Inflation	2.25%
Salary Increases	2.75% annual increases
Long-Term Return on Assets	6.25% net of investment expenses
Discount Rate	6.25%
Healthcare Cost Trend Rates	6.7% for FY2021, gradually decreasing over several decades to ultimate rate of 3.8% in FY76 and later years
Mortality	2017 CalPERS Experience Study. Tables include 15 years of static mortality improvement using 90% of scale MP-2016

Long-Term Expected Rate of Return

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
CERBT Strategy 1:		
Equity	59.00%	4.90%
Fixed Income	25.00	1.40%
TIPS	5.00	0.57%
Commodities	3.00	1.88%
REITs	8.00	4.43%
Total	100.00%	

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2019 (Measurement Date)	\$ 26,186,840	\$ 4,268,189	\$ 21,918,651
Changes in the Year:			
Service Cost	565,922	-	565,922
Interest on the Total OPEB Liability	1,699,197	-	1,699,197
Differences Between Actual and Expected Experience	206,148	-	206,148
Changes in Assumptions	579,724	-	579,724
Changes of Benefit Terms	(800,265)		
Investment Income	-	44,684	(44,684)
Contribution - Employer	-	3,915,406	(3,915,406)
Benefit Payments	(1,222,538)	(1,222,538)	-
Administrative Expenses	-	(2,563)	2,563
Net Changes	<u>1,028,188</u>	<u>2,734,989</u>	<u>(1,706,801)</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 27,215,028</u>	<u>\$ 7,003,178</u>	<u>\$ 20,211,850</u>

Change of Assumptions

There were no changes of assumptions.

Change of Benefit Terms

There were no changes of benefit terms.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.



**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the City's net OPEB liability if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate		
	One Percent Decrease	Current Rate	One Percent Increase
	(5.25%)	(6.25%)	(7.25%)
Net OPEB liability	<u>\$ 23,467,948</u>	<u>\$ 20,211,850</u>	<u>\$ 17,497,742</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the City's net OPEB liability if it were calculated using a healthcare cost trend rates that are 1% point lower (5.7% decreasing to an ultimate rate of 3.8%) or 1% point higher (7.7% decreasing to an ultimate rate of 5.8 %) than the current rate:

	Healthcare Trend Rate		
	One Percent Decrease	Current Rate	One Percent Increase
Net OPEB liability	<u>\$ 19,135,252</u>	<u>\$ 20,211,850</u>	<u>\$ 21,309,202</u>

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2021, the City recognized OPEB expense(revenue) of \$(810,447). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Between Measurement Date and Reporting Date	\$ 3,131,526	\$ -
Difference Between Expected and Actual Experience	172,464	(3,881,457)
Changes in Assumptions	484,998	(4,931,307)
Net Differences Between Projected and Actual Earnings on Investments	218,716	-
Total	<u>\$ 4,007,704</u>	<u>\$ (8,812,764)</u>

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**B. Net OPEB Liability (Continued)**

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB  
(Continued)

The \$3,131,526 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ (1,930,214)
2023	(1,930,624)
2024	(1,939,275)
2025	(1,925,483)
2026	(223,615)
Thereafter	12,624

Payable to the OPEB Plan

At June 30, 2021, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

**NOTE 9 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS**

**Bicent Agreements**

Asset Sale

On December 13, 2007, the City entered into an Amended and Restated Purchase and Sale Agreement (the Bicent Agreement), with Bicent (California) Power LLC (Bicent), which is an affiliate of Bicent Holdings and Natural Gas Partners, to sell to Bicent the Malburg Generating Station (MGS) and the economic burdens and benefits of the City's interests in 22 MW from the Hoover Dam Upgrading Project for \$287,500,000. This transaction closed on April 10, 2008.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS (CONTINUED)**

**Bicent Agreements (Continued)**

Asset Sale (Continued)

Bicent has agreed to sell the capacity and the energy of the MGS to the City on the terms set forth in a Power Purchase Tolling Agreement, by and between the City and Bicent, dated as of April 10, 2008 (the PPTA). In addition, Bicent has acquired the benefits and burdens of the City's interest in the Hoover Upgrading Project (described below) on the terms set forth in the Hoover Contract for Differences (CFD), between Bicent (California) Hoover LLC, a Delaware limited liability company (BCH) and the City, dated as of April 10, 2008 (the Hoover Differences Contract). Pursuant to the Bicent Agreement, Bicent has assigned its rights and obligations with respect to the MGS to its affiliate, Bicent (California) Malburg LLC, a Delaware limited liability company (BCM). Pursuant to the Bicent Agreement, Bicent has assigned its rights and obligations with respect to the economic benefits and burdens of the Hoover Upgrading Project to its affiliate, BCH. The City treated the PPTA as an asset lease-back transaction due to a 30-year ground lease between the City and BCM by deferring most of the gain from the sale of MGS to be amortized over the 15-year life of the PPTA. The City also deferred the gain from the CFD to be amortized over the 10-year life of the CFD. As of June 30, 2021, a deferred gain of \$6,555,916 remains to be amortized, which will be amortized in proportion to the capacity payments the City will be making under the PPTA and CFD (See Note 10 for disclosure on uncertainties).

Power Purchase Commitments

As of June 30, 2021, under the Bicent Agreements, the City had the following long-term commitments to purchase power subject to certain conditions:

<u>Fiscal Year Ending June 30,</u>	<u>Amount*</u>
2022	\$ 34,904,231
2023	27,146,619
Total	<u>\$ 62,050,850</u>

\* Commitments under the PPTA and CFD, net of amortization of deferred gain.

**Southern California Public Power Authority**

In 1980, the City entered into a joint powers agreement with nine (9) Southern California cities and an irrigation district to form the Southern California Public Power Authority (the Authority). The Authority's purpose is the planning, financing, acquiring, constructing, and operating of projects that generate or transmit electric energy for sale to its participants. The joint powers agreement has a term expiring in 2030 or such later date as all bonds and notes of SCPPA and interest thereon have been paid in full or adequate provisions for payments have been made. A copy of SCPPA's audited financial statements can be reviewed on their website at [www.scppa.org](http://www.scppa.org) or can be obtained by written request at 225 South Lake Avenue, Suite 1250, Pasadena, CA 91101.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS (CONTINUED)**

**Southern California Public Power Authority (Continued)**

Take or Pay Contract

The Authority's interests or entitlements in natural gas, generation, and transmission projects are jointly owned with other utilities. Under these arrangements, a participating member has an undivided interest in a utility plant and is responsible for its proportionate share of the costs of construction and operation and is entitled to its proportionate share of the energy, available transmission capacity, or natural gas produced. Each joint plant participant, including the Authority, is responsible for financing its share of construction and operating costs. The City has the following "take or pay" contract with the Authority:

Palo Verde Project

The Authority purchased a 5.91% interest in the Palo Verde Nuclear Generating Station (the Station), a nuclear-fired generating station near Phoenix, Arizona, from the Salt River Project Agricultural Improvement and Power District, and a 6.55% share of the right to use certain portions of the Arizona Nuclear Power Project Valley Transmission System. The City has a 4.9% entitlement share of the Authority's interest in the station.

Between 1983 and 2008, the Authority issued \$3.266 billion in debt of Power Project Revenue Bonds for the Station to finance the bonds and the purchase of the Authority's share of the Station and related transmission rights. The bonds are not obligations of any member of the Authority or public agency other than the Authority. Under a power sales contract with the Authority, the City is obligated on a "take or pay" basis for its proportionate share of power generated, as well as to make payments for its proportionate share of the operating and maintenance expenses of the Station, debt service on the bonds and any other debt, whether or not the project or any part thereof or its output is suspended, reduced or terminated. The City took its proportionate share of the power generated and its proportionate share of costs during the fiscal year 2021 was \$2,771,758. The City expects no significant increases in costs related to its nuclear resources.

Power Purchase Commitments

The Authority has entered into power purchase agreements with project participants. These agreements are substantially "take-and-pay" contracts where there may be other obligations not associated with the delivery of energy. The City has entered into power purchase agreements with the Authority related to the following projects:

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS (CONTINUED)**

**Southern California Public Power Authority (Continued)**

Power Purchase Commitments (Continued)

Astoria 2 Solar Project

On July 23, 2014, the Authority entered into a power purchase agreement with Recurrent Energy for solar energy from the Astoria 2 Solar Project. SCPPA is entitled to 35 MW of photovoltaic generating capacity from commercial operation to December 31, 2021 and 45 MW of generating capacity from January 1, 2022 until the expected expiration date of December 31, 2036. The commercial operation date was December 2016. Power and Water Resources Pooling Authority, Lodi, Corona, Moreno Valley, and Rancho Cucamonga, are each buying the output of a separate portion of the facility, which is located in Kern County, California. SCPPA has purchase options in the 10th, 15th, and 20th Contract Years. The project is forecasted to start at a capacity factor of 31% with a 0.5% annual degradation. ACES Power Marketing is the third-party scheduling coordinator for the project. The City contracted to purchase 57.1429% until December 31, 2021, and 66.6667% thereafter, of the output. The City's proportionate share of costs during the current fiscal year was \$2,276,622.

Puente Hills Landfill Gas-to-Energy Project

On June 25, 2014, the Authority entered into a power purchase agreement with County Sanitation District No. 2 of Los Angeles County for 46 MW of the electric generation from a landfill gas to energy facility, located at Whittier, California. The project began deliveries to the Authority on January 1, 2017 for a term of 10 years. The City contracted to purchase 23.2558% of the output. The City's proportionate share of costs during the current fiscal year was \$1,585,536.

Antelope DSR 1 Solar Project

On July 16, 2015, the Authority, entered into a power purchase agreement with Antelope DSR 1, LLC for 50 MW solar photovoltaic generating capacity from the Antelope DSR 1 Solar Facility. The facility is located near Lancaster, California, and commercial operation occurred on December 16, 2016 for a term of 20 years. The City contracted to purchase 50.00% of the output. The City's proportionate share of costs during the current fiscal year was \$1,689,552.

**NOTE 10 COMMITMENTS AND CONTINGENCIES**

**Sale of Generation and Transmission Assets**

The financial and operational effects of the 2008 sale of generation and transmission assets described in Note 9, Bicent Agreements, while reducing the electric system's debt burden and providing liquidity, puts the utility at some risks in terms of increased fixed-charge obligations and long-term power resource uncertainty.

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**Contract with Los Angeles County Fire Department**

The City contracted with the County of Los Angeles (“LA County”) for Fire services on May 20, 2020, setting forth the terms and conditions under which LA county will provide fire protection, paramedic, and incidental services in the City for the next ten years. The City is to pay LA County the annual fee on a monthly basis. During the initial five-year period, the annual fee limitation shall not exceed four percent per fiscal year, during the sixth year of the agreement the annual fee limitation shall be the average of the preceding four years’ percentage increases plus one percent. During the seventh year of the agreement and each subsequent fiscal year, the annual fee limitation shall be the average of the immediately preceding five years’ percentage increases in the Annual Fee plus one percent. Additionally, there are conversion costs that will be paid in thirty-six equal payments. The agreement shall remain in effect for a minimum of ten years, subsequently it will ne renewed for one-year periods. Either party may terminate this agreement any time after the expiration of the initial ten-year period term upon one year’s written notice.

The following was the contract cost for the fiscal year ending June 30, 2021 totaled \$10,869,276.

**NOTE 11 SUCCESSOR AGENCY DISCLOSURES**

The accompanying financial statements also include the Private-Purpose Trust Fund for the Successor Agency to the City’s former Redevelopment Agency (Successor Agency). The City, as the Successor Agency, serves in a fiduciary capacity, as the custodian for the assets and to wind down the affairs of the former Redevelopment Agency. Its assets are held in trust for the benefit of the taxing entities within the former Redevelopment Agency’s boundaries and as such, are not available for the use of the City.

Disclosures related to the certain assets and long-term liabilities of the Successor Agency are as follows:

**Capital Assets**

Effective February 1, 2012, due to AB 1X 26, Redevelopment Agencies throughout California has been dissolved. The activities of the dissolved Vernon Redevelopment Agency have been recorded in the Vernon Redevelopment Successor Agency fiduciary fund. In accordance with the Successor Agency’s long-range plan to wind down the affairs of the Successor Agency, all capital assets of the Successor Agency were either written-off or transferred over to the City restricted for government purpose use.

**Long-Term Liabilities**

The long-term liabilities of the Successor Agency at June 30, 2021, were as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Amounts Due Within One Year
Bonds Payable	\$ 45,405,000	\$ -	\$ (3,105,000)	\$ 42,300,000	\$ 3,385,000
Bond Premium	281,211	-	(44,345)	236,866	-
Bond Discount	(483,015)	-	43,910	(439,105)	-
Total	<u>\$ 45,203,196</u>	<u>\$ -</u>	<u>\$ (3,105,435)</u>	<u>\$ 42,097,761</u>	<u>\$ 3,385,000</u>

**CITY OF VERNON  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**\$49,420,000 Industrial Redevelopment Project Tax Allocation Bonds, Series 2005**

At June 30, 2021, \$32,535,000 remained outstanding. The bonds are special obligation bonds and are payable from the pledged tax revenues and amounts on deposit in the reserve account. The debt service remaining on the bonds is \$48,130,831, payable through fiscal 2036. For the current year, debt service amounted to \$3,337,888. The bonds were issued to (i) finance various redevelopment projects, in or benefiting the Agency's Industrial Redevelopment Project area, (ii) fund the reserve requirement for the Series 2005 Bonds, and (iii) pay costs of issuance of the Series 2005 Bonds. Debt service was calculated at the actual fixed rates of the coupons ranging from 3.25% to 5.25%.

**\$19,490,000 Industrial Redevelopment Project Tax Allocation Bonds, Series 2011**

At June 30, 2021, \$9,765,000 remained outstanding. The bonds are special obligation bonds and are payable from the pledged tax revenues and amounts on deposit in the reserve account. The debt service remaining on the bonds is \$14,334,688, payable through fiscal 2031. For the current year, debt service amounted to \$2,323,225. The bonds were issued to (i) finance the acquisition of one or more parcels of land, and certain redevelopment projects, in or benefiting the Agency's Industrial Redevelopment Project area, (ii) fund a deposit to the reserve account sufficient to meet the reserve requirement, and (iii) pay costs of issuance of the Series 2011 Bonds. Debt service was calculated at the actual fixed rates of the coupons ranging from 3.00% to 9.25%.

The following schedule shows the debt service requirements to maturity for the bonds as of June 30, 2021:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,385,000	\$ 2,344,225	\$ 5,729,225
2023	1,845,000	2,174,497	4,019,497
2024	2,015,000	2,053,091	4,068,091
2025	2,195,000	1,922,319	4,117,319
2026	2,385,000	1,781,719	4,166,719
2027 - 2031	15,260,000	7,876,794	23,136,794
2032 - 2036	15,215,000	2,012,875	17,227,875
Total	<u>\$ 42,300,000</u>	<u>\$ 20,165,519</u>	<u>\$ 62,465,519</u>

**NOTE 12 CAPITAL LEASE OBLIGATIONS**

On July 24, 2015, the City entered into a 10-year lease agreement to finance two Pierce PUC Triple Combo Pumpers for the fire department. Lease payments of \$158,059 are due annually. In addition, on August 9, 2017, the City entered into a 10-year lease agreement to finance a Pierce Aerial Mounted Apparatus for the fire department. Lease payments of \$165,146 are due annually.

On August 4, 2020, the City paid the termination value of the leases totaling \$1,780,160 in order to transfer the equipment to Los Angeles County Fire Department free and clear of any encumbrances.

**CITY OF VERNON**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 13 SUBSEQUENT EVENT**

In December 2021, the City issued \$183,815,000 in Electric System Revenue Bonds, 2021 Series A and \$52,070,000 in Electric System Revenue Bonds, 2022 Series A. The 2021 Series A bonds provide funds to finance the acquisition of Malburg Generating Station (MGS), the deposit to the Debt Service Reserve Fund, and the cost of issuance of the 2021 Bonds. The City made the determination to reacquire MGS on December 15, 2021 to achieve potential costs savings and other resource management benefits. In addition to any potential savings, the City expects there to be other benefits associated with the acquisition of the MGS, which includes having control of the facility and the site, providing the City with flexibility with respect to MGS operations and MGS's role in the City's resource portfolio. The 2022 Series A bonds provide funds to refund and defease all of the outstanding 2012A Bonds, a portion of the 2012B bonds and pay the cost of issuance of the 2022 bonds. The defeasance of the 2012 A Bonds and portion of the 2021 Series B bonds will result in total debt service cash flow savings of \$18,509,369 and an economic gain of \$15,309,641.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF VERNON**  
**BUDGETARY COMPARISON SCHEDULE – GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 44,742,084	\$ 44,742,084	\$ 53,677,257	\$ 8,935,173
Special Assessments	1,205,000	1,205,000	1,524,362	319,362
Licenses and Permits	1,774,966	1,774,966	2,083,795	308,829
Fines, Forfeitures, and Penalties	189,288	189,288	136,899	(52,389)
Investment Income	86,700	86,700	70,480	(16,220)
Intergovernmental Revenues	1,518,931	1,518,931	1,364,950	(153,981)
Charges for Services	9,922,829	9,922,829	9,577,442	(345,387)
Other Revenues	1,421,211	1,421,211	1,132,285	(288,926)
Total Revenues	<u>60,861,009</u>	<u>60,861,009</u>	<u>69,567,470</u>	<u>8,706,461</u>
<b>EXPENDITURES</b>				
Current:				
General Government	15,106,014	15,503,015	15,129,409	373,606
Public Safety	29,417,913	29,454,213	34,754,653	(5,300,440)
Public Works	8,513,947	8,513,947	7,054,990	1,458,957
Health Services	1,490,775	1,490,775	1,357,199	133,576
Capital Outlay	6,332,360	7,464,865	3,312,390	4,152,475
Total Expenditures	<u>60,861,009</u>	<u>62,426,815</u>	<u>61,608,641</u>	<u>818,174</u>
Excess (Deficiency) of Revenues Over Expenditures	-	(1,565,806)	7,958,829	9,524,635
<b>OTHER FINANCING SOURCES</b>				
Gain on Sale of Assets	-	-	486,009	486,009
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>486,009</u>	<u>486,009</u>
<b>CHANGE IN FUND BALANCE</b>	-	(1,565,806)	8,444,838	10,010,644
Fund Balance (Deficit) - Beginning of Year	<u>8,522,417</u>	<u>8,522,417</u>	<u>8,522,417</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><u>\$ 8,522,417</u></u>	<u><u>\$ 6,956,611</u></u>	<u><u>\$ 16,967,255</u></u>	<u><u>\$ 10,010,644</u></u>

See accompanying Note to Required Supplementary Information.

**CITY OF VERNON**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2021**

**NOTE 1 BUDGET**

The City adheres to the following general procedures in establishing its annual budget, which is reflected in the accompanying General Fund budgetary comparison schedule.

- An annual budget is adopted by the City Council that provides for the general operation of the City. The budget includes authorized expenditures and estimated revenues of the General Fund.
- The budget is adopted on a modified accrual basis and formally integrated into the accounting system and employed as a management control device during the year.
- Encumbrances, which are commitments related to executory contracts for goods and services, are recorded to assure effective budgetary control and accountability.
- Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Encumbrances outstanding at year-end are reported as committed fund balance for subsequent year expenditures. Unencumbered appropriations lapse at year-end.
- Excess expenditures over appropriations are financed by beginning fund balance. The final budgeted amounts used in the accompanying General Fund budgetary comparison schedule include any amendments made during the fiscal year 2019. Encumbrances carried forward from the prior year are reflected in the original budget.

For the current year, the General Fund's total positive variance between the final budgeted amounts and the actual amount of change in fund balance was \$10,010,644. The key reason for this variance was due to higher-than-expected taxes of \$8,935,173 and a favorable variance in actual expenditures than projected by \$818,174.

For the current year, the General Fund's total positive variance between the final budgeted estimated revenues and actual revenues was \$8,919,741. There were several reasons for the variance, overall revenues came in higher than expected in most categories especially taxes and other revenues offset by a decrease in license and permits and intergovernmental revenues.

For the current year, the General Fund's total positive variance between the final budgeted amount and the actual amount for expenditures was \$818,174. The key reasons for this variance were due to higher appropriations than actual expenditures of \$4,152,475 in capital outlay, \$1,458,957 in public works, \$373,606 in general government, \$133,576 in health services, and \$(5,300,440) in public safety.

For the current year, the General Fund's total positive variance between the final budgeted amounts and the actual amount for other financing sources was \$272,729. The key reason for this variance was due to a gain on sale of assets of \$486,009.

**CITY OF VERNON  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS – MISCELLANEOUS PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability:				
Service Cost	\$ 2,905,980	\$ 2,991,388	\$ 2,826,440	\$ 2,432,788
Interest on Total Pension Liability	12,502,379	11,863,069	11,053,679	10,383,859
Changes of Assumptions	-	-	(549,432)	9,321,776
Differences Between Expected and Actual Experience	1,316,307	3,767,030	3,059,775	(711,339)
Benefit Payments, Including Refunds of Employee Contributions	(7,720,453)	(6,652,881)	(6,166,082)	(6,145,366)
Net Change in Total Pension Liability	9,004,213	11,968,606	10,224,380	15,281,718
Total Pension Liability - Beginning of Year	175,949,364	163,980,758	153,756,378	138,474,660
Total Pension Liability - End of Year (a)	<u>\$ 184,953,577</u>	<u>\$ 175,949,364</u>	<u>\$ 163,980,758</u>	<u>\$ 153,756,378</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 4,501,532	\$ 3,908,165	\$ 3,380,432	\$ 3,629,603
Contributions - Employee	1,271,580	1,357,537	1,214,616	1,245,990
Net Investment Income	6,484,512	8,077,977	9,803,260	11,857,647
Benefit Payments, Including Refunds of Employee Contributions	(7,720,453)	(6,652,881)	(6,166,082)	(6,145,366)
Plan to Plan Resource Movement	-	-	(296)	1,118
Administrative Expenses	(188,889)	(90,906)	(186,518)	(161,327)
Other Miscellaneous Income (1)	-	296	(354,202)	-
Net Change in Plan Fiduciary Net Position	4,348,282	6,600,188	7,691,210	10,427,665
Plan Fiduciary Net Position - Beginning of Year	133,986,834	127,386,646	119,695,436	109,267,771
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 138,335,116</u>	<u>\$ 133,986,834</u>	<u>\$ 127,386,646</u>	<u>\$ 119,695,436</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 46,618,461</u>	<u>\$ 41,962,530</u>	<u>\$ 36,594,112</u>	<u>\$ 34,060,942</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.79%	76.15%	77.68%	77.85%
Covered Employee Payroll	\$ 15,399,491	\$ 15,996,725	\$ 15,146,241	\$ 13,440,076
Net Pension Liability as Percentage of Covered - Employee Payroll	302.73%	262.32%	241.61%	253.43%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

\* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF VERNON  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS – MISCELLANEOUS PLAN (CONTINUED)  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:			
Service Cost	\$ 2,129,659	\$ 1,962,270	\$ 1,955,694
Interest on Total Pension Liability	9,969,103	9,447,012	9,609,274
Changes of Assumptions	-	(2,466,126)	-
Differences Between Expected and Actual Experience	1,046,363	(9,700,904)	-
Benefit Payments, Including Refunds of Employee Contributions	(5,748,657)	(5,680,624)	(2,388,449)
Net Change in Total Pension Liability	7,396,468	(6,438,372)	9,176,519
Total Pension Liability - Beginning of Year	131,078,192	137,516,564	128,340,045
Total Pension Liability - End of Year (a)	<u>\$ 138,474,660</u>	<u>\$ 131,078,192</u>	<u>\$ 137,516,564</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 3,140,644	\$ 2,340,002	\$ 1,825,732
Contributions - Employee	1,095,824	1,054,426	1,015,741
Net Investment Income	583,692	2,337,855	16,045,243
Benefit Payments, Including Refunds of Employee Contributions	(5,748,657)	(5,680,624)	(2,388,449)
Plan to Plan Resource Movement	(780)	18	-
Administrative Expenses	(67,200)	(124,052)	-
Other Miscellaneous Income (1)	-	-	-
Net Change in Plan Fiduciary Net Position	(996,477)	(72,375)	16,498,267
Plan Fiduciary Net Position - Beginning of Year	110,264,248	110,336,623	93,838,356
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 109,267,771</u>	<u>\$ 110,264,248</u>	<u>\$ 110,336,623</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 29,206,889</u>	<u>\$ 20,813,944</u>	<u>\$ 27,179,941</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.91%	84.12%	80.24%
Covered Employee Payroll	\$ 13,150,103	\$ 11,708,057	\$ 11,084,188
Net Pension Liability as Percentage of Covered - Employee Payroll	222.10%	177.77%	245.21%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

\* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF VERNON  
SCHEDULE OF PENSION CONTRIBUTIONS – MISCELLANEOUS PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution (Actuarially Determined)	\$ 4,979,905	\$ 4,500,718	\$ 3,908,165	\$ 3,380,432
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,979,905)</u>	<u>(4,500,718)</u>	<u>(3,908,165)</u>	<u>(3,380,432)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 15,355,968	\$ 15,399,491	\$ 15,996,725	\$ 15,146,241
Contributions as a Percentage of Covered Payroll	32.43%	29.23%	24.43%	22.32%
Notes to Schedule:				
Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.625%	2.625%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 2.0% at 55, 2.7% at 55, 2% at 60, and 2.0% at 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF VERNON**  
**SCHEDULE OF PENSION CONTRIBUTIONS – MISCELLANEOUS PLAN (CONTINUED)**  
**LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 3,629,603	\$ 3,140,644	\$ 2,340,002
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,629,603)</u>	<u>(3,140,644)</u>	<u>(2,340,002)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,440,076	\$ 13,150,103	\$ 11,708,057
Contributions as a Percentage of Covered Payroll	27.01%	23.88%	19.99%

Notes to Schedule:

Valuation Date	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 2.0% at 55, 2.7% at 55, 2% at 60, and 2.0% at 62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF VERNON**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – SAFETY PLAN**  
**LAST TEN FISCAL YEARS \***

Fiscal Year Ended	Safety 2021
Measurement Period	June 30, 2020
Plan's Proportion of the Net Pension Liability	1.331100%
Plan's Proportionate Share of the Net Pension Liability	\$ 88,682,300
Plan's Covered Payroll	\$ 11,770,766
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	753.41%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	69.13%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 10,280,295

Notes to Schedule:

\*Fiscal year 2021 was the first year the City's Safety Plan was converted from an Agent Multiple Plan to a Cost Sharing Plan therefore only one year is shown.



**CITY OF VERNON**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**  
**AND RELATED RATIOS – SAFETY PLAN**  
**LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:						
Service Cost	\$ 4,287,003	\$ 4,414,740	\$ 4,144,398	\$ 3,454,025	\$ 3,388,157	\$ 3,448,760
Interest on Total Pension Liability	18,414,262	17,691,261	16,898,830	16,325,879	15,777,736	15,255,372
Changes of Benefit Terms	-	-	-	-	-	-
Changes of Assumptions	-	(1,533,898)	14,134,794	-	(3,878,396)	-
Differences Between Expected and Actual Experience	(364,199)	2,008,618	(1,380,683)	(2,430,394)	(2,400,883)	-
Benefit Payments, Including Refunds of Employee Contributions	(12,139,668)	(10,992,416)	(10,147,899)	(9,736,302)	(9,470,058)	(9,639,123)
Net Change in Total Pension Liability	10,197,398	11,588,305	23,649,440	7,613,208	3,416,556	9,065,009
Total Pension Liability - Beginning of Year	261,832,661	250,244,356	226,594,916	218,981,708	215,565,152	206,500,143
Total Pension Liability - End of Year (a)	<u>\$ 272,030,059</u>	<u>\$ 261,832,661</u>	<u>\$ 250,244,356</u>	<u>\$ 226,594,916</u>	<u>\$ 218,981,708</u>	<u>\$ 215,565,152</u>
Plan Fiduciary Net Position:						
Contributions - Employer	\$ 7,011,540	\$ 6,109,373	\$ 5,476,196	\$ 5,116,412	\$ 4,147,441	\$ 3,234,539
Contributions - Employee	1,239,891	1,302,308	1,212,646	1,222,561	1,167,329	1,092,012
Net Investment Income	12,275,401	14,666,919	17,760,401	760,559	3,525,241	24,855,525
Benefit Payments, Including Refunds of Employee Contributions	(12,139,668)	(10,992,416)	(10,147,899)	(9,736,302)	(9,470,058)	(9,639,123)
Plan to Plan Resource Movement	-	(431)	(1,118)	780	24	-
Administrative Expenses	(131,969)	(272,124)	(237,068)	(99,525)	(191,323)	-
Other Miscellaneous Income (1)	431	(516,768)	-	-	-	-
Net Change in Plan Fiduciary Net Position	8,255,626	10,296,861	14,063,158	(2,735,515)	(821,346)	19,542,953
Plan Fiduciary Net Position - Beginning of Year	184,928,220	174,631,359	160,568,201	163,303,716	164,125,062	144,582,109
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 193,183,846</u>	<u>\$ 184,928,220</u>	<u>\$ 174,631,359</u>	<u>\$ 160,568,201</u>	<u>\$ 163,303,716</u>	<u>\$ 164,125,062</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 78,846,213</u>	<u>\$ 76,904,441</u>	<u>\$ 75,612,997</u>	<u>\$ 66,026,715</u>	<u>\$ 55,677,992</u>	<u>\$ 51,440,090</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.02%	70.63%	69.78%	70.86%	74.57%	76.14%
Covered - Employee Payroll	\$ 13,737,311	\$ 14,292,273	\$ 13,879,896	\$ 12,971,888	\$ 12,740,785	\$ 12,510,920
Net Pension Liability as Percentage of Covered - Employee Payroll	573.96%	538.08%	544.77%	509.00%	437.01%	411.16%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

Demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Assumptions December 2017

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

\* Fiscal year 2015 was the first year of implementation. Additionally, fiscal year 2021 was the first year the City's Safety Plan was converted from an Agent

**CITY OF VERNON  
SCHEDULE OF PENSION CONTRIBUTIONS – SAFETY PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution (Actuarially Determined)	\$ 7,650,585	\$ 7,834,050	\$ 7,011,540	\$ 6,109,373
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,650,585)</u>	<u>(7,834,050)</u>	<u>(7,011,540)</u>	<u>(6,109,373)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 7,618,673	\$ 11,770,766	\$ 13,737,311	\$ 14,292,273
Contributions as a Percentage of Covered Payroll	100.42%	66.56%	51.04%	42.75%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.625%	2.625%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.25% (3)	7.375% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 3.0% at 50, 3.0% at 55, and 2.7% at 57
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF VERNON  
SCHEDULE OF PENSION CONTRIBUTIONS – SAFETY PLAN (CONTINUED)  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 5,476,196	\$ 5,116,412	\$ 4,147,441
Contributions in Relation to the Actuarially Determined Contributions	<u>(5,476,196)</u>	<u>(5,116,412)</u>	<u>(4,147,441)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 13,879,896	\$ 12,971,888	\$ 12,740,785
Contributions as a Percentage of Covered Payroll	39.45%	39.44%	32.55%

Notes to Schedule:

Valuation Date	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 3.0% at 50, 3.0% at 55, and 2.7% at 57
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF VERNON  
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS \***

Fiscal Year End	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability:</b>				
Service Cost	\$ 565,922	\$ 549,137	\$ 1,204,747	\$ 1,166,825
Interest on Total OPEB Liability	1,699,197	1,641,230	2,063,052	1,879,025
Differences Between Expected and Actual Experience	206,148	-	(6,680,583)	-
Assumption Changes	579,724	(124,861)	(7,657,196)	(770,716)
Change of Benefit Terms	(800,265)	-	-	-
Benefit Payments	(1,222,538)	(1,158,450)	(1,006,087)	(838,818)
Net Change in Total OPEB Liability	1,028,188	907,056	(12,076,067)	1,436,316
Total OPEB Liability - Beginning of Year	26,186,840	25,279,784	37,355,851	35,919,535
Total OPEB Liability - End of Year (a)	<u>\$ 27,215,028</u>	<u>\$ 26,186,840</u>	<u>\$ 25,279,784</u>	<u>\$ 37,355,851</u>
<b>Plan Fiduciary Net Position:</b>				
Contributions - Employer	\$ 3,915,406	\$ 2,989,393	\$ 2,065,407	\$ 1,898,138
Net Investment Income	44,684	258,220	65,276	(2,049)
Benefit Payments and the Implied Subsidy Benefit Payments	(1,222,538)	(1,158,450)	(1,006,087)	(838,818)
Administrative Expenses	(2,563)	(629)	(808)	(4)
Other Deductions	-	-	(1,400)	-
Net Change in Plan Fiduciary Net Position	2,734,989	2,088,534	1,122,388	1,057,267
Plan Fiduciary Net Position - Beginning of Year	4,268,189	2,179,655	1,057,267	-
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 7,003,178</u>	<u>\$ 4,268,189</u>	<u>\$ 2,179,655</u>	<u>\$ 1,057,267</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 20,211,850</u>	<u>\$ 21,918,651</u>	<u>\$ 23,100,129</u>	<u>\$ 36,298,584</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	25.73%	16.30%	8.62%	2.83%
Covered - Employee Payroll	\$ 31,958,957	\$ 35,182,647	\$ 33,496,565	\$ 33,511,114
Net OPEB Liability as Percentage of Covered - Employee Payroll	85.16%	74.43%	75.47%	111.47%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

Fiscal year end June 30, 2018 is the first year of implementation; therefore, there are no previous GASB 75 actuarial reports for comparison.

Fiscal year end June 30, 2019: Discount rate for the implicit subsidy liability was changed from 3.56% to 6.5% based on updated expectations of long-term returns on trust assets and updated valuation methods.

Fiscal year end June 30, 2020: Medical trend rates were updated to exclude Affordable Care Act's Excise Tax on high-cost health insurance plan due to its repeal.

Fiscal year end June 30, 2021: Discount rate for the implicit subsidy liability was changed from 6.5% to 6.25% based on updated expectations of long-term returns on trust assets and updated valuation methods. Inflation rate changed from 2.50% to 2.25%.

\* Fiscal year 2018 was the first year of implementation and therefore only four years are shown.

**CITY OF VERNON  
SCHEDULE OF OPEB CONTRIBUTIONS  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 1,538,693	\$ 1,931,700	\$ 2,692,868	\$ 2,692,868
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,131,526)</u>	<u>(3,915,406)</u>	<u>(2,989,393)</u>	<u>(2,065,407)</u>
Contribution Deficiency (Excess)	<u>\$ (1,592,833)</u>	<u>\$ (1,983,706)</u>	<u>\$ (296,525)</u>	<u>\$ 627,461</u>
Covered - Employee Payroll	\$ 31,702,877	\$ 31,958,957	\$ 35,182,647	\$ 33,496,565
Contributions as a Percentage of Covered - Employee Payroll	9.88%	12.25%	8.50%	6.17%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2018	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Amortization Period	27 Years	27 Years	27 Years	29 Years
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Inflation	2.25%	2.50%	2.50%	2.75%
Healthcare Trend Rates	(4)	(3)	(3)	(2)
Investment Rate of Return	6.25%	6.50%	7.00%	7.00%
Mortality	(6)	(6)	(6)	(5)

- (1) Level percentage of payroll, closed.
- (2) 8.50% trending down to 5.00%.
- (3) 6.90% trending down to 4.00%.
- (4) 6.70% trending down to 3.8%.
- (5) CalPERS December 2014 experience study
- (6) CalPERS December 2017 experience study

\* Fiscal year 2018 was the first year of implementation and therefore four years are shown.

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**VERNON PUBLIC UTILITIES  
(THE ELECTRIC, GAS, WATER, AND  
FIBER OPTICS ENTERPRISE FUNDS OF THE  
CITY OF VERNON)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**



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VERNON PUBLIC UTILITIES  
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## **INTRODUCTORY SECTION**

## **Introduction**

### **A message from Abraham Alemu, General Manager of Vernon Public Utilities**

While the past couple of years have presented historic challenges on a global scale, the City of Vernon and Vernon Public Utilities (VPU) have exhibited strength and resilience by continuing to provide safe, reliable and affordable services during the challenges caused by the COVID-19 pandemic. VPU seamlessly provided the electric, water, gas and fiber utilities to its residents and business community who are vital in manufacturing and distributing goods throughout the region. Recently, VPU established an impressive goal of providing the lowest electric rates in the State of California by 2030 in order to support customer competitiveness and enable community businesses to thrive as the economic engine in Southeast Los Angeles.

In the past year, VPU has continued to complete major infrastructure upgrade projects to meet the increasing needs of its business and industrial community – many of whom manufacture essential goods and products throughout the United States, such as cold storage, food packaging and steel production. These necessary enhancements to the VPU infrastructure foster improvement projects, which increased reliability and help the utility to meet system adequacy requirements, including substation equipment upgrades, automated metering, voltage upgrades, and proactive utility pole replacement and financing initiatives. In addition, the electric infrastructure upgrades support the utility's Water Division Capital Improvement Projects (CIPs) aimed at creating sustainable water affordability and independence for Vernon residential and business customers. During the past year, the Department was able to drastically reduce its need to purchase water from imported sources and is serving water from the City's groundwater sources, which results in significant cost savings for the utility and to its customers.

As VPU enters its third year of a 4-year voter-approved electric rate increase, the utility will continue to use this funding to promote programs and projects that will support increased reliability, resilience, and low rates. VPU will also consider and analyze new technologies in an evolving energy landscape to bring renewable, environmentally conscious programs to businesses and residents. Moving forward, VPU has wide-scale transportation electrification plans to help advance customer adoption and play a role in the utility's long-term energy resources planning and deployment of green offerings.

VPU is well-positioned to maintain a strong financial performance into the long-term future and has made notable strides towards achieving and exceeding its Renewable Portfolio Standard (RPS) and greenhouse gas (GHG) reduction goals. VPU is actively considering a Solar plus Energy Storage Purchase Power Agreement (PPA), which will be the largest PPA in its portfolio. Additionally, the City recently re-acquired the Malburg Generating Station, a 134-megawatt natural gas-fired, combined-cycle facility. With this resource back within the utility's ownership and operation, VPU now has the control and capability to reduce ongoing operating costs and address the City's long-term needs for local power generation. Both projects play a critical role in achieving the long-term goals established in Integrated Resource Plan (IRP).

As part of the repurchase, the utility's electric financial ratings were reassessed by Moody's and S&P. VPU received an upgraded credit rating from Moody's and both agencies gave VPU a stable/positive outlook. This rating upgrade is a testament, among other factors, to the utility's commitment to foster strong management fundamentals and maintain fiscal strength.

## FY 2020-2021 Vernon Public Utilities at a Glance

<b>ELECTRIC</b>	
<b>Service area</b>	5 square miles
<b>Service meters</b>	2,011 meters
<b>Number of poles</b>	4,144
<b>Number of substations</b>	8
<b>Peak load</b>	191.37 MW (August 2020)

<b>WATER</b>	
<b>Service area</b>	4.2 square miles
<b>Service meters</b>	1,840 meters
<b>Number of miles of water mains</b>	49
<b>Number of active wells</b>	8
<b>Number of reservoirs</b>	8
<b>Total reservoir capacity (gallons)</b>	16.375 MG
<b>Number of booster stations</b>	3
<b>Average day demand</b>	18.73-acre feet
<b>Maximum day peak factor</b>	1.67

<b>GAS</b>	
<b>Service area</b>	5 square miles
<b>Service meters</b>	118
<b>Number of miles of gas distribution</b>	44
<b>Number of miles of gas transmission</b>	7.3
<b>Number of regulating stations</b>	2
<b>Peak month in decatherms (Month Year)</b>	803,433 (October, 2020)
<b>Average month in decatherms</b>	722,600

# Major Initiatives and Accomplishments

## **Department Wide**

- Earned the American Public Power Association (APPA) RP3 Diamond Level Recognition of Operational Excellence in the key areas of Reliability, Safety, Workforce Development, System Improvement
- Served as an elected Board Member on the California Utilities Emergency Association Board of Directors
- Annual benchmarking study ranks VPU electric reliability top 10% nationwide
- Secured Electric System Revenue Bonds at low rates to fund Capital Improvement Projects and to refund existing outstanding bonds
- Successful implementation of a Utility Operations Trainee program, which ensures robust cross-training and a strong succession plan.

## **Electric Division**

- Completed replacement of the 7kV Leonis Substation Number 3 Bank, which has been in service from 1957, to 16kV Substation Distribution Transformer.
- Completed replacement of the Leonis Substation Number 4 Bank transformer, which in service since the 1960's.
- Completed replacement of Vernon Substation #1 Bank 6.9kV circuit breaker and #7 aux bank 480v circuit breaker.
- Work in progress for 16kV re-configuration with balanced load and 4 new circuits
- Work in progress for 7kV to 16kV Conversion
- Established 9-year Electric Meter Replacement Program and have made a significant advancement to meet department goals.

## **Resource Division**

- Vernon Power Plant's maximum output was increased from 134MW to 139MW
- Completed agreements with 3 new gas counterparties
- Sold excess capacity rights at Mead-Adelanto Transmission Line

## **Water Division**

- Completed major rehabilitation of Wells 15 and 17, and minor rehabilitation of Well 21
- Imported water was not purchased in Calendar Year 2021
- Replaced the main on 50th Street between Soto Street and Boyle Avenue to enable pumping the full capacity of new Well 22, which is currently under construction
- Rehabilitation of the 3 – 1 MG reservoirs located at Pumping Plant 3 is halfway to completion, with one tank complete and back in service, and the second tank is well underway.
- Continued implementation of a program to automate the efficient and safe operation of water production, storage, and conveyance facilities
- Ongoing investment into Advanced Metering Infrastructure (AMI)
- Completed a Water Master Plan

### **Gas Division**

- Increased staff count to safely respond to emergencies and give the ability to proactively perform preventative maintenance on gas infrastructure
- The 5-member VPU Gas Division was honored as one of American Public Gas Association's (APGA) Safety Contest winners for 2020.
- 5 new Vernon businesses connected to the Vernon Gas System, for a total of 130 customers.

### **Customer Service**

- Placed a moratorium on late fees, halted disconnections, and helped customers with outstanding balances as part of COVID-19 relief program for customers.
- Working towards integrating a new CIS billing system that will provide automation to several manual processes and connectivity to the City's financial system

### **Compliance**

- Served in APPA's Reliable Public Power Provider grading panel
- Reliability Metrics benchmarked among the highest in the country in 2020
  - System Average Interruption Duration Index (SAIDI) in the top quartile across the US (38 min v. 101 min)
  - System Average Interruption Frequency Index (SAIFI) in the second quartile in the US (0.71 vs 1.03)
  - Customer Average Interruption Frequency Index (CAIDI) in the top decile across the US (54 min vs 105 min)
- Developed an Electric Physical Security Plan approved by Vernon Police Department and adopted by City Council in alignment with California Public Utilities Commission Decision 19-01-018.
- Completed Risk and Resilience Assessment of the Water Division in compliance with the US Environmental Protection Agency's America's Water Infrastructure Act of 2018.
- Updated VPU's Emergency Response Plan.
- Performed an internal reliability assessment of the electric utility using the American Public Power Association's Reliable Public Power Provider program in the key areas of safety, reliability, workforce development, and system improvement.
- Implemented a Compliance Management Software for utility-wide compliance deadlines
- Successfully advocated for proposed rule amendments with the South Coast Air Quality Management District.
- In conjunction with the Publics Works department, developed a 4-year City-wide Heavy Duty Vehicle Replacement Program.

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and the Members of the City Council  
City of Vernon, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Vernon Public Utilities (VPU), of the City of Vernon, California (City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Vernon Public Utilities of the City of Vernon, California, as of June 30, 2021, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements present only the Vernon Public Utilities and do not purport to, and do not, present fairly the financial position of the City of Vernon, California as of June 30, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the City's net pension liability, schedule of plan contributions, schedule of proportionate share of the City's net OPEB liability, and schedule of OPEB contributions, identified as required supplementary information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the VPU's financial statements. The supplementary information consisting of combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.



Honorable Mayor and the Members of the City Council  
City of Vernon, California

The introduction section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of the City's internal control over the financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
March 3, 2022

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The management of the Vernon Public Utilities (VPU), the electric, gas, water, and fiber optics utilities of the City of Vernon ("the City"), offers the following overview and analysis of the basic financial statements of the VPU for the fiscal year ended June 30, 2021. Management encourages readers to utilize information in the Management's Discussion and Analysis (MD&A) in conjunction with the accompanying basic financial statements.

**OVERVIEW OF BASIC FINANCIAL STATEMENTS**

The MD&A is intended to serve as an introduction to the VPU's basic financial statements. Included as part of the financial statements are three separate statements.

The *statement of net position* presents information on the VPU's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The *statement of revenues, expenses and changes in net position* presents information showing how the VPU's net position changed during the most recent fiscal year. Financial results are recorded using the accrual basis of accounting. Under this method, all changes in net position are reported as soon as the underlying events occur, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement for some items may affect cash flows in a future fiscal period (examples include billed but uncollected revenues and employee earned but unused vacation leave).

The *statement of cash flows* reports cash receipts, cash payments, and net changes in cash and cash equivalents from operations, noncapital financing, capital, and related financing, and investing activities.

The *notes to the basic financial statements* provide additional information that is essential to fully understand the data provided in the financial statements.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**FINANCIAL HIGHLIGHTS**

***Net Position***

The table below summarizes the VPU's net position as of the current fiscal year ended June 30, 2021 and prior fiscal year ended June 30, 2020. The details of the current year's summary can be found on pages 11-12 of this report.

City of Vernon Vernon Public Utilities Net Position June 30, 2021 and 2020				
	2021	2020	Change	
			Change	%
<b>Assets:</b>				
Current and other assets	\$ 174,666,191	\$ 193,387,820	\$ (18,721,629)	-10%
Restricted assets	56,392,885	66,575,492	(10,182,607)	-15%
Capital assets	257,253,484	249,059,098	8,194,386	3%
Total assets	488,312,560	509,022,410	(20,709,850)	-4%
<b>Deferred Outflows of Resources</b>	5,874,605	6,955,752	(1,081,147)	-16%
<b>Liabilities:</b>				
Current liabilities	47,659,116	49,637,390	(1,978,274)	-4%
Long term liabilities	290,506,033	310,779,916	(20,273,883)	-7%
Total liabilities	338,165,149	360,417,306	(22,252,157)	-6%
<b>Deferred Inflows of Resources</b>	8,616,511	12,173,804	(3,557,293)	-29%
<b>Net Position:</b>				
Net investment in capital assets	148,442,763	159,733,492	(11,290,729)	-7%
Restricted for debt services	23,894,665	23,932,142	(37,477)	0%
Unrestricted (deficit)	(24,931,923)	(40,278,582)	15,346,659	-38%
Total net position	\$ 147,405,505	\$ 143,387,052	\$ 4,018,453	3%

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The assets and deferred outflows of resources of the VPU exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$147,405,505 (*net position*).

The category of the VPU's net position with the largest balance totaling \$148,442,763 represents resources that are invested in capital assets, net of related debt.

The second category restricted for debt services totaling \$23,894,665 represents resources that are subject to external restrictions on how they can be used, in this case bond debt.

The remaining category of net position, totaling \$(24,931,923) represents a deficit in unrestricted net position that is expected to be recovered from the VPU's future revenues.

**Activities, net position:**

- Current and other assets decreased \$18,721,629 from the prior year mainly due to a decrease in prepaid natural gas of \$25,646,420 and in advances to other City funds of \$2,270,995 offset by an increase in cash and cash equivalents of \$8,825,552.
- Restricted assets decreased by \$10,182,607 from the prior year mainly due to the drawdowns funding the capital improvement projects.
- Capital assets increased \$8,194,386 from the prior year mainly due to acquisitions of new equipment and facility improvements of \$17.7 million, offset by depreciation of \$9,486,682 (See Note 5).
- Deferred outflows of resources decreased by \$1,081,147 due to a decrease in amortization of deferred bond refunding costs by \$3,509,672 offset by an increase in deferred outflow related to pension of \$2,353,572.
- Current liabilities decreased \$1,978,274 mainly due to a decrease in bonds payable by \$4,305,000 offset by an increase in accounts payable of \$1,995,320 and bond interest payable \$160,140.
- Long-term liabilities decreased by \$20,273,883 from the prior year mainly due to bonds payable of \$29,520,000 (see Note 6) and partially offset by an increase in net pension liability (see Note 8).
- Deferred inflows of resources decreased by \$3,557,293 mainly due to the amortization of deferred gain from sale of generation assets by \$3,687,769.
- Net investment in capital assets decreased by \$11,290,729 from the prior year, which is attributable to the increase in capital assets, net of capital bonds payable and use of restricted bond proceeds for construction of capital assets.
- The unrestricted net deficit decreased by \$15,346,659 from the prior year due primarily to an increase in the change in net position by \$4,018,453 and the decrease in net investment in capital assets by \$11,290,729.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

***Changes in Net Position***

The table below summarizes the VPU's changes in net position over the current and prior fiscal years. The details of the current year's changes in net position can be found on page 13 of this report.

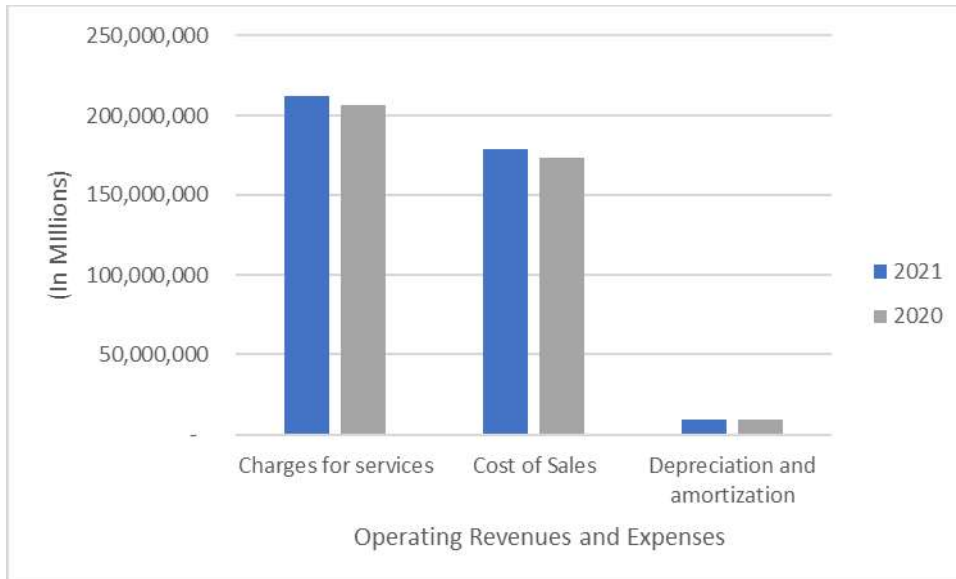
City of Vernon  
Vernon Public Utilities  
Net Position  
June 30, 2021 and 2020

	2021	2020	Change	
			Change	%
<b>Operating Revenues:</b>				
Charges for services	\$ 212,205,129	\$ 206,547,293	\$ 5,657,836	3%
<b>Operating Expenses:</b>				
Cost of sales	179,468,776	172,638,405	6,830,371	4%
Depreciation and amortization	9,486,682	9,179,733	306,949	3%
Total operating expenses	188,955,458	181,818,138	7,137,320	4%
Operating income	23,249,671	24,729,155	(1,479,484)	-6%
<b>Nonoperating revenues (expenses):</b>				
Investment income	69,606	1,016,527	(946,921)	-93%
Net increase/(decrease) in fair value of investments	(3,033)	2,036	(5,069)	-249%
Interest expense	(19,297,791)	(19,311,031)	13,240	0%
Gain (loss) on sale of assets		(424,922)	424,922	-100%
Net nonoperating revenues (expenses)	(19,231,218)	(18,717,390)	(513,828)	3%
<b>Change in net position</b>	<b>4,018,453</b>	<b>6,011,765</b>	<b>(1,993,312)</b>	<b>-33%</b>
<b>Net position - beginning of year</b>	<b>143,387,052</b>	<b>137,375,287</b>	<b>6,011,765</b>	<b>4%</b>
<b>Net position - end of year</b>	<b>\$ 147,405,505</b>	<b>\$ 143,387,052</b>	<b>\$ 4,018,453</b>	<b>3%</b>

**CITY OF VERNON  
 VERNON PUBLIC UTILITIES  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 JUNE 30, 2021**

The VPU's income before transfers of \$28,031,391, less allocations to the City of \$4,781,720, resulted in an increase in net position of \$4,018,453 during the current year. The VPU expects to eliminate the deficit balance in unrestricted net position through future rate increases, cost reductions, and revenues from renewable energy projects.

The VPU's activities increased net position by \$4,018,453 which is \$1,993,312 lower than the prior year. The key reason for this change was due to a decrease in operating income.



**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital assets***

The VPU's investment in capital assets as of June 30, 2021 amounted to \$249,059,098 (net of accumulated depreciation). This investment in capital assets includes land, intangible assets, construction in progress, building, utilities system improvements, and machinery and equipment. The total increase in the VPU's investment in capital assets for the current fiscal year was \$17,681,068, offset by depreciation of \$9,486,682, for a net increase of \$8,194,386.

Additional information on the VPU's capital assets can be found in Note 5 of this report.

***Outstanding debt***

As of June 30, 2021, the following debt remains outstanding:

- \$38,840,000 City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A
- \$37,640,000 City of Vernon Electric System Revenue Bonds, 2012 Series A
- \$35,100,000 City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B
- \$111,720,000 City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A
- \$43,335,000 City of Vernon Electric System Revenue Bonds, 2020 Series A

The City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A were issued to provide funds to (i) finance the cost of certain capital improvements to the City's Electric System, (ii) fund a deposit to the Debt Service Reserve Fund, and (iii) to pay costs of issuance of the 2008 Bonds.

The City of Vernon Electric System Revenue Bonds, 2012 Series A were issued to provide funds to pay a portion of the costs of certain capital improvements to the City's Electric System, (ii) to provide for capitalized interest on the 2012 Series A Bonds, and (iii) to pay costs of issuance of the 2012 Series A Bonds.

The City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B were issued to provide funds to (i) refund the \$28,680,000 aggregate principal amount of 2009 Bonds maturing on August 1, 2012, (ii) to pay a portion of the Costs of the 2012 Project, and (iii) to pay costs of issuance of the 2012 Taxable Series B Bonds.

The City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A were issued to provide funds to (i) refund a portion of the Outstanding Electric System Revenue Bonds, 2009 Series A; (ii) finance the costs of certain capital improvements to the City's Electric System by reimbursing the Electric System for the prior payment of such costs from the Light and Power Fund; (iii) fund a deposit to the Debt Service Reserve Fund; and (iv) pay costs of issuance of the 2015 Bonds.

The City of Vernon Electric System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Electric System of the City, (ii) to refund all of the City's outstanding Electric System Revenue Bonds, 2009 Series A, and (iii) to pay costs of issuance of the 2020 Bonds.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The City of Vernon Water System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Water System of the City, (ii) purchase a municipal bond debt service reserve insurance policy for deposit in the Reserve Fund in satisfaction of the Reserve Requirement, and (iii) to pay costs of issuance of the 2020 Bonds.

As of June 30, 2021, the ratings on all Electric System Revenue Bonds of the City changed from the prior year to BBB+ rating by S&P and Baa2 rating by Moody's and the ratings on all Water Revenue Bonds is AA by S&P and not rated by Moody's.

Additional information on the VPU's long-term debt can be found in Note 6 of this report.

**ECONOMIC FACTORS AND NEW YEAR'S BUDGET AND RATES**

These factors were considered in preparing the VPU and the City's budget for the 2022 fiscal year.

- The City is strictly industrial and does not maintain an unemployment rate study of its small population. However, the unemployment rate of adjacent communities is currently 10.5%, which is higher than the State of California's average unemployment rate of 7.7%, and the national average unemployment rate of 5.9%.
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate of the City's central business district ranges between 96% and 98%.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the VPU's finances for all those with an interest in the VPU's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Vernon, 4305 Santa Fe Avenue, Vernon, California, 90058.



**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	<u>Vernon Public Utilities</u>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 146,360,319
Accounts Receivable, Net of Allowance	7,096,905
Accrued Unbilled Revenue	16,978,805
Accrued Interest Receivable	2,361
Prepaid Items	16,312
Total Current Assets	<u>170,454,702</u>
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	56,392,885
Advances to Other City Funds	2,117,993
Prepaid Items	1,012,402
Deposits	1,081,094
Capital Assets:	
Nondepreciable	64,785,212
Depreciable, Net	192,468,272
Total Noncurrent Assets	<u>317,857,858</u>
Total Assets	488,312,560
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows Related to OPEB Liability	680,773
Deferred Outflows Related to Pensions	4,901,360
Deferred Amount on Refunding	292,472
Total Deferred Outflows of Resources	<u>5,874,605</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2021**

	<u>Vernon Public Utilities</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	\$ 14,079,041
Accrued Wages and Benefits	616,131
Customer Deposits	504,539
Bond Interest Payable	6,710,902
Bonds Payable	25,215,000
Note Payable	139,535
Compensated Absences	393,968
Total Current Liabilities	<u>47,659,116</u>
Noncurrent Liabilities:	
Bonds Payable	262,080,864
Note Payable	1,220,930
Compensated Absences	787,935
Other Postemployment Benefit Liability	3,433,306
Net Pension Liability	22,982,998
Total Noncurrent Liabilities	<u>290,506,033</u>
Total Liabilities	338,165,149
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows Related to OPEB Liability	1,496,988
Deferred Inflows Related to Pensions	563,607
Deferred Gain from Sale of Generation Assets	6,555,916
Total Deferred Inflows of Resources	<u>8,616,511</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	148,442,763
Restricted for Debt Service	23,894,665
Unrestricted (Deficit)	<u>(24,931,923)</u>
Total Net Position	<u><u>\$ 147,405,505</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

	<u>Vernon Public Utilities</u>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 212,205,129
Total Operating Revenues	<u>212,205,129</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales	179,468,776
Depreciation	9,486,682
Total Operating Expenses	<u>188,955,458</u>
<b>OPERATING INCOME</b>	23,249,671
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Income	69,606
Net Decrease in Fair Value of Investments	(3,033)
Interest Expense	<u>(19,297,791)</u>
Total Nonoperating Expenses	<u>(19,231,218)</u>
<b>CHANGE IN NET POSITION</b>	4,018,453
Net Position - Beginning of Year	<u>143,387,052</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 147,405,505</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	<u>Vernon Public Utilities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 211,940,439
Cash Paid to Suppliers for Goods and Services	(143,796,855)
Cash Paid to Employees for Services	(5,421,172)
Cash Paid to City for Services	(4,781,720)
Net Cash Provided by Operating Activities	<u>57,940,692</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Repayment of Bonds	(29,520,000)
Bond Interest Paid	(15,645,730)
Proceeds from Note Payable	761,280
Payment of Note Payable	(139,535)
Net Acquisition of Capital Assets	(17,681,068)
Net Cash Used by Capital and Related Financing Activities	<u>(62,225,053)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Payment from (Provided to) Other City Funds	<u>2,859,095</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,859,095</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	<u>68,211</u>
Net Cash Provided by Investing Activities	<u>68,211</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(1,357,055)
Cash and Cash Equivalents - Beginning of Year	<u>204,110,259</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 202,753,204</u></u>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>	
Cash and Cash Equivalents	\$ 146,360,319
Restricted Cash and Investments	<u>56,392,885</u>
Total	<u><u>\$ 202,753,204</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	<u>Vernon Public Utilities</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 23,249,671
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	9,486,682
Change in Operating Assets and Liabilities:	
Accounts Receivable	(719,208)
Accrued Unbilled Revenue	438,168
Due from Other Funds	(588,100)
Prepaid Expenses and Deposits	(90,832)
Prepaid Natural Gas	25,646,420
Deferred Outflows of Resources	(2,428,525)
Accounts Payable	1,995,320
Accrued Wages and Benefits	48,861
Due to Other City Funds	(2,471)
Customer Deposits	16,350
Compensated Absences	113,127
Other Postemployment Benefit Liability	41,898
Net Pension Liability	4,290,624
Deferred Inflows of Resources	(3,557,293)
Net Cash Provided by Operating Activities	<u>\$ 57,940,692</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements present only the Vernon Public Utilities (VPU) of the City of Vernon, California (the City), and do not present fairly the financial position and results of the operations of the City. The VPU accounts for the independent operations and the maintenance of the City's electric, gas, water, and fiber optics utilities. A fund, or utility, administered by the VPU is an independent fiscal and accounting entity with a self-balancing set of accounts recording resources, related liabilities, obligations, reserves, and equities, segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For additional information regarding the City of Vernon, refer to the City's annual financial report.

Ordinance No. 1242, adopted May 16, 2017, requires each utility of the City to be independent with its assets, liabilities, and equities segregated, budgeted, and accounted for in separate funds. Ordinance No. 1240, adopted March 21, 2017, consolidates all utilities-related services under the management of the stand-alone entity "Vernon Public Utilities" for better oversight and management of the day-to-day activities of such independent utilities. Each of the City's utilities, namely the electric, gas, water, and fiber optics utilities, were established by the City under and by virtue of the City Charter and the City Code enacted in 1988. Prior to July 1, 2016, the electric and gas utilities were consolidated and reported as the Light & Power Enterprise for financial reporting purposes. Ordinance No. 1242 continues to require each utility to be independent with its assets, liabilities, and equities segregated, budgeted, and accounted for in separate funds, while Ordinance No. 1240 enables the consolidated financial reporting of those independent utilities for better oversight and management.

The financial statements of the VPU have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The VPU's significant accounting policies are described below.

**A. Basis of Presentation**

The VPU's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Basis of Presentation (Continued)**

The VPU distinguishes *operating* revenues and expenses from *nonoperating* items. *Operating* revenues, such as charges for services, result from exchange transactions associated with the sale of electricity, gas, and water. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

**B. Pooled Cash**

Part of the VPU's operating cash balance is pooled with other City funds for deposit purposes. The share of each fund in the pooled cash account is recorded in each of the funds' books of accounts, and interest income is apportioned to the participating funds based on the relationship of their average monthly balances to the total of the pooled cash.

**C. Cash Deposits and Investments**

For purposes of the statement of cash flows, the VPU considers all highly liquid investments (including restricted cash and investments) with an original maturity of three months or less when purchased to be cash equivalents. Investment transactions are recorded on the settlement date. Investments in nonparticipating interest-earning investment contracts are reported at cost and all other investments are reported at fair value. Fair value is defined as the amount that the VPU could reasonably expect to receive for an investment in a current sale between a willing buyer and a seller and is generally measured by quoted market prices.

**D. Receivables/Payables**

Short-term City interfund receivables and payables are classified as "due from other City funds" and "due to other City funds", respectively, on the statement of net position. Long-term City interfund receivables and payables are classified as "advances to/from other City funds," respectively, on the statement of net position.

Trade receivables are shown net of an allowance for uncollectible accounts. Allowances for uncollectible accounts were \$1,072,323 as of June 30, 2021. Utility customers are billed monthly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying statement of net position.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Prepaid Items**

The VPU entered into an agreement for the purchase and sale of natural gas in 2006 with Citigroup Energy Inc. for a specified quantity of gas to be delivered to the VPU in accordance with the terms of the agreement. As full compensation for the total contract quantity to be delivered, VPU made a prepayment which is amortized over the life of the agreement based on the monthly contract quantities to be delivered. The agreement was in effect until May 31, 2021. As of June 30, 2021, the prepayment was fully amortized.

The VPU also made a prepayment to Southern California Public Power Authority (SCPPA) for the VPU's share of SCPPA's payoff of the Hoover Center and Air Slots debt. This prepaid amount is amortized over the life of the debt based on the annual debt service obligations. See Note 10 for further information regarding SCPPA.

**F. Deposits**

The VPU has deposits in SCPPA's Project Stabilization Fund for use within SCPPA's project purposes at the VPU's discretion. At June 30, 2021, the amount of deposits totaled \$1,081,094.

**G. Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if the actual historical cost is not available. Contributed capital assets are recorded at their estimated acquisition value at the date contributed. Capital assets include land, intangible assets, construction in progress, and plant assets including building, improvements, and machinery and equipment. The capitalization threshold for all capital assets is \$5,000. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives. Intangible assets with an indefinite useful life are not amortized but are evaluated annually for any impairment.

The estimated useful lives are as follows:

Utility Plant	3 to 50 Years
---------------	---------------

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the statement of revenues, expenses, and changes in net position.



**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Compensated Absences**

Accumulated vacation is accrued when incurred. Upon termination of employment, the VPU will pay the employee all accumulated vacation leave at 100% of the employee's base hourly rate.

**I. Deferred Outflows and Inflows of Resources**

The VPU recognizes deferred outflows and inflows of resources. A deferred outflow of resource is defined as consumption of net position by the VPU that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the VPU that is applicable to a future reporting period. On June 30, 2021, the VPU has deferred outflows of resources representing deferred amounts on bond refunding, pension-related transactions, and other postemployment benefit-related transactions, and deferred inflows of resources representing the deferred gain from the sale of generation assets, pension-related transactions, and other postemployment benefit-related transactions.

**J. Long-Term Obligations**

Bond discounts and premiums and deferred amounts on refunding are amortized over the life of the bonds using the straight-line method.

**K. Net Position**

The VPU financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- **Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of liabilities that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- **Restricted Net Position** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – This category represents net position of the VPU not restricted for any project or other purpose.

The VPU's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is to use restricted resources first.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. Use of Estimates**

The preparation of basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**M. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**N. Postemployment Benefits Other than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of June 30, 2021, are classified in the accompanying statement of net position as follows:

Cash and Cash Equivalents	\$ 146,360,319
Restricted Cash and Cash Equivalents	56,392,885
Total Cash and Cash Equivalents	<u>\$ 202,753,204</u>

Cash and cash equivalents as of June 30, 2021, consist of the following:

Equity in the City's Pooled Cash	\$ 33,418,587
Deposits with Financial Institutions	55,422,686
Short-Term Investments	113,911,931
Total Cash and Cash Equivalents	<u>\$ 202,753,204</u>

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Equity in the Cash Pool of the City of Vernon**

The VPU has equity in the cash pool managed by the City. The VPU is a voluntary participant in that pool and the pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The VPU has not adopted an investment policy separate from that of the City. The amount of the VPU's cash in this pool is reported in the accompanying financial statements based upon the VPU's pro rata share of the amount calculated by the City. The balance available for withdrawal is based on the accounting records maintained by the City.

**The City's Investment Policy**

The City's Investment Policy sets forth the investment guidelines for all funds of the City. The Investment Policy conforms to the California Government Code Section 53600 et. seq. The authority to manage the City's investment program is derived from the City Council. Pursuant to Section 53607 of the California Government Code, the City Council annually, appoints the City Treasurer to manage the City's investment program and approves the City's investment policy. The Treasurer is authorized to delegate this authority as deemed appropriate. No person may engage in investment transactions except as provided under the terms of the Investment Policy and the procedures established by the Treasurer.

This Investment Policy requires that the investments be made with the prudent person standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the City.

The Investment Policy also requires that when following the investing actions cited above, the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, and then achieve a return on the funds under the trustee's control. Further, the intent of the Investment Policy is to minimize the risk of loss on the City's held investments from:

- A. Credit risk
- B. Custodial credit risk
- C. Concentration of credit risk
- D. Interest rate risk

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Investments Authorized by the California Government Code and the City's Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's Investment Policy. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Bonds	5 Years	None	None	None
State and Local Agency Bonds	5 Years	None	None	None
Securities of the U.S. Government, or its Agencies	5 Years	None	None	None
Certain Asset-Backed Securities	5 Years	20%	None	AA
Negotiable Certificates of Deposit	5 Years	30%	None	None
Bankers' Acceptances	180 Days	40%	30%	None
Commercial Paper	270 Days	25%	10%	P-1
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements	92 Days	20%	None	None
Medium-Term Notes	5 Years	30%	None	A
Mutual Funds Investing in Eligible Securities	N/A	20%	10%	AAA
Money Market Mutual Funds	N/A	20%	10%	AAA
Mortgage Pass-Through Securities	5 Years	20%	None	AA
State Administered Pool Investment	N/A	None	\$75 Million	None

\* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's Investment Policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Securities of the U.S. Government, or its Agencies	None	None	None	None
Certain Asset-Backed Securities	None	None	None	AA
Certificates of Deposit	None	None	None	None
Bankers' Acceptances	1 Year	None	None	None
Commercial Paper	None	None	None	P-1
Money Market Mutual Funds	N/A	None	None	AAA
State Administered Pool Investment	N/A	None	\$75 Million	None
Investment Contracts	None	None	None	None

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Disclosure Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City has no specific limitations with respect to this metric. Information about the sensitivity of the fair values of the VPU's investments (including investments held by bond trustee) to market interest rate fluctuations is provided in the following table that shows the distribution of the VPU's investments by maturity:

Investment Type	Fair Value as of 6/30/2021	Investment Maturities (in Months)		
		Less than 12 Months	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund Held by Trustee:	\$ 633,506	\$ 633,506	\$ -	\$ -
Money Market Mutual Funds	113,278,425	113,278,425	-	-
Total investments	<u>\$ 113,911,931</u>	<u>\$ 113,911,931</u>	<u>\$ -</u>	<u>\$ -</u>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's Investment Policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Minimum Required Rating	Actual Credit Rating Moody's / S&P	Fair Value as of June 30, 2021
Local Agency Investment Fund Held by Trustee:	Not Rated	Not Rated	\$ 633,506
Money Market Mutual Funds	Aaa / AAA	Aaa / AAA	113,278,425
Total investments			<u>\$ 113,911,931</u>

**Concentration of Credit Risk**

The City's Investment Policy places no limit on the amount the City may invest in any one issuer excluding a 10% limitation on commercial paper, mutual funds, and money market mutual funds and a 30% limitation on bankers' acceptances. The City's Investment Policy also places no limit on the amount of debt proceeds held by the bond trustee that the trustee may invest in one issuer that is governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy. As of June 30, 2021, there were no investments held by the VPU that exceeded 5% in any one issuer, excluding money market mutual funds.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. Under the California Government Code, a financial institution is required to secure deposits, in excess of the FDIC insurance amount of \$250,000, made by state or local governmental units by pledging government securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Such collateral is held by the pledging financial institution's trust department or agent in the City's name.

At June 30, 2021, all of the VPU's deposits were insured or collateralized as required by Section 53652 of the California Government Code.

**Local Agency Investment Fund (LAIF)**

The VPU also maintained cash balances with the state of California Local Agency Investment Fund (LAIF). LAIF is an external investment pool sponsored by the state of California. The administration of LAIF is provided by the California State Treasurer and regulatory oversight is provided by the Pooled Money Investment Board and the Local Investment Advisory Board. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of VPU's position in the pool.

**Fair Value Measurement**

The VPU categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that the government can access at the measurement date.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The VPU's investments in money market mutual funds and LAIF are not subject to categorization in the fair value hierarchy.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 ACCOUNTS RECEIVABLES**

The VPU's receivables at June 30, 2021, are as follows:

Accounts Receivables	\$ 8,169,228
Less: Allowance for Uncollectible Accounts	<u>(1,072,323)</u>
Total Receivables, Net	<u>\$ 7,096,905</u>

**NOTE 4 INTERNAL TRANSACTIONS**

Transactions between the VPU and the City commonly occur in the normal course of business for services received or furnished (accounting, management, engineering, legal services, and capital projects).

**Advances to Other City Funds**

The following table summarizes the VPU's advances to the other City funds at June 30, 2021:

Advances to Other City Funds - July 1, 2020	\$ 4,388,988
Advance Repaid by City Funds During the Year	<u>(2,270,995)</u>
Advances to Other City Funds - June 30, 2021	<u>\$ 2,117,993</u>

The advances between the other City funds and the VPU does not accrue interest due to the nature of the City's operational relationship and capital projects funded by the VPU that benefits both. On November 6, 2012, the City adopted Resolution No. 2012-215 extending the repayment term of the loan to the City from 15 months to a period of over 10 years.

The City's General Fund allocates certain administrative and overhead costs to the VPU which the VPU financial statements include as part of the cost of sales. The allocated costs for the year ended June 30, 2021, were \$3,738,862.

**Transfers from (to) City**

The VPU's electric retail rates are established by the City Council and are not subject to regulation by the California Public Utility Commission or any other state agency. The retail rates include a 3% surcharge for payments in lieu of franchise tax to the City's General Fund. For the current year, the VPU transferred to the City's General Fund \$4,781,720 in lieu of franchise tax. This amount is reported in the accompanying financial statements as part of operating expenses.

Under the City Charter and the VPU's electric revenue bond indentures, the VPU's electric utility is allowed to transfer up to 11.5% of its retail sales after meeting debt service obligations and certain debt coverage ratios. However, no additional transfers were made for the year ended June 30, 2021.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS**

Capital asset activity of the VPU for the fiscal year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<b>Capital Assets, Not Being Depreciated:</b>					
Electric Utility - Land	\$ 4,240,129	\$ -	\$ -	\$ -	\$ 4,240,129
Water Utility - Water	467,640	-	-	-	467,640
Electric Utility - Intangibles - Environmental Credits	1,163,811	-	-	-	1,163,811
Electric Utility - Construction in Progress	54,130,254	147,961	-	-	54,278,215
Water Utility - Construction in Progress	3,668,700	1,633,512	(53,057)	(613,738)	4,635,417
<b>Total Capital Assets, Not Being Depreciated</b>	<b>63,670,534</b>	<b>1,781,473</b>	<b>(53,057)</b>	<b>(613,738)</b>	<b>64,785,212</b>
<b>Capital Assets, Being Depreciated:</b>					
Electric Utility - Production Plant	16,189,303	-	-	-	16,189,303
Electric Utility - Transmission Plant	4,888,113	-	-	-	4,888,113
Electric Utility - Distribution Plant	243,879,181	14,571,998	-	-	258,451,179
Electric Utility - General Plant	9,258,248	256,553	-	73,132	9,587,933
Water Utility Plant	22,025,313	1,104,609	-	635,431	23,765,353
Gas Utility Plant	26,954,200	19,492	-	-	26,973,692
Fiber Optic Utility Plant	4,161,378	-	-	-	4,161,378
<b>Total Capital Assets, Being Depreciated</b>	<b>327,355,736</b>	<b>15,952,652</b>	<b>-</b>	<b>708,563</b>	<b>344,016,951</b>
<b>Less Accumulated Depreciation for:</b>					
Electric Utility - Production Plant	(10,295,956)	(461,537)	-	-	(10,757,493)
Electric Utility - Transmission Plant	(3,332,436)	(92,145)	-	-	(3,424,581)
Electric Utility - Distribution Plant	(94,007,029)	(7,219,909)	-	-	(101,226,938)
Electric Utility - General Plant	(5,670,594)	(405,380)	-	(73,132)	(6,149,106)
Water Utility Plant	(15,312,877)	(389,185)	-	(21,693)	(15,723,755)
Gas Utility Plant	(10,417,468)	(725,458)	-	-	(11,142,926)
Fiber Optic Utility Plant	(2,930,812)	(193,068)	-	-	(3,123,880)
<b>Total Accumulated Depreciation</b>	<b>(141,967,172)</b>	<b>(9,486,682)</b>	<b>-</b>	<b>(94,825)</b>	<b>(151,548,679)</b>
<b>Total Capital Assets, Being Depreciated, Net:</b>					
Electric Utility - Production Plant	5,893,347	(461,537)	-	-	5,431,810
Electric Utility - Transmission Plant	1,555,677	(92,145)	-	-	1,463,532
Electric Utility - Distribution Plant	149,872,152	7,352,089	-	-	157,224,241
Electric Utility - General Plant	3,587,654	(148,827)	-	-	3,438,827
Water Utility Plant	6,712,436	715,424	-	613,738	8,041,598
Gas Utility Plant	16,536,732	(705,966)	-	-	15,830,766
Fiber Optic Utility Plant	1,230,566	(193,068)	-	-	1,037,498
<b>Total</b>	<b>185,388,564</b>	<b>6,465,970</b>	<b>-</b>	<b>613,738</b>	<b>192,468,272</b>
<b>Total Capital Assets, Net</b>	<b>\$ 249,059,098</b>	<b>\$ 8,247,443</b>	<b>\$ (53,057)</b>	<b>\$ -</b>	<b>\$ 257,253,484</b>

The VPU's total depreciation expense for the year was \$9,486,682, broken down as follows:

Electric Fund	\$ 8,178,971
Gas Fund	725,458
Water Fund	389,185
Fiber Optics Fund	193,068
<b>Total Depreciation Expense</b>	<b>\$ 9,486,682</b>



**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS**

As of June 30, 2021, outstanding debt obligations consisted of the following:

**\$43,765,000 Electric System Revenue Bonds (2008 Taxable Series A)**

At June 30, 2021, \$38,840,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$76,291,541, payable through fiscal year 2039. For the current year, debt service and net electric revenues were \$4,238,508 and \$33,789,939, respectively. Under the Indenture of Trust dated September 1, 2008, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A were issued to provide funds to (i) finance the cost of certain capital improvements to the City's Electric System, (ii) fund a deposit to the Debt Service Reserve Fund, and (iii) to pay costs of issuance of the 2008 Bonds.

**\$37,640,000 Electric System Revenue Bonds (2012 Series A)**

At June 30, 2021, \$37,640,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$71,100,228, payable through fiscal year 2042. For the current year, debt service and net electric revenues were \$2,031,394 and \$33,789,939, respectively. Under the Indenture of Trust dated September 1, 2008, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2012 Series A were issued to provide funds to (i) pay a portion of the costs of certain capital improvements to the City's Electric System, (ii) to provide for capitalized interest on the 2012 Series A Bonds, and (iii) to pay costs of issuance of the 2012 Series A Bonds.

**\$35,100,000 Electric System Revenue Bonds (2012 Taxable Series B)**

At June 30, 2021, \$35,100,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$43,205,713, payable through fiscal year 2027. For the current year, debt service and net electric revenues were \$2,222,900 and \$33,789,939, respectively. Under the Indenture of Trust dated September 1, 2008, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B were issued to provide funds to (i) refund the \$28,680,000 aggregate principal amount of 2009 Bonds maturing on August 1, 2012, (ii) to pay a portion of the Costs of the 2012 Project, and (iii) to pay costs of issuance of the 2012 Taxable Series B Bonds.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**\$111,720,000 Electric System Revenue Bonds (2015 Taxable Series A)**

At June 30, 2021, \$111,720,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$129,227,536, payable through fiscal year 2027. For the current year, debt service and net electric revenues were \$5,087,518 and \$33,789,939, respectively. Under the Indenture of Trust dated September 1, 2008, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A were issued to provide funds to (i) refund a portion of the Outstanding Electric System Revenue Bonds, 2009 Series A; (ii) finance the Costs of certain Capital Improvements to the City's Electric System by reimbursing the Electric System for the prior payment of such Costs from the Light and Power Fund; (iii) fund a deposit to the Debt Service Reserve Fund; and (iv) pay costs of issuance of the 2015 Bonds.

**\$71,990,000 Electric System Revenue Bonds (2020 Series A)**

At June 30, 2021, \$43,335,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of electric revenues payable to bondholders. The debt service remaining on the bonds is \$55,915,875, payable through fiscal year 2038. For the current year, debt service and net electric revenues were \$31,148,179 and \$33,789,939, respectively. Under the Indenture of Trust dated September 1, 2008, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Light and Power Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Electric System Revenue Bonds, 2020 Series A were issued to provide funds to (i) to finance the acquisition and construction of certain capital improvements to the Electric System of the City, (ii) to refund all of the City's outstanding Electric System Revenue Bonds, 2009 Series A, and (iii) to pay costs of issuance of the 2020 Bonds.

**\$14,840,000 Water System Revenue Bonds (2020 Series A)**

At June 30, 2021, \$14,840,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of water revenues payable to bondholders. The debt service remaining on the bonds is \$25,868,013, payable through fiscal 2051. For the current year, debt service and net water revenues were \$437,232 and \$2,328,135, respectively. Under the Indenture of Trust dated May 6, 2020, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Water Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Water System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Water System of the City, (ii) purchase a municipal bond debt service reserve insurance policy for deposit in the Reserve Fund in satisfaction of the Reserve Requirement, and (iii) to pay costs of issuance of the 2020 Bonds.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

A summary of bonds payable under the VPU is as follows:

Bonds	Maturity	Fixed Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding June 30, 2021
Electric System:					
City of Vernon Electric System Revenue Bonds, 2008 Taxable Series A	07/01/38	7.40% - 8.59%	To begin 07/01/10: \$265,000 - \$4,065,000	\$ 43,765,000	\$ 38,840,000
City of Vernon Electric System Revenue Bonds, 2012 Taxable Series A	08/01/41	5.00% - 5.50%	To begin 08/01/27: \$1,075,000 - \$7,120,000	37,640,000	37,640,000
City of Vernon Electric System Revenue Bonds, 2012 Taxable Series B	08/01/26	6.25% - 6.50%	To begin 08/01/22: \$6,165,000 - \$7,940,000	35,100,000	35,100,000
City of Vernon Electric System Revenue Bonds, 2015 Taxable Series A	08/01/26	4.05% - 4.85%	To begin 08/01/23: \$15,925,000 - \$22,540,000	111,720,000	111,720,000
City of Vernon Electric System Revenue Bonds, 2020 Taxable Series A	08/01/50	5.00%	To begin 08/03/20: \$1,525,000 - \$28,655,000	71,990,000	43,335,000
Premiums					7,189,882
Discounts					<u>(1,923,931)</u>
Total Electric System Revenue Bonds					271,900,951
Water System:					
City of Vernon Water System Revenue Bonds, 2020 Taxable Series A	08/01/50	5.00%	To begin 08/01/21: \$240,000 - \$3,785,000	14,840,000	14,840,000
Premium					<u>554,913</u>
Total Water System Revenue Bonds					<u>15,394,913</u>
Total Revenue Bonds					<u>\$ 287,295,864</u>

**Note Payable – Direct Borrowing**

In May 2019, the City entered into an agreement with Water Replenishment District of Southern California (WRD) for assistance with the construction of a new groundwater well or rehabilitation of an existing groundwater well. The promissory note is unsecured and has no interest basis for an amount not to exceed \$1,500,000. As of June 30, 2021, WRD has disbursed all of the funds under the agreement to the City. The note is payable in quarterly principal payments commencing September 1, 2020, in an amount which, together with all quarterly payments, will be sufficient to fully amortize the principal balance of the note by the maturity date of April 1, 2031.

Upon an event of default, WRD may declare any or all of the outstanding and unpaid principal balance immediately due and payable, without presentment, demand, protest, notice of protest, notice of acceleration or of intention to accelerate or any other notice, declaration or act of any kind, all of which are hereby expressly waived by the City.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Service Requirements**

As of June 30, 2021, annual debt service requirements of the VPU to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2008 Taxable Series A	
	Principal	Interest
2022	\$ 945,000	\$ 3,295,768
2023	1,025,000	3,211,157
2024	1,120,000	3,119,029
2025	1,220,000	3,018,526
2026	1,330,000	2,909,004
2027-2031	8,670,000	12,525,079
2032-2036	13,315,000	7,872,520
2037-2040	11,215,000	1,500,458
Total Requirements	<u>\$ 38,840,000</u>	<u>\$ 37,451,541</u>

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2012 Taxable Series A	
	Principal	Interest
2022	\$ -	\$ 2,031,394
2023	-	2,031,394
2024	-	2,031,394
2025	-	2,031,394
2026	-	2,031,394
2027-2031	4,645,000	9,707,094
2032-2036	7,315,000	8,086,266
2037-2041	18,560,000	5,314,100
2042-2045	7,120,000	195,800
Total Requirements	<u>\$ 37,640,000</u>	<u>\$ 33,460,228</u>

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2012 Taxable Series B	
	Principal	Interest
2022	\$ -	\$ 2,222,900
2023	6,165,000	2,030,244
2024	6,565,000	1,632,431
2025	6,990,000	1,208,838
2026	7,440,000	753,250
2027-2030	7,940,000	258,050
Total Requirements	<u>\$ 35,100,000</u>	<u>\$ 8,105,713</u>

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Service Requirements (Continued)**

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2015 Taxable Series A	
	Principal	Interest
2022	\$ -	\$ 5,087,518
2023	22,540,000	4,580,368
2024	23,520,000	3,596,938
2025	24,585,000	2,530,618
2026	25,780,000	1,341,193
2027-2030	15,295,000	370,904
Total Requirements	<u>\$ 111,720,000</u>	<u>\$ 17,507,536</u>

<u>Fiscal Year Ending June 30,</u>	Electric System Revenue Bonds 2020 Taxable Series A	
	Principal	Interest
2022	\$ 24,030,000	\$ 1,566,000
2023	-	965,250
2024	-	965,250
2025	-	965,250
2026	-	965,250
2027-2031	4,815,000	4,473,125
2032-2036	9,820,000	2,444,250
2037-2040	4,670,000	236,500
Total Requirements	<u>\$ 43,335,000</u>	<u>\$ 12,580,875</u>

<u>Fiscal Year Ending June 30,</u>	Water System Revenue Bonds 2020 Taxable Series A	
	Principal	Interest
2022	\$ 240,000	\$ 587,975
2023	250,000	575,725
2024	265,000	562,850
2025	275,000	549,350
2026	-	542,475
2027-2031	1,985,000	2,662,750
2032-2036	2,180,000	2,161,625
2037-2041	2,680,000	1,625,900
2042-2046	3,180,000	1,163,225
2047-2051	3,785,000	596,138
Total Requirements	<u>\$ 14,840,000</u>	<u>\$ 11,028,013</u>

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Service Requirements (Continued)**

<u>Fiscal Year Ending June 30,</u>	<u>Note Payable- Direct Borrowing</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 139,535	\$ -
2023	139,535	-
2024	139,535	-
2025	139,535	-
2026	139,535	-
2027-2031	662,791	-
Total Requirements	<u>\$ 1,360,465</u>	<u>\$ -</u>

**Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the fiscal year ended June 30, 2021:

	<u>Balance</u>			<u>Amounts</u>	
	<u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Other Debt - Bonds Payable	\$ 310,995,000	\$ -	\$ (29,520,000)	\$ 281,475,000	\$ 25,215,000
Bond Premium	8,209,211	-	(464,416)	7,744,795	-
Bond Discount	(2,370,596)	-	446,665	(1,923,931)	-
Note Payable- Direct Borrowing	738,720	761,280	(139,535)	1,360,465	139,535
Compensated Absences (Note 1)	1,068,776	648,598	(535,471)	1,181,903	393,968
Total	<u>\$ 318,641,111</u>	<u>\$ 1,409,878</u>	<u>\$ (30,212,757)</u>	<u>\$ 289,838,232</u>	<u>\$ 25,748,503</u>

**Expense Stabilization Fund**

The VPU maintains an Expense Stabilization Fund held by a Trustee in such amounts, at such times and from sources as shall be determined by the City in its sole discretion. If an Event of Default under the Indenture has occurred and is continuing, the Trustee shall transfer all moneys in this fund to the debt service funds as provided in the Indenture. Moneys on deposit in this Fund may be withdrawn by the City at any time that no Event of Default exists under the Indenture. As at June 30, 2021, this fund has a balance of \$13,917,555.

**Right to Accelerate Upon Default**

Notwithstanding anything contrary in the Indenture or in the Bonds, upon the occurrence of an Event of Default, the Trustee may, with the consent of each Credit Provider whose consent is required by a Supplemental Indenture or a Credit Support Agreement, and shall, at the direction of the Owners of a majority in principal amount of Outstanding Bonds (other than Bonds owned by or on behalf of the City) by written notice to the City, declare the principal of the Outstanding Bonds and the interest thereon to be immediately due and payable, whereupon such principal and interest shall, without further action, become and be immediately due and payable.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**Credit Ratings**

As of June 30, 2021, the ratings on all Electric System Revenue Bonds is BBB+ by S&P and Baa2 by Moody's and the ratings on all Water System Revenue Bonds is AA by S&P and not rated by Moody's.

**NOTE 7 RISK MANAGEMENT**

The VPU is in the City's self-insurance program as part of its policy to self-insure certain levels of risk within separate lines of coverage to maximize cost savings.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees, and natural disasters. The City utilizes insurance policy(s) to transfer these risks. Each policy has either self-insured retention or deductible, which are parts of the City's Risk Financing Program. These expenses are paid on a cash basis as they are incurred. There have been no significant settlements or reductions in insurance coverage during the past three fiscal years.

Starting in Fiscal 2010, the City chose to establish Risk Financing in the General Fund, whereby assets are set aside for claim-litigation settlements associated with the above-mentioned risks up to their self-insured retentions or policy deductibles. Athens Administrators Inc. is the Third-Party Administrator for the City's workers' compensation program and they provide basic services for general liability claims and litigation.

The insurance limits for the fiscal year 2021 are as follows:

Insurance Type	Program Limits	Deductible/SIR (Self-Insured Retention)
Excess Liability Insurance	\$20,000,000	\$2,000,000 SIR per occurrence
D and O Employment Practice	\$2,000,000	\$150,000 SIR non-safety; \$150,000 SIR safety
Excess Workers Compensation	\$50,000,000	\$1,500,000 SIR per occurrence for presumptive loss
Employer's Liability	\$1,000,000	\$1,000,000 SIR per occurrence for all employees
Commercial Property Insurance	\$100,000,000 \$25,000,000 Flood Sublimit	\$25,000 except: \$250,000 power stations \$1.5/kVA transfers, subject to a \$250,000 minimum \$500,000 named transformers
Employee Dishonest - Crime	\$1,000,000	\$25,000
Pollution - Site Owned	\$5,000,000	\$25,000 for non-utility locations, divested locations and scheduled storage tanks \$50,000 for utility locations \$100,000 for natural gas pipeline
Cyber Liability	\$3,000,000	\$100,000
Contractors Equipment/Auto Physical Damage	\$10,000,000 Maximum Loss Per Occurrence \$1,000,000 Equipment Limit-loss or damage to any one piece	\$5,000
Residential Property Insurance	\$8,023,126 Blanket Building Limit \$89,013 Blanket Business Personal Property Limit	\$2,500
Terrorism and Sabotage	\$100,000,000 Policy Aggregate \$5,000,000 Active Shooter and Malicious Attack Per Occurrence/Aggregate \$5,000,000 Terrorism and Sabotage Liability Per Occurrence/Aggregate	N/A

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 7 RISK MANAGEMENT (CONTINUED)**

The City has numerous claims and pending litigations, which generally involve accidents and/or liability or damage to City property. The balance of claims/litigations against the City is in the opinion of management, ordinary routine matters, incidental to the normal business conducted by the City. In the opinion of management, such proceedings are substantially covered by insurance, and the ultimate dispositions of such proceedings are not expected to have a material adverse effect on the VPU's financial position, results of operations or cash flows. Further information regarding the City's self-insurance program may be found in the City's Annual Financial Report.

**NOTE 8 PENSION PLAN**

**A. General Information about the Pension Plans**

Plan Descriptions

All full-time safety (police and fire personnel) and miscellaneous personnel and temporary or part-time employees who have worked a minimum of 1,000 hours in a fiscal year are eligible to participate in the City's agent multiple-employer defined benefit pension Safety and Miscellaneous Plans administered by the California Public Employees' Retirement System (CalPERS) that acts as a common investment and administrative agent for participating public entities within the state of California. The City allocates the costs of these Plans across all City departments. The VPU's proportionate share of the net pension liability of these Plans is reported as a cost-sharing plan in the financial statements. Benefits vest after five years of service. Employees who retire at the minimum retirement age with five years of credited service are entitled to retirement benefits. Monthly retirement benefits are based on a percentage of an employee's average compensation for his or her highest consecutive 12 or 36 months of compensation for each year of credited service.

Benefits Provided

Miscellaneous members hired prior to January 1, 2013, with five years of credited service may retire at age 55 based on a benefit factor derived from the 2.7% at 55 Miscellaneous formula or may retire between ages 50 and 54 with reduced retirement benefits. New Miscellaneous members (PEPRA) with five years of credited service may retire at age 62 based on a benefit factor derived from the 2% at 62 Miscellaneous formula or may retire between age 52 and 61 with reduced retirement benefits. The benefit factor increases to a maximum of 2.5% at age 67. Safety members with five years of credited service may retire at age 50 based on a benefit factor derived from the 3% at 50 Safety formula for sworn Police and Fire Department employees. New Safety members (PEPRA) with five years of credited service may retire at age 57 based on a benefit factor derived from the 2.7% at 57 Safety (PEPRA) formula or may retire between age 50 and 56 with reduced retirement benefits for new Safety (PEPRA) members of both Police and Fire Departments. CalPERS also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute provided through a contract between the City and CalPERS.



**CITY OF VERNON  
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**NOTE 8 PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plans (Continued)**

Benefits Provided (Continued)

The Plans' provisions and benefits in effect for the measurement date of June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7%@55	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Contribution Rates:		
Normal Cost Rate	11.758%	11.758%
Payment of Unfunded Liability	\$ 3,185,676	\$ -

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3.0%@50	2.7%@57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50
Monthly Benefits, as a % of Eligible Compensation	3.000%	2.0% to 2.7%
Required Employee Contribution Rates	9.000%	12.750%
Required Employer Contribution Rates:		
Normal Cost Rate	23.164%	23.164%
Payment of Unfunded Liability	\$ 5,885,793	\$ 12,792

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute to the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2021, the VPU's share of employer contributions made to the plans was \$2,127,550.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

Actuarial Assumptions

The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	Miscellaneous	Safety
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.625%	2.625%
Payroll Growth	2.875%	2.875%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post-Retirement Benefit Increase	(3)	(3)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.
- (3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Long-Term Expected Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00 %	4.80%	5.98%
Fixed Income	28.00	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.00	6.30%	7.23%
Real Assets	13.00	3.75%	4.93%
Liquidity	1.00	0.00%	-0.92%
Total	100.00 %		

- (a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (b) An expected inflation of 2.0% used for this period.
- (c) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Proportionate Share of Net Pension Liability – Allocation of the City’s Pension Plans to the VPU

The VPU’s net pension liability for the Plans is measured as the proportionate share of the combined net pension liability of the City’s miscellaneous and safety agent multiple-employer plans. The VPU’s proportionate share of the combined net pension liability was based on the VPU’s current year share of contributions to the pension plans relative to the City’s total current year contributions to the pension plans.

The VPU’s proportionate share of the combined net pension liability for the pension plans as of the measurement date ended June 30, 2019 and 2020 were as follows:

	Increase (Decrease)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	Proportionate Share
Balance at June 30, 2019 (MD)	\$ 69,314,512	\$ 50,622,138	\$ 18,692,374	15.47%
Balance at June 30, 2020 (MD)	87,452,632	64,469,634	22,982,998	16.99%
Net Changes during 2019-20	<u>\$ 18,138,120</u>	<u>\$ 13,847,496</u>	<u>\$ 4,290,624</u>	<u>1.52%</u>

Pension Expense and Deferred Outflows and Inflows of Resources

For the measurement period ended June 30, 2020, the VPU recognized its proportionate share of the combined pension expense of the Plans which totaled, \$2,265,671. At June 30, 2021, the VPU reported its proportionate share of the Plans’ combined deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 2,145,491	\$ -
Differences Between Actual and Expected Experience	1,621,199	-
Change in Assumptions	-	(58,663)
Net Differences Between Projected and Actual Earnings on Plan Investments	603,494	-
Differences Between Employer Contributions And Proportionate Share of Contributions	-	(306,183)
Change in Employer's Proportion	531,176	(198,761)
Total	<u>\$ 4,901,360</u>	<u>\$ (563,607)</u>

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

\$2,145,491 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2022	\$ 252,442	\$ 356,173	\$ 608,615
2023	217,527	554,884	772,411
2024	148,707	386,008	534,715
2025	101,973	169,295	271,268
2026	-	5,253	5,253
Thereafter	-	-	-

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the VPU's proportionate share of the Plans' combined net pension liability, calculated using a discount rate of 7.15%, as well as what the VPU's proportionate share of the Plans' combined net pension liability would be if it were calculated using a discount rate that is a 1-percentage point lower or a 1-percentage point higher than the current rate:

1% Decrease	<u>Total</u>
Net Pension Liability	6.15%
	\$ 35,087,609
Current Discount Rate	7.15%
Net Pension Liability	\$ 22,982,998
1% Increase	8.15%
Net Pension Liability	\$ 13,061,469

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Subsequent Events

There were no subsequent events that would materially affect the results of this disclosure.

Payable to the Pension Plan

At June 30, 2021, the VPU had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2021.

**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The other postemployment benefits (OPEB) described in the following paragraphs relate to the City's OPEB plan. The VPU's share of the net pension liability of the City's OPEB Plan is reported as a cost-sharing plan in these financial statements since the VPU's operations are handled by City employees who are eligible to participate in the City's OPEB plan.

**Benefits Provided**

Retiree medical and dental benefits are established through the City's Fringe Benefits and Salary Resolution as well as individual memoranda of understanding between the City and the City's various employee bargaining groups. Generally, the City will provide postemployment benefit plan for the employee only to those who retire at age sixty (60) or later with twenty (20) years of continuous uninterrupted service, up to the age of sixty-five (65). Alternatively, employees who retire before the age of sixty (60) with twenty (20) years of continuous uninterrupted service, will be permitted to pay their medical and dental premium cost and upon reaching the age of sixty (60), the City will pay the premium for the medical and dental plans until they reach the age of sixty-five (65).

Resolution 2012-217 granted specific retiree medical benefits to employees who retired during the 2012-2013 fiscal year in order to provide an incentive for early retirement whereby the City authorized the payment of medical and dental insurance premiums for eligible retiring employees and their eligible dependents with at least ten (10) years of service plus 5% for each additional full year of service above the ten (10) years of service.

Resolution 2013-06 declared that the retiree medical benefits which had not been a vested right for employees will continue to be a nonvested right for employees who continue to be employed by the City on or after July 1, 2013, but will be a vested right for those who retire during the 2012-2013 fiscal year. The City's plan is considered a substantive OPEB plan and the City recognizes costs in accordance with GASB Statement No 45. The City may terminate its unvested OPEB in the future.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Funding Policy and Contributions**

The City has established an irrevocable OPEB trust with assets dedicated to paying future retiree medical benefits. The City intends to contribute 100% or more of the actuarially determined contribution for the explicit subsidy liability only. The portion of the liability due to the implicit subsidy is not prefunded but is paid as benefits come due. For the fiscal year ended June 30, 2021, the VPU's proportionate share of contributions made was \$531,940 (\$328,130 contributed to the OPEB trust, \$144,918 paid for retiree premiums, and the estimated implied subsidy of \$58,892).

**Net OPEB Liability**

The City's net OPEB liability is measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown on the next page.

**Actuarial Assumptions**

The valuation has been prepared on a closed group basis. Assumptions such as age-related healthcare claims, healthcare trends, retiree participation rates, and spouse coverage, were selected based on demonstrated plan experience and the best estimate of expected future experience.

Explicit subsidy benefit payments by employee group were allocated based on expected benefit payments. The following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Funding Method	Entry age normal level percent of pay cost method
Inflation	2.25%
Salary Increases	2.75% annual increases
Long-Term Return on Assets	6.25% net of investment expenses
Discount Rate	6.25%
Healthcare Cost Trend Rates	6.7% for FY2021, gradually decreasing over several decades to ultimate rate of 3.8% in FY76 and later years
Mortality	2017 CalPERS Experience Study. Tables include 15 years of static mortality improvement using 90% of scale MP-2016

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
CERBT Strategy 1:		
Equity	59.00 %	4.90%
Fixed Income	25.00	1.40%
TIPS	5.00	0.57%
Commodities	3.00	1.88%
REITs	8.00	4.43%
Total	<u>100.00 %</u>	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Change of Assumptions**

Medical trend rates were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plan due to its repeal.

**Allocation of the Net OPEB Liability**

The VPU's proportionate share of the net OPEB liability as of the measurement dates ended June 30, 2019 and 2020 was as follows:

	<u>Increase (Decrease)</u>			<u>Proportionate Share</u>
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>	
Balance at June 30, 2019 (MD)	\$ 4,051,812	\$ 660,404	\$ 3,391,408	15.47%
Balance at June 30, 2020 (MD)	4,622,908	1,189,602	3,433,306	16.99%
Net Changes during FY 2019-20	<u>\$ 571,096</u>	<u>\$ 529,198</u>	<u>\$ 41,898</u>	<u>1.52%</u>



**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the VPU's proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate		
	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (6.50%)
Net OPEB Liability	\$ 3,986,406	\$ 3,433,306	\$ 2,972,271

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the VPU's proportionate share of the net OPEB liability if it were calculated using a healthcare cost trend rates that are 1% point lower (5.9% decreasing to an ultimate rate of 3.0%) or 1% point higher (7.9% decreasing to an ultimate rate of 5.0%) than the current rate:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 3,250,429	\$ 3,433,306	\$ 3,619,709

**OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB**

For the year ended June 30, 2021, the VPU recognized its proportionate share of the OPEB expense(revenue) of \$(231,199). At June 30, 2021, the VPU reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Between Measurement Date and Reporting Date	\$ 531,940	\$ -
Difference Between Expected and Actual Liability	29,296	(659,328)
Changes of Assumptions	82,385	(837,660)
Net Differences Between Projected and Actual Earnings on Investments	37,152	-
Total	\$ 680,773	\$ (1,496,988)

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB (Continued)**

The \$531,940 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ (327,878)
2023	(327,878)
2024	(328,017)
2025	(328,544)
2026	(37,985)
Thereafter	2,147

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Payable to the OPEB Plan**

At June 30, 2021, the VPU had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

**NOTE 10 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS**

**Bicent Agreements**

**Asset Sale**

On December 13, 2007, the City entered into an Amended and Restated Purchase and Sale Agreement (the Bicent Agreement), with Bicent (California) Power LLC (Bicent), which is an affiliate of Bicent Holdings and Natural Gas Partners, to sell to Bicent the Malburg Generating Station (MGS) and the economic burdens and benefits of the City's interests in 22 MW from the Hoover Dam Upgrading Project for \$287,500,000. This transaction closed on April 10, 2008.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS (CONTINUED)**

**Bicent Agreements (Continued)**

Asset Sale (Continued)

Bicent has agreed to sell the capacity and the energy of the MGS to the City on the terms set forth in a Power Purchase Tolling Agreement, by and between the City and Bicent, dated as of April 10, 2008 (the PPTA). In addition, Bicent has acquired the benefits and burdens of the City's interest in the Hoover Upgrading Project (described below) on the terms set forth in the Hoover Contract for Differences (CFD), between Bicent (California) Hoover LLC, a Delaware limited liability company (BCH) and the City, dated as of April 10, 2008 (the Hoover Differences Contract). Pursuant to the Bicent Agreement, Bicent has assigned its rights and obligations with respect to the MGS to its affiliate, Bicent (California) Malburg LLC, a Delaware limited liability company (BCM). Pursuant to the Bicent Agreement, Bicent has assigned its rights and obligations with respect to the economic benefits and burdens of the Hoover Upgrading Project to its affiliate, BCH. The City treated the PPTA as an asset lease-back transaction due to a 30-year ground lease between the City and BCM by deferring most of the gain from the sale of MGS to be amortized over the 15-year life of the PPTA. The City also deferred the gain from the CFD to be amortized over the 10-year life of the CFD. As of June 30, 2021, a deferred gain of \$6,555,916 remains to be amortized over the life of the PPTA and CFD, which will be amortized in proportion to the capacity payments the City will be making under the PPTA and CFD (See Note 11 for disclosure on uncertainties).

Power Purchase Commitments

As of June 30, 2021, under the Bicent Agreements, the City had the following long-term commitments to purchase power subject to certain conditions:

<u>Fiscal Year Ending June 30,</u>	<u>Amount*</u>
2022	\$ 34,904,231
2023	27,146,619
Total	<u>\$ 62,050,850</u>

\* Commitments under the PPTA and CFD, net of amortization of deferred gain.

**Southern California Public Power Authority**

In 1980, the City entered into a joint powers agreement with nine (9) Southern California cities and an irrigation district to form the Southern California Public Power Authority (the Authority). The Authority's purpose is the planning, financing, acquiring, constructing, and operating of projects that generate or transmit electric energy for sale to its participants. The joint powers agreement has a term expiring in 2030 or such later date as all bonds and notes of SCPPA and interest thereon have been paid in full or adequate provisions for payments have been made. A copy of SCPPA's audited financial statements can be reviewed on their website at [www.scppa.org](http://www.scppa.org) or can be obtained by written request at 225 South Lake Avenue, Suite 1250, Pasadena, CA 91101.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
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**NOTE 10 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS (CONTINUED)**

**Southern California Public Power Authority (Continued)**

Take or Pay Contract

The Authority's interests or entitlements in natural gas, generation, and transmission projects are jointly owned with other utilities. Under these arrangements, a participating member has an undivided interest in a utility plant and is responsible for its proportionate share of the costs of construction and operation and is entitled to its proportionate share of the energy, available transmission capacity, or natural gas produced. Each joint plant participant, including the Authority, is responsible for financing its share of construction and operating costs. The City has the following "take or pay" contract with the Authority:

Palo Verde Project

The Authority purchased a 5.91% interest in the Palo Verde Nuclear Generating Station (the Station), a nuclear-fired generating station near Phoenix, Arizona, from the Salt River Project Agricultural Improvement and Power District, and a 6.55% share of the right to use certain portions of the Arizona Nuclear Power Project Valley Transmission System. The City has a 4.9% entitlement share of the Authority's interest in the station.

Between 1983 and 2008, the Authority issued \$3.266 billion in debt of Power Project Revenue Bonds for the Station to finance the bonds and the purchase of the Authority's share of the Station and related transmission rights. The bonds are not obligations of any member of the Authority or public agency other than the Authority. Under a power sales contract with the Authority, the City is obligated on a "take or pay" basis for its proportionate share of power generated, as well as to make payments for its proportionate share of the operating and maintenance expenses of the Station, debt service on the bonds and any other debt, whether or not the project or any part thereof or its output is suspended, reduced or terminated. The City took its proportionate share of the power generated and its proportionate share of costs during the fiscal year 2021 was \$2,771,758. The City expects no significant increases in costs related to its nuclear resources.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 VERNON PUBLIC UTILITIES OPERATIONS AND COMMITMENTS (CONTINUED)**

**Southern California Public Power Authority (Continued)**

Power Purchase Commitments

The Authority has entered into power purchase agreements with project participants. These agreements are substantially “take-and-pay” contracts where there may be other obligations not associated with the delivery of energy. The City has entered into power purchase agreements with the Authority related to the following projects:

Astoria 2 Solar Project

On July 23, 2014, the Authority entered into a power purchase agreement with Recurrent Energy for solar energy from the Astoria 2 Solar Project. SCPPA is entitled to 35 MW of photovoltaic generating capacity from commercial operation to December 31, 2021 and 45 MW of generating capacity from January 1, 2022 until the expected expiration date of December 31, 2036. The commercial operation date was December 2016. Power and Water Resources Pooling Authority, Lodi, Corona, Moreno Valley, and Rancho Cucamonga, are each buying the output of a separate portion of the facility, which is located in Kern County, California. SCPPA has purchase options in the 10th, 15th, and 20th Contract Years. The project is forecasted to start at a capacity factor of 31% with a 0.5% annual degradation. ACES Power Marketing is the third-party scheduling coordinator for the project. The City contracted to purchase 57.1429% until December 31, 2021, and 66.6667% thereafter, of the output. The City’s proportionate share of costs during the current fiscal year was \$2,276,622.

Puente Hills Landfill Gas-to-Energy Project

On June 25, 2014, the Authority entered into a power purchase agreement with County Sanitation District No. 2 of Los Angeles County for 46 MW of the electric generation from a landfill gas to energy facility, located at Whittier, California. The project began deliveries to the Authority on January 1, 2017 for a term of 10 years. The City contracted to purchase 23.2558% of the output. The City’s proportionate share of costs during the current fiscal year was \$1,585,536.

Antelope DSR 1 Solar Project

On July 16, 2015, the Authority, entered into a power purchase agreement with Antelope DSR 1, LLC for 50 MW solar photovoltaic generating capacity from the Antelope DSR 1 Solar Facility. The facility is located near Lancaster, California, and commercial operation occurred on December 16, 2016 for a term of 20 years. The City contracted to purchase 50.00% of the output. The City’s proportionate share of costs during the current fiscal year was \$1,689,552.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 11 CONTINGENCIES**

**Sale of Generation and Transmission Assets**

The financial and operational effects of the 2008 sale of generation and transmission assets, while reducing the electric system's debt burden and providing liquidity, puts the utility at some risks in terms of increased fixed-charge obligations and long-term power resource uncertainty.

**NOTE 12 SUBSEQUENT EVENTS**

In December 2021, the City issued \$183,815,000 in Electric System Revenue Bonds, 2021 Series A and \$52,070,000 in Electric System Revenue Bonds, 2022 Series A. The 2021 Series A bonds provide funds to finance the acquisition of Malburg Generating Station (MGS), the deposit to the Debt Service Reserve Fund, and the cost of issuance of the 2021 Bonds. The City made the determination to reacquire MGS on December 15, 2021 to achieve potential costs savings and other resource management benefits. In addition to any potential savings, the City expects there to be other benefits associated with the acquisition of the MGS, which includes having control of the facility and the site, providing the City with flexibility with respect to MGS operations and MGS's role in the City's resource portfolio. The 2022 Series A bonds provide funds to refund and defease all of the outstanding 2012A Bonds, a portion of the 2012B bonds and pay the cost of issuance of the 2022 bonds. The defeasance of the 2012 A Bonds and portion of the 2021 Series B bonds will result in total debt service cash flow savings of \$18,509,369 and an economic gain of \$15,309,641.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
CITY'S MISCELLANEOUS AND SAFETY COST SHARING PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Plan's Proportion of the Net Pension Liability	16.99%	15.47%	14.86%	15.55%	15.41%
Plan's Proportionate Share of the Net Pension Liability	\$ 22,982,998	\$ 18,692,374	\$ 16,866,107	\$ 17,052,279	\$ 14,675,830
Plan's Covered Payroll	4,203,972	4,418,536	4,577,147	4,210,103	2,026,477
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	546.70%	423.04%	368.49%	405.03%	724.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.79%	76.15%	77.68%	77.85%	78.91%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

The inflation rate was increased from 2.5% to 2.625%

The payroll growth rate was reduced from 3.00% to 2.875%.

\* Fiscal year 2017 was the first year the City allocated a portion of the net pension liability to the VPU, therefore only five years are shown.



**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
SCHEDULE OF PLAN CONTRIBUTIONS  
CITY'S MISCELLANEOUS AND SAFETY COST SHARING PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Actuarially Determined Contribution	\$ 2,145,491	\$ 1,908,522	\$ 1,622,690	\$ 1,475,490	\$ 1,403,235
Contributions in Relation to the Actuarially Determined Contribution	<u>(2,145,491)</u>	<u>(1,908,522)</u>	<u>(1,622,690)</u>	<u>(1,475,490)</u>	<u>(1,403,235)</u>
Contribution: Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 3,902,610	\$ 4,203,972	\$ 4,418,536	\$ 4,577,147	\$ 4,210,103
Contributions as a Percentage of Covered Payroll	54.98%	45.40%	36.72%	32.24%	33.33%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.625%	2.625%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)
Mortality	(4)	(4)	(4)	(4)	(4)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2017 was the first year the City allocated a portion of the net pension liability to the VPU, therefore only five years are shown.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Plan's Proportion of the Net OPEB Liability	16.99%	15.47%	14.86%	10.71%
Plan's Proportionate Share of the Net OPEB Liability	\$ 3,433,306	\$ 3,391,408	\$ 3,432,725	\$ 3,887,475
Plan's Covered-Employee Payroll	4,944,915	5,228,211	3,587,387	3,588,945
Plan's Proportionate Share of the Net OPEB Liability as a Percentage of Covered-Employee Payroll	69.43%	64.87%	95.69%	108.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	25.70%	16.30%	8.62%	2.83%

Notes to Schedule:

Changes in Assumptions:

The discount rate was changed from 2.85% to 3.58% for the measurement period ended June 30, 2017. The discount rate for the measurement periods ended June 30, 2018 and 2019 was 6.50%. The discount rate for the measurement period ended June 30, 2020 was reduced to 6.25%.

The mortality, retirement, disability, and termination rates for the measurement periods ended June 30, 2017 and 2018 were based on the CalPERS 1997-2011 Experience Study and CalPERS 1997-2015 Experience Study, respectively.

The mortality improvement rates for the measurement periods ended June 30, 2017 and 2018 were based on the Scale MP-2016 and Scale-2018, respectively.

In the June 30, 2018 measurement period, the pre-65 waived retiree re-election was updated to be 10% after age 65.

\* Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
SCHEDULE OF OPEB CONTRIBUTIONS  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ 328,130	\$ 298,886	\$ 400,166	\$ 288,398
Contributions in Relation to the Actuarially Determined Contribution	<u>(531,940)</u>	<u>(605,820)</u>	<u>(444,230)</u>	<u>(221,199)</u>
Contribution: Deficiency (Excess)	<u>\$ (203,810)</u>	<u>\$ (306,934)</u>	<u>\$ (44,064)</u>	<u>\$ 67,199</u>
Covered Payroll	\$ 5,385,241	\$ 4,944,915	\$ 5,228,211	\$ 3,587,387
Contributions as a Percentage of Covered Payroll	6.09%	6.04%	7.65%	8.04%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2018	6/30/2016	6/30/2016
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Amortization Period	28 years	27 years	27 Years	29 Years
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Inflation	2.25%	2.50%	2.50%	2.75%
Healthcare Trend Rates	(6)	(3)	(3)	(2)
Investment Rate of Return	6.25%	6.50%	7.00%	7.00%
Mortality	(5)	(5)	(5)	(4)

- (1) Level percentage of payroll, closed.
- (2) 8.50% trending down to 5.00%.
- (3) 6.90% trending down to 4.00%.
- (4) CalPERS December 2014 experience study
- (5) CalPERS December 2017 experience study
- (6) 6.70% trending down to 3.80%.

\* Fiscal year 2018 was the first year of implementation, therefore four years year are shown.

**SUPPLEMENTARY INFORMATION**

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Eliminating Entry	Totals
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 123,485,481	\$ 7,853,003	\$ 14,159,051	\$ 862,784	\$ -	\$ 146,360,319
Accounts Receivable, Net of Allowance	5,723,729	363,909	977,524	31,743	-	7,096,905
Accrued Unbilled Revenue	14,521,973	1,337,998	1,118,834	-	-	16,978,805
Accrued Interest Receivable	2,321	-	40	-	-	2,361
Due from Other City Funds	593,486	-	-	-	(593,486)	-
Prepaid Items	16,312	-	-	-	-	16,312
Total Current Assets	<u>144,343,302</u>	<u>9,554,910</u>	<u>16,255,449</u>	<u>894,527</u>	<u>(593,486)</u>	<u>170,454,702</u>
Noncurrent Assets:						
Restricted Cash and Cash Equivalents	45,052,746	-	11,340,139	-	-	56,392,885
Advances to Other City Funds	27,193,955	-	2,117,993	-	(27,193,955)	2,117,993
Prepaid Items	1,012,402	-	-	-	-	1,012,402
Deposits	1,081,094	-	-	-	-	1,081,094
Capital Assets:						
Nondepreciable	59,682,155	-	5,103,057	-	-	64,785,212
Depreciable, Net	167,558,410	15,830,766	8,041,598	1,037,498	-	192,468,272
Total Noncurrent Assets	<u>301,580,762</u>	<u>15,830,766</u>	<u>26,602,787</u>	<u>1,037,498</u>	<u>(27,193,955)</u>	<u>317,857,858</u>
Total Assets	445,924,064	25,385,676	42,858,236	1,932,025	(27,787,441)	488,312,560
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Outflows Related to OPEB Liability	481,702	55,094	138,270	5,707	-	680,773
Deferred Outflows Related to Pensions	3,468,111	396,660	995,501	41,088	-	4,901,360
Deferred Amount on Refunding	292,472	-	-	-	-	292,472
Total Deferred Outflows of Resources	<u>4,242,285</u>	<u>451,754</u>	<u>1,133,771</u>	<u>46,795</u>	<u>-</u>	<u>5,874,605</u>

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2021**

	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Eliminating Entry	Totals
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 12,570,395	\$ 50,606	\$ 1,416,554	\$ 41,486	\$ -	\$ 14,079,041
Accrued Wages and Benefits	449,380	50,090	112,211	4,450	-	616,131
Due to Other City Funds	-	-	593,486	-	(593,486)	-
Customer Deposits	430,597	13,558	60,384	-	-	504,539
Bond Interest Payable	6,463,412	-	247,490	-	-	6,710,902
Bonds Payable	24,975,000	-	240,000	-	-	25,215,000
Note Payable	-	-	139,535	-	-	139,535
Compensated Absences	350,799	7,928	34,397	844	-	393,968
Total Current Liabilities	<u>45,239,583</u>	<u>122,182</u>	<u>2,844,057</u>	<u>46,780</u>	<u>(593,486)</u>	<u>47,659,116</u>
Noncurrent Liabilities:						
Advances from Other City Funds	-	23,226,257	-	3,967,698	(27,193,955)	-
Bonds Payable	246,925,951	-	15,154,913	-	-	262,080,864
Note Payable	-	-	1,220,930	-	-	1,220,930
Compensated Absences	701,597	15,856	68,794	1,688	-	787,935
Net Other Postemployment Benefit Liability	2,429,343	277,852	697,329	28,782	-	3,433,306
Net Pension Liability	<u>16,262,340</u>	<u>1,859,979</u>	<u>4,668,011</u>	<u>192,668</u>	<u>-</u>	<u>22,982,998</u>
Total Noncurrent Liabilities	<u>266,319,231</u>	<u>25,379,944</u>	<u>21,809,977</u>	<u>4,190,836</u>	<u>(27,193,955)</u>	<u>290,506,033</u>
Total Liabilities	311,558,814	25,502,126	24,654,034	4,237,616	(27,787,441)	338,165,149
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflows Related to OPEB						
Liability	1,059,241	121,149	304,049	12,549	-	1,496,988
Deferred Inflows Related to Pensions	398,798	45,612	114,473	4,724	-	563,607
Deferred Gain from Sale of Generation Assets	<u>6,555,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,555,916</u>
Total Deferred Inflows of Resources	8,013,955	166,761	418,522	17,273	-	8,616,511
<b>NET POSITION</b>						
Net Investment in Capital Assets	124,297,278	15,816,827	7,303,813	1,024,845	-	148,442,763
Restricted for Debt Service	23,894,665	-	-	-	-	23,894,665
Unrestricted (Deficit)	<u>(17,598,363)</u>	<u>(15,648,284)</u>	<u>11,615,638</u>	<u>(3,300,914)</u>	<u>-</u>	<u>(24,931,923)</u>
Total Net Position	<u>\$ 130,593,580</u>	<u>\$ 168,543</u>	<u>\$ 18,919,451</u>	<u>\$ (2,276,069)</u>	<u>\$ -</u>	<u>\$ 147,405,505</u>

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Totals
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 184,828,389	\$ 16,154,140	\$ 10,741,694	\$ 480,906	\$ 212,205,129
Total Operating Revenues	<u>184,828,389</u>	<u>16,154,140</u>	<u>10,741,694</u>	<u>480,906</u>	<u>212,205,129</u>
<b>OPERATING EXPENSES</b>					
Cost of Sales	155,820,170	14,857,233	8,413,559	377,814	179,468,776
Depreciation	8,178,971	725,458	389,185	193,068	9,486,682
Total Operating Expenses	<u>163,999,141</u>	<u>15,582,691</u>	<u>8,802,744</u>	<u>570,882</u>	<u>188,955,458</u>
<b>OPERATING INCOME (LOSS)</b>	20,829,248	571,449	1,938,950	(89,976)	23,249,671
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment Income	57,190	5,334	6,660	422	69,606
Net Decrease in Fair Value of Investments	(3,033)	-	-	-	(3,033)
Interest Expense	(18,723,613)	-	(574,178)	-	(19,297,791)
Total Nonoperating Revenues (Expenses)	<u>(18,669,456)</u>	<u>5,334</u>	<u>(567,518)</u>	<u>422</u>	<u>(19,231,218)</u>
<b>CHANGE IN NET POSITION</b>	2,159,792	576,783	1,371,432	(89,554)	4,018,453
Net Position (Deficit) - Beginning of Year	<u>128,433,788</u>	<u>(408,240)</u>	<u>17,548,019</u>	<u>(2,186,515)</u>	<u>143,387,052</u>
<b>NET POSITION (DEFICIT) - END OF YEAR</b>	<u>\$ 130,593,580</u>	<u>\$ 168,543</u>	<u>\$ 18,919,451</u>	<u>\$ (2,276,069)</u>	<u>\$ 147,405,505</u>

**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers	\$ 184,984,914	\$ 16,007,270	\$ 10,472,143	\$ 476,112	\$ 211,940,439
Cash Paid to Suppliers for Goods and Services	(122,185,221)	(14,273,190)	(7,036,017)	(302,427)	(143,796,855)
Cash Paid to Employees for Services	(3,850,277)	(279,866)	(1,260,208)	(30,821)	(5,421,172)
Cash Paid to City for Services	(4,781,720)	-	-	-	(4,781,720)
Net Cash Provided by Operating Activities	54,167,696	1,454,214	2,175,918	142,864	57,940,692
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Repayment of Bonds	(29,520,000)	-	-	-	(29,520,000)
Bond Interest Paid	(15,208,498)	-	(437,232)	-	(15,645,730)
Proceeds from Note Payable	-	-	761,280	-	761,280
Payment of Note Payable	-	-	(139,535)	-	(139,535)
Net Acquisition of Capital Assets	(14,976,512)	(19,492)	(2,685,064)	-	(17,681,068)
Net Cash Provided (Used) by Capital and Related Financing Activities	(59,705,010)	(19,492)	(2,500,551)	-	(62,225,053)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Payment from (Provided to) Other City Funds	185,639	14,361	2,859,095	(200,000)	2,859,095
Net Cash Provided (Used) by Noncapital Financing Activities	185,639	14,361	2,859,095	(200,000)	2,859,095
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment Income	55,712	5,334	6,743	422	68,211
Cash Provided by Investing Activities	55,712	5,334	6,743	422	68,211
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>					
	(5,295,963)	1,454,417	2,541,205	(56,714)	(1,357,055)
Cash and Cash Equivalents - Beginning of Year	173,834,190	6,398,586	22,957,985	919,498	204,110,259
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 168,538,227</u>	<u>\$ 7,853,003</u>	<u>\$ 25,499,190</u>	<u>\$ 862,784</u>	<u>\$ 202,753,204</u>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>					
Cash and Cash Equivalents	\$ 123,485,481	\$ 7,853,003	\$ 14,159,051	\$ 862,784	\$ 146,360,319
Restricted Cash and Investments	45,052,746	-	11,340,139	-	56,392,885
Total	<u>\$ 168,538,227</u>	<u>\$ 7,853,003</u>	<u>\$ 25,499,190</u>	<u>\$ 862,784</u>	<u>\$ 202,753,204</u>



**CITY OF VERNON  
VERNON PUBLIC UTILITIES  
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)  
YEAR ENDED JUNE 30, 2021**

	Electric Fund	Gas Fund	Water Fund	Fiber Optics Fund	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ 20,829,248	\$ 571,449	\$ 1,938,950	\$ (89,976)	\$ 23,249,671
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	8,178,971	725,458	389,185	193,068	9,486,682
Change in Operating Assets and Liabilities:					
Accounts Receivable	(761,728)	255,444	(208,130)	(4,794)	(719,208)
Accrued Unbilled Revenue	901,103	(402,314)	(60,621)	-	438,168
Due from Other Funds	(588,100)	-	-	-	(588,100)
Prepaid Expenses and Deposits	(90,832)	-	-	-	(90,832)
Prepaid Natural Gas	25,646,420	-	-	-	25,646,420
Deferred Outflows of Resources	(1,723,107)	(219,034)	(464,944)	(21,440)	(2,428,525)
Accounts Payable	1,996,698	(11,141)	(9,391)	19,154	1,995,320
Accrued Wages and Benefits	54,690	2,425	(8,559)	305	48,861
Due to Other City Funds	(2,161)	(310)	-	-	(2,471)
Customer Deposits	17,150	-	(800)	-	16,350
Compensated Absences	203,182	(262)	(90,688)	895	113,127
Other Postemployment Benefit Liability	34,730	27,585	(21,932)	1,515	41,898
Net Pension Liability	3,063,985	480,585	703,672	42,382	4,290,624
Deferred Inflows of Resources	(3,592,553)	24,329	9,176	1,755	(3,557,293)
Net Cash Provided by Operating Activities	<u>\$ 54,167,696</u>	<u>\$ 1,454,214</u>	<u>\$ 2,175,918</u>	<u>\$ 142,864</u>	<u>\$ 57,940,692</u>

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**CITY OF VERNON  
WATER FUND  
(AN ENTERPRISE FUND OF THE  
CITY OF VERNON)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**



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**CITY OF VERNON  
WATER FUND  
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## **INTRODUCTORY SECTION**

## Water Division

### Introduction

#### **A message from Abraham Alemu, General Manager of Vernon Public Utilities**

While the past couple of years have presented historic challenges on a global scale, the City of Vernon and Vernon Public Utilities (VPU) have exhibited strength and resilience by continuing to provide safe, reliable and affordable services during the challenges caused by the COVID-19 pandemic. VPU seamlessly provided the electric, water, gas and fiber utilities to its residents and business community who are vital in manufacturing and distributing goods throughout the region. Recently, VPU established an impressive goal of providing the lowest electric rates in the State of California by 2030 in order to support customer competitiveness and enable community businesses to thrive as the economic engine in Southeast Los Angeles.

In the past year, VPU has continued to complete major infrastructure upgrade projects to meet the increasing needs of its business and industrial community – many of whom manufacture essential goods and products throughout the United States, such as cold storage, food packaging and steel production. These necessary enhancements to the VPU infrastructure foster improvement projects, which increased reliability and help the utility to meet system adequacy requirements, including substation equipment upgrades, automated metering, voltage upgrades, and proactive utility pole replacement and financing initiatives. In addition, the electric infrastructure upgrades support the utility's Water Division Capital Improvement Projects (CIPs) aimed at creating sustainable water affordability and independence for Vernon residential and business customers. During the past year, the Department was able to drastically reduce its need to purchase water from imported sources and is serving water from the City's groundwater sources, which results in significant cost savings for the utility and to its customers.

As VPU enters its third year of a 4-year voter-approved electric rate increase, the utility will continue to use this funding to promote programs and projects that will support increased reliability, resilience, and low rates. VPU will also consider and analyze new technologies in an evolving energy landscape to bring renewable, environmentally conscious programs to businesses and residents. Moving forward, VPU has wide-scale transportation electrification plans to help advance customer adoption and play a role in the utility's long-term energy resources planning and deployment of green offerings.

VPU is well-positioned to maintain a strong financial performance into the long-term future and has made notable strides towards achieving and exceeding its Renewable Portfolio Standard (RPS) and greenhouse gas (GHG) reduction goals. VPU is actively considering a Solar plus Energy Storage Purchase Power Agreement (PPA), which will be the largest PPA in its portfolio. Additionally, the City recently re-acquired the Malburg Generating Station, a 134-megawatt natural gas-fired, combined-cycle facility. With this resource back within the utility's ownership and operation, VPU now has the control and capability to reduce ongoing operating costs and address the City's long-term needs for local power generation. Both projects play a critical role in achieving the long-term goals established in Integrated Resource Plan (IRP).

As part of the repurchase, the utility's electric financial ratings were reassessed by Moody's and S&P. VPU received an upgraded credit rating from Moody's and both agencies gave VPU a stable/positive outlook. This rating upgrade is a testament, among other factors, to the utility's commitment to foster strong management fundamentals and maintain fiscal strength.

## FY 2020-2021 Vernon Public Utilities At-A-Glance

<b>WATER</b>	
<b>Service area</b>	4.2 square miles
<b>Service meters</b>	1,840 meters
<b>Number of miles of water mains</b>	49
<b>Number of active wells</b>	8
<b>Number of reservoirs</b>	8
<b>Total reservoir capacity (gallons)</b>	16.375 MG
<b>Number of booster stations</b>	3
<b>Average day demand</b>	18.73-acre feet
<b>Maximum day peak factor</b>	1.67

# Major Initiatives and Accomplishments

## **Water Division**

- Completed major rehabilitation of Wells 15 and 17, and minor rehabilitation of Well 21
- Imported water was not purchased in Calendar Year 2021
- Replaced the main on 50th Street between Soto Street and Boyle Avenue to enable pumping the full capacity of new Well 22, which is currently under construction
- Rehabilitation of the 3 – 1 MG reservoirs located at Pumping Plant 3 is halfway to completion, with one tank complete and back in service, and the second tank is well underway.
- Continued implementation of a program to automate the efficient and safe operation of water production, storage, and conveyance facilities
- Ongoing investment into Advanced Metering Infrastructure (AMI)
- Completed a Water Master Plan



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and the Members of the City Council  
City of Vernon, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Water Fund of the City of Vernon, (Water Fund), an enterprise fund of the City of Vernon, California (City), as of June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Water Fund of the City of Vernon, California, as of June 30, 2021, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, the financial statements present only the City's Water Fund and do not purport to, and do not, present fairly the financial position of the City of Vernon, California as of June 30, 2021, and the changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the City's net pension, schedule of plan contributions, schedule of proportionate share of the City's net OPEB liability, and schedule of OPEB contributions, identified as required supplementary information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Honorable Mayor and the Members of the City Council  
City of Vernon, California

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of the City's internal control over the financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Irvine, California  
March 3, 2022

**CITY OF VERNON  
WATER FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

The management of the Water Fund of the City of Vernon ("the City") offers the following overview and analysis of the basic financial statements of the Water Fund for the fiscal year ended June 30, 2021. Management encourages readers to utilize information in the Management's Discussion and Analysis (MD&A) in conjunction with the accompanying basic financial statements.

**OVERVIEW OF BASIC FINANCIAL STATEMENTS**

The MD&A is intended to serve as an introduction to the Water Fund's basic financial statements. Included as part of the financial statements are three separate statements.

The *statement of net position* presents information on the Water Fund's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as net position.

The *statement of revenues, expenses and changes in net position* presents information showing how the Water Fund's net position changed during the most recent fiscal year. Financial results are recorded using the accrual basis of accounting. Under this method, all changes in net position are reported as soon as the underlying events occur, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement for some items may affect cash flows in a future fiscal period (examples include billed but uncollected revenues and employee earned but unused vacation leave).

The *statement of cash flows* reports cash receipts, cash payments, and net changes in cash and cash equivalents from operations, noncapital financing, capital and related financing, and investing activities.

The *notes to the financial statements* provide additional information that is essential to fully understand the data provided in the financial statements.

**CITY OF VERNON  
WATER FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**FINANCIAL HIGHLIGHTS**

***Fund Net Position***

The table below summarizes the Water Fund's net position as of the current fiscal year ended June 30, 2021 and prior fiscal year ended June 30, 2020. The details of the current year's summary can be found on page 9-10 of this report.

City of Vernon Water Fund Fund Net Position June 30, 2021 and 2020				
	2021	2020	Change	
			Amount	%
<b>Assets:</b>				
Current and other assets	\$ 16,255,449	\$ 9,780,247	\$ 6,475,202	66%
Restricted assets	11,340,139	15,005,468	(3,665,329)	-24%
Advances to other City funds	2,117,993	4,388,988	(2,270,995)	-52%
Capital assets	13,144,655	10,848,776	2,295,879	21%
Total assets	42,858,236	40,023,479	2,834,757	7%
<b>Deferred Outflows of Resources</b>	1,133,771	668,827	464,944	70%
<b>Liabilities:</b>				
Current liabilities	2,844,057	1,838,093	1,005,964	55%
Long term liabilities	21,809,977	20,896,848	913,129	4%
Total liabilities	24,654,034	22,734,941	1,919,093	8%
<b>Deferred Inflows of Resources</b>	418,522	409,346	9,176	2%
<b>Net Position:</b>				
Net investment in capital assets	7,303,813	9,273,640	(1,969,827)	-21%
Unrestricted (deficit)	11,615,638	8,274,379	3,341,259	40%
Total net position	\$ 18,919,451	\$ 17,548,019	\$ 1,371,432	8%

The assets and deferred outflows of resources of the Water Fund exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,548,019 (*net position*).

The category of the Water Fund's net position with the largest balance totaling \$11,615,638 represents the unrestricted net position that is expected to be used for future projects or other purposes.

The remaining category of net position, totaling \$8,274,379, represents resources that are invested in capital assets, net of related debt.

**CITY OF VERNON  
WATER FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Activities. Net Position:**

- Current assets increased by \$6.5 million from the prior year mainly due to increases in cash by \$6.2 million, accounts receivable by \$208 thousand and accrued unbilled revenue by \$60 thousand.
- Restricted assets decreased by \$3.7 million in 2021 as we drew down on the Water System Revenue Bonds 2020 Series A to fund capital projects.
- Capital assets increased \$2.3 million from the prior year mainly due to additional construction expenses and purchase of equipment totaling \$2.7 million, net of depreciation of \$389 thousand (See Note 5).
- Deferred outflows of resources increased by \$465 thousand in 2021 primarily due to the increase in deferred outflow related to pension.
- Current liabilities increased by \$1 million from the prior year mainly due to increases in the amount due to other city funds balance by \$588 thousand, bond interest payable by \$156 thousand, bond payable by \$240 thousand and notes payable by \$71 thousand.
- Long-term liabilities increased by \$913 thousand from the prior year mainly due to increases in the note payable by \$551 thousand, in the net pension liability by \$703 thousand offset by a decrease in bonds payable by \$259 thousand.
- Deferred inflows of resources increased by \$9 thousand due to the increase in the pension related deferred inflows of resources balance of \$65 thousand and an increase in the deferred inflow related to OPEB of \$55 thousand.
- The net investments in capital assets, net of related debt decreased by \$1.9 million while the unrestricted net position increased by \$3.3 million causing an increase of the total net position of \$1.4 million.

**CITY OF VERNON  
WATER FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

***Changes in Fund Net Position***

The table below summarizes the Water Fund's changes in net position over the current and prior fiscal years. The details of the current year's changes in net position can be found on page 11 of this report.

City of Vernon  
Water Fund  
Changes in Fund Net Position  
June 30, 2021 and 2020

	2021	2020	Change	
			Amount	%
<b>Operating Revenues:</b>				
Charges for services	\$ 10,741,694	\$ 10,460,467	\$ 281,227	3%
<b>Operating Expenses:</b>				
Cost of sales	8,413,559	8,937,475	(523,916)	-6%
Depreciation	389,185	356,509	32,676	9%
Total operating expenses	8,802,744	9,293,984	(491,240)	-5%
Operating income	1,938,950	1,166,483	772,467	66%
<b>Nonoperating revenues (expenses):</b>				
Investment income	6,660	41,717	(35,057)	-84%
Interest expense	(574,178)	(88,284)	(485,894)	550%
Net nonoperating revenues (expenses)	(567,518)	(46,567)	(520,951)	1119%
<b>Change in net position</b>	1,371,432	1,119,916	251,516	22%
<b>Net position - beginning of year</b>	17,548,019	16,428,103	1,119,916	7%
<b>Net position - end of year</b>	\$ 18,919,451	\$ 17,548,019	\$ 1,371,432	8%

The Water Fund's operating income of \$1.9 million offset by non-operating expenses of \$567 thousand resulted in the increase in net position of \$1.34 million during the current year.

The key reason for this change was due to the increase in operating income by \$772 thousand because of a 3% increase in charges for services and a 6% decrease in operating expenses.



**CITY OF VERNON  
WATER FUND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**CAPITAL ASSET**

The Water Fund's investment in capital assets as of June 30, 2021 amounted to \$13.1 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building, utilities system improvements, and machinery and equipment. The total increase in the Water Fund's investment in capital assets for the current fiscal year was \$2.7 million, offset by depreciation of \$357 thousand, for a net increase of \$2.3 million.

Additional information on the Water Fund's capital assets can be found in Note 5 of this report.

***Outstanding debt***

As of June 30, 2021, the following debt remains outstanding:

- \$14,840,000 City of Vernon Water System Revenue Bonds, 2020 Series A
- \$1,360,465 City of Vernon agreement with Water Replenishment District of Southern California

The City of Vernon Water System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Water System of the City, (ii) purchase a municipal bond debt service reserve insurance policy for deposit in the Reserve Fund in satisfaction of the Reserve Requirement, and (iii) to pay costs of issuance of the 2020 Bonds.

As of June 30, 2021, the ratings on all Water System Revenue Bonds is AA by S&P and not rated by Moody's.

Additional information on the Water Fund's long-term debt can be found in Note 6 of this report.

**ECONOMIC FACTORS AND NEW YEAR'S BUDGET AND RATES**

These factors were considered in preparing the Water Fund's budget for the 2022 fiscal year.

- The City is strictly industrial and does not maintain an unemployment rate study of its small population. However, the unemployment rate of adjacent communities is currently 10.5%, which is higher than the State of California's average unemployment rate of 7.7%, and the national average unemployment rate of 5.9%.
- Inflationary trends in the region compare favorably to national indices.
- The occupancy rate of the City's central business district ranges between 96% and 98%.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Water Fund's finances for all those with an interest in the Water Fund's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Vernon, 4305 Santa Fe Avenue, Vernon, California, 90058.

**CITY OF VERNON  
WATER FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

**ASSETS**

Current Assets:

Cash and Cash Equivalents	\$ 14,159,051
Accounts Receivable, Net of Allowance of \$54,334	977,524
Accrued Unbilled Revenue	1,118,834
Accrued Interest Receivable	40
Total Current Assets	16,255,449

Noncurrent Assets:

Restricted Cash and Cash Equivalents	11,340,139
Advances to Other City Funds	2,117,993
Capital Assets:	
Nondepreciable	5,103,057
Depreciable, Net	8,041,598
Total Noncurrent Assets	26,602,787

Total Assets	42,858,236
--------------	------------

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred Outflows Related to Pensions	995,501
Deferred Outflows Related to OPEB Liability	138,270
Total Deferred Outflows of Resources	1,133,771

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
WATER FUND  
STATEMENT OF NET POSITION (CONTINUED)  
JUNE 30, 2021**

**LIABILITIES**

Current Liabilities:

Accounts Payable	\$ 1,416,554
Accrued Wages and Benefits	112,211
Due to Other City Funds	593,486
Customer Deposits	60,384
Bond Interest Payable	247,490
Bonds Payable	240,000
Note Payable	139,535
Compensated Absences	34,397
Total Current Liabilities	2,844,057

Noncurrent Liabilities:

Bonds Payable	15,154,913
Note Payable	1,220,930
Compensated Absences	68,794
Net Other Postemployment Benefit Liability	697,329
Net Pension Liability	4,668,011
Total Noncurrent Liabilities	21,809,977

Total Liabilities	24,654,034
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**DEFERRED INFLOWS OF RESOURCES**

Deferred Inflows Related to Pensions	114,473
Deferred Inflows Related to OPEB Liability	304,049
Total Deferred Inflows of Resources	418,522

**NET POSITION**

Net Investment in Capital Assets	7,303,813
Unrestricted (Deficit)	11,615,638
Total Net Position	\$ 18,919,451

**CITY OF VERNON  
WATER FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2021**

<b>OPERATING REVENUES</b>	
Charges for Services	\$ 10,741,694
Total Operating Revenue	<u>10,741,694</u>
<b>OPERATING EXPENSES</b>	
Cost of Sales	8,413,559
Depreciation	389,185
Total Operating Expenses	<u>8,802,744</u>
<b>OPERATING INCOME</b>	1,938,950
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment Income	6,660
Interest Expense	(574,178)
Total Nonoperating Revenues (Expenses)	<u>(567,518)</u>
<b>CHANGE IN NET POSITION</b>	1,371,432
Net Position - Beginning Of Year	<u>17,548,019</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 18,919,451</u></u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
WATER FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 10,472,143
Cash Paid to Suppliers for Goods and Services	(7,036,017)
Cash Paid to Employees for Services	(1,260,208)
Net Cash Provided by Operating Activities	<u>2,175,918</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Bond Interest Paid	(437,232)
Proceeds from Note Payable	761,280
Payment of Note Payable	(139,535)
Net Acquisition of Capital Assets	(2,685,064)
Net Cash Used by Capital and Related Financing Activities	<u>(2,500,551)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Payment from (Provided to) Other City Funds	<u>2,859,095</u>
Net Cash Provided by Noncapital Financing Activities	<u>2,859,095</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	<u>6,743</u>
Net Cash Provided by Investing Activities	<u>6,743</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	
	2,541,205
Cash and Cash Equivalents - Beginning of Year	<u>22,957,985</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 25,499,190</u></u>
<b>COMPOSITION OF CASH AND CASH EQUIVALENTS</b>	
Cash and Cash Equivalents	\$ 14,159,051
Restricted Cash and Investments	11,340,139
Total	<u><u>\$ 25,499,190</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating Income	\$ 1,938,950
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	389,185
Change in Operating Assets and Liabilities:	
Accounts Receivable	(208,130)
Accrued Unbilled Revenue	(60,621)
Deferred Outflows of Resources	(464,944)
Accounts Payable	(9,391)
Accrued Wages and Benefits	(8,559)
Customer Deposits	(800)
Compensated Absences	(90,688)
Other Postemployment Benefit Liability	(21,932)
Net Pension Liability	703,672
Deferred Inflows of Resources	9,176
Net Cash Provided by Operating Activities	<u><u>\$ 2,175,918</u></u>

See accompanying Notes to Financial Statements.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements present only the Water Enterprise Fund (the Water Fund) of the City of Vernon, California (the City), and do not present fairly the financial position and results of the operations of the City. The Water Fund accounts for the independent operations and the maintenance of the City's Water utility. The Water Fund is administered as an independent fiscal and accounting entity with a self-balancing set of accounts recording resources, related liabilities, obligations, reserves, and equities, segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

For additional information regarding the City of Vernon, refer to the City's annual financial report.

The financial statements of the Water Fund have been prepared in conformity with the U.S. generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Water Fund's significant accounting policies are described below.

**A. Basis of Presentation**

The Water Fund's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The Water Fund distinguishes *operating* revenues and expenses from *nonoperating* items. *Operating* revenues, such as charges for services, result from exchange transactions associated with the sale of Water. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses.

**B. Pooled Cash**

Part of the Water Fund's operating cash balance is pooled with various other City funds for deposit purposes. The share of each fund in the pooled cash account is recorded in each of the fund's books of accounts, and interest income is apportioned to the participating funds based on the relationship of their average monthly balances to the total of the pooled cash.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Cash Deposits and Investments**

For purposes of the statement of cash flows, the Water Fund considers all highly liquid investments (including restricted cash and investments) with an original maturity of three months or less when purchased to be cash equivalents. Investment transactions are recorded on the settlement date. Investments in nonparticipating interest-earning investment contracts are reported at cost and all other investments are reported at fair value. Fair value is defined as the amount that the Water Fund could reasonably expect to receive for an investment in a current sale between a willing buyer and a seller and is generally measured by quoted market prices.

**D. Receivables/Payables**

Short-term City interfund receivables and payables are classified as “due from other City funds” and “due to other City funds”, respectively, on the statement of net position. Long-term City interfund receivables and payables are classified as “advances to/from other City funds,” respectively, on the statement of net position.

Trade receivables are shown net of an allowance for uncollectible accounts. Allowances for uncollectible accounts were \$54,334 as of June 30, 2021. The Water Fund’s customers are billed monthly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying financial statements.

**E. Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if the actual historical cost is not available. Contributed capital assets are recorded at their estimated acquisition value at the date contributed. Capital assets include land, construction in progress, and plant assets including building, improvements, and machinery and equipment. The capitalization threshold for all capital assets is \$5,000. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

Utility Plant	3 to 50 Years
---------------	---------------

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the statement of revenues, expenses, and changes in net position.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Compensated Absences**

Accumulated vacation is accrued when incurred. Upon termination of employment, the Water Fund will pay the employee all accumulated vacation leave at 100% of the employee's base hourly rate.

**G. Deferred Outflows and Inflows of Resources**

The Water Fund recognizes deferred outflows and inflows of resources. A deferred outflow of resource is defined as a consumption of net position by the Water Fund that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the Water Fund that is applicable to a future reporting period. On June 30, 2021, the Water Fund has deferred outflows of resources representing deferred amounts on pension-related transactions and postemployment benefit-related transactions and deferred inflows of resources representing pension-related transactions and postemployment benefit-related transactions.

**H. Long-Term Obligations**

Bond discounts and premiums are amortized over the life of the bonds using the straight-line method.

**I. Net Position**

The Water Fund financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- **Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of liabilities that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- **Restricted Net Position** – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Water Fund does not have any restricted net position.
- **Unrestricted Net Invested in Capital Assets or Position** – This category represents the net position of the Water Fund not restricted for any project or other purposes.

The Water Fund's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is to use restricted resources first.



**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. Use of Estimates**

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**K. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan and additions to/deductions from the Pension Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**L. Other Postemployment Benefits Other than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NOTE 2 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of June 30, 2021, are classified in the accompanying statement of net position as follows:

Cash and Cash Equivalents	\$ 14,159,051
Restricted Cash and Cash Equivalents	11,340,139
Total Cash and Cash Equivalents	<u>\$ 25,499,190</u>

Cash and cash equivalents as of June 30, 2021 consist of the following:

Equity in the City's Pooled Cash	\$ 8,118,960
Deposits with Financial Institutions	6,040,091
Money Market Mutual Funds	11,340,139
Total Cash and Cash Equivalents	<u>\$ 25,499,190</u>

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Equity in the Cash Pool of the City of Vernon**

The Water Fund has equity in the cash pool managed by the City. The Water Fund is a voluntary participant in that pool and the pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The Water Fund has not adopted an investment policy separate from that of the City. The amount of the Water Fund's cash in this pool is reported in the accompanying financial statements based upon the Water Fund's pro rata share of the amount calculated by the City. The balance available for withdrawal is based on the accounting records maintained by the City.

**The City's Investment Policy**

The City's Investment Policy sets forth the investment guidelines for all funds of the City. The Investment Policy conforms to the California Government Code Section 53600 et. seq. The authority to manage the City's investment program is derived from the City Council. Pursuant to Section 53607 of the California Government Code, the City Council annually, appoints the City Treasurer to manage the City's investment program and approves the City's investment policy. The Treasurer is authorized to delegate this authority as deemed appropriate. No person may engage in investment transactions except as provided under the terms of the Investment Policy and the procedures established by the Treasurer.

This Investment Policy requires that the investments be made with the prudent person standard, that is, when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the trustee (Treasurer and staff) will act with care, skill, prudence, and diligence under the circumstances then prevailing, including but not limited to, the general economic conditions and the anticipated needs of the City.

The Investment Policy also requires that when following the investing actions cited above, the primary objective of the trustee be to safeguard the principal, secondarily meet the liquidity needs of depositors, and then achieve a return on the funds under the trustee's control. Further, the intent of the Investment Policy is to minimize the risk of loss on the City's held investments from:

- A. Credit Risk
- B. Custodial Credit Risk
- C. Concentration of Credit Risk
- D. Interest Rate Risk

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Investments Authorized by the California Government Code and the City's Investment Policy**

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's Investment Policy. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investment of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer	Minimum Rating
U.S. Treasury Bonds	5 Years	None	None	None
State and Local Agency Bonds	5 Years	None	None	None
Securities of the U.S. Government, or its Agencies	5 Years	None	None	None
Certain Asset-Backed Securities	5 Years	20%	None	AA
Negotiable Certificates of Deposit	5 Years	30%	None	None
Bankers' Acceptances	180 Days	40%	30%	None
Commercial Paper	270 Days	25%	10%	P-1
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements	92 Days	20%	None	None
Medium-Term Notes	5 Years	30%	None	A
Mutual Funds Investing in Eligible Securities	N/A	20%	10%	AAA
Money Market Mutual Funds	N/A	20%	10%	AAA
Mortgage Pass-Through Securities	5 Years	20%	None	AA
State Administered Pool Investment	N/A	None	\$75 Million	None

\* Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's Investment Policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Securities of the U.S. Government, or its Agencies	None	None	None	None
Certain Asset-Backed Securities	None	None	None	AA
Certificates of Deposit	None	None	None	None
Bankers' Acceptances	1 Year	None	None	None
Commercial Paper	None	None	None	P-1
Money Market Mutual Funds	N/A	None	None	AAA
State Administered Pool Investment	N/A	None	\$75 Million	None
Investment Contracts	None	None	None	None

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Disclosure Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City has no specific limitations with respect to this metric. Information about the sensitivity of the fair values of the Water Fund's investments (including investments held by bond trustee) to market interest rate fluctuations is provided in the following table that shows the distribution of the Water Fund's investments by maturity:

Investment Type	Fair Value as of 6/30/2021	Investment Maturities (in Months)		
		Less than 12 Months	13 to 24 Months	25 to 60 Months
Held by Trustee:				
Money Market Mutual Funds	<u>\$ 11,340,139</u>	<u>\$ 11,340,139</u>	<u>\$ -</u>	<u>\$ -</u>

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's Investment Policy, or debt agreements, and the actual rating as of the year-end for each investment type.

Investment Type	Minimum Required Rating	Actual Credit Rating Moody's / S&P	Fair Value as of June 30, 2021
Held by Trustee:			
Money Market Mutual Funds	Aaa / AAA	Aaa / AAA	<u>\$ 11,340,139</u>

**Concentration of Credit Risk**

The City's Investment Policy places no limit on the amount the City may invest in any one issuer excluding a 10% limitation on commercial paper, mutual funds, and money market mutual funds and a 30% limitation on bankers' acceptances. The City's Investment Policy also places no limit on the amount of debt proceeds held by the bond trustee that the trustee may invest in one issuer that is governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's Investment Policy. As of June 30, 2021, there were no investments held by the Water Fund that exceeded 5% in any one issuer, excluding money market mutual funds.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. Under the California Government Code, a financial institution is required to secure deposits, in excess of the FDIC insurance amount of \$250,000, made by state or local governmental units by pledging government securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Such collateral is held by the pledging financial institution's trust department or agent in the City's name.

At June 30, 2021, all of the Water Fund's deposits were insured or collateralized as required by Section 53652 of the California Government Code.

**Fair Value Measurement**

The Water Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices for identical assets or liabilities in active markets that the government can access at the measurement date.
- Level 2 inputs are other than quoted prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The Water Fund's investments in money market mutual funds is not subject to categorization in the fair value hierarchy.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 ACCOUNTS RECEIVABLES**

The Water Fund's accounts receivable at June 30, 2021, are as follows:

Accounts Receivable	\$ 1,031,858
Less: Allowance for Uncollectible Accounts	<u>(54,334)</u>
Total Receivables, Net	<u><u>\$ 977,524</u></u>

**NOTE 4 INTRA-ENTITY TRANSACTIONS**

Transactions between the Water Fund and the other City funds commonly occur in the normal course of business for services received or furnished (accounting, management, engineering, legal services, and capital projects).

**Due to and Due From Other City Funds**

The Water Fund has a due to the City's Electric Enterprise Fund of \$593,486 for capital outlay.

**Advances to Other City Funds**

The following table summarizes the Water Fund's advances to the other City funds at June 30, 2021:

Advances to Other City Funds - July 1, 2020	\$ 4,388,988
Advance Repaid by City Funds During the Year	<u>(2,270,995)</u>
Advances to Other City Funds - June 30, 2021	<u><u>\$ 2,117,993</u></u>

The advances between the other City funds and the Water Fund does not accrue interest due to the nature of the City's operational relationship and capital projects funded by the Water Fund that benefits the both. On November 6, 2012, the City adopted Resolution No. 2012-215 extending the repayment term of the advance to the other City funds from 15 months to a period of over 10 years.

The City's General Fund allocates certain administrative and overhead costs to the Water Fund which is included as part of the cost of sales. The allocated costs for the year ended June 30, 2021, were \$598,230.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 CAPITAL ASSETS**

Capital asset activities of the Water Fund for the fiscal year ended June 30, 2021, were as follows:

	Balance June 30, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 467,640	\$ -	\$ -	\$ -	\$ 467,640
Construction in Progress	3,668,700	1,633,512	(53,057)	(613,738)	4,635,417
Total Capital Assets, Not Being Depreciated	4,136,340	1,633,512	(53,057)	(613,738)	5,103,057
Capital Assets, Being Depreciated:					
Water Utility Plant	22,025,313	1,104,609	-	635,431	23,765,353
Total Capital Assets, Being Depreciated	22,025,313	1,104,609	-	635,431	23,765,353
Less Accumulated Depreciation for:					
Water Utility Plant	(15,312,877)	(389,185)	-	(21,693)	(15,723,755)
Total Accumulated Depreciation	(15,312,877)	(389,185)	-	(21,693)	(15,723,755)
Total Capital Assets, Being Depreciated, Net					
Water Utility Plant	6,712,436	715,424	-	613,738	8,041,598
Total	6,712,436	715,424	-	613,738	8,041,598
Total Capital Assets, Net	<u>\$ 10,848,776</u>	<u>\$ 2,348,936</u>	<u>\$ (53,057)</u>	<u>\$ -</u>	<u>\$ 13,144,655</u>

The Water Fund's total depreciation expense for the year was \$389,185. Transfers include vehicles that were contributed to the Water Fund from the City's Fire Department.

**NOTE 6 LONG-TERM OBLIGATIONS**

As of June 30, 2021, outstanding debt obligations consisted of the following:

**\$14,840,000 Water System Revenue Bonds (2020 Series A)**

At June 30, 2021, \$14,840,000 remained outstanding. The bonds are special obligation bonds which are secured by an irrevocable pledge of water revenues payable to bondholders. The debt service remaining on the bonds is \$25,868,013, payable through fiscal 2051. For the current year, debt service and net water revenues were \$437,232 and \$2,328,135, respectively. Under the Indenture of Trust dated May 6, 2020, interest and principal on the bonds are payable from Net Revenues (or Revenues less Operation and Maintenance Expenses) and/or amounts in the Water Enterprise (as those terms are defined in the Indenture of Trust). The City of Vernon Water System Revenue Bonds, 2020 Series A were issued to provide funds to (i) finance the acquisition and construction of certain capital improvements to the Water System of the City, (ii) purchase a municipal bond debt service reserve insurance policy for deposit in the Reserve Fund in satisfaction of the Reserve Requirement, and (iii) to pay costs of issuance of the 2020 Bonds.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

A summary of the bonds payable under the Water Fund is as follows:

Bonds	Maturity	Fixed Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding June 30, 2021
City of Vernon Water System Revenue Bonds, 2020 Taxable Series A	08/01/50	5.00%	To begin 08/01/21: \$240,000 - \$3,785,000	\$ 14,840,000	\$ 14,840,000
Premium					554,913
Total Revenue Bonds					<u>\$ 15,394,913</u>

**Note Payable – Direct Borrowing**

In May 2019, the City entered into an agreement with Water Replenishment District of Southern California (WRD) for assistance with the construction of a new groundwater well or rehabilitation of an existing groundwater well. The promissory note is unsecured and has no interest basis for an amount not to exceed \$1,500,000. As of June 30, 2021, WRD has disbursed all of the funds under the agreement to the City. The note is payable in quarterly principal payments commencing September 1, 2020, in an amount which, together with all quarterly payments, will be sufficient to fully amortize the principal balance of the note by the maturity date of April 1, 2031.

Upon an event of default, WRD may declare any or all of the outstanding and unpaid principal balance immediately due and payable, without presentment, demand, protest, notice of protest, notice of acceleration or of intention to accelerate or any other notice, declaration or act of any kind, all of which are hereby expressly waived by the City.

**Debt Service Requirements**

As of June 30, 2021, annual debt service requirements of the Water Fund to maturity are as follows:

<u>Fiscal Year Ending June 30,</u>	Water System Revenue Bonds 2020 Taxable Series A	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 240,000	\$ 587,975
2023	250,000	575,725
2024	265,000	562,850
2025	275,000	549,350
2026	-	542,475
2027-2031	1,985,000	2,662,750
2032-2036	2,180,000	2,161,625
2037-2041	2,680,000	1,625,900
2042-2046	3,180,000	1,163,225
2047-2051	3,785,000	596,138
Total Requirements	<u>\$ 14,840,000</u>	<u>\$ 11,028,013</u>



**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)**

**Debt Service Requirements (Continued)**

<u>Fiscal Year Ending June 30,</u>	<u>Note Payable - Direct Borrowing</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 139,535	\$ -
2023	139,535	-
2024	139,535	-
2025	139,535	-
2026	139,535	-
2027-2031	662,791	-
Total Requirements	<u>\$ 1,360,465</u>	<u>\$ -</u>

**Changes in Long-Term Liabilities**

The following is a summary of long-term liabilities transactions for the fiscal year ended June 30, 2021:

	<u>Balance</u>			<u>Amounts</u>	
	<u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Due Within</u>
				<u>June 30, 2021</u>	<u>One Year</u>
Other Debt - Bonds Payable	\$ 14,840,000	\$ -	\$ -	\$ 14,840,000	\$ 240,000
Bond Premium	573,993	-	(19,080)	554,913	-
Note Payable - Direct Borrowing	738,720	761,280	(139,535)	1,360,465	139,535
Compensated Absences	193,879	27,070	(117,758)	103,191	34,397
Total	<u>\$ 16,346,592</u>	<u>\$ 788,350</u>	<u>\$ (276,373)</u>	<u>\$ 16,858,569</u>	<u>\$ 413,932</u>

**Credit Ratings**

As of June 30, 2021, the ratings on all Water System Revenue Bonds is AA by S&P and not rated by Moody's.

**NOTE 7 RISK MANAGEMENT**

The Water Fund is in the City's self-insurance program as part of its policy to self-insure certain levels of risk within separate lines of coverage to maximize cost savings.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees, and natural disasters. The City utilizes insurance policy(s) to transfer these risks. Each policy has either self-insured retention or deductible, which are parts of the City's Risk Financing Program. These expenses are paid on a cash basis as they are incurred. There have been no significant settlements or reductions in insurance coverage during the past three fiscal years.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 7 RISK MANAGEMENT (CONTINUED)**

Starting in Fiscal 2010, the City chose to establish Risk Financing in the General Fund, whereby assets are set aside for claim-litigation settlements associated with the abovementioned risks up to their self-insured retentions or policy deductibles. Athens Administrators Inc. is the Third-Party Administrator for the City's workers' compensation program, and they provide basic services for general liability claims and litigation.

The insurance limits for the fiscal year 2021 are as follows:

Insurance Type	Program Limits	Deductible/SIR (Self-Insured Retention)
Excess Liability Insurance	\$20,000,000	\$2,000,000 SIR per occurrence
D and O Employment Practice	\$2,000,000	\$150,000 SIR non-safety; \$150,000 SIR safety
Excess Workers Compensation	\$50,000,000	\$1,500,000 SIR per occurrence for presumptive loss
Employer's Liability	\$1,000,000	\$1,000,000 SIR per occurrence for all employees
Commercial Property Insurance	\$100,000,000 \$25,000,000 Flood Sublimit	\$25,000 except: \$250,000 power stations \$1.5/kVA transfers, subject to a \$250,000 minimum \$500,000 named transformers
Employee Dishonest - Crime	\$1,000,000	\$25,000
Pollution - Site Owned	\$5,000,000	\$25,000 for non-utility locations, divested locations and scheduled storage tanks \$50,000 for utility locations \$100,000 for natural gas pipeline
Cyber Liability	\$3,000,000	\$100,000
Contractors Equipment/Auto Physical Damage	\$10,000,000 Maximum Loss Per Occurrence \$1,000,000 Equipment Limit-loss or damage to any one piece	\$5,000
Residential Property Insurance	\$8,023,126 Blanket Building Limit \$89,013 Blanket Business Personal Property Limit	\$2,500
Terrorism and Sabotage	\$100,000,000 Policy Aggregate \$5,000,000 Active Shooter and Malicious Attack Per Occurrence/Aggregate \$5,000,000 Terrorism and Sabotage Liability Per Occurrence/Aggregate	N/A

The City has numerous claims and pending litigations, which generally involve accidents and/or liability or damage to City property. The balance of claims/litigations against the City is in the opinion of management, ordinary routine matters, incidental to the normal business conducted by the City. In the opinion of management, such proceedings are substantially covered by insurance, and the ultimate dispositions of such proceedings are not expected to have a material adverse effect on the Water Fund's financial position, results of operations or cash flows. Further information regarding the City's self-insurance program may be found in the City's Annual Financial Report.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN**

**A. General Information About the Pension Plans**

Plan Descriptions

All full-time safety (police and fire personnel) and miscellaneous personnel and temporary or part-time employees who have worked a minimum of 1,000 hours in a fiscal year are eligible to participate in the City's cost-sharing and agent multiple-employer defined benefit pension Safety and Miscellaneous Plans, respectively, administered by the California Public Employees' Retirement System (CalPERS) that acts as a common investment and administrative agent for participating public entities within the state of California. The City allocates the costs of these Plans across all City departments. The Water Fund's proportionate share of the net pension liability of these Plans is reported as a cost-sharing plan in the financial statements. Benefits vest after five years of service. Employees who retire at the minimum retirement age with five years of credited service are entitled to retirement benefits. Monthly retirement benefits are based on a percentage of an employee's average compensation for his or her highest consecutive 12 or 36 months of compensation for each year of credited service.

Benefits Provided

Miscellaneous members hired prior to January 1, 2013, with five years of credited service may retire at age 55 based on a benefit factor derived from the 2.7% at 55 Miscellaneous formula or may retire between ages 50 and 54 with reduced retirement benefits. New Miscellaneous members (PEPRA) with five years of credited service may retire at age 62 based on a benefit factor derived from the 2% at 62 Miscellaneous formula or may retire between age 52 and 61 with reduced retirement benefits. The benefit factor increases to a maximum of 2.5% at age 67. Safety members with five years of credited service may retire at age 50 based on a benefit factor derived from the 3% at 50 Safety formula for sworn Police and Fire Department employees. New Safety members (PEPRA) with five years of credited service may retire at age 57 based on a benefit factor derived from the 2.7% at 57 Safety (PEPRA) formula or may retire between age 50 and 56 with reduced retirement benefits for new Safety (PEPRA) members of both Police and Fire Departments. CalPERS also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute provided through a contract between the City and CalPERS.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN (CONTINUED)**

**A. General Information About the Pension Plans (Continued)**

Benefits Provided (Continued)

The Plans' provisions and benefits in effect as of the measurement date of June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	2.7%@55	2%@62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	52
Monthly Benefits, as a % of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8.000%	6.250%
Required Employer Contribution Rates:		
Normal Cost Rate	11.758%	11.758%
Payment of Unfunded Liability	\$ 3,185,676	\$ -

	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date		
Benefit Formula	3.0%@50	2.7%@57
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50	50
Monthly Benefits, as a % of Eligible Compensation	3.000%	2.0% to 2.7%
Required Employee Contribution Rates	9.000%	12.750%
Required Employer Contribution Rates:		
Normal Cost Rate	23.164%	23.164%
Payment of Unfunded Liability	\$ 5,885,793	\$ -

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute to the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2021, the Water Fund's share of employer contributions made to the Plans was \$432,119.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

Actuarial Assumptions

The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.625%	2.625%
Payroll Growth	2.875%	2.875%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post-Retirement Benefit Increase	(3)	(3)

- (1) Varies by entry age and service.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.
- (3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Long-Term Expected Rate of Return (Continued)

In determining the long term expected rate of return, CalPERS took into account both short term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00%	2.62%
Inflation Assets	0.00	0.77%	1.81%
Private Equity	8.00	6.30%	7.23%
Real Assets	13.00	3.75%	4.93%
Liquidity	1.00	0.00%	-0.92%
Total	<u>100.00%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Proportionate Share of Net Pension Liability – Allocation of the City’s Pension Plans to the Water Fund

The Water Fund’s net pension liability for the Plans is measured as the proportionate share of the combined net pension liability of the City’s miscellaneous and safety agent multiple-employer plans. The Water Fund’s proportionate share of the combined net pension liability was based on the Water Fund’s current year share of contributions to the pension plans relative to the City’s total current year contributions to the pension plans.

The Water Fund’s proportionate share of the combined net pension liability for the pension plans as of the measurement date ended June 30, 2019 and 2020 were as follows:

	Increase (Decrease)			Proportionate Share
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)	
Balance at June 30, 2019 (MD)	\$ 14,700,445	\$ 10,736,106	\$ 3,964,339	3.28%
Balance at June 30, 2020 (MD)	17,762,255	13,094,244	4,668,011	3.45%
Net Changes during 2019-20	<u>\$ 3,061,810</u>	<u>\$ 2,358,138</u>	<u>\$ 703,672</u>	<u>0.17%</u>

Pension Expense and Deferred Outflows and Inflows of Resources

For the measurement period ended June 30, 2020, the Water Fund recognized its proportionate share of the combined pension expense of the Plans, totaling \$313,150. At June 30, 2021, the Water Fund reported its proportionate share of the Plans’ deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 435,752	\$ -
Differences Between Actual and Expected Experience	329,268	-
Change in Assumptions	-	(11,914)
Net Differences Between Projected and Actual Earnings on Plan Investments	122,571	-
Differences Between Employer Contributions And Proportionate Share of Contributions	-	(62,186)
Change in Employer's Proportion	107,910	(40,373)
Total	<u>\$ 995,501</u>	<u>\$ (114,473)</u>

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Pension Expense and Deferred Outflows and Inflows of Resources (Continued)

\$435,752 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Total</u>
2022	\$ 123,611
2023	156,878
2024	108,602
2025	55,095
2026	1,090
Thereafter	-

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the Water Fund's proportionate share of the Plans' combined net pension liability, calculated using a discount rate of 7.15%, as well as what the Water Fund's proportionate share of the Plans' combined net pension liability would be if it were calculated using a discount rate that is a 1-percentage point lower or a 1-percentage point higher than the current rate:

	<u>Total</u>
1% Decrease	6.15%
Net Pension Liability	\$ 7,126,338
Current Discount Rate	7.15%
Net Pension Liability	\$ 4,668,011
1% Increase	8.15%
Net Pension Liability	\$ 2,652,801

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.



**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Subsequent Events

There were no subsequent events that would materially affect the results of this disclosure.

Payable to the Pension Plan

At June 30, 2021, the Water Fund had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2021.

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The other postemployment benefits (OPEB) described in the following paragraphs relate to the City's OPEB plan. The Water Fund's share of the net pension liability of the City's OPEB Plan is reported as a cost-sharing plan in these financial statements since the Water Fund's operations are handled by City employees who are eligible to participate in the City's OPEB Plan.

**Benefits Provided**

Retiree medical and dental benefits are established through the City's Fringe Benefits and Salary Resolution as well as individual memoranda of understanding between the City and the City's various employee bargaining groups. Generally, the City will provide postemployment benefit plan for the employee only to those who retire at age sixty (60) or later with twenty (20) years of continuous uninterrupted service, up to the age of sixty-five (65). Alternatively, employees who retire before the age of sixty (60) with twenty (20) years of continuous uninterrupted service, will be permitted to pay their medical and dental premium cost and upon reaching the age of sixty (60), the City will pay the premium for the medical and dental plans until they reach the age of sixty-five (65).

Resolution 2012-217 granted specific retiree medical benefits to employees who retired during the 2012 2013 fiscal year in order to provide an incentive for early retirement whereby the City authorized the payment of medical and dental insurance premiums for eligible retiring employees and their eligible dependents with at least ten (10) years of service plus 5% for each additional full year of service above the ten (10) years of service.

Resolution 2013-06 declared that the retiree medical benefits which had not been a vested right for employees will continue to be a nonvested right for employees who continue to be employed by the City on or after July 1, 2013, but will be a vested right for those who retire during the 2012-2013 fiscal year. The City's plan is considered a substantive OPEB plan and the City recognizes costs in accordance with GASB Statement No 75. The City may terminate its unvested OPEB in the future.

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Funding Policy and Contributions**

The City has established an irrevocable OPEB trust with assets dedicated to paying future retiree medical benefits. The City intends to contribute 100% or more of the actuarially determined contribution for the explicit subsidy liability only. The portion of the liability due to the implicit subsidy is not prefunded but is paid as benefits come due. For the measurement date period June 30, 2020, the Water Fund's proportionate share of contributions made was \$108,041 (\$66,646 contributed to the OPEB trust, \$29,434 paid for retiree premiums, and the estimated implied subsidy of \$11,961).

**Net OPEB Liability**

The City's net OPEB liability is measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown on the next page.

**Actuarial Assumptions**

The valuation has been prepared on a closed group basis. Assumptions such as age-related healthcare claims, healthcare trends, retiree participation rates, and spouse coverage, were selected based on demonstrated plan experience and the best estimate of expected future experience.

Explicit subsidy benefit payments by employee group were allocated based on expected benefit payments. The following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified:

Funding Method:	Entry age normal level percent of pay cost method
Inflation:	2.25%
Salary Increases:	2.75% annual increases
Long-Term Return on Assets:	6.25% net of investment expenses
Discount Rate:	6.25%
Healthcare Cost Trend Rates:	6.7% for FY2021, gradually decreasing over several decades to ultimate rate of 3.8% in FY76 and later years
Mortality:	2017 CalPERS Experience Study. Tables include 15 years of static mortality improvement using 90% of scale MP-2016

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
CERBT Strategy 1:		
Equity	59.00%	4.90%
Fixed Income	25.00	1.40%
TIPS	5.00	0.57%
Commodities	3.00	1.88%
REITs	8.00	4.43%
Total	100.00%	

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Change of Assumptions**

Medical trend rates were updated to exclude the Affordable Care Act's Excise Tax on high-cost health insurance plan due to its repeal.

**Allocation of the Net OPEB Liability**

The Water Fund's proportionate share of the net OPEB liability as of the measurement dates ended June 30, 2019 and 2020 was as follows:

	Increase (Decrease)			Proportionate Share
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)	
Balance at June 30, 2019 (MD)	\$ 859,322	\$ 140,061	\$ 719,261	3.28%
Balance at June 30, 2020 (MD)	938,946	241,617	697,329	3.45%
Net Changes during FY 2019-20	\$ 79,624	\$ 101,556	\$ (21,932)	0.17%

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the Water Fund's proportionate share of the net OPEB liability if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate		
	1% Decrease (5.50%)	Current Rate (6.50%)	1% Increase (6.50%)
Net OPEB Liability	\$ 809,668	\$ 697,329	\$ 603,690

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the Water Fund's proportionate share of the net OPEB liability if it were calculated using a healthcare cost trend rates that are 1% point lower (5.7% decreasing to an ultimate rate of 2.8%) or 1% point higher (7.7% decreasing to an ultimate rate of 4.8%) than the current rate:

	Healthcare Trend Rate		
	1% Decrease	Current Rate	1% Increase
Net OPEB Liability	\$ 660,185	\$ 697,329	\$ 735,189

**OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB**

For the year ended June 30, 2021, the Water Fund recognized its proportionate share of the OPEB expense(revenue) of \$(27,961). At June 30, 2021, the Water Fund reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Between Measurement Date and Reporting Date	\$ 108,041	\$ -
Difference Between Expected and Actual Liability	5,950	(133,914)
Changes of Assumptions	16,733	(170,135)
Net Differences Between Projected and Actual Earnings on Investments	7,546	-
Total	\$ 138,270	\$ (304,049)

**CITY OF VERNON  
WATER FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB  
(Continued)**

The \$108,041 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ (66,594)
2023	(66,594)
2024	(66,623)
2025	(66,730)
2026	(7,715)
Thereafter	436

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Payable to the OPEB Plan**

At June 30, 2021, the Water Fund had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2021.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF VERNON  
WATER FUND  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
CITY'S MISCELLANEOUS AND SAFETY COST SHARING PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Plan's Proportion of the Net Pension Liability	3.45%	3.28%	3.11%	3.74%	3.80%
Plan's Proportionate Share of the Net Pension Liability	\$ 4,668,011	\$ 3,964,339	\$ 3,533,209	\$ 4,100,788	\$ 3,619,851
Plan's Covered Payroll	891,592	925,620	1,100,727	1,038,438	499,838
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	523.56%	428.29%	320.99%	394.90%	724.20%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.79%	76.15%	77.68%	77.85%	78.91%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

The inflation rate was increased from 2.5% to 2.625%

The payroll growth rate was reduced from 3.00% to 2.875%.

\* Fiscal year 2017 was the first year the City allocated a portion of the net pension liability to the Water Fund, therefore only five years are shown.

**CITY OF VERNON  
WATER FUND  
SCHEDULE OF PLAN CONTRIBUTIONS  
CITY'S MISCELLANEOUS AND SAFETY COST SHARING PLAN  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Actuarially Determined Contributions	\$ 435,752	\$ 404,765	\$ 339,930	\$ 354,831	\$ 346,113
Contributions in relation to the Actuarially Determined Contributions	<u>(435,752)</u>	<u>(404,765)</u>	<u>(339,930)</u>	<u>(354,831)</u>	<u>(346,113)</u>
Contribution : Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 792,625	\$ 891,592	\$ 925,620	\$ 1,100,727	\$ 1,038,438
Contributions as a Percentage of Covered Payroll	54.98%	45.40%	36.72%	32.24%	33.33%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.625%	2.625%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.25% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)
Mortality	(4)	(4)	(4)	(4)	(4)

- (1) Level percentage of payroll, closed.
- (2) Depending on age, service, and type of employment.
- (3) Net of pension plan investment expense, including inflation.
- (4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* Fiscal year 2017 was the first year the City allocated a portion of the net pension liability to the Water Fund, therefore only five years are shown.



**CITY OF VERNON  
WATER FUND  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Plan's Proportion of the Net OPEB Liability	3.45%	3.28%	3.11%	4.08%
Plan's Proportionate Share of the Net OPEB Liability	\$ 697,329	\$ 719,261	\$ 719,107	\$ 1,482,614
Plan's Covered-Employee Payroll	1,048,734	1,095,236	1,368,166	1,368,760
Plan's Proportionate Share of the Net OPEB Liability as a Percentage of Covered-Employee Payroll	66.49%	65.67%	52.56%	108.32%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	25.70%	16.30%	8.62%	2.83%

Notes to Schedule:

Changes in Assumptions:

The discount rate was changed from 2.85% to 3.58% for the measurement period ended June 30, 2017. The discount rate for the measurement periods ended June 30, 2018 and 2019 was 6.50%. The discount rate for the measurement period ended June 30, 2020 was reduced to 6.25%.

The mortality, retirement, disability, and termination rates for the measurement periods ended June 30, 2017 and 2018 were based on the CalPERS 1997-2011 Experience Study and CalPERS 1997-2015 Experience Study, respectively.

The mortality improvement rates for the measurement periods ended June 30, 2017 and 2018 were based on the Scale MP-2016 and Scale-2018, respectively.

In the June 30, 2018 measurement period, the pre-65 waived retiree re-election was updated to be 10% after age 65.

\* Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

**CITY OF VERNON  
WATER FUND  
SCHEDULE OF OPEB CONTRIBUTIONS  
LAST TEN FISCAL YEARS \***

Fiscal Year Ended	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially Determined Contribution	\$ 66,646	\$ 63,389	\$ 83,829	\$ 109,990
Contributions in relation to the Actuarially Determined Contribution	<u>(108,041)</u>	<u>(128,484)</u>	<u>(93,060)</u>	<u>(84,361)</u>
Contribution: Deficiency (Excess)	<u>\$ (41,395)</u>	<u>\$ (65,095)</u>	<u>\$ (9,231)</u>	<u>\$ 25,629</u>
Covered Payroll	\$ 1,093,781	\$ 1,048,734	\$ 1,095,236	\$ 1,368,166
Contributions as a Percentage of Covered-Employee Payroll	9.88%	12.25%	8.50%	6.17%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2018	6/30/2016	6/30/2016
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Amortization Period	28 years	27 Years	27 Years	29 Years
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Inflation	2.25%	2.50%	2.50%	2.75%
Healthcare Trend Rates	(6)	(3)	(3)	(2)
Investment Rate of Return	6.25%	6.50%	7.00%	7.00%
Mortality	(5)	(5)	(5)	(4)

- (1) Level percentage of payroll, closed.
- (2) 8.50% trending down to 5.00%.
- (3) 6.90% trending down to 4.00%.
- (4) CalPERS December 2014 experience study.
- (5) CalPERS December 2017 experience study.
- (6) 6.70% trending down to 3.80%.

\* Fiscal year 2018 was the first year of implementation, therefore four years year are shown.

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# City Council Agenda Item Report

Submitted by: Lisa Pope  
Submitting Department: City Clerk  
Meeting Date: March 15, 2022

## **SUBJECT**

Approval of Minutes

## **Recommendation:**

Approve the March 1, 2022 Regular City Council meeting minutes.

## **Background:**

Staff has prepared and hereby submits the minutes for approval.

## **Fiscal Impact:**

There is no fiscal impact associated with this report.

## **Attachments:**

1. [20220301 City Council Minutes](#)

**MINUTES  
VERNON CITY COUNCIL  
REGULAR MEETING  
TUESDAY, MARCH 1, 2022  
COUNCIL CHAMBER, 4305 SANTA FE AVENUE**

**CALL TO ORDER**

Mayor Ybarra called the meeting to order at 9:00 a.m.

**FLAG SALUTE**

Mayor Ybarra led the Flag Salute.

**ROLL CALL**

**PRESENT:**

Melissa Ybarra, Mayor  
William Davis, Mayor Pro Tem  
Leticia Lopez, Council Member  
Crystal Larios, Council Member  
Judith Merlo, Council Member

**STAFF PRESENT:**

Carlos Fandino, City Administrator  
Zaynah Moussa, Interim City Attorney  
Lisa Pope, City Clerk  
Scott Williams, Finance Director  
Fredrick Agyin, Health and Environmental Control Director  
Michael Earl, Human Resources Director  
Robert Sousa, Police Chief  
Abraham Alemu, Public Utilities General Manager  
Dan Wall, Public Works Director

**APPROVAL OF THE AGENDA**

**MOTION**

Council Member Lopez moved and Council Member Merlo seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

**PUBLIC COMMENT**

None.

## CONSENT CALENDAR

### MOTION

Council Member Lopez moved and Council Member Larios seconded a motion to approve the Consent Calendar. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following items:

1. **Approval of Minutes**  
Recommendation: Approve the February 15, 2022 Regular City Council meeting minutes.
2. **Operating Account Warrant Register**  
Recommendation: Approve Operating Account Warrant Register No. 82, for the period of January 30 through February 12, 2022, totaling \$2,966,642 and consisting of ratification of electronic payments totaling \$2,713,771.11 and ratification of the issuance of early checks totaling \$252,870.89.
3. **Public Works Department Monthly Report**  
Recommendation: Receive and file the January 2022 Building Report.
4. **Labor and Materials Contract with West Coast Arborists, Inc. for Urban Forest Management (Contract CS-1435)**  
Recommendation: A. Find that the proposed action is exempt from California Environmental Quality Act (CEQA) review, in accordance with CEQA Guidelines § 15304, because the project consists of only minor alterations in vegetation that does not involve removal of healthy, mature, scenic trees; and B. Approve and authorize the City Administrator to execute a three (3) year contract with West Coast Arborists, Inc., in substantially the same form as submitted, for Urban Forest Management Services in an amount not-to-exceed \$325,000, with an effective date of April 1, 2022.
5. **Services Agreement with CleanStreet, LLC for Street Sweeping Services (Contract No. CS-1434)**  
Recommendation: A. Find that the proposed action is categorically exempt from California Environmental Quality Act (CEQA) review, in accordance with CEQA Guidelines § 15301, because the project consists of the maintenance of existing streets and involves no expansion of an existing use; and B. Approve and authorize the City Administrator to execute a Services Agreement with CleanStreet, LLC, in substantially the same form as submitted, for a three (3) year term in an amount not-to-exceed \$1,001,242.44, with an effective date of April 1, 2022.
6. **Acceptance of Electrical Easement at 3333 Downey Road (APN 6303-001-001)**  
Recommendation: Accept the Electrical Easement and authorize the Mayor to execute the Certificate of Acceptance.
7. **Gas Enterprise Cost-of-Service Study and Rate Design**  
Recommendation: Receive and file the report.

**8. Construction Contract with Cedro Construction, Inc. (Cedro) for Well No. 22 Equipment and Site Improvements**

Recommendation: A. Find that the proposed action is categorically exempt from California Environmental Quality Act (CEQA) review, in accordance with CEQA Guidelines § 15301, because the project consists of the maintenance, repair or minor alteration of existing facilities and involves negligible or no expansion of an existing use; in addition, the extensions of sewer, water, and storm drain mains are exempt in accordance with CEQA Guidelines § 15303, because the project consists of minor extensions of utility services; B. Accept the bid from Cedro as the lowest responsive and responsible bidder and reject all other bids; C. Approve and authorize the City Administrator to execute a Construction Contract with Cedro, in substantially the same form as submitted, in an amount not to exceed \$2,507,772, for Well No. 22 equipment and site improvements; and D. Authorize a contingency amount of \$501,000 in the event of unforeseen changes in the project, and grant authority to the City Administrator to issue Change Orders for an amount up to the contingency amount, if necessary.

**9. Ground Lease Re-Assignment and Sublease at 2970 E. 50th Street and Related Ground Lessor Estoppel and Consent**

Recommendation: Adopt Resolution No. 2022-03 approving the ground lease re-assignment and sublease at 2970 E. 50th Street and authorizing the execution of related Ground Lessor Estoppel and Consent.

**NEW BUSINESS**

**10. 2022 Pension Obligation Bonds**

Recommendation: Adopt Resolution No. 2022-04 authorizing the issuance of bonds to refund and prepay certain pension obligations of the City; approving the form and authorizing execution of a trust agreement and bond purchase agreement; authorizing judicial validation proceedings relating to the issuance of such bonds; and approving additional actions related thereto.

Finance Director Williams presented the staff report.

**MOTION**

Mayor Pro Tem Davis moved and Council Member Lopez seconded a motion to adopt Resolution No. 2022-04 authorizing the issuance of bonds to refund and prepay certain pension obligations of the City; approving the form and authorizing execution of a trust agreement and bond purchase agreement; authorizing judicial validation proceedings relating to the issuance of such bonds; and approving additional actions related thereto. The question was called and the motion carried unanimously.

## **ORAL REPORTS**

### **City Administrator Reports on Activities and other Announcements.**

City Administrator Fandino thanked Los Angeles County Fire for hosting the fundraiser for fallen Fire Fighter Flagler; discussed COVID-19 masking requirements; and announced upcoming events including the New Business Welcome on March 9, 2022, and Vernon Job Fair on March 11, 2022.

### **City Council Reports on Activities (including AB 1234), Announcements, or Directives to Staff.**

None.

## **RECESS**

Mayor Ybarra recessed the meeting to Closed Session at 9:11 a.m.

## **CLOSED SESSION**

### **11. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (2)** Government Code Section 54956.9(d)(1)

Jerry Chavez v. City of Vernon  
Los Angeles Superior Court Case No. 21STCP0413

Jerry Chavez v. City of Vernon  
Los Angeles Superior Court Case No. BC719460

## **RECONVENE**

At 9:17 a.m., Mayor Ybarra adjourned Closed Session and reconvened the regular meeting.

## **CLOSED SESSION REPORT**

Interim City Attorney Moussa reported that the Council met in Closed Session, discussed the items on the agenda, and took no reportable action.

## **ADJOURNMENT**

Mayor Ybarra adjourned the meeting at 9:18 a.m.

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MELISSA YBARRA, Mayor

ATTEST:

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LISA POPE, City Clerk  
(seal)



## City Council Agenda Item Report

Submitted by: Efren Peregrina  
Submitting Department: Finance/Treasury  
Meeting Date: March 15, 2022

### **SUBJECT**

Operating Account Warrant Register

### **Recommendation:**

Approve Operating Account Warrant Register No. 83, for the period of February 13 through February 26, 2022, totaling \$10,359,152.54 and consisting of ratification of electronic payments totaling \$10,098,309.85 and ratification of the issuance of early checks totaling \$260,842.69.

### **Background:**

Section 2.32.060 of the Vernon Municipal Code indicates the City Treasurer, or an authorized designee, shall prepare warrants covering claims or demands against the City which are to be presented to City Council for its audit and approval. Pursuant to the aforementioned code section, the City Treasurer has prepared Operating Account Warrant Register No. 83 covering claims and demands presented during the period of February 13 through February 26, 2022, drawn, or to be drawn, from East West Bank for City Council approval.

### **Fiscal Impact:**

The fiscal impact of approving Operating Account Warrant Register No. 83, totals \$10,359,152.54. The Finance Department has determined that sufficient funds to pay such claims/demands, are available in the respective accounts referenced on Operating Account Warrant Register No. 83.

### **Attachments:**

1. [Operating Account Warrant Register No. 83](#)



**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 83  
MARCH 15, 2022**

I hereby certify that claims and/or demands included in above listed warrant register have been audited for accuracy and availability of funds for payments and that said claims and/or demands are accurate and that the funds are available for payments thereof.

*Scott Williams*

Scott Williams  
Director of Finance / City Treasurer

Date: 3/9/2022

This is to certify that the claims or demands covered by the above listed warrants have been audited by the City Council of the City of Vernon and that all of said warrants are approved for payments except Warrant Numbers:

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**CITY OF VERNON  
OPERATING ACCOUNT  
WARRANT REGISTER NO. 83  
MARCH 15, 2022**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
004303 - ATHENS INSURANCE SERVICES, INC	011.1026.594200	\$ 6,303.75	TPA Fees 02/22	IVC27147		02/15/2022	12481	\$ 6,303.75
005506 - BEST BEST & KRIEGER, LLP	011.1024.593200	\$ 433.50	Re: 5122 S. Atlantic Boulevard	926550				
	011.1024.593200	\$ 97.50	Re: Whitworth, Keith Vernon	926551		02/15/2022	12482	\$ 531.00
000947 - DAILY JOURNAL CORPORATION	011.1003.550000	\$ 90.00	Publication Services	B3553097				
	011.1003.550000	\$ 75.00	Publication Services	B3553099				
	011.1003.550000	\$ 75.00	Publication Services	B3553101		02/15/2022	12483	\$ 240.00
006687 - NDS	011.1004.520000	\$ 5,000.00	Postage Replenishment	2085		02/15/2022	12484	\$ 5,000.00
005614 - NORTHWEST ELECTRICAL SERVICES,	020.1084.590000	\$ 69,697.50	Technical Design Services	1811		02/15/2022	12485	\$ 69,697.50
001649 - PIC ENVIRONMENTAL SERVICES	011.1060.595200	\$ 12,295.00	Geologic Consulting Services	15971		02/15/2022	12486	\$ 12,295.00

**CITY OF VERNON  
OPERATING ACCOUNT  
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MARCH 15, 2022**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
000249 - FEDEX	020.1084.520000	\$ 50.57	Period: 12/21	759288226				
	055.9000.520000	\$ 103.26	Period: 12/21	760865004				
	011.1024.510000	\$ 67.92	Period: 12/21	760865004				
	055.7100.520000	\$ 110.46	Period: 12/21	760865004				
	011.1004.520000	\$ 3.03	Period: 01/22	762887575				
	011.1026.520000	\$ 102.25	Period: 01/22	762887575				
	011.1004.520000	\$ 16.90	Period: 01/22	764415320				
	011.1003.520000	\$ 94.71	Period: 01/22	764415320				
	011.1003.520000	\$ 67.16	Period: 02/22	765766779				
						02/17/2022	12487	\$ 616.26
001552 - HOME DEPOT CREDIT SERVICES	011.1043.520000	\$ 46.53	Small Tools & Plumbing Hardware~	021722_MULTIPLE	011.0014991			
	011.1048.520000	\$ 1,904.95	Small Tools & Plumbing Hardware~	021722_MULTIPLE	011.0014991			
	011.1049.520000	\$ 88.18	Small Tools & Plumbing Hardware~	021722_MULTIPLE	011.0014991			
						02/17/2022	12488	\$ 2,039.66
000059 - SO CAL EDISON	011.1049.560000	\$ 94.49	Period: 12/15/21 - 01/13/22	011422				
	011.1043.560000	\$ 478.57	Period: 01/22	020222				
	011.1049.560000	\$ 98.94	Period: 10/14/21 - 11/14/21	111521				
						02/16/2022	12489	\$ 672.00
006722 - AVENU MUNISERVICES, LLC	011.1004.596200	\$ 222.99	SUTA Services~	INV06013123				
	011.1004.596200	\$ 359.07	SUTA Services~	INV06013124				
						02/17/2022	12490	\$ 582.06

**CITY OF VERNON  
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**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
005108 - JEMMOTT ROLLINS GROUP, INC	011.1021.797000	\$ 8,100.00	Professional Services~	JAN22(2)		02/17/2022	12491	\$ 8,100.00
007018 - LEGENDARY FIRE SYSTEMS, INC	055.8200.596200	\$ 3,300.00	Semi Annual Test & Inspection of Fire	1440		02/17/2022	12492	\$ 3,300.00
002515 - POWEREX CORP	055.9200.596200	\$ 125,000.00	Energy Purchase 01/22	51167760		02/17/2022	12493	\$ 125,000.00
002517 - SO CAL PUBLIC POWER AUTHORITY	055.9200.500154	\$ 267,706.09	Astoria 2 Solar Project	ATSP0222		02/17/2022	12494	\$ 267,706.09
002517 - SO CAL PUBLIC POWER AUTHORITY	055.9200.500154	\$ 188,847.92	Antelope DSR 1 Solar Project	DSR10222		02/17/2022	12495	\$ 188,847.92
006666 - WATTS REGULATOR COMPANY	011.1060.595200	\$ 386.45	Syncta Backflow Test Mgmt Application	15238270		02/17/2022	12496	\$ 386.45

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<b>VENDOR NAME AND NUMBER</b>	<b>ACCOUNT NUMBER</b>	<b>INVOICE AMOUNT</b>	<b>DESCRIPTION</b>	<b>INVOICE</b>	<b>P.O.#</b>	<b>PAYMENT DATE</b>	<b>PAYMENT NUMBER</b>	<b>PAYMENT AMOUNT</b>
003049 - PETRELLI ELECTRIC, INC	055.9100.900000	\$ 363,866.21	Electric Service Maintenance 01/22	220036				
	057.1057.900000	\$ 32,711.14	Electric Service Maintenance 01/22	220036				
	055.8300.590000	\$ 540,078.80	Electric Service Maintenance 01/22	220036				
	055.8000.590000	\$ 39,707.13	Electric Service Maintenance 01/22	220036				
	057.1057.590000	\$ 18,424.07	Electric Service Maintenance 01/22	220036				
	055.9100.900000	\$ 654,682.61	Bond Projects	220036				
						02/17/2022	12497	\$ 1,649,469.96

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002412 - CALIFORNIA ISO	055.9200.500150	\$ -12,271.41	Recalculation Charges 10/21	202202153253433				
				405				
	055.9200.500190	\$ -173.01	Recalculation Charges 10/21	202202153253433				
				405				
	055.9200.500170	\$ 4,196.92	Recalculation Charges 10/21	202202153253433				
				405				
	055.9200.500150	\$ 205,550.14	Initial Charges 01/22	202202153253433				
				405				
	055.9200.500170	\$ 1,573,298.45	Initial Charges 01/22	202202153253433				
				405				
	055.9200.500210	\$ 9,518.00	Initial Charges 01/22	202202153253433				
				405				
	055.9200.500240	\$ 8,597.06	Initial Charges 01/22	202202153253433				
				405				
	055.9200.500180	\$ -1,652.30	Initial Charges 01/22	202202153253433				
				405				
	055.9200.500190	\$ -1,413.35	Initial Charges 01/22	202202153253433				
				405				
	055.9200.500150	\$ 219,385.48	Initial Charges 02/22	202202153253433				
				405				
	055.9200.500190	\$ 10.15	Initial Charges 02/22	202202153253433				
				405				
	055.9200.500210	\$ 6,555.30	Initial Charges 02/22	202202153253433				
				405				
	055.9200.500170	\$ -1,960.73	Initial Charges 02/22	202202153253433				
				405				
						02/18/2022	12498	\$ 2,009,640.70

**CITY OF VERNON  
OPERATING ACCOUNT  
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002227 - US DEPARTMENT OF ENERGY	055.9200.500180	\$ 30,065.94	Boulder Canyon Project Charges 01/22	GG1766W0122				
	055.9200.500150	\$ 14,800.30	Boulder Canyon Project Charges 01/22	GG1766W0122				
						02/18/2022	12499	\$ 44,866.24
000059 - SO CAL EDISON	055.9200.560010	\$ 556.68	Period: 01/22	020922				
	055.9200.560010	\$ 460.70	Period: 11/21	122121				
						02/18/2022	12500	\$ 1,017.38
001581 - THE GAS COMPANY	056.5600.560000	\$ 64.79	Period: 01/12/22 - 02/11/22	021522				
						02/18/2022	12501	\$ 64.79
002190 - OFFICE DEPOT	011.9019.520000	\$ 42.38	Office Supplies	210329348001				
	011.1002.520000	\$ 100.85	Office Supplies	210329348001				
	011.9019.520000	\$ 15.42	Office Supplies	210387772001				
						02/18/2022	12502	\$ 158.65
001481 - VERIZON WIRELESS	011.9019.560010	\$ 204.77	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
	011.9019.560010	\$ 129.84	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
	011.9019.560010	\$ 990.70	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
	011.9019.560010	\$ 5,231.74	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
	011.9019.560010	\$ 51.26	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
	011.9019.560010	\$ 946.50	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
	011.9019.560010	\$ 678.42	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
	011.9019.560010	\$ 1,044.40	Period: 11/08/21 - 12/07/21	120721_MULTIPLE				
						02/22/2022	12503	\$ 9,277.63



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**ELECTRONIC**

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001552 - HOME DEPOT CREDIT SERVICES	011.1043.520000	\$ 166.16	Small Tools & Plumbing Hardware~	022222	011.0014991			
	011.1048.520000	\$ 4,656.72	Small Tools & Plumbing Hardware~	022222	011.0014991			
	011.1049.520000	\$ 2,349.82	Small Tools & Plumbing Hardware~	022222	011.0014991			
						02/22/2022	12504	\$ 7,172.70
001581 - THE GAS COMPANY	011.1033.560000	\$ 16.73	Period: 12/10/21 - 01/11/22	011322				
						02/22/2022	12505	\$ 16.73
007026 - BEAR ELECTRICAL SOLUTIONS, INC	011.1043.590000	\$ 2,960.00	Traffic Signal Maintenance	14890				
	011.1043.590000	\$ 3,696.00	Traffic Signal Maintenance	14891				
						02/23/2022	12506	\$ 6,656.00
007089 - CAPITAL INDUSTRIAL COATINGS	020.1084.900000	\$ 52,916.93	Rehabilitation of Reservoirs~	013122				
						02/23/2022	12507	\$ 52,916.93
005490 - CINTAS CORPORATION	011.1046.540000	\$ 266.32	Uniforms	4110990595				
						02/23/2022	12508	\$ 266.32
001444 - COUNTY OF LOS ANGELES	011.1033.596200	\$ 1,260,440.35	Fire Protection Services~	C0010264				
	011.1033.596200	\$ 112,025.47	Fire Protection Services~	C0010264				
	011.1033.596200	\$ 27,517.60	Fire Protection Services~	C0010264				
						02/23/2022	12509	\$ 1,399,983.42

**CITY OF VERNON  
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004116 - EDF TRADING NORTH AMERICA, LLC	055.9200.500160	\$ 492,065.00	Natural Gas 01/22	2086869		02/23/2022	12510	\$ 492,065.00
006190 - IVANTI, INC	011.9019.590110	\$ 1,465.56	Renewal Fees~	90068261	011.0015114			
	011.9019.590110	\$ 834.72	Renewal Fees~	90068261	011.0015114	02/23/2022	12511	\$ 2,300.28
006198 - JRM	055.9000.596200	\$ 11,492.00	Security Services~	6054				
	055.8100.596200	\$ 77,340.00	Security Services~	6055		02/23/2022	12512	\$ 88,832.00
006318 - MIECO, LLC	055.9200.500160	\$ 45,850.00	Natural Gas 01/22	291671		02/23/2022	12513	\$ 45,850.00
005908 - PACIFIC SUMMIT ENERGY, LLC	055.9200.500160	\$ 123,200.00	Natural Gas 01/22	234324		02/23/2022	12514	\$ 123,200.00
007225 - TWIN EAGLE RESOURCES MGMT, LLC	055.9200.500160	\$ 368,807.50	Natural Gas 01/22	105748		02/23/2022	12515	\$ 368,807.50

**CITY OF VERNON  
OPERATING ACCOUNT  
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MARCH 15, 2022**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
003601 - UNITED SITE SERVICES OF CA	055.8100.596200	\$ 877.97	Portable Restroom Service~	11412557020				
	055.8100.596200	\$ 280.17	Portable Restroom Service~	11412752446				
	055.8100.596200	\$ 122.54	Portable Restroom Service~	11412788374				
	055.8100.596200	\$ 122.54	Portable Restroom Service~	11412788377				
	020.1084.520000	\$ 85.03	Portable Restroom Service~	11412820778				
	055.8100.596200	\$ 280.17	Portable Restroom Service~	11412822375				
	055.8100.596200	\$ 555.42	Portable Restroom Service~	11412863352				
	055.8100.596200	\$ -877.97	Portable Restroom Service~	2142954839				
						02/23/2022	12516	\$ 1,445.87
001617 - UPS	011.1041.520000	\$ 78.46	Period: 01/22	933312052(2)				
	011.9019.520010	\$ 4.30	Period: 02/22	933312062(2)				
	011.1041.520000	\$ 52.14	Period: 02/22	933312062(2)				
	011.1041.520000	\$ 36.00	Period: 02/22	933312072(2)				
						02/24/2022	12517	\$ 170.90
001490 - ALL CITY MANAGEMENT SERVICES	011.1070.596200	\$ 1,681.02	School Crossing Guard Services	74834				
	011.1070.596200	\$ 2,139.48	School Crossing Guard Services	75230				
						02/24/2022	12518	\$ 3,820.50
000209 - MERRIMAC ENERGY GROUP	011.120030	\$ 158.74	Fuel~	2217446	011.0015052			
						02/24/2022	12519	\$ 158.74
006870 - CARLOS SALDANA	011.1031.540000	\$ 158.74	Reimbursement for Damaged Uniform Shirt	022222				
						02/24/2022	12520	\$ 158.74

**CITY OF VERNON  
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**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
002412 - CALIFORNIA ISO	055.9200.500150	\$ 358,984.83	Initial Charges 02/22	202202223153502				
				069				
	055.9200.500190	\$ 7,285.35	Initial Charges 02/22	202202223153502				
				069				
	055.9200.500210	\$ 11,570.34	Initial Charges 02/22	202202223153502				
				069				
	055.9200.500170	\$ -3,912.93	Initial Charges 02/22	202202223153502				
				069				
	055.9200.500150	\$ -13,377.64	Recalculation Charges 11/21	202202223153502				
				069				
	055.9200.500190	\$ -77.61	Recalculation Charges 11/21	202202223153502				
				069				
	055.9200.500170	\$ 644.10	Recalculation Charges 11/21	202202223153502				
				069				
	055.9200.500150	\$ -16,326.93	Recalculation Charges 10/21	202202223153502				
				069				
	055.9200.500170	\$ -1,110.18	Recalculation Charges 10/21	202202223153502				
				069				
	055.9200.500180	\$ -17.51	Recalculation Charges 10/21	202202223153502				
				069				
	055.9200.500240	\$ -4.49	Recalculation Charges 10/21	202202223153502				
				069				
	055.9200.500190	\$ 299.05	Recalculation Charges 10/21	202202223153502				
				069				
						02/25/2022	12521	\$ 343,956.38

**CITY OF VERNON  
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MARCH 15, 2022**

**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
002060 - CALPINE ENERGY SERVICES, LP	055.9200.500160	\$ 150,500.00	Natural Gas 01/22	83920		02/25/2022	12522	\$ 150,500.00
005490 - CINTAS CORPORATION	011.1047.540000	\$ 217.57	Uniforms	4110307160		02/25/2022	12523	\$ 217.57
007262 - CITADEL ENERGY MARKETING, LLC	055.9200.500160	\$ 104,190.00	Natural Gas 01/22	105402		02/25/2022	12524	\$ 104,190.00
005388 - CONOCOPHILLIPS COMPANY	055.9200.500160	\$ 160,900.00	Natural Gas 01/22	171739		02/25/2022	12525	\$ 160,900.00
004438 - FLEMING ENVIRONMENTAL, INC	011.1049.590000	\$ 650.00	UST Compliance Services	18285		02/25/2022	12526	\$ 650.00
006899 - G2 INTEGRATED SOLUTIONS, LLC	055.9000.595200	\$ 54,781.75	Natural Gas Compliance Services	112612		02/25/2022	12527	\$ 54,781.75
004500 - ICE US OTC COMMODITY MARKETS,	055.9200.596200	\$ 123.75	Physical Gas	122001688006		02/25/2022	12528	\$ 1,250.00
	055.9200.596200	\$ 1,126.25	OTC Commission Adjustment	122001688088				
006086 - MACQUARIE ENERGY, LLC	055.9200.500160	\$ 587,185.99	Natural Gas 01/22	GASI00165876		02/25/2022	12529	\$ 587,185.99

**CITY OF VERNON  
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**ELECTRONIC**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	PAYMENT NUMBER	PAYMENT AMOUNT
006262 - MERCURIA ENERGY AMERICA, LLC	055.9200.500160	\$ 1,363,179.39	Natural Gas 01/22	3658028		02/25/2022	12530	\$ 1,363,179.39
005968 - NAVEX GLOBAL, INC	011.1026.594200	\$ 2,567.41	Ethicspoint Hotline	INV647286		02/25/2022	12531	\$ 2,567.41
002517 - SO CAL PUBLIC POWER AUTHORITY	055.9200.500180	\$ 223,511.00	Minimum Cost 02/22	PV0222		02/25/2022	12532	\$ 276,567.00
	055.9200.500150	\$ 43,056.00	Variable Cost 12/21	PV0222				
	055.122100	\$ 10,000.00	PSF Cost 01/22	PV0222				
006780 - THE HITT COMPANIES, INC	011.1026.520000	\$ 19.35	Name plates for Ashley Reveles and	OE104239	011.0015162	02/25/2022	12533	\$ 31.69
	011.1026.520000	\$ 10.50	Freight	OE104239	011.0015162			
	011.1026.520000	\$ 1.84	Sales Tax 9.5%	OE104239				
002517 - SO CAL PUBLIC POWER AUTHORITY	055.9000.596200	\$ 5,343.75	Resolution Billing	0222		02/24/2022	12534	\$ 21,311.90
	055.9000.593200	\$ 13,517.52	Resolution Billing	0222				
	055.7200.596200	\$ 2,450.63	Resolution Billing	0222				
000209 - MERRIMAC ENERGY GROUP	011.120030	\$ 31,386.10	Fuel~	2217446(2)	011.0015052	02/25/2022	12535	\$ 31,386.10
<b>TOTAL ELECTRONIC</b>								<b>\$ 10,098,309.85</b>

**CITY OF VERNON  
OPERATING ACCOUNT  
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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
007276 - ALLIED UNIVERSAL JANITORIAL SE	011.1049.590000	\$ 10,656.18	Janitorial Services 02/22	12311757		02/17/2022	608730	\$ 10,656.18
001948 - AT&T	011.9019.560010	\$ 23.48	Period: 07/06/21 - 08/05/21	16853459				
	011.9019.560010	\$ 2,684.65	Period: 07/10/21 - 08/09/21	16868895				
	011.9019.560010	\$ 45.51	Period: 07/10/21 - 08/09/21	16868896				
	055.9000.560010	\$ 250.38	Period: 07/10/21 - 08/09/21	16868897				
	011.9019.560010	\$ 2,044.94	Period: 07/10/21 - 08/09/21	16868898				
	011.9019.560010	\$ 1,181.18	Period: 07/10/21 - 08/09/21	16868899				
	056.5600.560010	\$ 675.27	Period: 07/10/21 - 08/09/21	16868900				
	056.5600.560010	\$ 23.46	Period: 07/10/21 - 08/09/21	16868999				
	011.9019.560010	\$ 209.30	Period: 07/10/21 - 08/09/21	16869331				
	011.9019.560010	\$ 21.74	Period: 07/15/21 - 08/14/21	16909361		02/17/2022	608731	\$ 7,159.91
007122 - ATLAS PLANNING SOLUTIONS	011.1003.594000	\$ 5,028.00	Consulting Services for Local Hazard	1333		02/17/2022	608732	\$ 5,028.00
007123 - BARTEL ASSOCIATES, LLC	011.1004.595200	\$ 8,360.00	Actuarial Consulting Services~	21861				
	011.1004.595200	\$ 8,070.00	Actuarial Consulting Services~	21917		02/17/2022	608733	\$ 16,430.00

**CITY OF VERNON  
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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
001752 - BENNETT-BOWEN & LIGHTHOUSE	011.1046.520000	\$ 1,542.00	Cenator Light Bar~	3016213	011.0015084			
	011.1046.520000	\$ 311.00	Eight Switch Controler~	3016213	011.0015084			
	011.1046.520000	\$ 176.05	Sales Tax 9.5%	3016213				
						02/17/2022	608734	\$ 2,029.05
007170 - BIO-ONE LONG BEACH	011.1043.596200	\$ 4,185.00	Hazardous Waste Cleaning	1201				
						02/17/2022	608735	\$ 4,185.00
000439 - BNSF RAILWAY COMPANY	020.1084.596200	\$ 50.00	Permit	20071746				
						02/17/2022	608736	\$ 50.00
000419 - CYNTHIA CANO	011.1041.596500	\$ 42.56	Calbo Education Week - Advanced	111721				
						02/17/2022	608737	\$ 42.56
000256 - CALPORTLAND COMPANY	020.1084.520000	\$ 1,284.41	Concrete	95269198				
	020.1084.520000	\$ 882.68	Concrete	95273973				
						02/17/2022	608738	\$ 2,167.09
001645 - EUGENIO CERDA	011.1031.596500	\$ 23.13	Arrest & Control / Strategic	122821				
	011.1031.596700	\$ 25.00	Arrest & Control / Strategic	122821				
						02/17/2022	608739	\$ 48.13
005031 - CLEAN HARBORS ENVIRONMENTAL SE	055.8000.590000	\$ 278.48	Hazardous Waste Disposal Services	1004024616				
						02/17/2022	608740	\$ 278.48



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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
006045 - COMPRESSOR SERVICE PROFESSIONA	055.8400.590000	\$ 595.20	Compressor Maintenance	2576		02/17/2022	608741	\$ 595.20
006131 - CONGRUITIVE	055.9100.590110	\$ 4,500.00	Configuration Services~	2179	055.0002909	02/17/2022	608742	\$ 4,500.00
001444 - ACWM	011.1070.797000	\$ 370.00	Certified Farmers Market Registration	021522		02/17/2022	608743	\$ 370.00
000227 - ENCINAS II, ANTHONY	011.1031.596500	\$ 23.13	Arrest & Control / Strategic	122821		02/17/2022	608744	\$ 48.13
	011.1031.596700	\$ 25.00	Arrest & Control / Strategic	122821				
004730 - EXTREME SAFETY, INC	011.120010	\$ 830.80	Gloves~	104048	011.0015102	02/17/2022	608745	\$ 4,231.72
	011.120010	\$ 415.40	Gloves~	104048	011.0015102			
	011.120010	\$ 1,038.40	3 Ply Masks~	104048	011.0015102			
	011.120010	\$ 234.17	Sales Tax 10.25	104048				
	011.120010	\$ 1,069.20	Gloves~	104213	011.0015102			
	011.120010	\$ 484.50	Gloves~	104213	011.0015102			
	011.120010	\$ 159.25	Sales Tax 10.25	104213				
003420 - JEFF FRAGA	056.5600.596700	\$ 80.00	Reimb. D2 Renewal	020922		02/17/2022	608746	\$ 80.00

**CITY OF VERNON  
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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
001668 - GAYTAN, LORENZO	011.1031.596500	\$ 23.13	Arrest & Control / Strategic	122821				
	011.1031.596700	\$ 25.00	Arrest & Control / Strategic	122821				
						02/17/2022	608747	\$ 48.13
007107 - GEOTAB USA, INC	011.1046.590000	\$ 750.50	GPS ProPlus Plan	IN293417				
	011.1046.590000	\$ 750.50	GPS ProPlus Plan	IN296261				
						02/17/2022	608748	\$ 1,501.00
000280 - HARPER & ASSOCIATES ENGINEERIN	020.1084.900000	\$ 16,318.50	Coating Inspection Services	ENG7620				
						02/17/2022	608749	\$ 16,318.50
003065 - HDL COREN & CONE	011.1004.596200	\$ 16,000.00	Direct Assessment Services~	sin013325				
						02/17/2022	608750	\$ 16,000.00
001208 - INNER-TITE	055.8000.590000	\$ 3,512.00	Mitey Lock Assembly~	30005878	011.0015093			
	055.8000.590000	\$ 103.56	Freight	30005878	011.0015093			
	055.8000.590000	\$ 359.98	Sales Tax 10.25	30005878				
						02/17/2022	608751	\$ 3,975.54
001792 - LA COUNTY ASSESSOR OFFICE	011.9019.590110	\$ 50.00	SBF Abstract	22ASRE091				
	011.9019.590110	\$ 50.00	SBF Abstract	22ASRE119				
						02/17/2022	608752	\$ 100.00

**CITY OF VERNON  
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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
000648 - LOS ANGELES RUBBER COMPANY INC	020.1084.900000	\$ 4,404.00	Cooling Unit~	S1677168001	011.0015001			
	020.1084.900000	\$ 252.03	Freight	S1677168001	011.0015001			
	020.1084.900000	\$ 451.41	Sales Tax 10.25	S1677168001				
						02/17/2022	608753	\$ 5,107.44
006667 - MEGA RENOVATION, INC	011.1048.590000	\$ 14,645.00	Remodel at 4328 Furlong Place	2416				
	011.1048.590000	\$ 3,804.95	Remodel at 4328 Furlong Place	2417				
	011.1048.590000	\$ 2,450.00	Remodel at 4328 Furlong Place	2419				
	011.1048.590000	\$ 12,945.00	Remodel at 4328 Furlong Place	2420				
	011.1048.590000	\$ 7,889.00	Remodel at 4328 Furlong Place	2421				
	011.1048.590000	\$ 5,650.00	Remodel at 4328 Furlong Place	2422				
						02/17/2022	608754	\$ 47,383.95
006228 - MILLSOFT, LLC	011.9019.595210	\$ 775.00	Computer Programming Services	349				
						02/17/2022	608755	\$ 775.00
006203 - MRC SMART TECHNOLOGY SOLUTIONS	011.9019.590110	\$ 1,672.02	Managed Print Services	IN2427190				
						02/17/2022	608756	\$ 1,672.02
004831 - PACIFIC AUTO REPAIR	011.1046.520000	\$ 533.00	Hydroboost and Fluid	5090	011.0015085			
	011.1046.590000	\$ 350.00	Labor	5090	011.0015085			
	011.1046.520000	\$ 54.63	Sales Tax 10.25	5090				
						02/17/2022	608757	\$ 937.63

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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
006628 - REDONA, BRYAN	011.1031.596500	\$ 115.64	Field Training Officer Course	010622				
	011.1031.596700	\$ 89.00	Field Training Officer Course	010622				
						02/17/2022	608758	\$ 204.64
001931 - REGISTRAR-RECORDER/COUNTY CLK	011.1003.596300	\$ 19,655.34	Election Services~	212175				
	011.1003.596300	\$ 16,706.71	Election Services~	222002				
						02/17/2022	608759	\$ 36,362.05
006420 - NAVDEEP SINGH SACHDEVA	011.1023.596200	\$ 100.00	Attendance Stipend~	021022				
						02/17/2022	608760	\$ 100.00
005563 - STANLEY STEEMER OF LA COUNTY,	011.1048.590000	\$ 821.50	Steam Cleaning Services	952133				
	011.1049.590000	\$ 660.48	Steam Cleaning Services	952429				
						02/17/2022	608761	\$ 1,481.98
000287 - STATE WATER RESOURCES CONTROL	020.1084.596200	\$ 8,714.99	Water System Annual Fees~	LW1034520				
						02/17/2022	608762	\$ 8,714.99
000141 - THOMSON REUTERS - WEST	011.1024.596600	\$ 237.35	Software Subscription Charges	845784310				
						02/17/2022	608763	\$ 237.35
007304 - VALLEY PRESBYTERIAN HOSPITAL	011.1033.467100	\$ 74.69	Refund Overpayment ID# 96693425D	020222				
						02/17/2022	608764	\$ 74.69

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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
006205 - VELEZ, MARISSA	011.1031.596500	\$ 115.64	Field Training Officer Course	010622				
	011.1031.596700	\$ 89.00	Field Training Officer Course	010622				
						02/17/2022	608765	\$ 204.64
000868 - VILLEGAS, RICHARD	011.1031.596700	\$ 25.00	Use of Force	011322				
	011.1031.596500	\$ 23.13	Arrest & Control / Strategic	122821				
	011.1031.596700	\$ 25.00	Arrest & Control / Strategic	122821				
						02/17/2022	608766	\$ 73.13
001628 - WECK LABORATORIES, INC	020.1084.595200	\$ 30.00	Water Quality Testing & Reporting	W1J1400COVERNO N				
	020.1084.595200	\$ 30.00	Water Quality Testing & Reporting	W1J1401COVERNO N				
						02/17/2022	608767	\$ 60.00
002075 - WEIDMANN ELECTRICAL TECHNOLOGY	055.8000.590000	\$ 180.00	Oil Samples	5900333757				
						02/17/2022	608768	\$ 180.00
000743 - XEROX FINANCIAL SERVICES, LLC	011.9019.590110	\$ 2,333.24	Lease Payment~	2975397				
	011.9019.590110	\$ 2,333.24	Lease Payment~	3029228				
						02/17/2022	608769	\$ 4,666.48
001453 - ALAMITOS DERMATOLOGICAL MEDICA	011.1026.502031	\$ 20.00	Medical Services / V. Malkenhorst	120621				
						02/24/2022	608770	\$ 20.00

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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
001645 - CERDA, EUGENIO	011.1031.596500	\$ 165.82	FTO Update Course	020922		02/24/2022	608771	\$ 165.82
005490 - CINTAS CORPORATION	011.1047.540000	\$ 5.38	First Aid Kit Restock	5095967010		02/24/2022	608772	\$ 5.38
000620 - DEPT OF TOXIC SUBSTANCES CTRL	011.1060.595200	\$ 20,058.52	Former Thermador Site Cleanup	215M2038		02/24/2022	608773	\$ 20,058.52
000414 - EXPRESS OIL CO	011.1046.590000	\$ 270.00	Hazardous Waste Management Services	2202076		02/24/2022	608774	\$ 836.00
	011.1046.590000	\$ 170.00	Hazardous Waste Management Services	2202106				
	011.1046.590000	\$ 396.00	Hazardous Waste Management Services	2202115				
000452 - HERNANDEZ, EDWARD	011.1031.596500	\$ 165.82	FTO Update Course	020922		02/24/2022	608775	\$ 165.82
006882 - HUNTINGTON BEACH INTERNAL MEDI	011.1026.502031	\$ 32.93	Medical Services / B. Malkenhorst	122721		02/24/2022	608776	\$ 32.93
000686 - IGOE & COMPANY, INC	011.1026.594200	\$ 75.00	Participation Fee	247031		02/24/2022	608777	\$ 150.00
	011.1026.594200	\$ 75.00	Participation Fee	256258				
006028 - JANINE K JENSEN, M.D.	011.1026.502031	\$ 42.89	Medical Services / V. Malkenhorst	103021		02/24/2022	608778	\$ 42.89

**CITY OF VERNON  
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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
005630 - LUCAS, JASON	011.1031.596500	\$ 199.02	POST Supervisory Course	010422		02/24/2022	608779	\$ 199.02
000870 - MAYWOOD CAR WASH	011.1031.570000	\$ 80.00	Car & Truck Wash Services ~	1165	011.0014948	02/24/2022	608780	\$ 80.00
001096 - MELVYN GREEN & ASSOCIATES, INC	011.1049.900000	\$ 10,737.50	Plan Check Services~	14347		02/24/2022	608781	\$ 10,737.50
005516 - MEMORIALCARE MEDICAL GROUP	011.1026.502031	\$ 10.00	Medical Services / V. Malkenhorst	011122		02/24/2022	608782	\$ 10.00
003488 - HILDA MORENO	011.1026.596800	\$ 1,635.99	Tuition Reimbursement	012622		02/24/2022	608783	\$ 1,635.99
004111 - PACIFIC COMMERCIAL TRUCK BODY,	011.1046.590000	\$ 3,520.00	Labor~	27926	011.0015121	02/24/2022	608784	\$ 3,520.00
004365 - PACIFICA ORTHOPEDICS	011.1026.502031	\$ 20.00	Medical Services / V. Malkenhorst	110121		02/24/2022	608785	\$ 20.00
006612 - QUALIFIED MOBILE, INC	011.1046.590000	\$ 1,126.50	Car Wash Services	292154		02/24/2022	608786	\$ 3,358.50
	011.1046.590000	\$ 1,194.00	Car Wash Services	292657				
	011.1046.590000	\$ 1,038.00	Car Wash Services	292926				

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**EARLY CHECKS**

VENDOR NAME AND NUMBER	ACCOUNT NUMBER	INVOICE AMOUNT	DESCRIPTION	INVOICE	P.O.#	PAYMENT DATE	CHECK NUMBER	PAYMENT AMOUNT
001457 - QUINN COMPANY	011.1046.520000	\$ 319.35	Wheel~	PC810940110	011.0015082	02/24/2022	608787	\$ 432.84
	011.1046.520000	\$ 30.34	Sales Tax 9.5%	PC810940110				
	011.1046.520000	\$ 83.15	Freight	PC810940929	011.0015082			
005142 - RADIN CARDIOVASCULAR MED GRP	011.1026.502031	\$ 20.00	Medical Services / V. Malkenhorst	011722		02/24/2022	608788	\$ 93.16
	011.1026.502031	\$ 73.16	Medical Services / B. Malkenhorst	011722(2)				
000805 - RIO HONDO COLLEGE	011.1031.596700	\$ 228.00	Registration / J. Lucas	010422		02/24/2022	608789	\$ 228.00
006340 - S & J SUPPLY COMPANY, INC	020.1084.520000	\$ 559.56	Mega Lug Kit~	S100183772001	011.0015094	02/24/2022	608790	\$ 1,412.83
	020.1084.520000	\$ 314.82	Mega Lug Kit~	S100183772001	011.0015094			
	020.1084.520000	\$ 407.10	Mega Lug Kit~	S100183772001	011.0015094			
	020.1084.520000	\$ 131.35	Sales Tax 10.25	S100183772001				
006870 - SALDANA, CARLOS	011.1031.596500	\$ 53.65	Vehicle Defense Course	020922		02/24/2022	608791	\$ 53.65
006997 - SESPE CONSULTING, INC	011.1060.595200	\$ 3,094.00	Environmental Remediation Services 01/22	1325668		02/24/2022	608792	\$ 3,094.00



**CITY OF VERNON  
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**EARLY CHECKS**

<b>VENDOR NAME AND NUMBER</b>	<b>ACCOUNT NUMBER</b>	<b>INVOICE AMOUNT</b>	<b>DESCRIPTION</b>	<b>INVOICE</b>	<b>P.O.#</b>	<b>PAYMENT DATE</b>	<b>CHECK NUMBER</b>	<b>PAYMENT AMOUNT</b>	
002358 - TETRA TECH, INC.	011.1060.595200	\$ 2,496.23	Vapor Monitoring & Sampling Services	51806296					
	011.1060.595200	\$ 4,394.56	Vapor Monitoring & Sampling Services	51820044					
	011.1060.595200	\$ 2,223.84	Vapor Monitoring & Sampling Services	51834128					
						02/24/2022	608793	\$ 9,114.63	
000141 - THOMSON REUTERS - WEST	011.1031.596200	\$ 1,276.60	Software Subscription Charges	845807271					
						02/24/2022	608794	\$ 1,276.60	
006587 - UCLA MEDICAL GROUP	011.1026.502031	\$ 20.00	Medical Services / B. Malkenhorst	010522					
						02/24/2022	608795	\$ 20.00	
<b>TOTAL EARLY CHECKS</b>									<b>\$ 260,842.69</b>

**CITY OF VERNON  
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**RECAP BY FUND**

<u>FUND</u>	<u>ELECTRONIC TOTAL</u>	<u>EARLY CHECK TOTAL</u>	<u>WARRANT TOTAL</u>	<u>GRAND TOTALS</u>
011 - GENERAL	\$ 1,501,495.27	\$ 216,453.51	\$ 0.00	\$ 1,717,948.78
020 - WATER	122,750.03	33,830.85	0.00	156,580.88
055 - LIGHT & POWER	8,422,864.55	9,779.60	0.00	8,432,644.15
056 - NATURAL GAS	64.79	778.73	0.00	843.52
057 - FIBER OPTIC	51,135.21	0.00	0.00	51,135.21
<b>GRAND TOTAL</b>	<b>\$ 10,098,309.85</b>	<b>\$ 260,842.69</b>	<b>\$ 0.00</b>	<b>\$ 10,359,152.54</b>

**TOTAL CHECKS TO BE PRINTED 0**

## City Council Agenda Item Report

Submitted by: Efren Peregrina  
Submitting Department: Finance/Treasury  
Meeting Date: March 15, 2022

### **SUBJECT**

City Payroll Warrant Register

### **Recommendation:**

Approve City Payroll Warrant Register No. 789, for the period of February 1 through February 28, 2022, totaling \$2,993,490.97 and consisting of ratification of direct deposits, checks and taxes totaling \$2,102,761.38 and ratification of checks and electronic fund transfers (EFT) for payroll related disbursements totaling \$890,729.59 paid through operating bank account.

### **Background:**

Section 2.32.060 of the Vernon Municipal Code indicates the City Treasurer, or an authorized designee, shall prepare warrants covering claims or demands against the City which are to be presented to City Council for its audit and approval. Pursuant to the aforementioned code section, the City Treasurer has prepared City Payroll Account Warrant Register No. 789 covering claims and demands presented during the period of February 1 through February 28, 2022, drawn, or to be drawn, from East West Bank for City Council approval.

### **Fiscal Impact:**

The fiscal impact of approving City Payroll Warrant Register No. 789, totals \$2,993,490.97. The Finance Department has determined that sufficient funds to pay such claims/demands, are available in the respective accounts referenced on City Payroll Warrant Register No. 789.

### **Attachments:**

1. [City Payroll Account Warrant Register No. 789](#)

PAYROLL WARRANT REGISTER  
City of Vernon

No. **789** Month of **February 2022**

I hereby Certify: that claims or demands covered by the above listed warrants have been audited as to accuracy and availability of funds for payments thereof; and that said claims or demands are accurate and that funds are available for payments thereof.

This is to certify that the claims or demands covered by the above listed warrants have been audited by the City Council of the City of Vernon and that all of said warrants are approved for payments



\_\_\_\_\_  
Scott A. Williams  
Director of Finance / City Treasurer

Date: \_\_\_\_\_

3/9/2022

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE

**Payrolls reported for the month of February**

01/16/2022 - 01/29/2022, Paydate 02/10/2022

02/07/2022 - 02/07/2022, Paydate 02/10/2022

01/30/2022 - 02/12/2022, Paydate 02/24/2022

02/10/2022 - 02/10/2022, Paydate 02/24/2022

02/24/2022 - 02/24/2022, Paydate 02/24/2022

02/24/2022 - 02/24/2022, Paydate 02/24/2022

**Payment**

<b>Method</b>	<b>Date</b>	<b>Payment Description</b>	<b>Amount</b>
ACH	02/10/22	Net payroll, checks	\$ 10,237.52
ACH	02/10/22	Net payroll, direct deposits	653,541.79
ACH	02/10/22	Payroll taxes	170,360.96
ACH	02/10/22	Payroll taxes	42.29
ACH	02/24/22	Net payroll, checks	9,801.60
ACH	02/24/22	Net payroll, direct deposits	667,149.82
ACH	02/24/22	Payroll taxes	175,702.98
ACH	02/24/22	Net payroll, checks	8,206.25
ACH	02/24/22	Net payroll, direct deposits	269,230.47
ACH	02/24/22	Payroll taxes	126,136.16
ACH	02/24/22	Net payroll, checks	139.90
ACH	02/24/22	Net payroll, direct deposits	2,798.00
ACH	02/24/22	Payroll taxes	1,323.00
ACH	02/24/22	Net payroll, direct deposits	5,578.51
ACH	02/24/22	Payroll taxes	2,512.13

**Total net payroll and payroll taxes**

**2,102,761.38**

12538	02/10/22	ICMARC	30,764.34
12537	02/10/22	IBEW Dues	3,130.63
12536	02/10/22	Vernon Police Officers' Benefit Association	1,861.16
12541	02/14/22	CalPERS	204,207.31
12542	02/14/22	California State Disbursement Unit	41.53
12554	02/17/22	Mutual of Omaha	13,609.98
12553	02/18/22	AFLAC	11,184.94
12555	02/18/22	Colonial	6,995.67
12550	02/09/22	Blue Shield of California	292,564.50
12551	02/09/22	Metlife - Group Benefits	31,261.67
12552	02/08/22	MES Vision	4,521.15
12545	02/24/22	ICMARC	80,648.02
12544	02/24/22	Teamsters Local 911	2,358.00
12543	02/24/22	Vernon Police Officers' Benefit Association	1,861.16
12548	03/04/22	CalPERS	205,678.00
12549	02/28/22	California State Disbursement Unit	41.53

**Payroll related disbursements, paid through  
Operating bank account**

**890,729.59**

**Total net payroll, taxes, and related disbursements**

**\$ 2,993,490.97**

## City Council Agenda Item Report

Submitted by: Diana Figueroa  
Submitting Department: Fire Department  
Meeting Date: March 15, 2022

### **SUBJECT**

Fire Department Activity Report

### **Recommendation:**

Receive and file the January 2022 Fire Department Activity Report.

### **Background:**

Attached is a copy of a Fire Department Activity Report which covers the period of January 1 through January 31, 2022. The report is provided by Los Angeles County Fire and consists of incident details and a summary for the month.

### **Fiscal Impact:**

There is no fiscal impact associated with this report.

### **Attachments:**

1. [Fire Department Activity Report - January 2022](#)



**COUNTY OF LOS ANGELES FIRE DEPARTMENT  
CITY OF VERNON STATISTICS  
JANUARY 2022 CITY DETAILS**

Alarm Date Time	Basic Incident Number (FD1)	Cad Initial Cad Incident Type Description	Incident Type	Address	Basic Incident Full Street Address	Basic First Arrived At Scene Apparatus ID	Basic Property Losses (FD1.35)	Basic Content Losses (FD1.36)
01/01/22	LAC22000774	INVO	651 - Smoke scare, odor of smoke	East VERNON VERNON CA 90058	East VERNON Avenue	E164		
01/01/22	LAC22000787	INVO	118 - Trash or rubbish fire, contained	South SOTO VERNON CA 90023	South SOTO Street		0	0
01/01/22	LAC22000798	ALRWFR	700 - False alarm or false call, other	4199 BANDINI VERNON CA 90023	4199 BANDINI Boulevard	E27		
01/01/22	LAC22001104	ALRWF	700 - False alarm or false call, other	4199 BANDINI VERNON CA 90023	4199 BANDINI Boulevard	E27		
01/02/22	LAC22001403	ALRWF	700 - False alarm or false call, other	4199 BANDINI VERNON CA 90023	4199 BANDINI Boulevard	E27		
01/03/22	LAC22002597	ALRWF	611 - Dispatched and cancelled en route	4199 BANDINI VERNON CA 90023	4199 BANDINI Boulevard			
01/03/22	LAC22002612	ALRAR	900 - Special type of incident, other	4010 East 26TH VERNON CA 90023	4010 East 26TH Street			
01/03/22	LAC22002953	ALRWF		2300 East 57TH VERNON CA 90058	2300 East 57TH Street			
01/03/22	LAC22003000	ALRWF	611 - Dispatched and cancelled en route	2300 East 57TH VERNON CA 90058	2300 East 57TH Street			
01/03/22	LAC22003303	ALRWFR	611 - Dispatched and cancelled en route	3113 East 26TH VERNON CA 90023	3113 East 26TH Street			
01/03/22	LAC22003344	ALRWF	611 - Dispatched and cancelled en route	2300 East 57TH VERNON CA 90058	2300 East 57TH Street			
01/04/22	LAC22004163	ALRA	745 - Alarm system activation, no fire - unintentional	2141 East 52ND VERNON CA 90058	2141 East 52ND Street	E52		
01/04/22	LAC22004808	INVO	553 - Public service	BANDINI VERNON CA 90040	BANDINI Boulevard	Q27		
01/04/22	LAC22004883	SICKB	321 - EMS call, excluding vehicle accident with injury	2503 East VERNON VERNON CA 90058	2503 East VERNON Avenue	E52		
01/04/22	LAC22004905	GRS	151 - Outside rubbish, trash or waste fire	2465 FRUITLAND VERNON CA 90058	2465 FRUITLAND Avenue	E52		

# JANUARY 2022 CITY DETAILS

01/04/22	LAC22005145	TCB	321 - EMS call, excluding vehicle accident with injury	Downey FRUITLAND VERNON CA 90058	Downey FRUITLAND Avenue	E13		
01/05/22	LAC22005407	TCT	321 - EMS call, excluding vehicle accident with injury	South DOWNEY VERNON CA 90058	South DOWNEY Road	Q13		
01/05/22	LAC22005446	ALRWF	900 - Special type of incident, other	4408 BANDINI VERNON CA 90023	4408 BANDINI Boulevard	E27		
01/05/22	LAC22005797	ALRWF	611 - Dispatched and cancelled en route	2825 South SANTA FE VERNON CA 90058	2825 South SANTA FE Avenue			
01/05/22	LAC22006207	MISC1	900 - Special type of incident, other	4380 AYERS VERNON CA 90023	4380 AYERS Avenue	E27		
01/05/22	LAC22006362	MISC1	150 - Outside rubbish fire, other	East 30TH VERNON CA 90058	East 30TH Street	E52		
01/05/22	LAC22006436	CP	321 - EMS call, excluding vehicle accident with injury	4462 South PACIFIC VERNON CA 90058	4462 South PACIFIC Boulevard	E52		
01/06/22	LAC22006739	ALRAR	321 - EMS call, excluding vehicle accident with injury	4010 East 26TH VERNON CA 90023	4010 East 26TH Street	E27		
01/06/22	LAC22007867	RUB	118 - Trash or rubbish fire, contained	2221 East 55TH VERNON CA 90058	2221 East 55TH Street	E52	0	0
01/06/22	LAC22007957	EMS		DISTRICT VERNON CA 90040	DISTRICT Boulevard	E163		
01/07/22	LAC22008265	ALRWFR	744 - Detector activation, no fire - unintentional	2825 South SANTA FE VERNON CA 90058	2825 South SANTA FE Avenue	E52		
01/07/22	LAC22008355	UNK	150 - Outside rubbish fire, other	bandini South SOTO VERNON CA 90058	bandini South SOTO Street	E52		
01/07/22	LAC22008399	INJA	321 - EMS call, excluding vehicle accident with injury	4215 East EXCHANGE VERNON CA 90058	4215 East EXCHANGE Avenue	S13		
01/07/22	LAC22008512	MISC1	118 - Trash or rubbish fire, contained	MALBURG VERNON CA 90058	MALBURG Way	Q13		
01/07/22	LAC22008514	TCB	600 - Good intent call, other	5669 South SANTA FE VERNON CA 90058	5669 South SANTA FE Avenue	E52		
01/07/22	LAC22008640	EMS	300 - Rescue, EMS incident, other	MALBURG VERNON CA 90058	MALBURG Way	E13		
01/07/22	LAC22008884	UNC	321 - EMS call, excluding vehicle accident with injury	2263 East VERNON VERNON CA 90058	2263 East VERNON Avenue	E52		
01/07/22	LAC22009053	TCB	321 - EMS call, excluding vehicle accident with injury	South BOYLE VERNON CA 90058	South BOYLE Avenue	E52		
01/07/22	LAC22009215	DB	321 - EMS call, excluding vehicle	2600 East 28TH VERNON CA 90058	2600 East 28TH Street	E52		



# JANUARY 2022 CITY DETAILS

			accident with injury			
01/08/22	LAC22009470	ALRWF	321 - EMS call, excluding vehicle accident with injury	4444 AYERS VERNON CA 90023	4444 AYERS Avenue	E27
01/08/22	LAC22009517	TCA	321 - EMS call, excluding vehicle accident with injury	Soto East 26TH VERNON CA 90023	Soto East 26TH Street	E52
01/08/22	LAC22009521	TCP	300 - Rescue, EMS incident, other	East SLAUSON VERNON CA 90058	East SLAUSON Avenue	E13
01/08/22	LAC22009578	ALRA	730 - System malfunction, other	4401 South DOWNEY VERNON CA 90058	4401 South DOWNEY Road	
01/08/22	LAC22009874	ALRWF	900 - Special type of incident, other	4133 BANDINI BLVD #2 VERNON CA 90023	4133 BANDINI BLVD #2	
01/08/22	LAC22009886	BEHAVB	321 - EMS call, excluding vehicle accident with injury	25TH VERNON CA 90058	25TH Street	E52
01/08/22	LAC22010110	MISC1	900 - Special type of incident, other	South ATLANTIC VERNON CA 90040	South ATLANTIC Boulevard	E27
01/08/22	LAC22010114	INJA	321 - EMS call, excluding vehicle accident with injury	3003 East LEONIS VERNON CA 90058	3003 East LEONIS Boulevard	S13
01/09/22	LAC22011086	ALRA	700 - False alarm or false call, other	4020 BANDINI VERNON CA 90023	4020 BANDINI Boulevard	E27
01/09/22	LAC22011549	MISC1	150 - Outside rubbish fire, other	4154 BANDINI VERNON CA 90023	4154 BANDINI Boulevard	E27
01/10/22	LAC22012326	ASSLTB	321 - EMS call, excluding vehicle accident with injury	2357 East SLAUSON VERNON CA 90255	2357 East SLAUSON Avenue	E52
01/10/22	LAC22012456	TCB	322 - Motor vehicle accident with injuries	4489 BANDINI VERNON CA 90023	4489 BANDINI Boulevard	
01/10/22	LAC22012498	ARREST	321 - EMS call, excluding vehicle accident with injury	4501 South SANTA FE VERNON CA 90058	4501 South SANTA FE Avenue	E52
01/10/22	LAC22012545	CP	321 - EMS call, excluding vehicle accident with injury	4501 South SANTA FE VERNON CA 90058	4501 South SANTA FE Avenue	E52
01/10/22	LAC22012928	TCB	322 - Motor vehicle accident with injuries	ALAMO VERNON CA 90040	ALAMO Avenue	Q27
01/11/22	LAC22013498	ARREST	321 - EMS call, excluding vehicle accident with injury	4010 East 26TH VERNON CA 90023	4010 East 26TH Street	S13
01/11/22	LAC22013641	ALRWF	744 - Detector activation, no fire - unintentional	2825 South SANTA FE VERNON CA 90058	2825 South SANTA FE Avenue	E52
01/11/22	LAC22013808	INJA	321 - EMS call, excluding vehicle	5175 South SOTO VERNON CA 90058	5175 South SOTO Street	E52

# JANUARY 2022 CITY DETAILS

			accident with injury					
01/11/22	LAC22013875	GRS	151 - Outside rubbish, trash or waste fire	South DOWNEY VERNON CO CA 90058	South DOWNEY Road	E52	0	0
01/11/22	LAC22013985	ALRWF		3420 East VERNON VERNON CA 90058	3420 East VERNON Avenue			
01/11/22	LAC22014149	ALRA	611 - Dispatched and cancelled en route	3839 South SANTA FE VERNON CA 90058	3839 South SANTA FE Avenue			
01/11/22	LAC22014272	INVO		South ATLANTIC VERNON CA 90040	South ATLANTIC Boulevard			
01/12/22	LAC22014956	911	611 - Dispatched and cancelled en route	2040 East 45TH VERNON CA 90058	2040 East 45TH Street			
01/12/22	LAC22015004	ALRWF	611 - Dispatched and cancelled en route	3501 East VERNON VERNON CA 90058	3501 East VERNON Avenue			
01/12/22	LAC22015047	ALRWF	900 - Special type of incident, other	4133 BANDINI VERNON CA 90023	4133 BANDINI Boulevard			
01/12/22	LAC22015208	INJA	321 - EMS call, excluding vehicle accident with injury	3049 East VERNON VERNON CA 90058	3049 East VERNON Avenue	E52		
01/12/22	LAC22015665	CP	300 - Rescue, EMS incident, other	South DOWNEY VERNON CA 90058	South DOWNEY Road	S13		
01/13/22	LAC22016432	CP	321 - EMS call, excluding vehicle accident with injury	2900 AYERS VERNON CA 90023	2900 AYERS Avenue	E27		
01/13/22	LAC22016683	TREE	600 - Good intent call, other	East WASHINGTON VERNON CA 90023	East WASHINGTON Boulevard	E52		
01/13/22	LAC22016730	ALRA	522 - Water or steam leak	3285 East VERNON VERNON CA 90058	3285 East VERNON Avenue	E52		
01/13/22	LAC22017031	ALRA	600 - Good intent call, other	2800 East 54TH VERNON CA 90058	2800 East 54TH Street	E13		
01/13/22	LAC22017103	INVO	600 - Good intent call, other	3301 East LEONIS VERNON CA 90058	3301 East LEONIS Boulevard	E13		
01/13/22	LAC22017354	CP	321 - EMS call, excluding vehicle accident with injury	2599 South SANTA FE VERNON CA 90058	2599 South SANTA FE Avenue	E52		
01/14/22	LAC22018077	UNK	150 - Outside rubbish fire, other	BANDINI VERNON CA 90058	BANDINI Boulevard	E52		
01/14/22	LAC22018337	TCB	321 - EMS call, excluding vehicle accident with injury	Leonis South PACIFIC VERNON CA 90058	Leonis South PACIFIC Boulevard	E52		
01/15/22	LAC22019213	SICKB	321 - EMS call, excluding vehicle accident with injury	2705 East LEONIS VERNON CA 90058	2705 East LEONIS Boulevard	E52		
01/15/22	LAC22019276	OD	321 - EMS call, excluding vehicle accident with injury	0 FRUITLAND VERNON CA 90058	0 FRUITLAND Avenue	S13		

# JANUARY 2022 CITY DETAILS

01/15/22	LAC22019565	SICKB	321 - EMS call, excluding vehicle accident with injury	4545 South PACIFIC VERNON CA 90058	4545 South PACIFIC Boulevard	E52		
01/15/22	LAC22019572	TCA		3030 South ATLANTIC VERNON CA 90040	3030 South ATLANTIC Boulevard	E27		
01/15/22	LAC22019639	LAW	600 - Good intent call, other	4825 GIFFORD VERNON CA 90058	4825 GIFFORD Avenue	BC3		
01/16/22	LAC22020069	INVO	151 - Outside rubbish, trash or waste fire	1900 25TH VERNON CA 90058	1900 25TH Street	E52	0	0
01/16/22	LAC22020575	ALRWF	744 - Detector activation, no fire - unintentional	2369 East 51ST VERNON CA 90058	2369 East 51ST Street	E52		
01/17/22	LAC22021584	DB	300 - Rescue, EMS incident, other	2700 FRUITLAND VERNON CA 90058	2700 FRUITLAND Avenue	E52		
01/17/22	LAC22021587	CVA	321 - EMS call, excluding vehicle accident with injury	5325 South SOTO VERNON CA 90058	5325 South SOTO Street	S13		
01/17/22	LAC22021653	ALRA	744 - Detector activation, no fire - unintentional	2720 South SOTO VERNON CA 90023	2720 South SOTO Street	E52		
01/17/22	LAC22021940	TCP	321 - EMS call, excluding vehicle accident with injury	3506 East WASHINGTON VERNON CA 90023	3506 East WASHINGTON Boulevard	E27		
01/17/22	LAC22022421	TCA	321 - EMS call, excluding vehicle accident with injury	South SANTA FE VERNON CA 90058	South SANTA FE Avenue	E52		
01/17/22	LAC22022586	MISC1	151 - Outside rubbish, trash or waste fire	South ALAMEDA VERNON CA 90058	South ALAMEDA Street	E52	0	0
01/18/22	LAC22022874	UNC		South ATLANTIC VERNON CA 90040	South ATLANTIC Boulevard			
01/18/22	LAC22023022	ALRWF	611 - Dispatched and cancelled en route	2300 East 57TH VERNON CA 90058	2300 East 57TH Street			
01/18/22	LAC22023127	INJA	321 - EMS call, excluding vehicle accident with injury	2468 East 26TH VERNON CA 90058	2468 East 26TH Street	E52		
01/18/22	LAC22023377	BACKB	321 - EMS call, excluding vehicle accident with injury	4560 East 26TH VERNON CA 90040	4560 East 26TH Street	E27		
01/18/22	LAC22023533	UNC	321 - EMS call, excluding vehicle accident with injury	BANDINI VERNON CA 90058	BANDINI Boulevard	S13		
01/18/22	LAC22023885	BLEEDA	321 - EMS call, excluding vehicle accident with injury	4580 South PACIFIC VERNON CA 90058	4580 South PACIFIC Boulevard	E52		
01/19/22	LAC22024326	DB	321 - EMS call, excluding vehicle	5353 South DOWNEY VERNON CA 90058	5353 South DOWNEY Road	Q13		

# JANUARY 2022 CITY DETAILS

			accident with injury			
01/19/22	LAC22025136	EMS	600 - Good intent call, other	25TH VERNON CA 90058	25TH Street	E52
01/20/22	LAC22025182	TCA	600 - Good intent call, other	East 50TH VERNON CA 90058	East 50TH Street	S13
01/20/22	LAC22025335	DB	321 - EMS call, excluding vehicle accident with injury	East WASHINGTON VERNON CA 90023	East WASHINGTON Boulevard	E27
01/20/22	LAC22025365	DB	321 - EMS call, excluding vehicle accident with injury	3137 East 26TH VERNON CA 90023	3137 East 26TH Street	S13
01/20/22	LAC22025475	DB	611 - Dispatched and cancelled en route	3375 FRUITLAND VERNON CA 90058	3375 FRUITLAND Avenue	
01/20/22	LAC22025568	UNC	321 - EMS call, excluding vehicle accident with injury	5207 South DOWNEY VERNON CA 90058	5207 South DOWNEY Road	T164
01/20/22	LAC22025990	INJB	321 - EMS call, excluding vehicle accident with injury	3113 East 26TH VERNON CA 90023	3113 East 26TH Street	E52
01/20/22	LAC22026037	ALRA	611 - Dispatched and cancelled en route	3141 East 44TH VERNON CA 90058	3141 East 44TH Street	
01/20/22	LAC22026048	ALRAR	735 - Alarm system sounded due to malfunction	3501 East VERNON VERNON CA 90058	3501 East VERNON Avenue	E13
01/20/22	LAC22026049	TCA	321 - EMS call, excluding vehicle accident with injury	1 East 44TH VERNON CA 90058	1 East 44TH Street	E52
01/20/22	LAC22026098	HYD	550 - Public service assistance, other	MAYWOOD VERNON CA 90058	MAYWOOD Avenue	E13
01/20/22	LAC22026138	ALRWF	611 - Dispatched and cancelled en route	2727 East VERNON VERNON CA 90058	2727 East VERNON Avenue	
01/20/22	LAC22026268	ALRWF	744 - Detector activation, no fire - unintentional	2727 East VERNON VERNON CA 90058	2727 East VERNON Avenue	E52
01/21/22	LAC22026544	ALRWF	700 - False alarm or false call, other	3840 26TH VERNON CA 90023	3840 26TH Street	E27
01/21/22	LAC22026565	ALRWF	744 - Detector activation, no fire - unintentional	2300 East 57TH VERNON CA 90058	2300 East 57TH Street	E52
01/21/22	LAC22026790	ALRWF	733 - Smoke detector activation due to malfunction	2602 East 37TH VERNON CA 90058	2602 East 37TH Street	E52
01/21/22	LAC22027032	INVI	900 - Special type of incident, other	4270 MAYWOOD VERNON CA 90058	4270 MAYWOOD	Q13
01/21/22	LAC22027224	TCB	300 - Rescue, EMS incident, other	East 49TH VERNON CA 90058	East 49TH Street	E163

# JANUARY 2022 CITY DETAILS

01/22/22	LAC22027922	HYD	600 - Good intent call, other	East 38TH VERNON CA 90058	East 38TH Street			
01/22/22	LAC22027945	POLE	162 - Outside equipment fire	South SOTO VERNON CA 90058	South SOTO Street	E52		
01/22/22	LAC22028085	BEHAVB	321 - EMS call, excluding vehicle accident with injury	4901 South ATLANTIC VERNON CA 90040	4901 South ATLANTIC Boulevard	E27		
01/22/22	LAC22028416	ALRWF	735 - Alarm system sounded due to malfunction	2241 East 49TH VERNON CA 90058	2241 East 49TH Street	E52		
01/22/22	LAC22028846	TCP	322 - Motor vehicle accident with injuries	BANDINI VERNON CA 90058	BANDINI Boulevard	E52		
01/22/22	LAC22029146	TCB	321 - EMS call, excluding vehicle accident with injury	East 38TH VERNON CA 90058	East 38TH Street	E52		
01/23/22	LAC22029729	ALRWFR	700 - False alarm or false call, other	4444 AYERS VERNON CA 90023	4444 AYERS Avenue			
01/23/22	LAC22029737	ALRWF	500 - Service call, other	4199 BANDINI VERNON CA 90023	4199 BANDINI Boulevard	E27		
01/23/22	LAC22029756	RUB	600 - Good intent call, other	East 26TH VERNON CA 90023	East 26TH Street	E52		
01/23/22	LAC22029763	WIRES	444 - Power line down	South DOWNEY VERNON CA 90058	South DOWNEY Road	E13		
01/23/22	LAC22029937	SICKA	321 - EMS call, excluding vehicle accident with injury	South PACIFIC VERNON CA 90058	South PACIFIC Boulevard	E52		
01/24/22	LAC22030908	INJB	321 - EMS call, excluding vehicle accident with injury	3305 BANDINI VERNON CA 90023	3305 BANDINI Boulevard	E52		
01/24/22	LAC22031306	CP	321 - EMS call, excluding vehicle accident with injury	4100 BANDINI VERNON CA 90023	4100 BANDINI Boulevard	S13		
01/24/22	LAC22031414	HYD	522 - Water or steam leak	East WASHINGTON VERNON CA 90023	East WASHINGTON Boulevard			
01/24/22	LAC22031576	ALRWF	611 - Dispatched and cancelled en route	2300 East 57TH VERNON CA 90058	2300 East 57TH Street			
01/24/22	LAC22031592	ALRWFR	611 - Dispatched and cancelled en route	2300 East 57TH VERNON CA 90058	2300 East 57TH Street			
01/25/22	LAC22032286	TCT	321 - EMS call, excluding vehicle accident with injury	St EVERETT VERNON CA 90058	St EVERETT Avenue	S13		
01/25/22	LAC22032506	GRS	118 - Trash or rubbish fire, contained	South ATLANTIC VERNON CA 90040	South ATLANTIC Boulevard	Q27	0	0
01/25/22	LAC22032710	CP	321 - EMS call, excluding vehicle accident with injury	2700 South SANTA FE VERNON CA 90058	2700 South SANTA FE Avenue	E52		

# JANUARY 2022 CITY DETAILS

01/25/22	LAC22032796	EMS	300 - Rescue, EMS incident, other	St East LEONIS VERNON CA 90058	St East LEONIS Boulevard	S13		
01/25/22	LAC22032976	INVO	150 - Outside rubbish fire, other	HAWTHORNE VERNON CA 90058	HAWTHORNE Avenue	E52	0	0
01/26/22	LAC22033379	INJA	300 - Rescue, EMS incident, other	South SANTA FE VERNON CA 90058	South SANTA FE Avenue	E52		
01/26/22	LAC22033498	MISC1	611 - Dispatched and cancelled en route	25TH VERNON CA 90058	25TH Street			
01/26/22	LAC22033655	911	600 - Good intent call, other	3101 South SOTO VERNON CA 90023	3101 South SOTO Street	S13		
01/26/22	LAC22033884	ALRWF	611 - Dispatched and cancelled en route	5383 South ALCOA VERNON CA 90058	5383 South ALCOA Avenue			
01/26/22	LAC22033955	ALRA	611 - Dispatched and cancelled en route	2325 East 38TH VERNON CA 90058	2325 East 38TH Street			
01/26/22	LAC22034078	EXPOSA	321 - EMS call, excluding vehicle accident with injury	4368 BANDINI VERNON CA 90023	4368 BANDINI Boulevard	E27		
01/26/22	LAC22034153	MAT	321 - EMS call, excluding vehicle accident with injury	4368 BANDINI VERNON CA 90023	4368 BANDINI Boulevard	E27		
01/26/22	LAC22034272	UNC	321 - EMS call, excluding vehicle accident with injury	2100 East 55TH VERNON CA 90058	2100 East 55TH Street	E52		
01/26/22	LAC22034299	SICKB	320 - Emergency medical service, other	4301 South SANTA FE VERNON CA 90058	4301 South SANTA FE Avenue	E52		
01/26/22	LAC22034406	VEH	130 - Mobile property (vehicle) fire, other	East VERNON VERNON CA 90058	East VERNON Avenue	E52	2,000	
01/27/22	LAC22034536	SICKA	321 - EMS call, excluding vehicle accident with injury	East VERNON VERNON CA 90058	East VERNON Avenue	E52		
01/27/22	LAC22034661	INJA	300 - Rescue, EMS incident, other	3501 East VERNON VERNON CA 90058	3501 East VERNON Avenue	S13		
01/27/22	LAC22034749	ALRWF	700 - False alarm or false call, other	2050 East 55TH VERNON CA 90058	2050 East 55TH Street	E52		
01/27/22	LAC22034917	UNC	321 - EMS call, excluding vehicle accident with injury	4415 BANDINI VERNON CA 90023	4415 BANDINI Boulevard	S13		
01/27/22	LAC22035018	EXPOSA	600 - Good intent call, other	4368 BANDINI VERNON CA 90023	4368 BANDINI Boulevard			
01/27/22	LAC22035214	UNC	321 - EMS call, excluding vehicle accident with injury	Downey South DOWNEY VERNON CA 90023	Downey South DOWNEY Road	S13		
01/27/22	LAC22035364	ABDA	321 - EMS call, excluding vehicle accident with injury	3737 South SOTO VERNON CA 90058	3737 South SOTO Street	S13		

# JANUARY 2022 CITY DETAILS

01/27/22	LAC22035389	DIAA	320 - Emergency medical service, other	2099 East 27TH VERNON CA 90058	2099 East 27TH Street	E52
01/27/22	LAC22035641	TCB	600 - Good intent call, other	South SANTA FE VERNON CA 90058	South SANTA FE Avenue	E52
01/28/22	LAC22035780	ALRWF	600 - Good intent call, other	4444 AYERS VERNON CA 90023	4444 AYERS Avenue	E27
01/28/22	LAC22035882	MISC1	600 - Good intent call, other	25TH VERNON CA 90058	25TH Street	E52
01/28/22	LAC22035895	ALRA	611 - Dispatched and cancelled en route	5580 South ALAMEDA VERNON CA 90058	5580 South ALAMEDA Street	
01/28/22	LAC22035903	MISC1	118 - Trash or rubbish fire, contained	East WASHINGTON VERNON CA 90023	East WASHINGTON Boulevard	Q13
01/28/22	LAC22035930	MISC1	622 - No incident found on arrival at dispatch address	South DOWNEY VERNON CA 90023	South DOWNEY Road	E52
01/28/22	LAC22036623	CP	321 - EMS call, excluding vehicle accident with injury	3851 South SOTO VERNON CA 90058	3851 South SOTO Street	E52
01/28/22	LAC22036744	GRS	600 - Good intent call, other	4462 South PACIFIC VERNON CA 90058	4462 South PACIFIC Boulevard	E52
01/29/22	LAC22037113	ALRWF	730 - System malfunction, other	4401 South DOWNEY VERNON CA 90058	4401 South DOWNEY Road	E13
01/29/22	LAC22037187	MISC1	118 - Trash or rubbish fire, contained	East SLAUSON VERNON CA 90058	East SLAUSON Avenue	E13
01/29/22	LAC22037352	INVO	600 - Good intent call, other	4020 BANDINI VERNON CA 90023	4020 BANDINI Boulevard	E27
01/29/22	LAC22037804	EMS	600 - Good intent call, other	East 26TH VERNON CA 90040	East 26TH Street	Q27
01/30/22	LAC22039050	ALRWF	700 - False alarm or false call, other	4500 BANDINI VERNON CA 90040	4500 BANDINI Boulevard	Q27
01/30/22	LAC22039056	911	300 - Rescue, EMS incident, other	710 FWY VERNON CA 90040	710 FWY Avenue	S3
01/30/22	LAC22039250	TCB	322 - Motor vehicle accident with injuries	Washington East WASHINGTON VERNON CA 90023	Washington East WASHINGTON Boulevard	E52
01/31/22	LAC22039335	EYE	321 - EMS call, excluding vehicle accident with injury	5526 South SOTO VERNON CA 90255	5526 South SOTO Street	E52
01/31/22	LAC22039359	INJA	321 - EMS call, excluding vehicle accident with injury	2300 East VERNON VERNON CA 90058	2300 East VERNON Avenue	E52
01/31/22	LAC22039641	ALRA	611 - Dispatched and cancelled en route	5770 ANDERSON VERNON CA 90058	5770 ANDERSON Street	
01/31/22	LAC22039679	HM	400 - Hazardous condition, other	2750 JEWEL VERNON CA 90058	2750 JEWEL Avenue	S164

## JANUARY 2022 CITY DETAILS

01/31/22	LAC22039750	INJA	321 - EMS call, excluding vehicle accident with injury	5000 South PACIFIC VERNON CA 90058	5000 South PACIFIC Boulevard	S164
01/31/22	LAC22039782	TCA	600 - Good intent call, other	South ATLANTIC VERNON CA 90040	South ATLANTIC Boulevard	S163
01/31/22	LAC22039982	INVO	150 - Outside rubbish fire, other	East WASHINGTON VERNON CA 90023	East WASHINGTON Boulevard	E52
01/31/22	LAC22040067	TCA	321 - EMS call, excluding vehicle accident with injury	South ATLANTIC VERNON CA 90040	South ATLANTIC Boulevard	E27
01/31/22	LAC22040449	ALRWF	735 - Alarm system sounded due to malfunction	2602 East 37TH VERNON CA 90058	2602 East 37TH Street	E52
<b>Count: 170</b>						





**COUNTY OF LOS ANGELES FIRE DEPARTMENT  
CITY OF VERNON STATISTICS  
JANUARY 2022 TYPES AND TOTALS**

Cad Initial	Cad Incident Type Description	Basic Incident Type Code And Description (FD1.21)	Number of incidents	Property Loss	Content Loss	Acres Burned
<b>Basic Incident Type Category (FD1.21): (None)</b>						
	ALRWF		2			
	EMS		1			
	INVO		1			
	TCA		1			
	UNC		1			
			<b>Total: 6</b>	<b>Total: \$0</b>	<b>Total: 0</b>	<b>Total: 0</b>
<b>Basic Incident Type Category (FD1.21): 1 - Fire</b>						
	GRS	118 - Trash or rubbish fire, contained	1	\$0	0	
	GRS	151 - Outside rubbish, trash or waste fire	2	\$0	0	
	INVO	118 - Trash or rubbish fire, contained	1	\$0	0	
	INVO	150 - Outside rubbish fire, other	2	\$0	0	
	INVO	151 - Outside rubbish, trash or waste fire	1	\$0	0	
	MISC1	118 - Trash or rubbish fire, contained	3			
	MISC1	150 - Outside rubbish fire, other	2			
	MISC1	151 - Outside rubbish, trash or waste fire	1	\$0	0	
	POLE	162 - Outside equipment fire	1			
	RUB	118 - Trash or rubbish fire, contained	1	\$0	0	
	UNK	150 - Outside rubbish fire, other	2			
	VEH	130 - Mobile property (vehicle) fire, other	1	\$2,000		
			<b>Total: 18</b>	<b>Total: \$2,000</b>	<b>Total: 0</b>	<b>Total: 0</b>
<b>Basic Incident Type Category (FD1.21): 3 - Rescue &amp; Emergency Medical Service Incident</b>						
	911	300 - Rescue, EMS incident, other	1			
	ABDA	321 - EMS call, excluding vehicle accident with injury	1			
	ALRAR	321 - EMS call, excluding vehicle accident with injury	1			
	ALRWF	321 - EMS call, excluding vehicle accident with injury	1			
	ARREST	321 - EMS call, excluding vehicle accident with injury	2			
	ASSLTB	321 - EMS call, excluding vehicle accident with injury	1			
	BACKB	321 - EMS call, excluding vehicle accident with injury	1			
	BEHAVB	321 - EMS call, excluding vehicle accident with injury	2			
	BLEEDA	321 - EMS call, excluding vehicle accident with injury	1			

# JANUARY 2022 TYPES AND TOTALS

Cad Initial Cad Incident Type Description	Basic Incident Type Code And Description (FD1.21)	Number of incidents	Property Loss	Content Loss	Acres Burned
CP	300 - Rescue, EMS incident, other	1			
CP	321 - EMS call, excluding vehicle accident with injury	7			
CVA	321 - EMS call, excluding vehicle accident with injury	1			
DB	300 - Rescue, EMS incident, other	1			
DB	321 - EMS call, excluding vehicle accident with injury	4			
DIAA	320 - Emergency medical service, other	1			
EMS	300 - Rescue, EMS incident, other	2			
EXPOSA	321 - EMS call, excluding vehicle accident with injury	1			
EYE	321 - EMS call, excluding vehicle accident with injury	1			
INJA	300 - Rescue, EMS incident, other	2			
INJA	321 - EMS call, excluding vehicle accident with injury	7			
INJB	321 - EMS call, excluding vehicle accident with injury	2			
MAT	321 - EMS call, excluding vehicle accident with injury	1			
OD	321 - EMS call, excluding vehicle accident with injury	1			
SICKA	321 - EMS call, excluding vehicle accident with injury	2			
SICKB	320 - Emergency medical service, other	1			
SICKB	321 - EMS call, excluding vehicle accident with injury	3			
TCA	321 - EMS call, excluding vehicle accident with injury	4			
TCB	300 - Rescue, EMS incident, other	1			
TCB	321 - EMS call, excluding vehicle accident with injury	4			
TCB	322 - Motor vehicle accident with injuries	3			
TCP	300 - Rescue, EMS incident, other	1			
TCP	321 - EMS call, excluding vehicle accident with injury	1			
TCP	322 - Motor vehicle accident with injuries	1			
TCT	321 - EMS call, excluding vehicle accident with injury	2			
UNC	321 - EMS call, excluding vehicle accident with injury	6			
		<b>Total: 72</b>	<b>Total: \$0</b>	<b>Total: 0</b>	<b>Total: 0</b>
<b>Basic Incident Type Category (FD1.21): 4 - Hazardous Condition (No Fire)</b>					
HM	400 - Hazardous condition, other	1			
WIRES	444 - Power line down	1			
		<b>Total: 2</b>	<b>Total: \$0</b>	<b>Total: 0</b>	<b>Total: 0</b>
<b>Basic Incident Type Category (FD1.21): 5 - Service Call</b>					
ALRA	522 - Water or steam leak	1			
ALRWF	500 - Service call, other	1			
HYD	522 - Water or steam leak	1			
HYD	550 - Public service assistance, other	1			

# JANUARY 2022 TYPES AND TOTALS

Cad Initial Cad Incident Type Description	Basic Incident Type Code And Description (FD1.21)	Number of incidents	Property Loss	Content Loss	Acres Burned
INVO	553 - Public service	1			
		<b>Total: 5</b>	<b>Total: \$0</b>	<b>Total: 0</b>	<b>Total: 0</b>
<b>Basic Incident Type Category (FD1.21): 6 - Good Intent Call</b>					
911	600 - Good intent call, other	1			
911	611 - Dispatched and cancelled en route	1			
ALRA	600 - Good intent call, other	1			
ALRA	611 - Dispatched and cancelled en route	5			
ALRWF	600 - Good intent call, other	1			
ALRWF	611 - Dispatched and cancelled en route	9			
ALRWFR	611 - Dispatched and cancelled en route	2			
DB	611 - Dispatched and cancelled en route	1			
EMS	600 - Good intent call, other	2			
EXPOSA	600 - Good intent call, other	1			
GRS	600 - Good intent call, other	1			
HYD	600 - Good intent call, other	1			
INVO	600 - Good intent call, other	2			
INVO	651 - Smoke scare, odor of smoke	1			
LAW	600 - Good intent call, other	1			
MISC1	600 - Good intent call, other	1			
MISC1	611 - Dispatched and cancelled en route	1			
MISC1	622 - No incident found on arrival at dispatch address	1			
RUB	600 - Good intent call, other	1			
TCA	600 - Good intent call, other	2			
TCB	600 - Good intent call, other	2			
TREE	600 - Good intent call, other	1			
		<b>Total: 39</b>	<b>Total: \$0</b>	<b>Total: 0</b>	<b>Total: 0</b>
<b>Basic Incident Type Category (FD1.21): 7 - False Alarm &amp; False Call</b>					
ALRA	700 - False alarm or false call, other	1			
ALRA	730 - System malfunction, other	1			
ALRA	744 - Detector activation, no fire - unintentional	1			
ALRA	745 - Alarm system activation, no fire - unintentional	1			
ALRAR	735 - Alarm system sounded due to malfunction	1			
ALRWF	700 - False alarm or false call, other	5			
ALRWF	730 - System malfunction, other	1			
ALRWF	733 - Smoke detector activation due to malfunction	1			
ALRWF	735 - Alarm system sounded due to malfunction	2			

# JANUARY 2022 TYPES AND TOTALS

Cad Initial	Cad Incident Type Description	Basic Incident Type Code And Description (FD1.21)	Number of incidents	Property Loss	Content Loss	Acres Burned
ALRWF		744 - Detector activation, no fire - unintentional	4			
ALRWFR		700 - False alarm or false call, other	2			
ALRWFR		744 - Detector activation, no fire - unintentional	1			
			<b>Total: 21</b>	<b>Total: \$0</b>	<b>Total: 0</b>	<b>Total: 0</b>
<b>Basic Incident Type Category (FD1.21): 9 - Special Incident Type</b>						
ALRAR		900 - Special type of incident, other	1			
ALRWF		900 - Special type of incident, other	3			
INVI		900 - Special type of incident, other	1			
MISC1		900 - Special type of incident, other	2			
			<b>Total: 7</b>	<b>Total: \$0</b>	<b>Total: 0</b>	<b>Total: 0</b>
			<b>Total: 170</b>	<b>Total: \$2,000</b>	<b>Total: 0</b>	<b>Total: 0</b>

## City Council Agenda Item Report

Submitted by: Donna Aggers  
Submitting Department: Police Department  
Meeting Date: March 15, 2022

### **SUBJECT**

Police Department Activity Report

### **Recommendation:**

Receive and file the January 2022 Police Department Activity Report.

### **Background:**

The Vernon Police Department's activity report consists of activity during the specified reporting period, including a summary of calls for service, and statistical information regarding arrests, traffic collisions, stored and impounded vehicles, recovered stolen vehicles, the number of citations issued, and the number of reports filed.

### **Fiscal Impact:**

There is no fiscal impact associated with this report.

### **Attachments:**

1. [Police Department Activity Report - January 2022](#)

# VERNON POLICE DEPARTMENT

## Department Activity Report

First Date: 01/01/2022

Jurisdiction: VERNON

Last Date: 01/31/2022

Department	Complaint Type	Description	All Units	Primary Unit
<b>VPD</b>				
	10-6	OFFICER IS 10-6 C7,961,962,10-10, WASH, EQUIPM	251	236
	10-96C	10-96 CHARLES (CITY HALL SECURITY CHECK)	14	14
	10-96H	PICK UP THE JAIL PAPER WORK FROM HP JAIL	1	1
	140	SUPPLEMENTAL REPORT	6	4
	166R	COURT ORDER VIOLATION REPORT	1	1
	20001	INJURY HIT AND RUN	9	4
	20001R	INJURY HIT AND RUN REPORT	2	1
	20002	NON-INJURY HIT AND RUN	17	8
	20002R	NON-INJURY HIT AND RUN REPORT	23	16
	211R	ROBBERY REPORT	3	1
	211S	SILENT ROBBERY ALARM	5	2
	215	CARJACKING	4	1
	240R	ASSAULT REPORT	1	1
	242	BATTERY	4	1
	242R	BATTERY REPORT	4	2
	273.5	DOMESTIC VIOLENCE	4	1
	273AR	CHLD ABUSE REPORT	9	2
	314	INDECENT EXPOSURE	2	2
	415	DISTURBING THE PEACE	51	20
	422R	TERRORIST THREATS REPORT	4	3
	459	BURGLARY	9	2
	459A	AUDIBLE BURGLARY ALARM	430	236
	459R	BURGLARY REPORT	7	6
	459S	SILENT BURGLARY ALARM	28	14
	459VR	BURGLARY TO A VEHICLE REPORT	6	5
	476R	FRAUD REPORT	17	12
	484	PETTY THEFT	11	4
	484R	PETTY THEFT REPORT	12	8
	487	GRAND THEFT	4	1
	487R	GRAND THEFT REPORT	23	17
	5150	SUBJECT WITH MENTAL DISABILITIES	4	2
	586	PARKING PROBLEM	111	103
	586E	PARKING ENFORCEMENT	84	72
	594	VANDALISM	10	3
	594R	VANDALISM REPORT	17	12
	602	TRESPASS	64	26
	653MR	ANNOYING PHONE CALLS REPORT	1	1
	901	UNKNOWN INJURY TRAFFIC COLLISION	1	1
	901T	INJURY TRAFFIC COLLISION	20	7
	901TR	INJURY TRAFFIC COLLISION REPORT	18	7
	902T	NON-INJURY TRAFFIC COLLISION	72	39
	902TR	NON-INJURY TRAFFIC COLLISION REPORT	7	5
	909C	TRAFFIC CONTROL	2	2
	909E	TRAFFIC ENFORCEMENT	3	2
	911	911 MISUSE / HANGUP	78	56
	911A	CONTACT THE REPORTING PARTY	42	32
	911NR	911 CALL NO RESPONSE REQUIRED	1	1

# VERNON POLICE DEPARTMENT

## Department Activity Report

First Date: 01/01/2022

Jurisdiction: VERNON

Last Date: 01/31/2022

Department	Complaint Type	Description	All Units	Primary Unit
<b>VPD</b>				
	917A	ABANDONED VEHICLE	18	11
	925	SUSPICIOUS CIRCUMSTANCES	105	41
	927	UNKNOWN TROUBLE	7	2
	A245	ATTEMPT ASSAULT WITH A DEADLY WEAPON	5	1
	A459R	ATTEMPT BURGLARY REPORT	2	1
	AGTA	ATTEMPT GRAND THEFT AUTO	4	1
	ASSISTFD	ASSIST FIRE DEPARTMENT	36	18
	BARCK	BAR CHECK	1	1
	BOSIG	BROKEN SIGNAL OR LIGHT	5	5
	BOVEH	BROKEN DOWN VEHICLE	30	27
	CITCK	CITATION CHECK	3	3
	CIVIL	CIVIL MATTER	2	2
	COP	COP DETAIL	13	10
	DEMOSTRA	DEMONSTRATION	1	1
	DET	DETECTIVE INVESTIGATION	73	37
	DETAIL	DETAIL	3	3
	DPTAST	DEPARTMENTAL ASSIST	14	7
	DUI	DRIVING UNDER THE INFLUENCE	4	3
	FILING	OFFICER IS 10-6 REPORT WRITING	142	141
	FOUND	FOUND PROPERTY REPORT	3	2
	FU	FOLLOW UP	6	6
	GTA	GRAND THEFT AUTO	3	1
	GTAR	GRAND THEFT AUTO REPORT	25	15
	HBC	HAILED BY A CITIZEN	18	9
	KTP	KEEP THE PEACE	2	1
	LOCATE	LOCATED VERNON STOLEN VEHICLE / PLATES VI	4	4
	LOJACK	LOJACK HIT	8	7
	LPR	LICENSE PLATE READER	7	5
	MISPLOCATE	LOCATED MISSING PERSON REPORT	3	1
	MISPR	MISSING PERSON REPORT	3	2
	MR60	MISC REPORT	9	3
	PAPD	PUBLIC ASSIST-POLICE	8	4
	PATCK	PATROL CHECK	308	274
	PEDCK	PEDESTRIAN CHECK	20	11
	PRSTRAN	PRISONER TRANSPORTED	10	5
	REC	RECOVERED STOLEN VEHICLE IN THE FIELD	35	19
	RECKLESS DF	RECKLESS DRIVING (23103)	16	8
	REPO	REPOSSESSION	3	2
	ROADRAGE	ROAD RAGE	3	1
	RR	RAIL ROAD PROBLEM	5	3
	SHOTS HEARI	SHOTS HEARD	3	1
	SPEED	SPEED CONTEST OR SPEEDING (23109)	30	11
	SUBPOENA	SUBPOENA SERVICE	4	2
	SUICIDAL SUE	SUICIDAL SUBJECT	7	2
	TRAFFIC STO	TRAFFIC STOP	115	82
	UNATTACHED	UNATTACHED TRAILER	2	2
	VCK	VEHICLE CHECK	116	98

# ***VERNON POLICE DEPARTMENT***

## ***Department Activity Report***

***First Date:*** 01/01/2022

***Jurisdiction:*** VERNON

***Last Date:*** 01/31/2022

<b><i>Department</i></b>	<b><i>Complaint Type</i></b>	<b><i>Description</i></b>	<b><i>All Units</i></b>	<b><i>Primary Unit</i></b>
<b>VPD</b>				
	VEH RELEASE	VEHICLE RELEASE	1	1
	VMCVIO	VERNON MUNICIPAL CODE VIOLATION	9	5
	WARRANT	WARRANT ARREST	3	2
	WELCK	WELFARE CHECK	39	21
<b><i>Department:</i></b>			<b>2793</b>	<b>1922</b>
<b><i>Overall:</i></b>			<b>2793</b>	<b>1922</b>



**VERNON POLICE DEPARTMENT**  
**Police Activity Report**

**Period Ending: 1/31/22**

**TRAFFIC COLLISIONS**

	<b><u>NO.</u></b>
<b>TOTAL</b>	37
NON-INJURY	23
INJURY	14
Persons Injured	20
Pedestrian	1
Fatalities	0
City Property Damage	9
Hit & Run (Felony)	3
Hit & Run (Misdemeanor)	16

**PROPERTY RECOVERED**

**VEHICLES: \$435,700**

**VEHICLES STORED**

Unlicensed Driver/Impounded Vehicle	12
Unattached Trailer	0
Abandoned/Stored Vehicle	17
Traffic Hazard	0

**PROPERTY RECOVERED FOR  
OTHER DEPARTMENTS**

**VEHICLES: \$116,000**

**CITATIONS**

Citations Iss (Prisoner Release)	5
Citations Iss (Other Violations)	0
Parking	147
Hazardous	32
Non-Hazardous	19
Citations Iss (Moving)	51
Citations Iss (Total)	198

**CASES CLEARED BY ARREST**

AR22-001	CR21-2182	24(A) PC
AR22-002	CR22-0062	422 PC
AR22-003	CR22-0067	594(B)1 PC
AR22-004	CR22-0077	243/4(D) PC
AR22-006	CR22-0092	20002(A) VC
AR22-007	CR21-2014	503 PC
AR22-009	CR21-0116	20001(A) VC
AR22-012	CR22-0136	487(A) PC
AR22-013	CR22-0153	11364 HS
AR22-014	CR22-0160	23247(E) VC

VERNON POLICE DEPARTMENT  
**REPORT FOR PERSONS ARRESTED**  
 PERIOD ENDING: 1/31/2022

<b>ADULT FELONY ARRESTS AND DISPOSITIONS</b>			
	MALE	FEMALE	TOTAL
ARSON			
ASSAULT	1		
BURGLARY (& ATTEMPTED)			
CORPORAL INJURY ON SPOUSE/COHABITANT			
CRIMINAL THREATS	1		
DRIVING UNDER THE INFLUENCE w/ INJURY			
EMBEZZLEMENT	1		
GRAND THEFT: AUTO (& ATTEMPTED)			
GRAND THEFT: PROPERTY (& ATTEMPTED)	1		
HIT/RUN	1		
PAROLE HOLD			
RESISTING/OBSTRUCTING			
SEXUAL BATTERY	1		
VANDALISM	1		
WARRANT (VERNON)	3		
WARRANT (OUTSIDE AGENCY)			
<b>TOTAL FELONY ARRESTS</b>	<b>10</b>	<b>0</b>	<b>10</b>

<b>ADULT MISDEMEANOR ARRESTS AND DISPOSITIONS</b>			
	MALE	FEMALE	TOTAL
ASSAULT			
CARRY LOADED FIREARM PERSON/VEH			
DISPLAY UNLAWFUL VEH REGISTRATION			
DRIVING WITH SUSPENDED LICENSE			
DRUNK IN PUBLIC			
DUI	1		
HIT/RUN			
OPERATE VEHICLE W/O INTERLOCK DEV	1		
PETTY THEFT			
POSSESSION OF NARCOTICS			
POSSESSION OF PARAPHERNALIA	1		
POSSESSION OF STOLEN PROPERTY			
POSSESSION OF SUBT SIMILAR TO TOLUENE			
RECKLESS DRIVING			
SPEED CONTEST			
THROW SUBSTANCE AT VEHICLE			
TRESPASSING			
WARRANT (OUTSIDE AGENCY)			
WARRANT (VERNON)	1		
<b>TOTAL MISD. ARRESTS</b>	<b>4</b>	<b>0</b>	<b>4</b>

<b>JUVENILES DETAINED --- FELONY AND MISDEMEANOR</b>			
	MALE	FEMALE	TOTAL
BURGLARY			0
CARRY LOADED FIREARM IN PUBLIC			0
ROBBERY			0
VANDALISM			0
WARRANT			0
<b>TOTAL JUVENILES DET.</b>	<b>0</b>	<b>0</b>	<b>0</b>

TOTAL FELONY ARRESTS (ADULT) TO DATE:	10
TOTAL MISDEMEANOR ARRESTS (ADULT) TO DATE:	4
TOTAL JUVENILES DETAINED (FELONY AND MISDEMEANOR) TO DATE:	0
<b>TOTAL ARRESTS AND DETAINED JUVENILES (FELONY AND MISDEMEANOR) TO DATE:</b>	<b>14</b>

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/01/2022

Jurisdiction: VERNON

Last Date: 01/01/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time						
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart
<b>2022010005</b>												
VREC			01/01/2022	01:03:31								
RPT			REC		1900 E 25TH, VERNON							
VREC												
						VPD	MACIEL,CYNTHIA	*26W		01:03:31		01:41:20
<b>2022010013</b>												
VREC			01/01/2022	02:49:26								
RPT			REC		4300 MAYWOOD AV, VERNON							
						VPD	SALDANA,CARLO	*41		02:49:26		03:35:52
						VPD	REDONA,BRYAN	44E		03:15:52		03:27:31
<b>2022010016</b>												
RPT			01/01/2022	04:34:57	UNK							
VREC			REC		INDUSTRIAL WAY // WASHINGTON BL, VERNON							
VREC												
						VPD	REDONA,BRYAN	*44E	04:39:17	04:39:23	04:43:30	05:26:58
						VPD	MACIEL,CYNTHIA	26W		04:40:10	04:43:31	05:22:27
						VPD	SALDANA,CARLO	41	04:39:19	04:39:24		04:40:11
<b>2022010036</b>												
SUP			01/01/2022	13:12:25	APPLE FABRICS							
			487R		1945 E 55TH, VERNON							
						VPD	CERDA,EUGENIO	*47W		13:13:49	13:17:43	13:32:28
						VPD	NEWTON,TODD	43		13:17:45	13:18:53	13:32:28

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

*Jurisdiction:* *First Date:* 01/02/2022  
*Last Date:*

Call Number	Disp	Ten	Received	Caller	Unit Time					
					Code	Complaint	Address	Dispatch	Enroute	OnScene

\* Denotes Primary Unit

\*\*NO ACTIVITY ON THIS DATE\*\*

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/03/2022

Jurisdiction: VERNON

Last Date: 01/03/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220100146</b>																				
RPT			01/03/2022	01:08:17		FARMER JOHN														
			242R			3049 E VERNON AV, VERNON														
					VPD	SALDANA,CARLO	*26E	01:11:40		01:11:41		01:15:51								01:44:07
<b>20220100166</b>																				
RPT			01/03/2022	09:02:31		SOOFER CO														
			487R			2828 S ALAMEDA, VERNON														
					VPD	VILLEGAS,RICHA	*47E	09:04:26		09:04:27										09:09:35
					VPD	MANNINO,NICHOI	41		09:09:18		09:16:06									09:44:13
					VPD	HERNANDEZ,MIG	44W		09:09:39											09:09:47
<b>20220100170</b>																				
1015			01/03/2022	09:32:33																
			DET			6074 MALBURG WY, VERNON														
					VPD	OURIQUE,CARLO	*5D35					09:32:33								11:19:04
					VPD	ENCINAS,ANTHOI	5D31					09:32:38								11:19:05
<b>20220100184</b>																				
MET			01/03/2022	11:51:32		VERNON POLICE DEPARTMENT														
RPT			SUICIDAL SUB			4305 S SANTA FE AV, VERNON														
					VPD	HERNANDEZ,MIG	*43W	11:53:23		11:53:23		12:07:46								13:31:42
					VPD	MANNINO,NICHOI	41		11:53:25		11:58:44									12:37:49
					VPD	VILLEGAS,RICHA	47E				11:59:02									12:37:12
					VPD	HERRERA,GUSTA	L2				11:54:03									12:53:31

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/04/2022

Jurisdiction: VERNON

Last Date: 01/04/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220100227</b>																				
RPT		01/04/2022	07:12:35	PATCK			4305 S SANTA FE AV, VERNON													
						VPD	HERNANDEZ,MIG	*43W												08:47:51
						VPD	MADRIGAL,ALFOI	26												08:47:50
						VPD	GAYTAN,LORENZ	s7												08:47:51
<b>20220100231</b>																				
RPT		01/04/2022	08:00:30	476R			ATLAS GALVANIZING 2639 LEONIS BL, VERNON													
						VPD	MACIEL,CYNTHIA	*41E	08:02:36	08:02:58	08:06:57									08:41:19
<b>20220100258</b>																				
RPT		01/04/2022	12:48:42	GTA			SPRINT 866-398-3284 4321 EXCHANGE AV, VERNON													
						VPD	MACIEL,CYNTHIA	*41E		12:49:33	12:53:19									13:39:47
						VPD	VILLEGAS,RICHA	26		12:51:55	13:05:57									13:30:14
						VPD	HERNANDEZ,MIG	43W		12:56:58	13:00:31									13:18:13
<b>20220100275</b>																				
RPT		01/04/2022	15:48:06	476R			APEX 5816 S BOYLE AV, VERNON													
						VPD	VILLEGAS,RICHA	*26		15:50:10	15:57:13									16:15:05
						VPD	MACIEL,CYNTHIA	41E		15:50:48	15:57:03									17:03:46
						VPD	HERNANDEZ,MIG	43W		15:53:36	16:01:52									16:35:14
						VPD	GAYTAN,LORENZ	S7			16:00:48									17:00:28
<b>20220100287</b>																				
VREC		01/04/2022	20:11:33	LOCATE			LAPD/HOLLENBECK 2555 OLYMPIC BLVD, LOS ANGELES													
						VPD	RECORDS BUREA	*RECD			20:12:20									20:31:48

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/05/2022

Jurisdiction: VERNON

Last Date: 01/05/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time						
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart
<b>20220100295</b>												
RPT			01/05/2022	02:53:38	T-Mobile USA 888-662-4662 opt 4							
VS			901T		3345 E SLAUSON AV, VERNON							
OR												
						VPD	ZOZAYA,OSCAR	*43E	02:55:46	02:55:55		04:23:24
						VPD	HERNANDEZ,EDV	26W		02:56:43	04:20:28	
						VPD	LANDA,RAFAEL	41		02:56:03		04:23:23
<b>20220100324</b>												
RPT			01/05/2022	12:37:01	SAIA MOTORFREIGHT							
			902T		2550 E 28TH, VERNON							
						VPD	VASQUEZ,LUIS	*47W	12:45:32	12:45:33	12:52:17	13:32:43
<b>20220100327</b>												
RPT			01/05/2022	13:37:54								
CITE			902T		S SANTA FE AV // 26TH, VERNON							
						VPD	VASQUEZ,LUIS	*47W	13:40:37	13:40:41	13:46:17	14:29:59
<b>20220100328</b>												
VREC			01/05/2022	15:14:07								
			VCK		2962 E 54TH, VERNON							
						VPD	HERNANDEZ,MIG	*43		15:14:07		16:16:15
<b>20220100339</b>												
VI			01/05/2022	22:01:21								
CITE			UNATTACHEDTR		6062 ALCOA AV, VERNON							
RPT						VPD	CERDA,EUGENIO	*41		22:01:21		23:16:44

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/06/2022

Jurisdiction: VERNON

Last Date: 01/06/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220100348</b>																				
RPT			01/06/2022	04:41:49		NJ RECYCLING														
			GTAR			4802 DE KALB AV, VERNON														
			VPD	HERNANDEZ,EDV		*44E		04:47:39		04:48:41		04:53:31								05:47:37
<b>20220100361</b>																				
VREC			01/06/2022	09:05:59																
			REC			FRUITLAND AV // EVERETT CT, VERNON														
			VPD	REDONA,BRYAN		*38E						09:05:59								09:47:33
				USTOW		US TOW		09:11:10		09:11:39		09:36:03								09:46:52
<b>20220100377</b>																				
RPT			01/06/2022	13:19:45		GANDER AND WHITE SHIPPING														
			GTAR			5201 S DISTRICT BL, VERNON														
			VPD	REDONA,BRYAN		*38E		13:22:40		13:25:31		13:34:48								15:02:27
			VPD	ESCOBEDO,ALEX		44E						13:29:15								15:02:28
<b>20220100392</b>																				
RPT			01/06/2022	20:52:41		RECYCLING YARD														
			ASSISTFD			2221 E 55TH, VERNON														
			VPD	ARANA,ANDRE		*26W			20:53:21		20:54:56									21:19:04
			VPD	MANNINO,NICHOI		31E			20:54:03		21:01:12									21:19:04
			VPD	MACIEL,CYNTHIA		41			20:53:31		20:58:58									21:19:04
			VPD	ESTRADA,IGNACI		S2					21:01:48									21:11:18
<b>20220100400</b>																				
RPT			01/06/2022	22:33:20																
VI			VCK			JEWEL AV // 37TH, VERNON														
			VPD	ARANA,ANDRE		*26W					22:33:21									23:23:03
			VPD	MACIEL,CYNTHIA		41					22:42:26									23:23:04
				MR C TOW		MR C TOW		22:54:03		22:54:46		23:08:07								23:23:04

\* Denotes Primary Unit



# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/07/2022

Jurisdiction: VERNON

Last Date: 01/07/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220100420</b>																				
RPT			01/07/2022	05:39:08		J AND J SNACK FOODS														
			A245			5353 DOWNEY RD, VERNON														
					VPD	MANNINO,NICHOI	*31E		05:42:31		05:46:06									06:50:03
					VPD	ARANA,ANDRE	26W		05:42:33		05:44:30									05:48:41
					VPD	MACIEL,CYNTHIA	41				05:47:12									06:39:39
					VPD	VELEZ,MARISSA	5D34				06:41:16									07:09:56
					VPD	ESTRADA,IGNACI	S2				05:51:03									06:14:42
<b>20220100426</b>																				
RPT			01/07/2022	07:54:21		UNION ICE														
			459R			2970 E 50TH, VERNON														
					VPD	CERDA,EUGENIO	*47E	07:56:21	07:56:54		08:06:55									09:17:52
<b>20220100432</b>																				
RPT			01/07/2022	09:39:59		T-Mobile USA 888-662-4662 opt 4														
			ASSISTFD			4215 EXCHANGE AV, VERNON														
					VPD	CERDA,EUGENIO	*47E	09:40:41	09:44:33		09:51:17									11:27:27
					VPD	CERDA,PAUL,JR	43		09:44:31		09:46:40									10:09:20
					VPD	ESCOBEDO,ALEX	44W		09:45:32		09:46:32									11:15:54
<b>20220100440</b>																				
RPT			01/07/2022	11:32:03																
			459R			2046 E 52D, VERNON														
					VPD	CERDA,EUGENIO	*47E		11:52:50											11:55:15
					VPD	ESCOBEDO,ALEX	44W		11:55:02		11:56:17									12:26:46
<b>20220100446</b>																				
RPT			01/07/2022	13:08:03																
			GTAR			5140 PACIFIC BL, VERNON														
					VPD	ESCOBEDO,ALEX	*44W		13:12:48		13:17:08									14:17:12
<b>20220100449</b>																				

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/07/2022

Last Date: 01/07/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Caller	Address	Unit Time					
						Dispatch	Enroute	OnScene	Depart	Arrive	Remove
<b>20220100449</b>											
RPT			01/07/2022	14:59:08							
			476R		4305 S SANTA FE AV, VERNON						
				VPD	ESCOBEDO,ALEX	*44W	14:59:39	15:01:57			16:23:18
									<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
									VPD	CR22-0028	CA0197300
<b>20220100458</b>											
RPT			01/07/2022	18:25:29							
			20001		AT&T MOBILITY 800 635 6840 4 E 46TH // BOYLE AV, VERNON						
				VPD	CERDA,EUGENIO	*47E	18:26:28	18:27:16	18:29:58		18:54:01
				VPD	CERDA,PAUL,JR	43	18:27:17	18:30:06			18:54:36
									<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
									VPD	CR22-0029	CA0197300
<b>20220100460</b>											
RPT			01/07/2022	19:51:18							
			20002R		CHP OPER A15577 S ATLANTIC BL // BANDINI BL, VERNON						
				VPD	MANNINO,NICHOI	*31E	19:59:31	20:11:50			20:31:38
									<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
									VPD	CR22-0030	CA0197300

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/08/2022

Jurisdiction: VERNON

Last Date: 01/08/2022

Call Number	Disp	Ten	Received	Complaint	Caller	Address	Unit Time											
							Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp		
<b>20220100473</b>																		
VPD	VREC		01/08/2022	03:12:52		E 57TH // 1ST, VERNON												
			REC															
					VPD	SALDANA,CARLO		*41							03:12:52			03:50:38
<b>20220100476</b>																		
VPD	OR		01/08/2022	04:29:00		T-Mobile USA 888-662-4662 opt 4												
	RPT		901T			E 26TH // SOTO, VERNON												
					VPD	ARANA,ANDRE		*38W		04:29:36		04:31:03						06:40:08
					VPD	MANNINO,NICHOL		31E		04:31:14		04:33:55					04:41:01	06:40:08
					VPD	SALDANA,CARLO		41		04:31:15		04:34:44						06:40:09
<b>20220100502</b>																		
VPD	RPT		01/08/2022	11:36:17		T-Mobile USA 888-662-4662 opt 4												
			MR60			E 27TH // SANTA FE AV, VERNON												
					VPD	FLORES,TERESA		*20W	11:37:57			11:39:41						14:27:24
					VPD	MACIEL,CYNTHIA		26E				11:47:17					12:41:41	
					VPD	CERDA,EUGENIO		40W				11:43:38						14:27:24
					VPD	CERDA,PAUL,JR		43	11:37:59			11:40:51					12:41:44	
					VPD	REDONA,BRYAN		44E				11:44:39					12:05:01	
<b>20220100512</b>																		
VPD	RPT		01/08/2022	14:52:39		R PLANET EARTH												
			484R			3200 FRUITLAND AV, VERNON												
					VPD	MACIEL,CYNTHIA		*26E		14:54:26		14:56:45						16:41:15
<b>20220100535</b>																		
VPD	RPT		01/08/2022	20:47:02		RANDALL FOODS												
			240R			2905 E 50TH, VERNON												
					VPD	MADRIGAL,ALFOI		*40W	20:48:10			20:48:11						21:59:52

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/09/2022

Jurisdiction: VERNON

Last Date: 01/09/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time						
						Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp
			Code	Complaint	Dep	Officer	Unit					
<b>20220100551</b>												
	VREC		01/09/2022	00:21:55								
			REC		E DISTRICT BL // EVERETT AV, VERNON							
						VPD	SALDANA,CARLO	*41				
									<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>	
									VPD	CR22-0036	CA0197300	
									00:21:57			01:00:25
												02:32:55
<b>20220100554</b>												
	VREC		01/09/2022	01:03:00								
			REC		BANDINI BL // DOWNEY RD, VERNON							
						VPD	MADRIGAL,ALFOI	*40W				
						VPD	MANNINO,NICHOI	31	01:10:02	01:13:58		02:32:28
						VPD	ARANA,ANDRE	38E		01:17:40		01:53:12
						VPD	SALDANA,CARLO	41		01:03:04		01:59:38
						VPD	CROSS,JEREMY	S3		01:03:07		01:55:29
												01:57:26
<b>20220100574</b>												
	RPT		01/09/2022	07:29:33								
	CITY		20002R		2619 S SANTA FE AV, VERNON							
						VPD	MACIEL,CYNTHIA	*43W				
						VPD	FLORES,TERESA	26E				
									<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>	
									VPD	CR22-0038	CA0197300	
									07:29:33			08:40:04
									07:35:02			08:38:26

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/10/2022

Jurisdiction: VERNON

Last Date: 01/10/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220100670</b>																				
RPT			01/10/2022	06:17:16		T-Mobile USA 888-662-4662 opt 4														
			20002			SANTA FE//VERNON, VERNON														
					VPD	ARANA,ANDRE		*31E		06:17:56		06:17:58								06:34:43
					VPD	MADRIGAL,ALFOI		41W		06:19:09		06:22:01								06:43:00
<b>20220100680</b>																				
RPT			01/10/2022	07:24:03		GILBERTS AUTO BODY														
VS			927			2357 E SLAUSON AV, VERNON														
LASN																				
LASO																				
					VPD	GODOY,RAYMON		*41W		07:25:06		07:28:58								10:27:05
					VPD	MACIEL,CYNTHIA		43W		07:25:09		07:34:41								09:26:30
					VPD	HERNANDEZ,MIG		44E		08:03:52		08:08:22								08:28:44
					VPD	VILLEGAS,RICHA		XS				08:16:00								09:32:54
<b>20220100692</b>																				
RPT			01/10/2022	09:12:42		NATHAN ANTHONY FURNITURE														
			459R			4940 E DISTRICT BL, VERNON														
					VPD	HERNANDEZ,MIG		*44E		09:21:02		09:45:23								10:51:54
<b>20220100695</b>																				
RPT			01/10/2022	09:26:42		ICON SPORTS														
			594R			4575 LOMA VISTA AV, VERNON														
					VPD	FLORES,TERESA		*26E		09:37:39		09:45:03								09:52:57
																				10:50:22
<b>20220100699</b>																				
RPT			01/10/2022	10:15:22		WINIX AMERICA														
			594R			4224 E DISTRICT BL, VERNON														
					VPD	HERNANDEZ,MIG		*44E		10:51:56		10:57:48								11:19:48
<b>20220100717</b>																				
RPT			01/10/2022	13:12:48		SOL PAK THERMOFORMING														
			476R			3388 FRUITLAND AV, VERNON														
					VPD															

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/10/2022

Last Date: 01/10/2022

Jurisdiction: VERNON

Call Number	Disp	Ten Code	Received Complaint	Caller Address	Unit Time							
					Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive
<b>20220100717</b>												
RPT			01/10/2022 13:12:48	SOL PAK THERMOFORMING 3388 FRUITLAND AV, VERNON								
			476R									
					VPD FLORES,TERESA	*26E	13:16:31	13:16:34	13:21:01			14:40:39
					VPD HERNANDEZ,MIG	44E		13:43:49	14:12:40			14:38:55
<b>20220100728</b>												
RPT			01/10/2022 15:36:07	DUNN EDWARDS 4885 E 52ND PL, VERNON								
			594									
					VPD GODOY,RAYMON	*41W	15:38:19	15:38:20	15:49:19			16:35:22
					VPD FLORES,TERESA	26E		15:40:09	15:49:36			17:47:00
					VPD MACIEL,CYNTHIA	43W		15:46:47	17:40:57			17:41:13
					VPD HERNANDEZ,MIG	44E		15:39:09	15:42:03			16:35:23
					VPD VILLEGAS,RICHA	XS			15:48:32			16:35:25

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/11/2022

Last Date: 01/11/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time														
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp					
<b>20220100754</b>																						
RPT			01/11/2022	02:45:31		FRAY JIMENEZ																
			20002			S ATLANTIC BL // BANDINI BL, VERNON																
						VPD LANDA,RAFAEL		*40	02:48:17	02:48:18												02:48:28
						VPD MADRIGAL,ALFOI		20E		02:48:26	02:51:51											03:10:36
						VPD ZOZAYA,OSCAR		31W		02:50:56	03:05:44											03:07:46
<b>20220100756</b>																						
VREC			01/11/2022	03:20:17																		
			LOCATE			PARAMOUNT // ALHAMBRA, PARAMOUNT																
						VPD RECORDS BUREAU		*RECD														03:23:56
																						04:00:18
<b>20220100763</b>																						
VS			01/11/2022	06:56:13		JESSICA																
SOW			925			HOLABIRD AV // GRANDE VISTA, VERNON																
						VPD		*40E		07:01:39	07:11:49											08:20:17
						VPD HERNANDEZ,MIG		31W		07:06:03	07:10:12											08:37:05
						VPD GODOY,RAYMON		38E			07:13:14											08:53:44
<b>20220100768</b>																						
RPT			01/11/2022	08:18:47		DIEGO																
			901TR			3030 S ATLANTIC BL, VERNON																
						VPD VASQUEZ,LUIS		*40E		08:20:18	08:26:33											08:47:59
						VPD HERNANDEZ,MIG		31W		08:37:05												08:37:14
<b>20220100773</b>																						
VS			01/11/2022	09:09:14																		
RPT			586			FRUITLAND AV // EVERETT AV, VERNON																
						VPD CEDENO,RUTH		*2P8														09:09:14
																						11:40:27
<b>20220100790</b>																						
RPT			01/11/2022	12:25:44		MASTER TOYS																
			476R			2355 E 37TH, VERNON																

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/11/2022

Last Date: 01/11/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Complaint	Caller	Address	Unit Time				
							Dispatch	Enroute	OnScene	Depart	Arrive
<b>20220100790</b>											
RPT			01/11/2022	12:25:44	MASTER TOYS						
			476R		2355 E 37TH, VERNON						
					VPD GODOY,RAYMON	*38E	12:45:04	12:54:52			14:13:11
									<i>Department</i> VPD	<i>OCA Number</i> CR22-0050	<i>RMS Juris</i> CA0197300
<b>20220100795</b>											
RPT			01/11/2022	13:33:54							
VI			925		2775 E 26TH, VERNON						
					VPD VASQUEZ,LUIS	*40E	13:35:21	13:38:23			14:45:59
					VPD HERNANDEZ,MIG	31W		13:42:41			14:45:59
					VPD VILLEGAS,RICHA	41W		13:42:23			14:46:00
<b>20220100799</b>											
RPT			01/11/2022	15:49:18	BEST BUY						
			911A		2929 E 44TH, VERNON						
					VPD GODOY,RAYMON	*38E		15:50:22			16:41:20
									<i>Department</i> VPD	<i>OCA Number</i> CR22-0052	<i>RMS Juris</i> CA0197300

\* Denotes Primary Unit



# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/12/2022

Jurisdiction: VERNON

Last Date: 01/12/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time						
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart
<b>20220100836</b>												
VS			01/12/2022	08:05:38								
RPT			586		E 52D // SANTA FE AV, VERNON							
						VPD	CEDENO,RUTH	*2P8				
									08:05:38			09:00:35
<b>20220100842</b>												
RPT			01/12/2022	09:15:41	KC GLOBAL							
			487R		2300 E 27TH, VERNON							
						VPD	VASQUEZ,LUIS	*41W	09:17:39			
									09:21:36			09:51:20
<b>20220100843</b>												
RPT			01/12/2022	09:20:41	JETRO CASH AND CARRY							
			459VR		2300 E 57TH, VERNON							
						VPD	ESCOBEDO,ALEX	*40E	09:23:32	09:23:56	09:32:31	
												10:15:47
<b>20220100845</b>												
VREC			01/12/2022	10:04:38								
			REC		DOWNEY RD // SLAUSON AV, VERNON							
						VPD	OURIQUE,CARLO	*5D35				11:13:38
						VPD	GODOY,RAYMON	26E	10:33:05	10:39:30	10:39:31	11:56:08
						VPD	CEDENO,RUTH	2P8			10:40:38	12:40:28
						VPD	ENCINAS,ANTHOI	5D31			10:04:44	11:13:36
						VPD	RAMOS,JOSE	5D33			10:04:48	11:13:43
						VPD	VELEZ,MARISSA	5D34			10:04:51	11:13:41
<b>20220100864</b>												
RPT			01/12/2022	17:09:51	WILD FORK FOODS							
			484R		4100 BANDINI BL, VERNON							
						VPD	GODOY,RAYMON	*26E	17:12:40	17:13:09		17:14:15
						VPD	ESCOBEDO,ALEX	40E		17:13:47	17:19:34	18:02:51

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/13/2022

Jurisdiction: VERNON

Last Date: 01/13/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220100888</b>																				
RPT			01/13/2022		07:46:10															
VS				VCK			5685 ALCOA AV, VERNON													
						VPD	REDONA,BRYAN		*41E											
							USTOW		US TOW		07:53:13		07:53:38		07:46:10					08:36:12
																				08:31:14
<b>20220100894</b>																				
RPT			01/13/2022		09:38:11															
CITE				VCK			2740 37TH, VERNON													
VI						VPD	ESCOBEDO,ALEX		*31W											
							MR C TOW		MR C TOW		09:44:04		09:44:25		09:38:11					10:18:03
															10:07:13					10:18:03
<b>20220100902</b>																				
RPT			01/13/2022		12:58:53		AUDREY													
CITE				902T			S SANTA FE AV // 57TH, VERNON													
						VPD	ESCOBEDO,ALEX		*31W	13:01:53		13:01:54		13:06:11						14:03:40
						VPD	VASQUEZ,LUIS		44					13:12:54						13:50:59
<b>20220100908</b>																				
RPT			01/13/2022		15:03:58		UPS													
				422R			3333 DOWNEY RD, VERNON													
						VPD	REDONA,BRYAN		*41E	15:07:49		15:08:18		15:10:26						
																				15:59:25
<b>20220100909</b>																				
RPT			01/13/2022		15:15:03		VANESSA RODRIGUEZ													
				20002R			LEONIS // DOWNEY, VERNON													
						VPD	VASQUEZ,LUIS		*44	15:18:37		15:19:05		15:26:05						
																				16:02:03
<b>20220100919</b>																				
1015			01/13/2022		18:20:56															
				DET			2119 E 122ND, LOS ANGELES													
						VPD	OURIQUE,CARLO		*5D35						18:20:58					21:31:23
						VPD	ENCINAS,ANTHOI		5D31						18:21:10					21:31:22

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/13/2022

Last Date: 01/13/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Caller	Address	Unit Time					
						Dispatch	Enroute	OnScene	Depart	Arrive	Remove
<b>20220100919</b>											
1015			01/13/2022 18:20:56		2119 E 122ND, LOS ANGELES						
			DET								
			VPD RAMOS,JOSE			5D33		18:21:13			21:31:23
<b>20220100925</b>											
RPT			01/13/2022 20:13:27								
CITE			TRAFFIC STOP		E DISTRICT BL // LOMA VISTA AV, VERNON						
VI											
			VPD MADRIGAL,ALFOI			*32E		20:13:30			21:01:10
			VPD ZOZAYA,OSCAR			31	20:20:59	20:27:36			21:01:10
			USTOW			US TOW	20:21:37	20:21:47	20:46:54		21:01:10

Department	OCA Number	RMS Juris
VPD	CR22-0064	CA0197300

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/14/2022

Jurisdiction: VERNON

Last Date: 01/14/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time						
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart
<b>20220100967</b>												
RPT			01/14/2022	11:23:53								
			MISPR		4305 S SANTA FE AV, VERNON							
				VPD	REDONA,BRYAN	*20W						
									Department	OCA Number	RMS Juris	
									VPD	CR22-0065	CA0197300	
												12:58:38
												11:42:41
<b>20220100970</b>												
RPT			01/14/2022	13:21:24								
			FOUND		4305 S SANTA FE AV, VERNON							
				VPD	VASQUEZ,LUIS	*32W						
									Department	OCA Number	RMS Juris	
									VPD	CR22-0066	CA0197300	
												16:21:36
												13:21:24
<b>20220100973</b>												
NRD			01/14/2022	15:43:30								
RPT			594R		3737 S SOTO, VERNON							
				VPD	CERDA,EUGENIO	*41E						
				VPD	REDONA,BRYAN	20W	15:48:02			15:51:46		17:08:23
				VPD	CERDA,PAUL,JR	40				15:51:43		17:31:49
				VPD	CERDA,PAUL,JR	40	15:48:03			15:51:45		17:08:19
				VPD	ESCOBEDO,ALEX	44E				16:10:53		16:52:03
												15:54:34
												15:54:33
												15:54:34
<b>20220100976</b>												
OR			01/14/2022	17:27:18								
RPT			902T		T-Mobile USA 888-662-4662 opt 4 PACIFIC BL // LEONIS BL, VERNON							
				VPD	CERDA,PAUL,JR	*40	17:28:32					
				VPD	REDONA,BRYAN	20W				17:28:56		17:40:31
				VPD	CERDA,EUGENIO	41E				17:31:51		18:27:12
				VPD	CERDA,EUGENIO	41E	17:29:20			17:40:25		18:27:13
				VPD	ESCOBEDO,ALEX	44E	17:30:57			17:31:34		17:53:38
					MR C TOW	MR C TOW	17:48:21			18:06:41		18:27:13
												18:27:13
<b>20220100981</b>												
RPT			01/14/2022	19:22:34								
			166R		NEW CROWN WHOLESALE 4471 S SANTA FE AV, VERNON							
				VPD		*40W						
									Department	OCA Number	RMS Juris	
									VPD	CR22-0069	CA0197300	
												22:08:20
												19:28:24

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/15/2022

Jurisdiction: VERNON

Last Date: 01/15/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220101001</b>																				
RPT			01/15/2022	03:35:21		NYDJ														
CITY			20002R			5401 S SOTO, VERNON														
						VPD ARANA,ANDRE		*22E		03:37:31		03:39:05								04:36:06
						VPD ZOZAYA,OSCAR		31		03:38:52		03:50:32								04:01:11
						VPD MANNINO,NICHOI		40W				03:39:10								04:36:07
<b>20220101006</b>																				
RPT			01/15/2022	05:04:02		PACIFIC GIANT														
			459A			4625 E DISTRICT BL, VERNON														
						VPD ARANA,ANDRE		*22E		05:05:49		05:10:53								06:53:28
						VPD ZOZAYA,OSCAR		31		05:05:52		05:10:55								06:20:55
						VPD MANNINO,NICHOI		40W		05:11:59		05:14:51								05:48:26
<b>20220101020</b>																				
RPT			01/15/2022	09:44:32																
VREC			REC			E SLAUSON AV // DOWNEY RD, VERNON														
VS																				
						VPD MACIEL,CYNTHIA		*40E				09:44:32								10:02:46
						USTOW		US TOW	09:51:10		10:02:33		10:16:39							10:25:13
<b>20220101027</b>																				
RPT			01/15/2022	11:40:39																
VREC			REC			E 55TH // SANTA FE AV, VERNON														
						VPD FLORES,TERESA		*44W				11:40:39								12:16:03
						MR C TOW		MR C TOW	11:46:40		11:47:50		12:05:24							16:16:18
<b>20220101028</b>																				
RPT			01/15/2022	11:49:35		VERIZON WIRELESS 1-800-451-5242														
			MISPLOCATE			2705 LEONIS BL, VERNON														
						VPD MACIEL,CYNTHIA		*40E	11:50:04		11:50:34		11:54:19							12:35:26
						VPD REDONA,BRYAN		20			11:51:03		11:52:04							12:15:21
						VPD CERDA,EUGENIO		41					11:52:51							12:16:32

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/15/2022

Jurisdiction: VERNON

Last Date: 01/15/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time										
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp	
<b>20220101030</b>																		
RPT		01/15/2022	12:13:07		SUICIDAL SUB	T-Mobile USA 888-662-4662 opt 4	5119 S DISTRICT BL, VERNON											
						VPD REDONA,BRYAN		*20		12:15:22		12:18:31						14:48:53
						VPD CERDA,EUGENIO		41		12:16:32		12:19:41						12:34:32
						VPD FLORES,TERESA		44W		12:16:03		12:21:32						16:21:05
<b>20220101031</b>																		
RPT		01/15/2022	12:32:14		WELCK	KEVIN	2345 E 52D, VERNON											
1015																		
						VPD REDONA,BRYAN		*20		12:34:28		12:37:06						13:29:24
						VPD MACIEL,CYNTHIA		40E		12:35:28		12:35:32						15:43:18
						VPD CERDA,EUGENIO		41		12:34:32		12:37:04						14:49:42
<b>20220101035</b>																		
RPT		01/15/2022	15:42:27		PATCK		4501 S SANTA FE AV, VERNON											
						VPD ONOPA,DANIEL		*S5				15:43:02						16:19:58
						VPD MACIEL,CYNTHIA		40E		15:43:35								16:15:30
						VPD CERDA,EUGENIO		41				16:07:49						16:15:53
<b>20220101040</b>																		
RPT		01/15/2022	16:21:49		459	SKY DENTAL	4825 E DISTRICT BL, VERNON											
						VPD MACIEL,CYNTHIA		*40E		16:24:32		16:27:50						17:07:02
						VPD REDONA,BRYAN		20		16:24:42		16:36:18						19:02:38
						VPD CERDA,EUGENIO		41		16:25:03		16:31:44						18:59:00
						VPD FLORES,TERESA		44W				17:01:37						17:06:35
						VPD ONOPA,DANIEL		S5		16:30:29		16:36:23						19:02:38
<b>20220101045</b>																		
RPT		01/15/2022	20:03:08		594	OVERHILL FARMS	2727 E VERNON AV, VERNON											
						VPD		*31W		20:05:01		20:07:52						20:34:41

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/15/2022

Last Date: 01/15/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Caller	Unit Time								
					Code	Complaint	Address	Dispatch	Enroute	OnScene	Depart	Arrive	Remove
20220101045													
	RPT		01/15/2022	20:03:08	OVERHILL FARMS								
			594		2727 E VERNON AV, VERNON								
				VPD		41	20:05:04	20:08:24					20:34:41

<i>Department</i> VPD	<i>OCA Number</i> CR22-0080	<i>RMS Juris</i> CA0197300
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\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/16/2022

Jurisdiction: VERNON

Last Date: 01/16/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220101061</b>																				
RPT			01/16/2022		06:25:05	FEDEX NATIONAL														
OR			917A			4500 BANDINI BL, VERNON														
						VPD	MADRIGAL,ALFOI		*32E		06:28:03	06:42:05								07:11:45
<b>20220101064</b>																				
RPT			01/16/2022		07:55:11															
VS			REC			3222 E WASHINGTON BL, VERNON														
VREC																				
						VPD	FLORES,TERESA		*44E			07:55:59								08:38:50
<b>20220101075</b>																				
RPT			01/16/2022		11:46:51															
			GTAR			3501 E VERNON AV, VERNON														
						VPD	FLORES,TERESA		*44E	11:48:10	11:48:14	11:51:15								12:42:29
<b>20220101077</b>																				
RPT			01/16/2022		12:22:47	MAX WHOLESALE														
			MR60			2410 E 38TH, VERNON														
						VPD	CERDA,EUGENIO		*41W		12:41:37	13:18:13								16:05:09
						VPD	MACIEL,CYNTHIA		40		13:07:07	13:14:02								13:43:31
						VPD	FLORES,TERESA		44E		12:42:34	12:44:28								16:14:26
<b>20220101080</b>																				
VREC			01/16/2022		13:41:29															
RPT			REC			4353 EXCHANGE AV, VERNON														
						VPD	MACIEL,CYNTHIA		*40		13:43:31	13:46:32								15:19:32

\* Denotes Primary Unit



# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/17/2022

Last Date: 01/17/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time				
								Dep	Officer	Unit	Dispatch	Enroute
<b>20220101116</b>												
RPT			01/17/2022	08:04:53	TINESS							
			GTAR		2501 E 27TH, VERNON							
			VPD	HERNANDEZ,MIG	*40E		08:11:49	08:11:51	08:18:01			09:11:46
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0086	CA0197300
<b>20220101119</b>												
RPT			01/17/2022	08:36:47	GAVINA & SONS							
			594R		2700 FRUITLAND AV, VERNON							
			VPD	FLORES,TERESA	*32W		08:39:02	08:39:03	08:47:52			09:52:25
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0087	CA0197300
<b>20220101132</b>												
RPT			01/17/2022	11:50:53	WEST COAST DISTRIBUTION							
CITY			20002R		2619 E 37TH, VERNON							
			VPD	FLORES,TERESA	*32W			11:52:01	11:54:32			12:28:50
			VPD	HERNANDEZ,MIG	40E			11:52:03	11:56:07			12:24:48
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0088	CA0197300
<b>20220101137</b>												
RPT			01/17/2022	12:57:31	LA COUNTY FIRE							
			20001R		3506 E WASHINGTON BL, VERNON							
			VPD	VILLEGAS,RICHA	*41			12:58:42	13:08:25			13:42:11
			VPD	HERNANDEZ,MIG	40E			13:04:01	13:10:07			13:42:11
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0089	CA0197300
<b>20220101138</b>												
VREC			01/17/2022	13:18:08	HADDICKS TOW							
			LOCATE		15650 SALT LAKE, CITY OF INDUSTRY							
			VPD	RECORDS BUREA	*RECD				13:20:06			13:54:21
<b>20220101146</b>												
VREC			01/17/2022	17:53:30								
RPT			REC		E 54TH // BOYLE AV, VERNON							
			VPD	HERNANDEZ,MIG	*40E				17:53:30			18:32:24
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0090	CA0197300
<b>20220101149</b>												

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/17/2022

Last Date: 01/17/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Caller	Address	Unit Time														
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp					
<b>20220101149</b>																				
RPT			01/17/2022	19:23:28	DAVID															
VI			20002R		S SANTA FE AV // 25TH, VERNON															
1015																				
CITE																				
						VPD	CERDA,EUGENIO	*41W	19:25:45	19:26:16	19:28:50									22:05:39
						VPD	MANNINO,NICHOI	26E			19:55:36									20:43:01
						VPD	ZOZAYA,OSCAR	44	19:51:38	19:51:39	19:54:28									20:56:35

<b>20220101150</b>																				
RPT			01/17/2022	19:28:59																
			484R		3200 E SLAUSON AV, VERNON															
						VPD	FLORES,TERESA	*32W			19:30:15									19:39:54

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/18/2022

Last Date: 01/18/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220101194</b>																				
RPT			01/18/2022	12:29:40	594R	BON APPETIT	4525 E DISTRICT BL, VERNON													
						VPD VASQUEZ,LUIS	*40W	12:30:32												
						VPD HERNANDEZ,MIG	32E		12:33:05		12:35:34									13:01:23
<b>20220101198</b>																				
RPT			01/18/2022	14:23:17	DET		4305 S SANTA FE AV, VERNON													
						VPD OURIQUE,CARLO	*5D35				14:23:17									15:07:17
<b>20220101208</b>																				
RPT			01/18/2022	18:52:41	1015	WARRANT	LAPD 77TH	7600 BROADWAY, VERNON												
						VPD HERNANDEZ,EDV	*41W		18:56:27											18:56:32
						VPD ZOZAYA,OSCAR	40		19:31:27		19:50:40									20:42:10

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

*First Date:* 01/19/2022

*Jurisdiction:* VERNON

*Last Date:* 01/19/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time					
								Dep	Officer	Unit	Dispatch	Enroute	OnScene
<b>20220101241</b>													
RPT			01/19/2022	08:32:56		CLEO APPAREL							
			487R			1901 E 55TH, VERNON							
				VPD	REDONA,BRYAN	*31W	08:34:41	08:35:26	08:47:52			09:17:25	
								<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>			
								VPD	CR22-0095	CA0197300			
<b>20220101256</b>													
RPT			01/19/2022	10:40:56		APPLE FABRICS							
			487R			1945 E 55TH, VERNON							
				VPD	REDONA,BRYAN	*31W	10:48:39	10:48:40				10:49:20	
				VPD	GODOY,RAYMON	40W		10:49:17	11:05:52			11:48:12	
								<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>			
								VPD	CR22-0096	CA0197300			
<b>20220101258</b>													
RPT			01/19/2022	11:01:56		SAS TEXTILES							
			242R			3100 E 44TH, VERNON							
				VPD	REDONA,BRYAN	*31W	11:05:31	11:06:36	11:10:29			11:56:19	
				VPD	HERNANDEZ,MIG	41E	11:05:48	11:06:55	11:18:01			14:52:07	
				VPD	VASQUEZ,LUIS	43E			11:48:19			14:42:35	
								<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>			
								VPD	CR22-0098	CA0197300			
<b>20220101260</b>													
RPT			01/19/2022	11:45:18		MARQUEZ PRODUCE							
VREC			GTAR			1890 E 25TH, VERNON							
				VPD	REDONA,BRYAN	*31W	11:56:45	11:59:45	12:06:19			13:07:18	
								<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>			
								VPD	CR22-0097	CA0197300			
<b>20220101273</b>													
RPT			01/19/2022	17:11:10		SAGE BROOK HOME							
			902T			4170 BANDINI BL, VERNON							
				VPD	VASQUEZ,LUIS	*43E	17:13:32	17:13:56	17:21:09			17:50:33	
								<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>			
								VPD	CR22-0099	CA0197300			
<b>20220101280</b>													
RPT			01/19/2022	19:53:39		ANGELICA CANALES							
			FOUND			3353 FRUITLAND AV, VERNON							
				VPD	ESCOBEDO,ALEX	*26E		19:56:29	19:57:37			20:39:53	
				VPD		41		19:56:37	20:02:22			20:39:54	
								<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>			
								VPD	CR22-0100	CA0197300			

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/20/2022

Jurisdiction: VERNON

Last Date: 01/20/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time						
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart
<b>20220101294</b>												
VM			01/20/2022	05:38:35	S SANTA FE AV // PACIFIC BL, VERNON							
			BOVEH			VPD	HERNANDEZ,EDV	*41		05:38:35		06:02:28
<b>20220101301</b>												
RPT			01/20/2022	07:13:39	CRISTINA							
			902T		BANDINI BL // ATLANTIC BL, VERNON							
						VPD		*40E	07:15:03	07:21:55	07:27:24	07:43:19
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0101	CA0197300
<b>20220101304</b>												
RPT			01/20/2022	07:44:41	HPPD							
			20002R		5608 S SOTO, VERNON							
						VPD		*40E	07:46:22	07:46:22	07:55:14	08:36:40
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0102	CA0197300
<b>20220101312</b>												
RPT			01/20/2022	10:42:23								
CITY			20002R		ALCOA AV // FRUITLAND AV, VERNON							
						VPD		*40E	10:45:51		10:46:29	11:40:45
										<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>
										VPD	CR22-0103	CA0197300
<b>20220101323</b>												
VREC			01/20/2022	14:12:56								
			REC		2900 E WASHINGTON BL, VERNON							
						VPD	OURIQUE,CARLO	*5D35		14:12:56		14:41:52
						VPD	ENCINAS,ANTHOI	5D31		14:20:13		14:34:12
						VPD	RAMOS,JOSE	5D33		14:15:41		14:41:48
						VPD	VELEZ,MARISSA	5D34		14:15:43		14:41:50
<b>20220101330</b>												
VM			01/20/2022	16:37:45	LIBAS LTD							
			BOVEH		4400 S SOTO, VERNON							
						VPD	CERDA,EUGENIO	*40E	16:40:05	16:41:18		16:58:13
<b>20220101332</b>												

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/20/2022

Jurisdiction: VERNON

Last Date: 01/20/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time						
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart
<b>20220101332</b>												
RPT			01/20/2022	16:48:28								
CITY			901TR		E 44TH // ALCOA AV, VERNON							
OR												
VS												
						VPD	VASQUEZ,LUIS	*41W			16:54:17	19:10:47
						VPD	ESCOBEDO,ALEX	31			16:54:19	17:44:27
						VPD	MANNINO,NICHOI	32E	22:05:29		22:11:26	22:59:21
						VPD	CERDA,EUGENIO	40E	16:58:24		17:29:55	19:19:36
							MR C TOW	MR C TOW	17:57:07	17:57:07	18:11:18	19:19:41
												22:59:22
<b>20220101333</b>												
RPT			01/20/2022	17:16:54	GIN PUM							
			459R		2882 E 54TH, VERNON							
						VPD	MANNINO,NICHOI	*32	18:41:27		18:46:22	19:23:47
<b>20220101334</b>												
RPT			01/20/2022	17:40:00	TIMOTHY							
CITY			901TR		MAYWOOD AV // DISTRICT BL, VERNON							
OR												
						VPD	ESCOBEDO,ALEX	*31	17:44:29		17:46:55	17:47:09
							USTOW	US TOW	18:00:14		18:01:05	18:21:03
												19:59:39
												19:59:35
<b>20220101336</b>												
RPT			01/20/2022	18:09:29	RANCHO FOODS							
			459VR		2528 E 37TH, VERNON							
						VPD	LUCAS,JASON	*22W	18:37:48		18:37:50	18:46:28
												19:23:40
<b>20220101340</b>												
RPT			01/20/2022	19:27:25	NORTON PACKAGING							
			484R		5800 S BOYLE AV, VERNON							
						VPD	LUCAS,JASON	*22W	19:46:21		19:52:58	21:03:25
						VPD	MANNINO,NICHOI	32E			19:59:32	20:57:57

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/21/2022

Jurisdiction: VERNON

Last Date: 01/21/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220101351</b>																				
RPT			01/21/2022	00:11:59	MR60	HOPE CHAPEL 715 LAKE ST, HUNTINGTON BEACH														
						VPD ESTRADA,IGNACI		*S2				00:12:45								00:27:49
<b>20220101357</b>																				
ASST			01/21/2022	03:09:32	PEDCK	E WASHINGTON BL // DOWNEY RD, VERNON														
RPT						VPD LUCAS,JASON		*22W				03:09:32								04:34:35
						VPD ESCOBEDO,ALEX		31		03:10:14		03:14:17								04:15:36
						VPD MANNINO,NICHOI		32E		03:10:12		03:12:23								04:15:42
<b>20220101371</b>																				
PATM			01/21/2022	10:13:49	911A	4305 S SANTA FE AV, VERNON														
SUP						VPD CERDA,PAUL,JR		*43W				10:21:24								10:32:05
<b>20220101373</b>																				
RPT			01/21/2022	11:21:19	20002R	T-Mobile USA 888-662-4662 opt 4 S SOTO // LEONIS BL, VERNON														
VI						VPD CERDA,PAUL,JR		*43W		11:22:21		11:31:20								12:31:27
						VPD ONOPA,DANIEL		S5				12:31:22								12:41:46
<b>20220101374</b>																				
RPT			01/21/2022	11:23:19	5150	T-Mobile USA 888-662-4662 opt 4 2407 E 38TH, VERNON														
						VPD REDONA,BRYAN		*20E				11:26:21								13:47:06
						VPD CERDA,EUGENIO		41		11:26:36		11:27:48								12:01:00
<b>20220101380</b>																				
RPT			01/21/2022	11:51:19	487R	EPS 2050 E 52D, VERNON														
						VPD CERDA,EUGENIO		*41		12:01:04		12:07:16								13:02:04

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/21/2022

Jurisdiction: VERNON

Last Date: 01/21/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time													
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp				
<b>20220101385</b>																					
RPT			01/21/2022	476R		13:21:37	HUNTER BRADLEY LOGISTICS 2555 CHAMBERS, VERNON														
								VPD	CERDA,PAUL,JR	*43W	13:24:00	13:24:00	13:37:34							14:35:57	
														<i>Department</i>	<i>OCA Number</i>					<i>RMS Juris</i>	
														VPD	CR22-0115					CA0197300	
<b>20220101386</b>																					
RPT			01/21/2022	487R		13:24:41	SEVEN STAR INTL 3011 BANDINI BL, VERNON														
								VPD	CERDA,EUGENIO	*41	13:51:42	13:51:44	14:02:50								14:22:58
														<i>Department</i>	<i>OCA Number</i>					<i>RMS Juris</i>	
														VPD	CR22-0114					CA0197300	
<b>20220101391</b>																					
RPT			01/21/2022	GTAR		14:32:03	TADIN HERB 3345 E SLAUSON AV, VERNON														
VREC								VPD	CERDA,EUGENIO	*41		14:38:34	14:39:01								16:01:32
														<i>Department</i>	<i>OCA Number</i>					<i>RMS Juris</i>	
														VPD	CR22-0117					CA0197300	
<b>20220101395</b>																					
1015			01/21/2022	20001		15:09:04	T-Mobile USA 888-662-4662 opt 4 E 49TH // DISTRICT BL, VERNON														
								VPD	CERDA,PAUL,JR	*43W		15:11:08	15:24:02								16:52:02
								VPD	VELEZ,MARISSA	5D34		15:32:12									16:52:10
								VPD	ONOPA,DANIEL	S5			15:36:04								16:52:15
<b>20220101406</b>																					
RPT			01/21/2022	911A		17:40:44	4305 S SANTA FE AV, VERNON														
1015								VPD	CERDA,PAUL,JR	*43W			17:42:22								20:09:21
<b>20220101415</b>																					
RPT			01/21/2022	GTAR		20:53:56	OVERHILL FARMS 2727 E VERNON AV, VERNON														
								VPD	MANNINO,NICHOI	*32W	20:54:31	20:54:33	20:54:34								21:29:44
														<i>Department</i>	<i>OCA Number</i>					<i>RMS Juris</i>	
														VPD	CR22-0118					CA0197300	

\* Denotes Primary Unit



# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/22/2022

Jurisdiction: VERNON

Last Date: 01/22/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time											
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp		
<b>20220101464</b>																			
RPT			01/22/2022		10:27:11	TAPATIO													
			GTAR			4685 E DISTRICT BL, VERNON													
						VPD REDONA,BRYAN	*43E	10:28:35		10:28:39		10:33:49							11:07:50
<b>20220101473</b>																			
RPT			01/22/2022		12:56:33	VERIZON WIRELESS 1-800-451-5242													
VS			901TR			BANDINI BL // SOTO, VERNON													
						VPD MACIEL,CYNTHIA	*32		12:57:29		13:01:35								13:39:18
						VPD FLORES,TERESA	38W				13:11:00								13:36:41
						VPD REDONA,BRYAN	43E		12:58:34		12:59:21								13:39:23
<b>20220101482</b>																			
RPT			01/22/2022		16:58:53	T-Mobile USA 888-662-4662 opt 4													
OR			901TR			E 38TH // ROSS, VERNON													
						VPD FLORES,TERESA	*38W	16:59:55		17:00:05		17:02:42							18:06:17
						VPD CERDA,EUGENIO	41				17:05:09								18:06:17
						VPD ONOPA,DANIEL	S5		17:00:11		17:01:23								17:41:33
<b>20220101489</b>																			
VS			01/22/2022		18:59:28	PASSER BY													
			917A			S BOYLE AV // VERNON AV, VERNON													
						VPD MACIEL,CYNTHIA	*32	19:02:34		19:02:34		19:10:58							19:29:06
						VPD LUCAS,JASON	XS				19:09:13								19:28:58
<b>20220101502</b>																			
1015			01/22/2022		21:04:57	LAPD - VAN NUYS													
RPT			WARRANT			6240 SYLMAR AV, LOS ANGELES													
						VPD MANNINO,NICHOI	*32	21:21:15		21:21:15		21:58:39							23:21:36

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/23/2022

Jurisdiction: VERNON

Last Date: 01/23/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time											
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp		
<b>20220101532</b>																			
RPT			01/23/2022	05:31:47		JASMINE													
CITY			20002			DOWNEY RD // LEONIS BL, VERNON													
CCN																			
VI																			
						VPD MADRIGAL,ALFOI		*31E	05:36:35	05:36:38	05:38:38							07:19:20	
						VPD MANNINO,NICHOI		32	05:37:30	05:37:32	05:45:45							06:36:45	
						VPD ARANA,ANDRE		40W			05:56:42							06:22:46	
<b>20220101557</b>																			
RPT			01/23/2022	11:31:00		UNICOLD													
VREC			GTAR			4339 FRUITLAND AV, VERNON													
						VPD MACIEL,CYNTHIA		*40		11:33:29	11:33:49							13:14:57	
						VPD GODOY,RAYMON		43E		11:33:42	12:38:27							11:33:46	13:53:49
<b>20220101578</b>																			
RPT			01/23/2022	19:18:07		JAIME GARCAGONZALEZ													
			20002R			E 49TH // SANTA FE AV, VERNON													
						VPD MADRIGAL,ALFOI		*31W	19:19:17	19:19:19	19:19:19								20:19:17

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/24/2022

Jurisdiction: VERNON

Last Date: 01/24/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time									
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp
<b>20220101600</b>																	
VS			01/24/2022	05:35:39	PASSER BY - JONATHAN												
RPT			917A		E 26TH // FRONTAGE, VERNON												
						VPD ARANA,ANDRE	*40E	05:37:00	05:37:01	05:41:52					07:02:59		
						VPD MADRIGAL,ALFOI	31W		05:48:01	05:51:42					06:58:55		
						VPD MANNINO,NICHOI	32	05:43:46	05:43:47	05:49:33					06:58:53		
						VPD	38E		06:47:12	06:58:50					13:28:28		
<b>20220101607</b>																	
SUP			01/24/2022	07:14:34	F GAVINA & SONS												
			140		2700 FRUITLAND AV, VERNON												
						VPD FLORES,TERESA	*38E		07:27:01	07:35:39							09:02:10
<b>20220101622</b>																	
RPT			01/24/2022	08:54:15	MJ GLOBAL ENTERPRISE												
			487R		3305 E VERNON AV, VERNON												
						VPD HERNANDEZ,MIG	*43E	08:55:41	08:55:42	08:59:21							09:43:46
<b>20220101638</b>																	
1015			01/24/2022	10:48:07	LA TRUCK & TRAILER												
RPT			925		3056 BANDINI BL, VERNON												
CITE																	
						VPD FLORES,TERESA	*38E	10:49:00	10:49:05	10:52:05							11:41:01
						VPD HERNANDEZ,MIG	43E		10:49:02	10:52:13							11:41:02
<b>20220101642</b>																	
REPO			01/24/2022	11:21:51	LINEAGE LOGISTICS												
RPT			REPO		3001 SIERRA PINE AV, VERNON												
						VPD VELEZ,MARISSA	*5D34			11:22:35				11:22:38			
						VPD RECORDS BUREAU	RECD			11:22:42							11:35:06
<b>20220101653</b>																	
RPT			01/24/2022	12:35:50													
			476R		2638 E VERNON AV, VERNON												

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/24/2022

Jurisdiction: VERNON

Last Date: 01/24/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time					
						Dep	Officer	Unit	Dispatch	Enroute	OnScene
<b>20220101653</b>											
RPT			01/24/2022	12:35:50							
			476R		2638 E VERNON AV, VERNON						
						VPD	MACIEL,CYNTHIA	*40W	12:36:27	12:36:28	12:40:55
											13:06:35
<b>20220101672</b>											
RPT			01/24/2022	16:08:23	APPLE STAR						
RPT			594R		2323 E 52D, VERNON						
						VPD	GODOY,RAYMON	*41W	16:09:24	16:09:25	16:18:58
											17:58:16
<b>20220101676</b>											
RPT			01/24/2022	16:39:04	CULINARY INTL LLC						
			476R		3280 E 44TH, VERNON						
						VPD	FLORES,TERESA	*38E		16:40:30	16:46:30
											17:32:55

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/25/2022

Jurisdiction: VERNON

Last Date: 01/25/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time											
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp		
<b>20220101692</b>																			
VS			01/25/2022	06:48:50		VERIZON WIRELESS 1-800-451-5242													
RPT			901T			4350 EXCHANGE AV, VERNON													
					VPD	MADRIGAL,ALFOI	*20E		06:49:59		06:53:29							07:06:42	
					VPD		40E		06:51:49		06:54:52								07:50:06
					VPD		43W				06:54:46								07:34:03
<b>20220101708</b>																			
VREC			01/25/2022	09:45:07															
RPT			REC			CALADA/UNION PACIFIC, LOS ANGELES													
					VPD	SWINFORD,PHILL	*5D32				09:45:07								10:46:34
					VPD	OURIQUE,CARLO	5D35				09:45:12								10:46:35
<b>20220101717</b>																			
RPT			01/25/2022	11:17:55		INDIEEV													
			487R			5001 S SOTO, VERNON													
					VPD	HERNANDEZ,MIG	*43W		11:36:36		11:52:46								12:10:10
<b>20220101718</b>																			
SUP			01/25/2022	11:26:43		UNICOLD													
			140			4339 FRUITLAND AV, VERNON													
					VPD	GODOY,RAYMON	*40E	11:28:11	11:28:33		11:52:43								12:24:30
<b>20220101724</b>																			
RPT			01/25/2022	12:35:59		OKK TRADING													
			476R			2721 E 45TH, VERNON													
					VPD	VILLEGAS,RICHA	*41		12:45:05		12:46:17								13:32:09
					VPD	HERNANDEZ,MIG	43W		12:46:19		12:47:40								12:52:06
<b>20220101733</b>																			
RPT			01/25/2022	15:19:33		UNK													
			487R			2750 S ALAMEDA, VERNON													
					VPD	HERNANDEZ,MIG	*43W	15:21:11	15:26:38		15:28:02								16:05:59

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/25/2022

Last Date: 01/25/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Caller	Unit Time							
					Code	Complaint	Address	Dispatch	Enroute	OnScene	Depart	Arrive
		Dep	Officer	Unit								
20220101744	RPT		01/25/2022 19:29:40	QX LOGISTICS 5801 S BOYLE AV, VERNON								
			487R									
			VPD	*32E	19:32:03	19:32:07	19:38:49				20:32:46	

Department	OCA Number	RMS Juris
VPD	CR22-0138	CA0197300

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/26/2022

Jurisdiction: VERNON

Last Date: 01/26/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time											
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp		
<b>20220101800</b>																			
RPT			01/26/2022	10:37:28	594R	ILLA	3700 S SANTA FE AV, VERNON												
						VPD	VILLEGAS,RICHA	*43W	10:40:40			10:41:21					11:15:14		
												<i>Department</i>	<i>OCA Number</i>	<i>RMS Juris</i>					
												VPD	CR22-0139	CA0197300					
<b>20220101817</b>																			
RPT			01/26/2022	15:16:01	273AR	LA LIFT	4368 BANDINI BL, VERNON												
						VPD	VILLEGAS,RICHA	*43W	15:17:08	15:18:17	15:24:07						21:09:03		
						VPD	HERNANDEZ,MIG	40		15:37:33	15:44:44						17:36:27		
						VPD	ZOZAYA,OSCAR	41		20:34:19	21:09:06								23:28:47
						VPD	SWINFORD,PHILL	5D32		15:41:55	15:47:41						16:14:26		
						VPD	VELEZ,MARISSA	5D34		15:41:54	15:47:40						16:14:28		
						VPD	GAYTAN,LORENZ	S7		15:27:46	15:44:01						17:36:29		
<b>20220101829</b>																			
VS			01/26/2022	21:11:13			T-Mobile USA 888-662-4662 opt 4												
RPT					ASSISTFD		S SOTO // VERNON AV, VERNON												
						VPD	HERNANDEZ,EDV	*32W		21:13:51	21:15:19								22:03:33
						VPD	ESCOBEDO,ALEX	31E		21:16:47	21:23:29						21:59:27		
<b>20220101835</b>																			
RPT			01/26/2022	23:11:50	215		T-Mobile USA 888-662-4662 opt 4												
							E 25TH // ALAMEDA, VERNON												
						VPD	SANTOS,DANIEL	*S1		23:12:49	23:17:31						00:17:28		
						VPD	ESCOBEDO,ALEX	31E			23:20:13						00:12:08		
						VPD	HERNANDEZ,EDV	32W		23:24:20	23:28:49								01:32:39
						VPD	ESTRADA,IGNACI	S2		23:12:52	23:17:33						00:17:30		

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/27/2022

Jurisdiction: VERNON

Last Date: 01/27/2022

Call Number	Disp	Ten Code	Received Complaint	Caller Address	Unit Time							
					Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive
<b>20220101838</b>												
VREC			01/27/2022 01:16:47	A CAR AUTO 5999 BANDINI BLVD, COMMERCE								
			VPD	RECORDS BUREAU	*RECD				01:36:39			02:11:24
<b>20220101846</b>												
RPT			01/27/2022 08:11:57	CITY FIBERS 2500 S SANTA FE AV, VERNON								
			VPD	CERDA,PAUL, JR	*41W				08:11:57			08:56:57
										<i>Department</i> VPD	<i>OCA Number</i> CR22-0144	<i>RMS Juris</i> CA0197300
<b>20220101848</b>												
1015			01/27/2022 08:30:52	4305 S SANTA FE AV, VERNON								
CITE			VPD	OURIQUE,CARLO	*5D35				08:30:53			09:05:20
<b>20220101894</b>												
VREC			01/27/2022 21:37:57	AYERS AV // BANDINI BL, VERNON								
RPT			VPD	ESCOBEDO,ALEX	*31				21:37:57			22:09:37
				USTOW	US TOW	21:39:31	21:40:26	21:55:27				22:09:33

\* Denotes Primary Unit



# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

*First Date:* 01/28/2022

*Jurisdiction:* VERNON

*Last Date:* 01/28/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220101906</b>																				
	REPO		01/28/2022	00:26:05		SOFA MANIA														
			REPO			5233 ALCOA AV, VERNON														
					VPD	RECORDS BUREAU	*RECD							00:28:21						01:10:53
<b>20220101924</b>																				
	RPT		01/28/2022	08:40:32		1981 MFG														
			487R			4720 E 26TH, VERNON														
					VPD	REDONA,BRYAN	*20E	08:42:54	08:43:19	08:50:46										09:38:22
<b>20220101927</b>																				
	ASST		01/28/2022	08:57:52		JAMAL SMITH														
	RPT		MISPR			4700 E 48TH, VERNON														
					VPD	REDONA,BRYAN	*20E		09:38:26	09:43:52										12:54:47
					VPD	CERDA,PAUL,JR	41	13:05:55	13:05:55											13:07:56
<b>20220101937</b>																				
	VREC		01/28/2022	12:03:32		PACIFIC COAST TIRES														
	RPT		REC			3056 BANDINI BL, VERNON														
					VPD	CERDA,EUGENIO	*43W	12:05:02	12:06:28	13:13:38										13:34:44
						USTOW	US TOW	12:13:08	12:13:10	13:13:34										13:26:47
<b>20220101968</b>																				
	RPT		01/28/2022	23:07:50		TRATTORIA 25														
			911A			2501 S SANTA FE AV, VERNON														
					VPD	MANNINO,NICHOI	*31W		23:19:30	23:22:30										23:37:53
					VPD	SALDANA,CARLO	32		23:19:31	23:19:58										23:37:53
					VPD	GODOY,RAYMON	38E		23:19:33	23:35:33										23:37:53
					VPD	CROSS,JEREMY	S3		23:19:44	23:35:31										23:37:54

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/29/2022

Last Date: 01/29/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Caller	Address	Unit Time					
						Dispatch	Enroute	OnScene	Depart	Arrive	Remove
<b>20220102004</b>											
RPT			01/29/2022	12:48:07							
VS			917A		E 52D // SANTA FE AV, VERNON						
						Department	OCA Number	RMS Juris			
						VPD	CR22-0151	CA0197300			
					VPD MACIEL,CYNTHIA	*41W		12:48:08			14:08:06
					USTOW	US TOW	13:16:04	13:16:28	13:23:48		14:08:06
<b>20220102007</b>											
VREC			01/29/2022	13:38:32							
RPT			REC		ROSS // 38TH, VERNON						
						Department	OCA Number	RMS Juris			
						VPD	CR22-0152	CA0197300			
					VPD REDONA,BRYAN	*20		13:38:32			15:06:50
					MR C TOW	MR C TOW	13:53:23	14:02:10	14:18:41		18:36:52

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/30/2022

Jurisdiction: VERNON

Last Date: 01/30/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time					
								Dep	Officer	Unit	Dispatch	Enroute	OnScene
<b>20220102045</b>													
1015			01/30/2022	00:02:31									
RPT			TRAFFIC STOP			E WASHINGTON BL // INDIANA, VERNON							
VI													
					VPD	SALDANA,CARLO		*32			00:02:32		00:54:54
					VPD	ARANA,ANDRE		38E	00:02:49		00:09:32		00:54:54
<b>20220102047</b>													
RPT			01/30/2022	00:11:57									
VS			VCK			E 57TH // ALAMEDA, VERNON							
					VPD	MADRIGAL,ALFOI		*31W			00:11:57		00:42:51
<b>20220102085</b>													
RPT			01/30/2022	11:06:03		CHASSITY FRETT							
CITY			902T			E 38TH // ROSS, VERNON							
CCN													
					VPD	REDONA,BRYAN		*41W	11:06:57		11:10:24		11:41:54
					VPD	FLORES,TERESA		38E	11:15:20		11:19:30		11:38:42
					VPD	VELASQUEZ,RICH		43			11:17:23		11:39:08
<b>20220102093</b>													
RPT			01/30/2022	12:28:32		TERESA							
			GTAR			S SOTO // 26TH, VERNON							
					VPD	MACIEL,CYNTHIA		*32	12:29:51		12:32:11		13:02:28
					VPD	FLORES,TERESA		38E	12:29:53		12:30:56		16:07:25
					VPD	VILLEGAS,RICHA		40	13:20:24		13:25:45		13:42:07
					VPD	REDONA,BRYAN		41W	13:18:57		13:26:27		13:40:23
					VPD	VELASQUEZ,RICH		43	13:18:53		13:21:19		13:42:05
					VPD	ONOPA,DANIEL		S5			12:39:50		13:42:03
<b>20220102119</b>													
CITE			01/30/2022	21:37:14									
VI			TRAFFIC STOP			57TH // SOTO, VERNON							
					VPD	CROSS,JEREMY		*S3			21:37:14		22:27:14

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/30/2022

Last Date: 01/30/2022

Jurisdiction: VERNON

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time												
								Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive	Remove	Comp			
<b>20220102119</b>																				
CITE			01/30/2022	21:37:14																
VI					TRAFFIC STOP		57TH // SOTO, VERNON													
						VPD	MADRIGAL,ALFOI		31E				22:01:38							22:27:10
						VPD	SALDANA,CARLO		32				21:40:08							22:27:11
						VPD			38W		21:37:18		21:39:21							22:27:13
<b>20220102133</b>																				
RPT			01/30/2022	23:48:41																
OR					901T		E WASHINGTON BL // DOWNEY RD, VERNON													
						VPD	SALDANA,CARLO		*32				23:48:42							01:28:31
						VPD	MADRIGAL,ALFOI		31E		23:48:45		00:03:07							00:03:53
						VPD	ARANA,ANDRE		38W				00:14:55							01:28:31
						VPD	CROSS,JEREMY		S3				23:52:23							01:28:31

\* Denotes Primary Unit

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/31/2022

Jurisdiction: VERNON

Last Date: 01/31/2022

Call Number	Disp	Ten	Received	Code	Complaint	Caller	Address	Unit Time				
								Dep	Officer	Unit	Dispatch	Enroute
<b>20220102164</b>												
RPT			01/31/2022	09:35:13	QUEEN SALES							
CITY			20002		4281 BANDINI BL, VERNON							
						VPD	GODOY,RAYMON	*31E	09:36:46	09:37:21	09:43:46	10:39:01
						VPD	VILLEGAS,RICHA	XS			10:13:19	10:39:01
											<b>Department</b>	<b>RMS Juris</b>
											VPD	CA0197300
											<b>OCA Number</b>	
											CR22-0159	
<b>20220102179</b>												
RPT			01/31/2022	11:45:36	JS GLOBAL							
			459R		2050 E 52D, VERNON							
						VPD	MACIEL,CYNTHIA	*26W	12:06:24	13:53:23		15:04:56
											<b>Department</b>	<b>RMS Juris</b>
											VPD	CA0197300
											<b>OCA Number</b>	
											CR22-0163	
<b>20220102180</b>												
RPT			01/31/2022	11:50:17								
VI			TRAFFIC STOP		E WASHINGTON BL // DOWNEY RD, VERNON							
1015												
						VPD	FLORES,TERESA	*41E			11:50:17	12:43:59
											<b>Department</b>	<b>RMS Juris</b>
											VPD	CA0197300
											<b>OCA Number</b>	
											CR22-0160	
											CR22-0165	
<b>20220102182</b>												
RPT			01/31/2022	11:55:08								
			GTAR		6116 MALBURG WY, VERNON							
						VPD	HERNANDEZ,MIG	*43W			11:56:28	12:45:12
											<b>Department</b>	<b>RMS Juris</b>
											VPD	CA0197300
											<b>OCA Number</b>	
											CR22-0161	
<b>20220102183</b>												
RPT			01/31/2022	12:10:59	FANTASY ACTIVEWEAR							
			459VR		5383 ALCOA AV, VERNON							
						VPD	GODOY,RAYMON	*31E	12:14:12			12:21:48
						VPD	HERNANDEZ,MIG	43W	14:10:48	14:15:46		16:38:00
											<b>Department</b>	<b>RMS Juris</b>
											VPD	CA0197300
											<b>OCA Number</b>	
											CR22-0164	
<b>20220102188</b>												
VM			01/31/2022	12:38:16	JR / JUNCTION							
RPT			902T		S ATLANTIC BL // DISTRICT BL, VERNON							
						VPD	GODOY,RAYMON	*31E	12:39:03	12:40:10		13:52:04
						VPD	MACIEL,CYNTHIA	26W	12:39:58	12:40:40		13:44:21
						VPD	CEDENO,RUTH	2P8	12:43:27	12:51:49		14:04:32
											<b>Department</b>	<b>RMS Juris</b>
											VPD	CA0197300
											<b>OCA Number</b>	
											CR22-0162	

# VERNON POLICE DEPARTMENT

## Call Log Report Type All Unit Times and Location with OCA's

First Date: 01/31/2022

Jurisdiction: VERNON

Last Date: 01/31/2022

Call Number	Disp	Ten	Received	Caller	Address	Unit Time							
						Dep	Officer	Unit	Dispatch	Enroute	OnScene	Depart	Arrive
<b>20220102188</b>													
VM			01/31/2022	12:38:16	JR / JUNCTION								
RPT			902T		S ATLANTIC BL // DISTRICT BL, VERNON								
						VPD	FLORES,TERESA	41E		12:44:03	12:49:12		14:04:32
						VPD	HERNANDEZ,MIG	43W		12:52:30	13:02:47		14:04:33
						VPD	VILLEGAS,RICHA	XS		12:39:23	12:52:33		14:04:33
<b>20220102200</b>													
RPT			01/31/2022	16:41:42	ALONDRA								
VS			901T		S ATLANTIC BL // BANDINI BL, VERNON								
						VPD	GODOY,RAYMON	*31E	16:42:55	16:43:12	16:43:41		18:17:31
						VPD	MACIEL,CYNTHIA	26W			17:24:53		17:50:26
						VPD	FLORES,TERESA	41E			16:44:57		17:50:32
<b>20220102204</b>													
RPT			01/31/2022	17:36:53	OCHOA DESIGNS								
VREC			GTAR		2924 E 54TH, VERNON								
						VPD	HERNANDEZ,MIG	*43W			17:39:47		18:51:42
						VPD	GODOY,RAYMON	31E	18:17:31	18:22:10			18:54:29
<b>20220102206</b>													
RPT			01/31/2022	19:02:57	JOE K RESTAURANT								
			487R		2601 S SOTO, VERNON								
						VPD	MADRIGAL,ALFOI	*32W	19:10:45	19:11:07	19:17:42		19:30:10

\* Denotes Primary Unit

# City Council Agenda Item Report

Submitted by: Daniel Wall  
Submitting Department: Public Works  
Meeting Date: March 15, 2022

## **SUBJECT**

Quarterly City Housing Report

### **Recommendation:**

Receive and file the March 2022 City Housing Quarterly Report.

### **Background:**

Staff presented this Quarterly City Housing Report, for the period from December 2021 through February 2022, to the Vernon Housing Commission at the Commission's March 9, 2022 meeting. The report highlights rent, occupancy, inspections and repairs.

### **Fiscal Impact:**

There is no fiscal impact associated with the report.

### **Attachments:**

1. [March 2022 Quarterly Housing Report](#)

The logo of Vernon College of Technology is a large, circular emblem with a gear-like border. Inside the gear, there is a central illustration of a factory or industrial scene with workers. The text "COLLEGE OF VERNON" is at the top, "EXCLUSIVELY INDUSTRIAL" is at the bottom, and "FOUNDED 1905" is in the center. The entire logo is rendered in a light yellow color.

# **Vernon Housing Commission Quarterly Report**

**March 9, 2022**

**Daniel Wall - Director of Public Works**



# Overview

***Public Works effectively manages City-owned housing and strives to provide outstanding service to its tenants.***

1. Rent Register
2. Occupancy
3. Summary of Calls Received
4. Operations
5. Advertising
6. Closing



# Rent Register

- Outstanding balance as of 3/2/2022 is \$20,046.95
- City has been compliant with COVID-19 Notice Process
- City applied for state rental assistance on behalf of tenant
- Updates provided at VHC meetings

# Occupancy

Block	Properties	Occupied	Unoccupied
Furlong	10	9	4324 Furlong
50th	8	7	3382 50th
Fruitland	6	6	0 - Full*
Vernon	2	2	0 - Full**

*\*3357 Fruitland 30-day notice received 2/28/22*

*\*\*Lease Termination Process*

# Summary of Calls Received

Month	Calls Received	Types of Calls				Avg. Days To Complete
		Repairs	Questions	Housing Inquiries	Other	
December	2	3	0	0	0	< 1 day
January	1	1	0	0	0	< 1 day
February	4	4	1	1	0	N/A
<b>Totals</b>	7	8	1	1	0	< 1 day

# Operations



- All service requests addressed
- 3361 Fruitland occupied Dec 2021
- 4324 Furlong Remodeled Jan/Feb 2022
- Security concerns Vernon units
- April 2022 safety inspections
- 3357 Fruitland - 30 day notice 2/28/22



# In Closing...

## **Public Works:**

1. Follows established VHC Policies and Procedures in management practices including filling vacancies via lottery
2. Actively inspects and maintains City-owned residential properties in accordance with best practices for landlords
3. Manages housing costs in a fiscally responsible manner within the budget approved by the City Council
4. Stays abreast of current issues impacting City-owned properties and tenants (environmental, rental assistance, COVID-19 etc.)
5. Engages tenants through proactive and legally compliant communications to inform of actions and invite feedback

# City Council Agenda Item Report

Submitted by: Joaquin Leon  
Submitting Department: Finance/Treasury  
Meeting Date: March 15, 2022

## **SUBJECT**

Quarterly Report of Cash and Investments

### **Recommendation:**

Receive and file the Cash and Investment Report for the quarters ending September 30, 2021 and December 31, 2021.

### **Background:**

On June 15, 2021, City Council adopted Resolution No. 2021-20 approving an Annual Statement of Investment Policy for Fiscal Year 2021-2022 (Investment Policy). The Investment Policy sets forth the course of action necessary to guide the decision making of the City Council, City Treasurer, and those authorized to make investment decisions in the administration of the City's investment portfolio.

In accordance with the City's Investment Policy, the City Treasurer shall render a quarterly cash and investment report to City Council. The Cash and Investments Report provides an overview of the City's cash and investment portfolio which reflects how the City's investment program meets policy objectives. Staff manages the composition of the investment portfolio, conducting periodic cash flow analyses, and benchmarking portfolio performance.

The City's portfolio is in compliance with the City's Annual Statement of Investment Policy and has the ability to meet its budgetary expenditure requirements for the next six months. Details are included in each attachment.

### **Fiscal Impact:**

There is no fiscal impact associated with this report.

### **Attachments:**

- [1. 2021-12 Quarterly Cash and Investments Report](#)
- [2. 2021-09 Quarterly Cash and Investments Report](#)

# **CITY OF VERNON**



## **CASH AND INVESTMENTS REPORT**

**FOR THE QUARTER ENDED**

**DECEMBER 31, 2021**



## TABLE OF CONTENTS

- **Cash and Investments Report – Summary** for the Quarter Ended December 31, 2021
  - Statement of Compliance of Quarterly Investment Report to City Investment Policy
  - Statement of ability to meet budgetary expenditure requirements for the next six months
  
- **Cash and Investments Report – Detail Schedule** for the Quarter Ended December 31, 2021

**City of Vernon**  
**Report of Cash and Investments - Summary**  
**For the Quarter Ended December 31, 2021**

Type of Investment	Issuer	CUSIP Number	Purchase Date	Date of Maturity	PAR	Amount Invested	Market Value	Market Price Source
Cash and Money Market Funds	East West Bank	N/A	N/A	N/A	\$ 91,208,711	\$ 91,208,711	\$ 91,208,711	East West Bank
State Treasurer Pool "LAIF"	State Treasurer LAIF	N/A	N/A	N/A	634,357	530,000	634,277	Local Agency Investment Fund
Trust Accounts	Bank of New York Mellon Trust Company	N/A	N/A	N/A	58,484,728	58,484,728	58,484,728	Bank of New York Mellon
Escrow Accounts	Bank of New York Mellon Trust Company	N/A	N/A	N/A	71,003,905	71,003,905	71,003,905	Bank of New York Mellon
<b>Total Cash and Investments</b>					<b>\$ 221,331,701</b>	<b>\$ 221,227,344</b>	<b>\$ 221,331,621</b>	

**Compliance Statement:**

The above portfolio is in compliance with the City's *Annual Statement of Investment Policy* and has the ability to meet its budgetary expenditure requirements for the next six months.

**City of Vernon**  
**Report of Cash and Investments - Detail Schedule**  
**For the Quarter Ended December 31, 2021**

FINANCIAL INSTITUTION	ACCOUNT NAME	INVESTMENT TYPE	INVESTMENT NAME	CUSIP NUMBER	PURCHASE DATE	DATE OF MATURITY	FACE VALUE (PAR)	AMOUNT INVESTED	MARKET VALUE	INTEREST RATE
East West Bank	Operating Account	Cash	Cash	N/A	N/A	N/A	\$ 42,724,477.76	\$ 42,724,477.76	\$ 42,724,477.76	0.05%
East West Bank	FSA Account	Cash	Cash	N/A	N/A	N/A	\$ 28,912.20	\$ 28,912.20	\$ 28,912.20	0.05%
East West Bank	Payroll	Cash	Cash	N/A	N/A	N/A	\$ 813.10	\$ 813.10	\$ 813.10	0.03%
East West Bank	Worker's Compensation Account	Cash	Cash	N/A	N/A	N/A	\$ 21,796.93	\$ 21,796.93	\$ 21,796.93	0.04%
East West Bank	Liability Insurance Account	Cash	Cash	N/A	N/A	N/A	\$ 1,140.04	\$ 1,140.04	\$ 1,140.04	0.02%
East West Bank	Cetera Investments	Flex Insured Account	Flex Insured Account	N/A	N/A	N/A	\$ 2,300,531.06	\$ 2,300,531.06	\$ 2,300,531.06	0.01%
East West Bank	General Account	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 3,729,071.47	\$ 3,729,071.47	\$ 3,729,071.47	0.05%
East West Bank	Federal Funds for Street Improvements	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 1,301,450.24	\$ 1,301,450.24	\$ 1,301,450.24	0.05%
East West Bank	Asset Forfeiture-Federal Funding	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 463,393.99	\$ 463,393.99	\$ 463,393.99	0.05%
East West Bank	Asset Forfeiture-State Funding	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 78,435.45	\$ 78,435.45	\$ 78,435.45	0.05%
East West Bank	Drug Abuse Program	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 5,145.55	\$ 5,145.55	\$ 5,145.55	0.03%
East West Bank	SCWP	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 919,101.81	\$ 919,101.81	\$ 919,101.81	0.05%
East West Bank	Property Management	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 1,984,238.27	\$ 1,984,238.27	\$ 1,984,238.27	0.05%
East West Bank	Water Fund	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 6,041,461.86	\$ 6,041,461.86	\$ 6,041,461.86	0.05%
East West Bank	Light & Power AB1890	Cash	Cash	N/A	N/A	N/A	\$ 0.99	\$ 0.99	\$ 0.99	0.00%
East West Bank	Light & Power Account	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 13,769,803.10	\$ 13,769,803.10	\$ 13,769,803.10	0.05%
East West Bank	Light and Power Fund	Cash	Cash	N/A	N/A	N/A	\$ 9,876,977.53	\$ 9,876,977.53	\$ 9,876,977.53	0.05%
East West Bank	Gas Account	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 3,023,122.93	\$ 3,023,122.93	\$ 3,023,122.93	0.05%
East West Bank	CARB Natural Gas Rebates	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 4,458,562.06	\$ 4,458,562.06	\$ 4,458,562.06	0.05%
East West Bank	Fiber Optics Fund	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 480,274.24	\$ 480,274.24	\$ 480,274.24	0.04%
<b>East West Bank</b>							<b>\$ 91,208,710.58</b>	<b>\$ 91,208,710.58</b>	<b>\$ 91,208,710.58</b>	
State of California	Local Agency Investment Fund	State Treasurer Pool	Pooled Money Investment Account	N/A	9/30/2003	N/A	\$ 634,357.13	\$ 530,000.00	\$ 634,277.03	0.21%
<b>State of California</b>							<b>\$ 634,357.13</b>	<b>\$ 530,000.00</b>	<b>\$ 634,277.03</b>	
Bank of New York	Vernon 21 Electric Cost of Issuance	Money Market Mutual Funds	Dreyfus Trsly Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 88,126.69	\$ 88,126.69	\$ 88,126.69	0.00%
Bank of New York	Vernon 21 Electric Cap Improv Fd	Money Market Mutual Funds	Dreyfus Trsly Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 423,000.00	\$ 423,000.00	\$ 423,000.00	0.00%
Bank of New York	Vernon 20 Wtr Cost of Issuance FD	Money Market Mutual Funds	Dreyfus Trsly Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ -	\$ -	\$ -	0.00%
Bank of New York	Vernon 20 Wtr Acquisition FD	Money Market Mutual Funds	Dreyfus Trsly Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 8,997,468.25	\$ 8,997,468.25	\$ 8,997,468.25	0.01%
Bank of New York	Vernon 20 Wtr Interest Account	Money Market Mutual Funds	Dreyfus Trsly Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 1,292.35	\$ 1,292.35	\$ 1,292.35	0.01%
Bank of New York	Vernon 20 Wtr Revenue Fund	Money Market Mutual Funds	Dreyfus Trsly Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 0.74	\$ 0.74	\$ 0.74	0.00%
Bank of New York	Vernon 20 Electric Cap Improv	Money Market Mutual Funds	Dreyfus Trsly Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 13,358,990.14	\$ 13,358,990.14	\$ 13,358,990.14	0.01%
Bank of New York	Vernon RDA Ind Tab 2005 Surplus Fund	Money Market Mutual Funds	Invesco Government Agency Private	X9USDISLQ	N/A	N/A	\$ 8,808.83	\$ 8,808.83	\$ 8,808.83	0.03%
Bank of New York	Vernon Ele Rev 09 Debt Serv Reserve	Money Market Mutual Funds	Goldman Financial SQ Govt	X9USDGFSG	N/A	N/A	\$ 33,979,301.42	\$ 33,979,301.42	\$ 33,979,301.42	0.03%
Bank of New York	Vernon Ele Rev 09 Debt Service Fund	Money Market Mutual Funds	Goldman Financial SQ Govt	X9USDGFSG	N/A	N/A	\$ 1,627,740.01	\$ 1,627,740.01	\$ 1,627,740.01	0.03%
<b>Bank of New York Mellon Trust Company (Trust Accounts)</b>							<b>\$ 58,484,728.43</b>	<b>\$ 58,484,728.43</b>	<b>\$ 58,484,728.43</b>	
Bank of New York	City of Vernon Escrow Account	Money Market Mutual Funds	Invesco Government Agency Private	X9USDAIMP	N/A	N/A	\$ 15,484,316.78	\$ 15,484,316.78	\$ 15,484,316.78	0.03%
Bank of New York	Vernon Esc '06 Lt & Pwr Stabilization A	Money Market Mutual Funds	Invesco Government Agency Private	X9USDAIMP	N/A	N/A	\$ 38,919,576.21	\$ 38,919,576.21	\$ 38,919,576.21	0.03%
Bank of New York	City of Vernon Unrestricted Dep AC	Money Market Mutual Funds	Morgan Stanley Govt Instl 8302	X9USDMOR3	N/A	N/A	\$ 16,600,012.17	\$ 16,600,012.17	\$ 16,600,012.17	0.03%
<b>Bank of New York Mellon Trust Company (Escrow Accounts)</b>							<b>\$ 71,003,905.16</b>	<b>\$ 71,003,905.16</b>	<b>\$ 71,003,905.16</b>	
<b>Total Cash and Investments</b>							<b>\$ 221,331,701.30</b>	<b>\$ 221,227,344.17</b>	<b>\$ 221,331,621.20</b>	

# **CITY OF VERNON**



## **CASH AND INVESTMENTS REPORT**

**FOR THE QUARTER ENDED**

**SEPTEMBER 30, 2021**

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- **Cash and Investments Report – Summary** for the Quarter Ended September 30, 2021
  - Statement of Compliance of Quarterly Investment Report to City Investment Policy
  - Statement of ability to meet budgetary expenditure requirements for the next six months
  
- **Cash and Investments Report – Detail Schedule** for the Quarter Ended September 30, 2021

**City of Vernon**  
**Report of Cash and Investments - Summary**  
**For the Quarter Ended September 30, 2021**

Type of Investment	Issuer	CUSIP Number	Purchase Date	Date of Maturity	PAR	Amount Invested	Market Value	Market Price Source
Cash and Money Market Funds	East West Bank	N/A	N/A	N/A	\$ 108,564,513	\$ 108,564,513	\$ 108,564,513	East West Bank
State Treasurer Pool "LAIF"	State Treasurer LAIF	N/A	N/A	N/A	633,971	530,000	634,024	Local Agency Investment Fund
Trust Accounts	Bank of New York Mellon Trust Company	N/A	N/A	N/A	50,875,352	50,875,352	50,875,352	Bank of New York Mellon
Escrow Accounts	Bank of New York Mellon Trust Company	N/A	N/A	N/A	35,099,981	35,099,981	35,099,981	Bank of New York Mellon
<b>Total Cash and Investments</b>					<b>\$ 195,173,817</b>	<b>\$ 195,069,846</b>	<b>\$ 195,173,869</b>	

**Compliance Statement:**

The above portfolio is in compliance with the City's *Annual Statement of Investment Policy* and has the ability to meet its budgetary expenditure requirements for the next six months.

**City of Vernon**  
**Report of Cash and Investments - Detail Schedule**  
**For the Quarter Ended September 30, 2021**

FINANCIAL INSTITUTION	ACCOUNT NAME	INVESTMENT TYPE	INVESTMENT NAME	CUSIP NUMBER	PURCHASE DATE	DATE OF MATURITY	FACE VALUE (PAR)	AMOUNT INVESTED	MARKET VALUE	INTEREST RATE
East West Bank	Operating Account	Cash	Cash	N/A	N/A	N/A	\$ 39,287,939.75	\$ 39,287,939.75	\$ 39,287,939.75	0.05%
East West Bank	FSA Account	Cash	Cash	N/A	N/A	N/A	\$ 26,749.68	\$ 26,749.68	\$ 26,749.68	0.04%
East West Bank	Payroll	Cash	Cash	N/A	N/A	N/A	\$ 813.04	\$ 813.04	\$ 813.04	0.01%
East West Bank	Worker's Compensation Account	Cash	Cash	N/A	N/A	N/A	\$ 102,398.65	\$ 102,398.65	\$ 102,398.65	0.04%
East West Bank	Liability Insurance Account	Cash	Cash	N/A	N/A	N/A	\$ 1,139.97	\$ 1,139.97	\$ 1,139.97	0.02%
East West Bank	Cetera Investments	Flex Insured Account	Flex Insured Account	N/A	N/A	N/A	\$ 2,300,473.65	\$ 2,300,473.65	\$ 2,300,473.65	0.01%
East West Bank	General Account	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 3,334,659.33	\$ 3,334,659.33	\$ 3,334,659.33	0.05%
East West Bank	Federal Funds for Street Improvements	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 1,301,302.62	\$ 1,301,302.62	\$ 1,301,302.62	0.05%
East West Bank	Asset Forfeiture-Federal Funding	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 509,823.60	\$ 509,823.60	\$ 509,823.60	0.05%
East West Bank	Asset Forfeiture-State Funding	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 78,426.55	\$ 78,426.55	\$ 78,426.55	0.05%
East West Bank	Drug Abuse Program	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 5,145.22	\$ 5,145.22	\$ 5,145.22	0.03%
East West Bank	SCWP	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 918,997.56	\$ 918,997.56	\$ 918,997.56	0.05%
East West Bank	Property Management	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 1,984,013.22	\$ 1,984,013.22	\$ 1,984,013.22	0.05%
East West Bank	Water Fund	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 6,040,776.63	\$ 6,040,776.63	\$ 6,040,776.63	0.05%
East West Bank	Light & Power AB1890	Cash	Cash	N/A	N/A	N/A	\$ 0.99	\$ 0.99	\$ 0.99	0.00%
East West Bank	Light & Power Account	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 35,276,741.79	\$ 35,276,741.79	\$ 35,276,741.79	0.05%
East West Bank	Light and Power Fund	Cash	Cash	N/A	N/A	N/A	\$ 9,875,604.32	\$ 9,875,604.32	\$ 9,875,604.32	0.10%
East West Bank	Gas Account	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 3,022,780.04	\$ 3,022,780.04	\$ 3,022,780.04	0.05%
East West Bank	CARB Natural Gas Rebates	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 4,016,506.44	\$ 4,016,506.44	\$ 4,016,506.44	0.05%
East West Bank	Fiber Optics Fund	Money Market Funds	Money Market Funds	N/A	N/A	N/A	\$ 480,219.77	\$ 480,219.77	\$ 480,219.77	0.05%
<b>East West Bank</b>							<b>\$ 108,564,512.82</b>	<b>\$ 108,564,512.82</b>	<b>\$ 108,564,512.82</b>	
State of California	Local Agency Investment Fund	State Treasurer Pool	Pooled Money Investment Account	N/A	9/30/2003	N/A	\$ 633,971.09	\$ 530,000.00	\$ 634,023.65	0.21%
<b>State of California</b>							<b>\$ 633,971.09</b>	<b>\$ 530,000.00</b>	<b>\$ 634,023.65</b>	
Bank of New York	Vernon 20 Wtr Cost of Issuance FD	Money Market Mutual Funds	Dreyfus Trsy Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ -	\$ -	\$ -	0.00%
Bank of New York	Vernon 20 Wtr Acquisition FD	Money Market Mutual Funds	Dreyfus Trsy Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 11,084,319.57	\$ 11,084,319.57	\$ 11,084,319.57	0.01%
Bank of New York	Vernon 20 Wtr Interest Account	Money Market Mutual Funds	Dreyfus Trsy Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 1,016.77	\$ 1,016.77	\$ 1,016.77	0.01%
Bank of New York	Vernon 20 Wtr Revenue Fund	Money Market Mutual Funds	Dreyfus Trsy Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 0.74	\$ 0.74	\$ 0.74	0.00%
Bank of New York	Vernon 20 Electric Cap Improv	Money Market Mutual Funds	Dreyfus Trsy Sec CM Admin 582	X9USDVM2	N/A	N/A	\$ 15,889,179.55	\$ 15,889,179.55	\$ 15,889,179.55	0.01%
Bank of New York	Vernon RDA Ind Tab 2005 Surplus Fund	Money Market Mutual Funds	Invesco Government Agency Private	X9USDLSLQ	N/A	N/A	\$ 8,808.07	\$ 8,808.07	\$ 8,808.07	0.03%
Bank of New York	Vernon Ele Rev 09 Debt Serv Reserve	Money Market Mutual Funds	Goldman Financial SQ Govt	X9USDGFGS	N/A	N/A	\$ 23,891,877.47	\$ 23,891,877.47	\$ 23,891,877.47	0.03%
Bank of New York	Vernon Ele Rev 09 Debt Service Fund	Money Market Mutual Funds	Goldman Financial SQ Govt	X9USDGFGS	N/A	N/A	\$ 150.01	\$ 150.01	\$ 150.01	0.03%
<b>Bank of New York Mellon Trust Company (Trust Accounts)</b>							<b>\$ 50,875,352.18</b>	<b>\$ 50,875,352.18</b>	<b>\$ 50,875,352.18</b>	
Bank of New York	City of Vernon Escrow Account	Money Market Mutual Funds	Invesco Government Agency Private	X9USDAIMP	N/A	N/A	\$ 4,582,580.24	\$ 4,582,580.24	\$ 4,582,580.24	0.03%
Bank of New York	Vernon Esc '06 Lt & Pwr Stabilization A	Money Market Mutual Funds	Invesco Government Agency Private	X9USDAIMP	N/A	N/A	\$ 13,918,463.98	\$ 13,918,463.98	\$ 13,918,463.98	0.03%
Bank of New York	City of Vernon Unrestricted Dep AC	Money Market Mutual Funds	Morgan Stanley Govt Instl 8302	X9USDMOR3	N/A	N/A	\$ 16,598,936.55	\$ 16,598,936.55	\$ 16,598,936.55	0.03%
<b>Bank of New York Mellon Trust Company (Escrow Accounts)</b>							<b>\$ 35,099,980.77</b>	<b>\$ 35,099,980.77</b>	<b>\$ 35,099,980.77</b>	
<b>Total Cash and Investments</b>							<b>\$ 195,173,816.86</b>	<b>\$ 195,069,845.77</b>	<b>\$ 195,173,869.42</b>	

# City Council Agenda Item Report

Submitted by: Daniel Wall  
Submitting Department: Public Works  
Meeting Date: March 15, 2022

## **SUBJECT**

Right of Way Agreements for the Atlantic Bridge Improvement Project

### **Recommendation:**

- A. Find that the proposed action is categorically exempt from California Environmental Quality Act (CEQA) review, in accordance with CEQA Guidelines Section 15301, because the project consists of the minor alteration of existing facilities and involves negligible or no expansion of an existing use;
- B. Approve and authorize the City Administrator to execute a Possession and Use Agreement with Magellan Atlantic I, LLC, in substantially the same form as submitted, for portions of 3030 Atlantic and deposit an amount of \$453,000 in escrow, and authorize the Mayor to execute related Certificates of Acceptance for certain easements;
- C. Approve and authorize the City Administrator to execute a Fixtures/Equipment Agreement with Clear Channel Outdoor, in substantially the same form as submitted, for the removal of a billboard located at 5122 S. Atlantic Blvd for an amount of \$34,405; and
- D. Approve and Authorize the City Administrator to execute a Document Approval Letter with Los Angeles County Flood Control District, in substantially the same form as submitted, for the permanent easements and temporary construction easements over Los Angeles Rivers Parcels for an amount of \$1,431,762, and authorize the Mayor to execute related Certificates of Acceptance for certain easements.

### **Background:**

Constructed in 1931, an average of over 55,000 cars and trucks cross the Atlantic Street Bridge over the Los Angeles River each day. Atlantic Boulevard is a vital artery serving not only the City of Vernon but also also as a gateway to the southeast community. Due to the narrow pedestrian walkway and traffic lanes, the bridge is inadequate for projected traffic volumes of vehicles and trucks, and is a bottleneck creating traffic congestion. In addition to widening the bridge, the Atlantic Bridge Improvement Project (Project) widens the roadway bridge approaches, and improves traffic signals and railroad warning devices.

The Project requires permanent street easements, temporary construction easements, and the removal of a billboard from the properties along Atlantic Boulevard. In accordance with Caltrans reimbursement requirements, the payments being made for the property interests being acquired are based on third party appraisals. There is a disagreement about the value of the portions of 3030 Atlantic being acquired from Magellan Atlantic I, LLC; however, the possession and use agreement will allow the Project to move forward while the parties come to a consensus on the value of the property being acquired for this project.

### **Fiscal Impact:**

The combined cost for Right of Way Agreements for the Atlantic Bridge Improvement Project is \$1,919,167. Sufficient funds for Right of Way Agreements for the Atlantic Bridge Improvement Project are available in Capital Expenditures, Street Operations Division Account No. 011-2043-900000.



**Attachments:**

1. Magellan Atlantic I, LLC Possession and Use Agreement
2. 3030 Atlantic Preliminary Report
3. Clear Channel Outdoor Fixtures/Equipment Agreement
4. Los Angeles County Flood Control District Document Approval Letter

PROJECT: Rehabilitation of Atlantic Boulevard Bridge over the Los Angeles River  
APN: 6314-033-003 and -005

## AGREEMENT FOR POSSESSION AND USE

THIS AGREEMENT FOR POSSESSION AND USE ("**Agreement**") is executed as of this \_\_\_\_ day of \_\_\_\_\_, 2022, by and between **City of Vernon**, a California charter City and California municipal corporation (City) and Magellan Atlantic I, LLC, a Delaware limited liability company (**Owner**).

### RECITALS

A. Owner is the owner of property located at 3030 South Atlantic Blvd., Vernon, Los Angeles County Assessor Parcel No.: 6314-033-003 and -005 ("**Original Parcel**").

B. The City is responsible for infrastructure planning and improvements within the City, including acquisition of real property and construction in connection with the Rehabilitation of Atlantic Boulevard Bridge over the Los Angeles River Project ("**Project**").

C. The City has notified the Owner that the City requires possession of a portion of the Original Parcel in connection with the Project. The City desires to purchase portions of or interests in the Original Parcel from Owner, as follows: (i) A permanent utility easement, as more particularly described in the Utility Easement Deed attached hereto as Exhibit "A" ("**PUE**"); and (ii) A temporary construction easement, as more particularly described in the Temporary Construction Easement Deed attached hereto as Exhibit "B" ("**TCE**"). All of the foregoing interests are hereafter collectively referred to as the "**Property**." The Property is required for the Project. The PUE and TCE are collectively referred to as the "**Easements**."

D. The purpose of this Agreement is to allow the City to take immediate possession of the Property in order to proceed with construction of the Project without delay. This Agreement is therefore made in the interest of time and with the understanding that the City will continue to negotiate in good faith with Owner to acquire the Property by direct purchase at fair market value. It is understood that this Agreement is entered under threat of condemnation. Based on the foregoing facts and circumstances, the City and Owner agree as follows:

1. Immediate Possession and Use. Owner hereby irrevocably grants to the City, its contractors, agents, and all others deemed necessary by the City, the irrevocable right of possession and use of the PUE and the temporary right to possession and use of the TCE, including reasonably necessary incidental rights limited to the right to remove and dispose of improvements located on the Property. Should the City remove any improvements, including pavement, within the TCE, then upon completion of its construction within the TCE, the City shall restore the TCE as nearly as practicable and commercially reasonable to its condition at the time the City took possession of it pursuant to this Agreement. The City agrees to maintain vehicular access to the Original Parcel at all times during the construction period notwithstanding any language to the contrary, if any, contained in the PUE and TCE. In consideration for the foregoing

grant of possession and use, the City will tender into the Escrow (defined below) the sum of Four Hundred Fifty-Three Thousand Dollars (\$453,000.00) ("**Deposit**") as the City's determination of the fair market valuation of the Property. The City shall have the right to take possession of the Property on the date the Deposit is paid into Escrow; provided, however, that the City will exercise such right of possession upon not less than five (5) business days prior written notice to Owner. Owner acknowledges that the Deposit represents the full amount of the City-approved appraisal of what is reasonably believed by the City to be just compensation owed for the acquisition of the Property. Owner waives any right to challenge The City's right to possess and use the Property in any subsequent eminent domain proceeding filed by the City involving the Original Parcel.

2. Escrow. The transaction described in Section 1 above will be administered through an escrow with Commonwealth Land Title Company, through its Newport Beach, California office, with Grace U. Kim as the Escrow Officer ("**Escrow**" and "**Escrow Holder**"). The City shall pay all escrow and title fees payable with respect to this transaction. This Agreement will constitute instructions to Escrow Holder with respect to the holding, investment and disbursement of the Deposit and other funds and documents described herein, supplemented by such "general provisions" or supplemental instructions as Escrow Holder may deem necessary or appropriate. In the event of any discrepancy between such supplemental instructions and this Agreement, the terms and provisions of this Agreement will govern. The Escrow shall remain open until a settlement is reached, this Agreement is terminated or a final order of condemnation under Section 1268.030 of the California Code of Civil Procedure is entered by a court with proper jurisdiction.

3. Disbursement of Deposit. Owner shall be entitled to disbursement of the Deposit. Owner represents that no deed of trust or other monetary lien affects the Property.

4. No Conveyance or Further Encumbrance. Following the date of this Agreement and until the Easements are recorded, Owner shall not voluntarily assign, sell, encumber or otherwise transfer all or any portion of the Original Parcel without first obtaining the written consent of the City, which the City may grant or withhold in its sole discretion.

5. Good Faith Negotiations. The City and Owner will continue to negotiate in good faith for the acquisition by the City of the Property by direct purchase at fair market value. If a settlement is not reached within one hundred twenty (120) days following the date of this Agreement, such failure will be an acknowledgment that such negotiations have not been successful. As of such date, the City shall begin timely preparations for the filing of a complaint in eminent domain to acquire the Property. If the City begins proceedings in eminent domain, it is understood and agreed that this Agreement shall continue in effect until either a settlement is reached or a final order of condemnation under Section 1268.030 of the California Code of Civil Procedure is entered by a court with proper jurisdiction.

6. Right to Appear and Be Heard. Section 1245.235 of the California Code of Civil Procedure requires the City and the City's governing body to give each person whose property is to be acquired by eminent domain notice and a reasonable opportunity to appear before the City's governing body and be heard on the matters referred to in Section 1240.030 of the California Code of Civil Procedure, which provides:

"The power of eminent domain may be exercised to acquire property for a proposed project only if all of the following are established:

- (1) The public interest and necessity require the project.
- (2) The project is planned or located in the manner that will be most compatible with the greatest public good and the least private injury.
- (3) The property sought to be acquired is necessary for the project.
- (4) The offer required by Section 7267.2 of the Government Code has been made to the Owner or others of record. (If an offer has not been made, an appraisal will be prepared as soon as practicable and an offer made of the full amount of such appraisal.)"

7. No "Right to Take" Challenge. By granting to the City the right to possess and use the Property as described in Section 1 above, Owner agrees to the following: (i) Owner specifically waives the notice required by California Code of Civil Procedure Section 1245.235 of the hearing of the matter referred to in California Code of Civil Procedure Section 1240.030 and the adoption of the resolution of necessity by the City's governing body authorizing the taking of the Property; (ii) Owner shall not object to the filing of an eminent domain proceeding to acquire the Property; and (iii) in any eminent domain action filed by the City to acquire the Property, Owner shall not challenge the City's right to take the Property, and the only issue shall be the amount of just compensation at fair market value for the Property, provided this Agreement is in effect at the time the City exercises its right to take.

8. Waiver of Claims Other Than Greater Compensation. Owner expressly waives all claims and defenses in its favor in any subsequent eminent domain proceeding related to this Agreement except a claim for greater compensation. In the event proceedings in eminent domain are begun, the date of valuation for determining the amount of just compensation for the Property shall be the date on which the City files the complaint in said proceeding. The City shall not take the position in the eminent domain proceeding that the just compensation due for the Property is less than the amount deposited pursuant to this Agreement.

9. Interest On Deposited Funds. Compensation awarded in an eminent domain proceeding shall draw interest as prescribed at the apportionment rate calculated by the State Controller as the rate of earnings by the Surplus Money Investment Fund for each three-month period. Owner shall be entitled to receive interest on any sum received as compensation for its interest in the Property, whether pursuant to this Agreement, a subsequent settlement or court judgment, beginning on the date the City is authorized to take possession of the Property pursuant to this Agreement and ending on the earlier of (a) the date the amount placed into the Escrow by the City is paid to the Owner; or (b) the date the amount is deposited with the court as the award in a judgment in condemnation.

10. Abandonment. Following commencement of a proceeding in eminent domain, the City reserves the right to abandon the proceeding in whole or in part; provided, however, that the City shall still be liable for all expenses and costs including but not limited to all legal expenses and fees as permitted under the Code of Civil Procedure, including Code of Civil Procedure section 1268.610, of Owner related to or arising from this Agreement and any proceeding in eminent domain.

11. Hazardous Materials. The City covenants and agrees that in its activities upon the Property pursuant to this Agreement, the City, its agents, representatives, contractors and subcontractors will not cause the release of any Hazardous Materials upon the Property.

12. Close of Escrow. If Owner and the City are able to reach agreement regarding the valuation of the Property, Owner and the City will provide to Escrow Holder an amendment or supplement to this Agreement, setting forth such additional provisions as may have been agreed upon and instructing Escrow Holder with respect to the disbursement of remaining or additional funds to Owner, the recording of the Easements, distribution of any additional documents and similar matters.

13. Insurance and Indemnity. During any period between exercise by the City of its right of possession and recording of the Easements, the City shall name Owner as an additional insured with respect to public liability insurance coverage (or shall cause the City's contractors to do so) and shall defend, indemnify and hold Owner free and harmless from and against any and all claims, damages and liabilities associated with the City's possession and use of the Property prior to such recording.

14. Successors and Assigns. This Agreement shall also extend to and bind the devisees, executors, administrators, legal representatives, successors and assigns of the parties hereto.

15. Memorandum. Within seven (7) days following execution of this Agreement by both parties, Owner and the City shall execute, acknowledge and provide to Escrow Holder a memorandum of this Agreement, in the same form as that attached hereto as Exhibit "C" ("**Memorandum**"). On the next business day following receipt by Escrow Holder of the Deposit from the City, Escrow Holder will cause the Memorandum to be recorded in the records of Los Angeles County, California. Upon recording of the Easement documents, the City will execute and cause to be recorded a release or quitclaim sufficient to remove the Memorandum as an encumbrance affecting the remainder of the Original Parcel.

16. Attorney Fees. Should legal action be required in order to construe or enforce any provision of this Agreement, each party shall bear its own attorneys' fees, costs, and litigation expenses, including any costs of appeal, except as provided in California Code of Civil Procedure section 1250.410.

17. Counterparts. This Agreement may be executed in one or more counterparts. Each shall be deemed an original and all, taken together, shall constitute one and the same instrument.

18. Governing Law. This Agreement and any dispute arising hereunder shall be governed by California law.

19. Time of Essence. Time is of the essence with respect to all terms and provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

**THE CITY OF VERNON:**

By: \_\_\_\_\_  
Carlos Fandino  
City Administrator

**ATTEST:**

\_\_\_\_\_  
Lisa Pope, City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Zaynah N. Moussa, Interim City  
Attorney

**OWNER:**

Magellan Atlantic I, LLC.

By: \_\_\_\_\_  
Name: Martin Slusser  
Title: Managing Member

LIST OF EXHIBITS

EXHIBIT A	Utility Easement Deed
EXHIBIT B	Temporary Construction Deed
EXHIBIT C	Memorandum



**EXHIBIT "A"**  
**UTILITY EASEMENT DEED**

[Attached]

RECORDING REQUESTED BY  
and  
WHEN RECORDED MAIL TO:  
City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attn: City Clerk

DOCUMENTARY TRANSFER TAX IS NONE –  
NOT REQUIRED SEC. 11922 REVENUE  
TAXATION CODE

TITLE ORDER NO.: 92010251

APN: 6314-033-001

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

**UTILITY EASEMENT DEED  
(OVERHEAD)**

FOR VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED,

**Magellan Atlantic I, LLC, a Delaware limited liability company (the "Grantor")**

HEREBY GRANT(S) TO:

**City of Vernon, a municipal corporation (the "Grantee")**

An easement for every purpose beneficial to the Vernon Public Utilities Department, a Municipal Corporation, including, but not limited to, the right to construct, lay, install, use, maintain, alter, add to, repair, replace, inspect and remove overhead electric and other public utilities, consisting of pole, guys and anchors, crossarms, wires, cables, conduits, manholes, vaults, pull boxes, markers and other fixtures and appliances with the right of ingress and egress in, on, over, under, across, and through that certain real property in the City of Vernon, County of Los Angeles, State of California, as described in Exhibit "A" attached hereto and incorporated herein by this reference, and as more particularly shown on the map attached hereto as Exhibit "B" and incorporated herein by this reference. This easement is on a portion of the property owned by the Grantor. The Grantee, and its employees shall have free access to said facilities and every part thereof, at all times, for the purpose of exercising the rights herein granted.

Date: \_\_\_\_\_, 2022

**Grantor:**  
**Magellan Atlantic I, LLC, a Delaware limited liability company**

\_\_\_\_\_  
*Name, Title*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name, Title*

\_\_\_\_\_  
*Signature*

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA                    )

COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_,  
Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.  
I certify under penalty of perjury under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXHIBIT "A"**  
**Overhead Easement**

THAT PORTION OF LOT 110 OF RANCHO LAGUNA (SO CALLED), IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED AS EXHIBIT "A" IN CASE NO. B 25296 OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR SAID COUNTY, AND THAT PORTION OF THE RANCHO SAN ANTONIO, AS SHOWN ON MAP RECORDED IN BOOK 1, PAGE 389 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE HAVE A BEARING AND DISTANCE OF "NORTH 33°00'50" EAST, 941.06 FEET" ALONG THE CENTERLINE OF ATLANTIC BOULEVARD AND ITS NORTHEASTERLY PROLONGATION AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID NORTHEASTERLY PROLONGATION, SOUTH 33°11'59" WEST, 135.95 FEET TO SAID CENTERLINE OF ATLANTIC BOULEVARD AND THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 500.00 FEET;

THENCE, ALONG SAID CENTERLINE OF ATLANTIC BOULEVARD, THE FOLLOWING COURSES:

NORTHEASTERLY 265.48 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 30°25'20";

NORTH 63°37'19" EAST, 63.59 FEET;

THENCE, PERPENDICULAR TO SAID CENTERLINE OF ATLANTIC BOULEVARD, SOUTH 26°22'41" EAST, 62.00 FEET TO THE SOUTHEASTERLY BOUNDARY OF A QUITCLAIM DEED TO THE CITY OF VERNON RECORDED JANUARY 24, 2012 AS DOCUMENT NO. 20120124062 OF OFFICIAL RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER, AND THE **POINT OF BEGINNING**;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 110 OF RANCHO LAGUNA AND SAID RANCHO SAN ANTONIO, THE FOLLOWING COURSES:

SOUTH 55°43'02" WEST, 180.32 FEET;

SOUTH 53°45'56" EAST, 139.99 FEET;

SOUTH 36°14'04" WEST, 12.00 FEET;

NORTH 53°45'56" WEST, 151.55 FEET TO SAID SOUTHEASTERLY BOUNDARY OF A QUITCLAIM DEED AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 438.00 FEET AND TO WHICH A RADIAL LINE BEARS NORTH 43°46'47" WEST;

THENCE, ALONG SAID SOUTHEASTERLY BOUNDARY OF A QUITCLAIM DEED, THE FOLLOWING COURSES;

NORTHEASTERLY 133.03 FEET ALONG SAID NON-TANGENT CURVE THROUGH A CENTRAL ANGLE OF 17°24'06";

NORTH 63°37'19" EAST, 63.59 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 3455 SQUARE FEET, MORES OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY OF RECORD, IF ANY.



PREPARED BY: STANTEC CONSULTING INC.  
UNDER THE DIRECTION OF:

*James O. Steines*

JAMES O. STEINES, P.L.S. 6086

APRIL 19, 2018  
J.N. 2073 009230

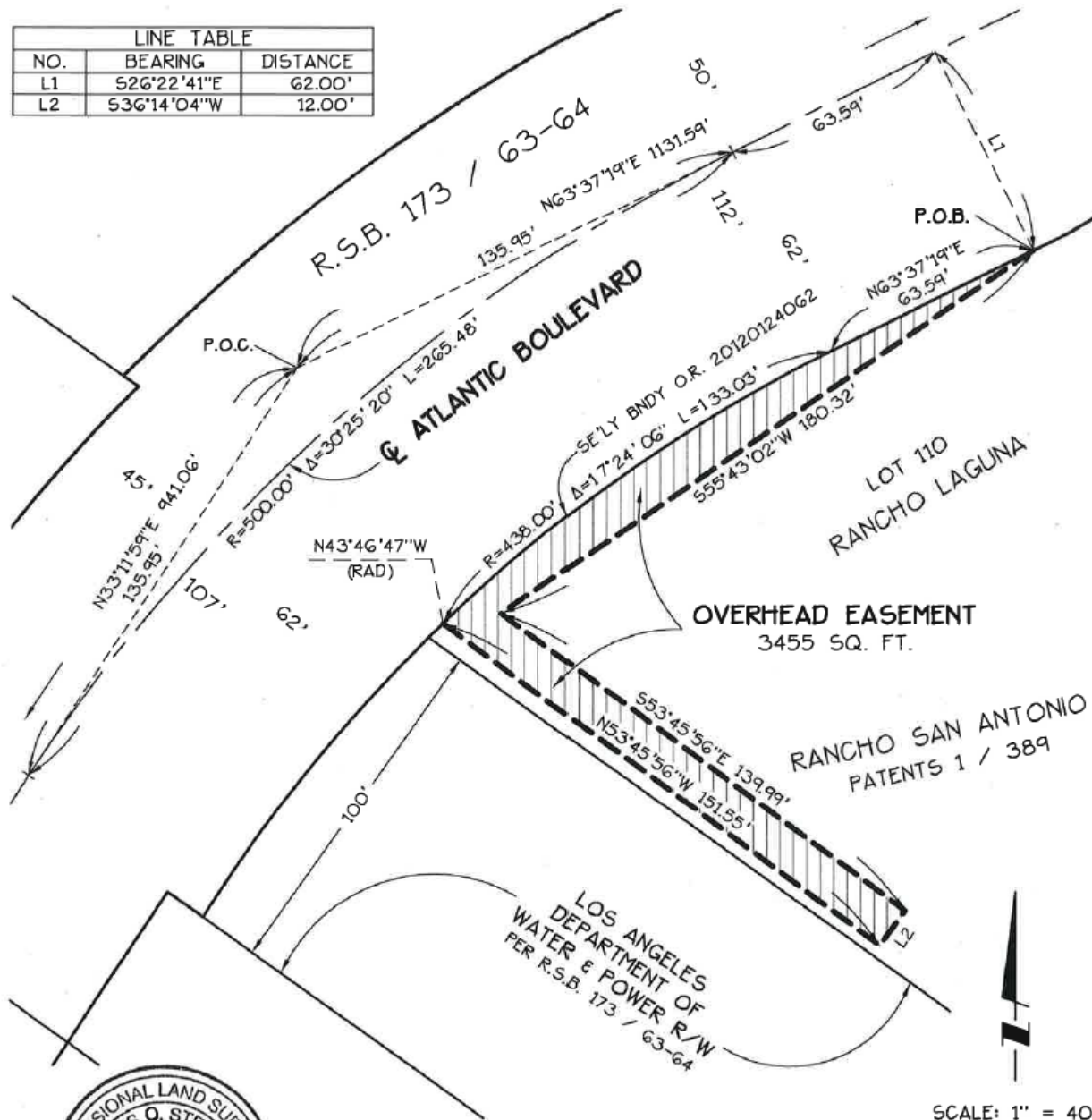
# EXHIBIT "B"

SHEET 1 OF 1

A PORTION OF LOT 110 OF RANCHO LAGUNA PER SUPERIOR COURT CASE NO. B 25296  
 AND A PORTION OF RANCHO SAN ANTONIO PER BOOK 1, PAGE 389 OF PATENTS,  
 IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

## OVERHEAD EASEMENT

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S26°22'41"E	62.00'
L2	S36°14'04"W	12.00'



*James O. Steines*  
 JAMES O. STEINES, P.L.S. 6086



**Stantec**

38 TECHNOLOGY DRIVE, SUITE 100  
 IRVINE, CA 92618  
 949.923.6000 stantec.com

J.N. 2073 009230

DATE: 4/19/18

CERTIFICATE OF ACCEPTANCE  
**(California Government Code Section 27281)**

This is to certify that interests in real property conveyed to or created in favor of the City of Vernon by that certain Utility Easement Deed-Overhead dated \_\_\_\_\_, 2022 executed by Magellan Atlantic I, LLC, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Minute Order by the City Council of the City on \_\_\_\_\_, \_\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

**Dated:** \_\_\_\_\_, 2022

**CITY OF VERNON**

\_\_\_\_\_  
Melissa Ybarra, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Zaynah N. Moussa, Interim City Attorney

**EXHIBIT "B"**

**TEMPORARY CONSTRUCTION EASEMENT DEED**

[Attached]



RECORDING REQUESTED BY  
and  
WHEN RECORDED MAIL TO:  
City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attn: City Clerk

DOCUMENTARY TRANSFER TAX IS NONE –  
NOT REQUIRED SEC. 11922 REVENUE  
TAXATION CODE

TITLE ORDER NO.: 92010251

APN: 6314-033-001

SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE

## EASEMENT FOR TEMPORARY CONSTRUCTION

FOR VALUABLE CONSIDERATION, RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED,

**Magellan Atlantic I, LLC, a Delaware limited liability company (the "Grantor")**

HEREBY GRANT(S) TO:

**City of Vernon, a body corporate and politic (the "Grantee")**

A temporary construction and exclusive easement for construction of the Rehabilitation of Atlantic Boulevard Bridge over the Los Angeles River project, in, over, across, and under all that real property situated in the City of Vernon, County of Los Angeles, as described in Exhibit "A" attached hereto and incorporated herein by this reference, and as more particularly shown on the map attached hereto as Exhibit "B" and incorporated herein by this reference. This easement is on a portion of the property owned by the Grantor.

The term of the temporary construction easement shall commence on the date that the Right of Way Certification is issued by the California Department of Transportation and expire forty eight (48) months thereafter. The actual physical construction activities within the TCE area shall be limited to a period of one (1) month (the "Construction Period"). During the Construction Period, the temporary construction easement will be exclusive and during the remaining forty seven (47) months the temporary construction easement will be non-exclusive. Please finalize and remove highlight.

Date: \_\_\_\_\_, 2022

**Grantor:**  
**Magellan Atlantic I, LLC, a Delaware limited liability company**

\_\_\_\_\_  
*Name, Title*

\_\_\_\_\_  
*Name, Title*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA                    )

COUNTY OF \_\_\_\_\_)

On \_\_\_\_\_ before me, \_\_\_\_\_,  
Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under penalty of perjury under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXHIBIT "A"**  
**Temporary Construction Easement**

THAT PORTION OF LOT 110 OF RANCHO LAGUNA (SO CALLED), IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED AS EXHIBIT "A" IN CASE NO. B 25296 OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, IN AND FOR SAID COUNTY, AND THAT PORTION OF THE RANCHO SAN ANTONIO, AS SHOWN ON MAP RECORDED IN BOOK 1, PAGE 389 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE HAVE A BEARING AND DISTANCE OF "NORTH 33°00'50" EAST, 941.06 FEET" ALONG THE CENTERLINE OF ATLANTIC BOULEVARD AND ITS NORTHEASTERLY PROLONGATION AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID NORTHEASTERLY PROLONGATION, SOUTH 33°11'59" WEST, 135.95 FEET TO SAID CENTERLINE OF ATLANTIC BOULEVARD AND THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 500.00 FEET;

THENCE, ALONG SAID CENTERLINE OF ATLANTIC BOULEVARD, THE FOLLOWING COURSES:

NORTHEASTERLY 265.48 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 30°25'20";

NORTH 63°37'19" EAST, 63.59 FEET;

THENCE, PERPENDICULAR TO SAID CENTERLINE OF ATLANTIC BOULEVARD, SOUTH 26°22'41" EAST, 62.00 FEET TO THE SOUTHEASTERLY BOUNDARY OF A QUITCLAIM DEED TO THE CITY OF VERNON RECORDED JANUARY 24, 2012 AS DOCUMENT NO. 20120124062 OF OFFICIAL RECORDS, IN SAID OFFICE OF THE COUNTY RECORDER, AND THE **POINT OF BEGINNING**;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 110 OF RANCHO LAGUNA AND SAID RANCHO SAN ANTONIO, THE FOLLOWING COURSES:

SOUTH 55°43'02" WEST, 180.32 FEET;

SOUTH 53°45'56" EAST, 139.99 FEET;

NORTH 36°14'04" EAST, 10.00 FEET;

NORTH 53°45'56" WEST, 97.00 FEET;

NORTH 36°14'04" EAST, 81.52 FEET;

NORTH 55°43'02" EAST, 79.70 FEET;

NORTH 34°16'58" WEST, 10.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 4237 SQUARE FEET, MORES OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART  
HEREOF.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,  
EASEMENTS, AND RIGHTS-OF-WAY OF RECORD, IF ANY.



PREPARED BY: STANTEC CONSULTING INC.  
UNDER THE DIRECTION OF:

*James O. Steines*

JAMES O. STEINES, P.L.S. 6086

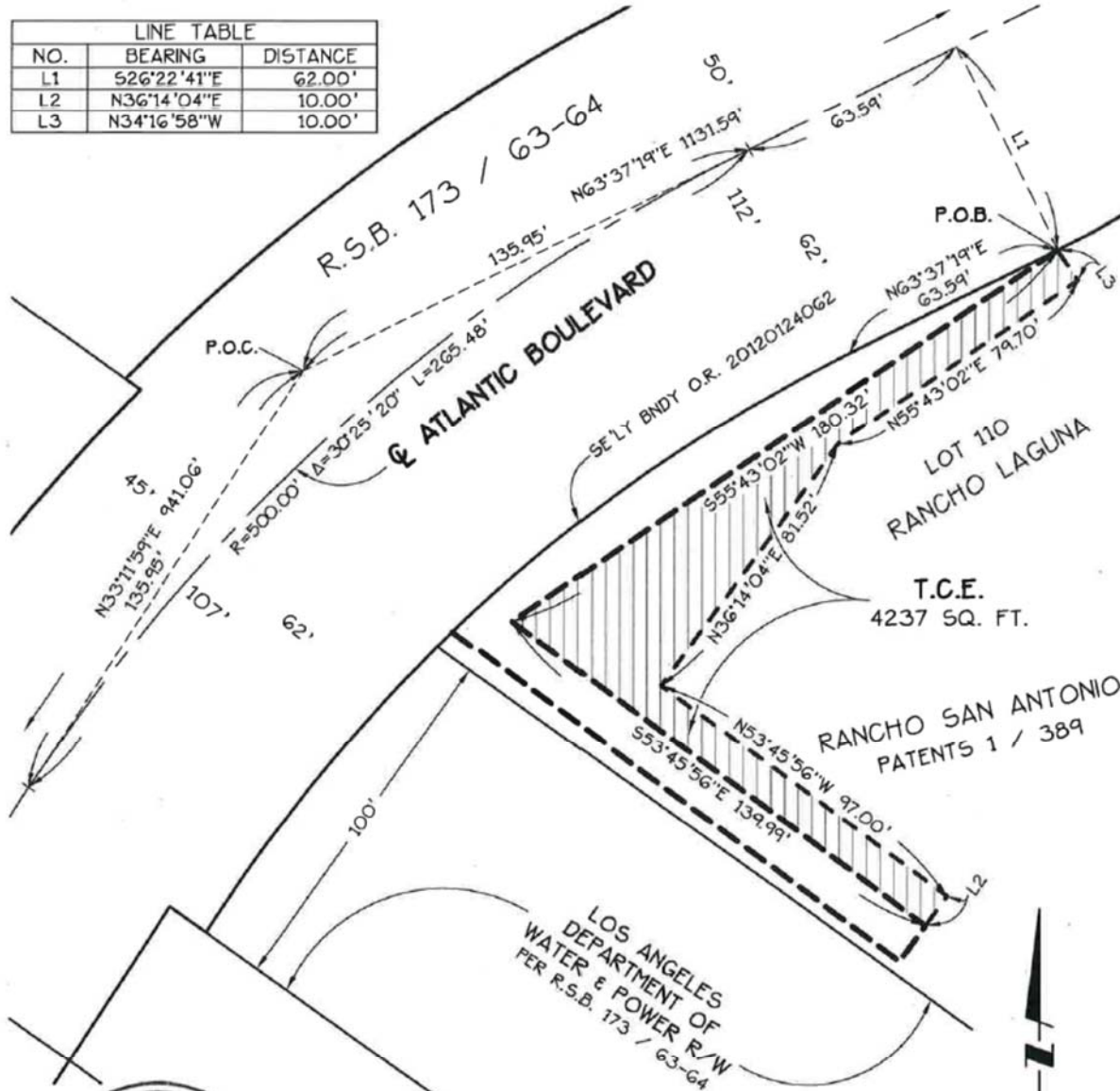
APRIL 19, 2018  
J.N. 2073 009230

# EXHIBIT "B"

SHEET 1 OF 1

A PORTION OF LOT 110 OF RANCHO LAGUNA PER SUPERIOR COURT CASE NO. B 25296  
 AND A PORTION OF RANCHO SAN ANTONIO PER BOOK 1, PAGE 389 OF PATENTS,  
 IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA  
**TEMPORARY CONSTRUCTION EASEMENT**

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S26°22'41"E	62.00'
L2	N36°14'04"E	10.00'
L3	N34°16'58"W	10.00'



*James O. Steines*  
 JAMES O. STEINES, P.L.S. 6086

**Stantec**  
 38 TECHNOLOGY DRIVE, SUITE 100  
 IRVINE, CA 92618  
 949.923.6000 stantec.com

SCALE: 1" = 40'

CERTIFICATE OF ACCEPTANCE  
**(California Government Code Section 27281)**

This is to certify that interests in real property conveyed to or created in favor of the City of Vernon by that certain Temporary Construction Easement Deed dated \_\_\_\_\_, 2022 executed by Magellan Atlantic I, LLC is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Minute Order by the City Council of the City on \_\_\_\_\_, \_\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 2022

CITY OF VERNON

\_\_\_\_\_  
Melissa Ybarra, Mayor

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Zaynah N. Moussa, Interim City Attorney

**EXHIBIT "C"**  
**MEMORANDUM**

[See Attached]

## **MEMORANDUM OF AGREEMENT FOR POSSESSION AND USE**

THIS MEMORANDUM OF AGREEMENT FOR POSSESSION AND USE ("**Memorandum**") is executed as of this \_\_\_\_ day of \_\_\_\_\_, 2022 by and between **THE CITY OF VERNON**, a California charter City and California municipal corporation (City) and **Magellan Atlantic I, LLC**, a Delaware limited liability company ("**Owner**"). Unless otherwise defined herein, all defined terms used in this Memorandum will have the same meaning as set forth in the Agreement (as defined below). The City and Owner agree as follows:

1. Property. Owner grants possession and use to the City and the City accepts such possession and use from Owner, for the term described herein, of certain rights and interests in those portions of 3030 South Atlantic Boulevard, Vernon, California (Los Angeles County Assessor Parcel No. 6314-033-003 and -005), which are more particularly described in Exhibit "A" and Exhibit "B" attached hereto (the "**Property**"). The City is a public agency with responsibility for transportation planning in Los Angeles County and the Property is being acquired for a public purpose in connection with the Rehabilitation of Atlantic Boulevard Bridge over the Los Angeles River Project.

2. Term. Owner hereby irrevocably grants to the City, its contractors, agents and others deemed necessary by the City, the right to possession and use of the Property, as further described in that certain unrecorded Agreement for Possession and Use" between Owner and the City, dated as of \_\_\_\_\_, 2022 (the "**Agreement**"), including the right to remove and dispose of improvements within the Property as provided in the Agreement. The terms and provisions of the Agreement shall also extend to and bind the successors, assigns and legal representatives of Owner and the City.

3. Other Terms and Conditions. Possession and use of the Property by the City is subject to the covenants, conditions and provisions set forth in the Agreement, all of which are incorporated into this Memorandum by reference.

4. Purpose of Memorandum. This Memorandum is executed, acknowledged and recorded in order to provide constructive notice and in no way modifies or supersedes the provisions of the Agreement.



IN WITNESS WHEREOF, the parties have executed this Memorandum the day and year first above written.

**THE CITY OF VERNON:**

By: \_\_\_\_\_  
Carlos Fandino  
City Administrator

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

APPROVED AS TO FORM

By: \_\_\_\_\_  
Zaynah N. Moussa  
Interim City Attorney

**OWNER:**

Magellan Atlantic I, LLC.

By: \_\_\_\_\_  
Name: Martin Stueger  
Title: Managing Member

**CALIFORNIA ACKNOWLEDGMENT**

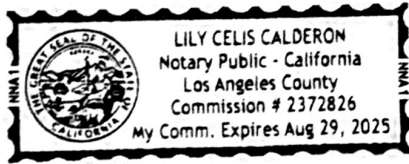
**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }  
County of Los Angeles }

On 12-27-2021 before me, Lily Celis Calderon, Notary Public  
Date Here Insert Name and Title of the Officer  
personally appeared MARTIN SLUSSER  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]  
Signature of Notary Public

Place Notary Seal and/or Stamp Above

**OPTIONAL**

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**  
Title or Type of Document: Agreement for possession and use  
Document Date: \_\_\_\_\_ Number of Pages: 12  
Signer(s) Other Than Named Above: NONE

**Capacity(ies) Claimed by Signer(s)**  
Signer's Name: \_\_\_\_\_ Signer's Name: \_\_\_\_\_  
 Corporate Officer – Title(s): \_\_\_\_\_  Corporate Officer – Title(s): \_\_\_\_\_  
 Partner –  Limited  General  Partner –  Limited  General  
 Individual  Attorney in Fact  Individual  Attorney in Fact  
 Trustee  Guardian or Conservator  Trustee  Guardian or Conservator  
 Other: \_\_\_\_\_  Other: \_\_\_\_\_  
Signer is Representing: \_\_\_\_\_ Signer is Representing: \_\_\_\_\_



Lawyers Title  
4100 Newport Place Drive  
Suite 120  
Newport Beach, CA 92660  
Phone: (949) 724-3170

**Overland, Pacific, & Cutler, Inc**  
**3750 Schaufele Avenue**  
**Suite 150**  
**Long Beach, Ca. 90808**

Our File No: 11826525 - 10  
Title Officer: Chris Maziar  
e-mail: [unit10@ltic.com](mailto:unit10@ltic.com)  
Phone: (949) 724-3170  
Fax: (949) 258-5740

Attn: **Brian Everett**

Your Reference No: 6314-033-001

Property Address: , Vernon, California

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## PRELIMINARY REPORT

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Dated as of January 8, 2010 at 7:30 a.m.

In response to the above referenced application for a policy of title insurance, Lawyers Title Company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said Policy or Policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the Policy forms should be read. They are available from the office which issued this report.

***Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered. It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.***

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

## **SCHEDULE A**

The form of policy of title insurance contemplated by this report is:

**CLTA Standard Owners**

The estate or interest in the land hereinafter described or referred to covered by this report is:

**A FEE**

Title to said estate or interest at the date hereof is vested in:

**Box USA Group, Inc., a New York Corporation**

The land referred to herein is situated in the County of Los Angeles, State of California, and is described as follows:

**SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF**

## **EXHIBIT "A"**

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1:

That portion of Lot 110 of Rancho Laguna (so called), in the City of Vernon, County of Los Angeles, State of California, as shown on Map filed as Exhibit "A" in Case No. B 25296 in the Superior Court of the State of California, in and for said County, and that portion of the Rancho San Antonio, as shown on Map recorded in Book 1, Page 389 of patents, in the Office of the County Recorder of Los Angeles County, California, included within the following described boundaries:

Beginning at the Southeasterly terminus of that certain course described as having a length of 556.40 feet and a bearing of North 54°28'35" West in Parcel 1 of Deed to the State of California, recorded January 24, 1957, as Instrument No. 3369, in Book 53458, Page 311, of Official Records, in the Office of the County Recorder of said County; thence along said course, North 54°28'35" West, a distance of 538.02 feet to a point on a curve, concave Southeasterly and having a radius of 450 feet; thence Northeasterly from a tangent which bears North 53°11'11" East, along said curve through an angle of 10°31'39", an arc distance of 82.68 feet to a point on a line parallel with and distant 5.00 feet Southeasterly, measured at right angles from the Southeasterly line of Atlantic Boulevard; thence tangent North 63°42'50" East, along said parallel line, a distance of 274.58 feet; thence North 73°05'20" East, a distance of 85.84 feet; thence North 73°48'34" East, a distance of 115.58 feet; thence North 85°07'44" East, a distance of 196.25 feet; thence Easterly and Southerly along a tangent curve concave Southerly and Westerly and having a radius of 149.50 feet through an angle of 77°42'51" an arc distance of 202.78 feet; thence tangent South 17°09'25" East, a distance of 174.28 feet to a point on a curve concave Southeasterly and having a radius of 698.86 feet; thence Southwesterly from a tangent that bears South 53°52'46" West, along said curve through an angle of 7°57'22" an arc distance of 97.04 feet to the most Northerly corner of that strip of land described as Parcel 7 in Deed to the Chanslor-Canfield Midway Oil Company, recorded in Book 19128, Page 133, of Official Records; thence tangent South 45°55'24" West, along the Northwesterly line of said strip of land so described as Parcel 7, a distance of 128.36 feet; thence still on said last mentioned Northwesterly line, Southwesterly along the arc of a tangent curve concave Northwesterly and having a radius of 455.34 feet

through an angle of  $42^{\circ}57'44''$ , an arc distance of 341.43 feet to the Point of Beginning.

Except therefrom all subsurface rights, title and interest in and to all subsurface mineral rights existing in and under said land, but without the right to enter upon or use the surface of said land for the development, extraction and removal of minerals thereunder, or for any other purpose or purposes, as Deed to Chanslor-Canfield Midway Oil Company, by Deed recorded in Book 23513, Page 240, of Official Records.

Parcel 2:

Those portions of Lots 109, 110 and 115 of Rancho Laguna (so called), in the City of Vernon, County of Los Angeles, State of California, as shown on Map filed as Exhibit "A" in Case No. B 25296 of Superior Court of the State of California, in and for said County, and that portion of the Rancho San Antonio as per Map recorded in Book 1, Page 389 of patents, in the Office of the County Recorder of Los Angeles County, California, included within the following described boundaries:

Beginning at the Northwesterly terminus of that certain curve described as having a radius of 6577.22 feet and an arc length of 2244.08 feet in Parcel 2 of Deed to the State of California, recorded January 24, 1957, as Instrument No. 3369, in Book 53458, Page 311, of Official Records, in the Office of the County Recorder of said County, said curve being on the Northeasterly line of the 100 foot strip of land conveyed to the City of Los Angeles, Department of Water and Power, by Deed recorded in Book 14788, Page 1, of Official Records; thence tangent to said curve, North  $54^{\circ}28'35''$  West along said Northeasterly line, a distance of 621.63 feet to a point on a curve, concave Southeasterly and having a radius of 468.34 feet; thence Northeasterly from a tangent which bears North  $16^{\circ}19'07''$  West, along said curve through an angle of  $73^{\circ}37'57''$ , an arc distance of 601.88 feet; thence South  $21^{\circ}52'38''$  East, a distance of 268.32 feet; thence South  $27^{\circ}05'17''$  East, a distance of 506.74 feet; thence South  $29^{\circ}50'54''$  East, a distance of 210.27 feet; thence South  $35^{\circ}45'42''$  East, 269.32 feet to a point on said Northeasterly line curved, hereinabove described as having a radius of 6577.22 feet; distant thereof 355.22 feet Southeasterly from said Point of Beginning; thence Northwesterly along said curve line through an angle of  $3^{\circ}05'40''$ , an arc distance of 355.22 feet to the Point of Beginning.

Except therefrom all minerals, petroleum, gases and other hydrocarbon substances, existing in and under said land without the right to enter upon or use the surface of said land for the extraction and removal of such

substances or for any other purpose or purposes, as reserved in Deed from Chanslor-Canfield Midway Oil Company, recorded on July 18, 1944, in Book 21013, Page 131, Official Records.

Parcel 3:

That certain portion of Lot 110 of said Rancho Laguna and also a portion of said Rancho San Antonio, in the City of Vernon, County of Los Angeles, State of California, being a parcel of land, 60 feet wide, described as follows:

Beginning at the most Westerly corner of that certain railroad right-of-way described as Parcel 7 in Deed recorded in Book 19128, Page 133, of Official Records, in the Office of said County Recorder; thence from said Point of Beginning, North 54°28'35" West, along the Northeasterly line and its Northwesterly prolongation of the 100 foot wide right-of-way for the City of Los Angeles, as described in Deed recorded in Book 14788, Page 1, of Official Records, 471.47 feet, more or less, to the Southeasterly line of Atlantic Boulevard, as described in Deed recorded in Book 864, Page 317, of Official Records; thence Northeasterly along said street line to the most Westerly corner of that certain property described in Deed to the United States of America, recorded in Book 20047, Page 238, of Official Records; thence along the Southwesterly line of last said property, South 54°28'35" East, to a point in the Northerly line of said railroad right-of-way; thence Westerly along last said line to the Point of Beginning.

Except all oil, gas and other petroleum or mineral substances contained in said land, but without the right of surface entry for the purpose of extracting or removing such petroleum or other minerals or for any purpose in connection therewith, as reserved in the Deed from Chanslor-Canfield Oil Company, recorded in Book 20565, Page 1, of Official Records.

Parcel 4:

That certain triangular shaped parcel of land in said Rancho San Antonio, in the City of Vernon, County of Los Angeles, State of California, bounded Southwesterly by the Northeasterly line of the 100 foot wide right-of-way for the City of Los Angeles, as described in Deed recorded in Book 14788, Page 1, of Official Records, bounded Easterly by the Westerly line of that certain railroad right-of-way, 33 feet in width, described in Deed recorded in Book 8118, Page 72, of Official Records, and bounded Northerly by the Southerly line of that certain railroad right-of-way generally 33 feet in

File No: 11826525

width, described as Parcel 7, in Deed recorded in Book 19128, Page 133, of Official Records.

Except all oil, gas and other petroleum or mineral substances contained in said land, but without the right of surface entry for the purpose of extracting or removing such petroleum or other minerals or for any purpose in connection therewith, as reserved in the Deed from Chanslor-Canfield Oil Company, recorded in Book 20565, Page 1, of Official Records.

Assessor's Parcel Number: **6314-033-001**



## **SCHEDULE B – Section A**

The following exceptions will appear in policies when providing standard coverage as outlined below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

## SCHEDULE B – Section B

At the date hereof Exceptions to coverage in addition to the printed exceptions and exclusions in said policy form would be as follows:

- A. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, to be levied for the fiscal year 2010 – 2011 which are a lien not yet payable.
- B. Property taxes, including general and special taxes, personal property taxes, if any, and any assessments collected with taxes, for the fiscal year 2009 - 2010.

1st Installment:	\$73,909.79 (Paid)
2nd Installment:	\$73,909.78 (Open) This amount is valid until April 10, after which penalties apply
Penalty (including cost):	\$7,400.98 Due with installment amount if paid after April 10
Land Value	\$8,388,849.00
Improvement Value:	\$2,992,712.00
Homeowner's Exemption:	\$none
Code Area:	0010717
Assessment No.:	6314-033-001

- C. Supplemental or escaped assessments of property taxes, if any, assessed pursuant to the Revenue and Taxation Code of the State of California.

- 1. The fact that the ownership of said land does not include rights of access to or from the street or highway, abutting said land, such rights having been severed from said land by the document

Recorded: September 23, 1959, as Instrument No. 4005, in Book D-611, Page 586, Official Records

"It is the purposes of the foregoing exception and reservation to provide that only partial easement of access shall attach or be appurtenant to the property hereby conveyed to reason of the fact that the same abuts upon a public way and upon a state highway, with access to the state highway being wholly restricted and access to the public way being partially restricted.

Said matter affects Parcel 1

- 2. The fact that the ownership of said land does not include rights of access to or from the street or highway, abutting said land, such rights having been severed from said land by the document

Recorded: September 23, 1959, as Instrument No. 4005, in Book D-611, Page 586, Official Records

"It is the purpose of the last mentioned exception and reservation to provide that no easement or access shall attach or be appurtenant to the property hereby conveyed by reason of the fact that the name abuts upon a state highway".

Said matter affects Parcel 2

3. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: County of Los Angeles  
Purpose: Public road and highway  
Recorded: February 15, 1961, as Instrument No. 5768, in Book D-1125, Page 16, Official Records  
Affects: A portion of said land lying within a strip of land, 100 feet wide, to be known as Atlantic Boulevard, affecting Parcels 1 and 3

4. An easement for the purpose shown below and rights incidental thereto as set forth in a document

Granted to: County of Los Angeles  
Purpose: Public road and highway  
Recorded: March 15, 1961, as Instrument No. 4631, in Book D-1156, Page 797, Official Records  
Affects: A portion of said land lying within a strip of land, 100 feet wide, to be known as Atlantic Boulevard, affecting Parcels 1 and 3

5. An easement affecting the portion of said land and for the purposes stated herein, and incidental purposes, condemned by final decree.

Purpose: Covered storm drain  
Case No.: 739273  
Recorded: April 5, 1961, as Instrument No. 4157, in Book D -1178, Page 994, Official Records  
Affects: A strip of land 23.00 feet wide

6. An unrecorded lease with certain terms, covenants, conditions and provisions set forth therein.

Lessor: Western Prime Properties, Predecessor in Interest to Four M. Manufacturing Group of California, Inc., a California Corporation  
Lessee: Gannett Outdoor Co., Inc., of Southern California  
Disclosed by: Assignment of Real Property Lease  
Recorded: June 4, 1996, as Instrument No. 96-870524, Official Records

The present ownership of the leasehold created by said lease and other matters affecting the interest of the lessee are not shown herein.

7. Title search discloses no open deeds of trust. Please confirm prior to close of escrow.

**END OF SCHEDULE B EXCEPTIONS**

**PLEASE REFER TO THE "NOTES AND REQUIREMENTS SECTION" WHICH FOLLOWS FOR INFORMATION NECESSARY TO COMPLETE THIS TRANSACTION**

## **REQUIREMENTS SECTION:**

REQ NO.1: The Company will require a certified copy of the Resolution of the Board of Directors of the following corporation authorizing the transaction for which this Preliminary Report was ordered.

Corporation: Box USA Group, Inc., a New York Corporation

## **INFORMATIONAL NOTES SECTION**

NOTE NO. 1: The information on the attached plat is provided for your convenience as a guide to the general location of the subject property. The accuracy of this plat is not guaranteed, nor is it a part of any policy, report or guarantee to which it may be attached.

NOTE NO. 2: California insurance code section 12413.1 regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow account and available for withdrawal prior to disbursement. Funds deposited with the company by wire transfer may be disbursed upon receipt. Funds deposited with the company via cashier's check or teller's check drawn on a California based bank may be disbursed on the next business day after the day of deposit. If funds are deposited with the company by other methods, recording and/or disbursement may be delayed. All escrow and sub-escrow funds received by the company will be deposited with other escrow funds in one or more non-interest bearing escrow accounts of the company in a financial institution selected by the company. The company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with such financial institution, and the company shall have no obligation to account to the depositing party in any manner for the value of, or to pay to such party, any benefit received by the company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the company or its parent company and earnings on investments made with the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the company for its services in connection with the escrow or sub-escrow.

### **WIRING INSTRUCTIONS FOR THIS OFFICE ARE:**

Comerica Bank  
2321 Rosecrans Avenue, 5th Floor  
El Segundo, CA 90245-4903  
Phone: (800) 376-0430  
ABA #121-137-522  
Credit To: Lawyers Title Company – Orange County  
Account #1891986547

**RE: 11826525** 903 - CMC

**PLEASE INDICATE LAWYERS TITLE COMPANY ESCROW OR TITLE ORDER NUMBER**

NOTE NO. 3: The charges which the company will make for next day messenger services (i.e. Federal Express, UPS, DHL, Airborne, Express mail, etc.) Are \$15.00 per letter, standard overnight service, and \$25.00 for larger size packages and/or priority delivery services. Such charges include the cost of such messenger service and the company's expenses for arranging such messenger service and its overhead and profit. Special messenger services will be billed at the cost of such services. There will be no additional charge for pick-up or delivery of packages via the company's regularly scheduled messenger runs.

NOTE NO. 4 THIS COMPANY REQUIRES CURRENT BENEFICIARY DEMANDS PRIOR TO CLOSING. If the demand is expired and a current demand cannot be obtained, our requirements will be as follows:

- (a) If this Company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. This hold will be in addition to the verbal hold the lender may have stipulated.
- (b) If this Company cannot obtain a verbal update on the demand, we will either pay off the expired demand, or wait for the amended demand, at our discretion.
- (c) All payoff figures are verified at closing. If the customer's last payment was made within 15 days of closing, our Payoff Department may hold one month's payment to insure check has cleared the bank (unless a copy of the cancelled check is provided, in which case there will be no hold).

NOTE NO. 5: There are no conveyances affecting said land recorded within 24 months of the date of this report.

Typist: 2sm  
Date Typed: January 15, 2010

**Exhibit B (Revised 11-17-06)**

**CALIFORNIA LAND TITLE ASSOCIATION  
STANDARD COVERAGE POLICY – 1990**

**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10/22/03)**

**ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE**

**EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
  - a. building
  - b. zoning
  - c. Land use
  - d. improvements on the Land
  - e. Land division
  - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
  - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
  - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
  - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
  - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
  - c. that result in no loss to You; or
  - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
  - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
  - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

### **LIMITATIONS ON COVERED RISKS**

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
<b>Covered Risk 14:</b>	<b>1% of Policy Amount or \$2,500</b> (whichever is less)	<b>\$10,000</b>
<b>Covered Risk 15:</b>	<b>1% of Policy Amount or \$5,000</b> (whichever is less)	<b>\$25,000</b>
<b>Covered Risk 16:</b>	<b>1% of Policy Amount or \$5,000</b> (whichever is less)	<b>\$25,000</b>
<b>Covered Risk 18:</b>	<b>1% of Policy Amount or \$2,500</b> (whichever is less)	<b>\$5,000</b>

### **AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS**

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
  - land use
  - improvements on the land
  - land division
  - environmental protectionThis exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
  - a notice of exercising the right appears in the public records on the Policy Date
  - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:
  - that are created, allowed, or agreed to by you
  - that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
  - that result in no loss to you
  - that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
  - to any land outside the area specifically described and referred to in Item 3 of Schedule A
  - OR
  - in streets, alleys, or waterways that touch your landThis exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

### **AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the



character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.

- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- 2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- 3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- 4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
- 5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- 6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- 7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
  - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine or equitable subordination; or
  - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
    - (a) to timely record the instrument of transfer; or
    - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following General Exceptions:

### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- 1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
  - Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- 2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- 3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- 4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

### **2006 ALTA LOAN POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- 1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- 2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- 3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- 4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- 5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
- 6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
  - (a) a fraudulent conveyance or fraudulent transfer, or
  - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- 7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- 1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- 2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- 3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- 4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- 5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

#### **AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- 1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
  - (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- 2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- 3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the insured claimant;
  - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
  - (c) resulting in no loss or damage to the insured claimant;
  - (d) attaching or created subsequent to Date of Policy; or
  - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- 4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
  - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or

- (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
  - (a) to timely record the instrument of transfer; or
  - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following General Exceptions:

#### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.  
Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

#### **2006 ALTA OWNER'S POLICY (06-17-06)**

#### **EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
  - (i) the occupancy, use, or enjoyment of the Land;
  - (ii) the character, dimensions, or location of any improvement erected on the Land;
  - (iii) the subdivision of land; or
  - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.  
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
  - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
  - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
  - (a) a fraudulent conveyance or fraudulent transfer; or
  - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

#### **EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the Public Records.

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)**  
**EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.  
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
  - (a) created, suffered, assumed or agreed to by the Insured Claimant;
  - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
  - (c) resulting in no loss or damage to the Insured Claimant;
  - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
  - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
  - (a) The time of the advance; or
  - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.



Lawyers Title  
4100 Newport Place Drive  
Suite 120  
Newport Beach, CA 92660  
Phone: (949) 724-3170

File No. **11826525**

## **Notice of Available Discounts**

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

### **FNF Underwritten Title Company**

LTC – Lawyers Title Company

### **FNF Underwriter**

LTIC – Lawyers Title Insurance Corp.

### **Available Discounts**

#### **FEE REDUCTION SETTLEMENT PROGRAM (LTC and LTIC)**

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in The People of the State of California.

#### **DISASTER LOANS (LTIC)**

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

#### **SHORT TERM RATE (LTIC)**

If there is an insured owner and an order for title insurance is placed within sixty (60) months following the effective date of any prior policy of any title insurer, the charge will be 80% of the appropriate title insurance rate.

**EMPLOYEE RATE (LTC and LTIC)**

No charge shall be made to employees (including employees on approved retirement) of the Company or its underwritten, subsidiary or affiliated title companies for policies or escrow services in connection with financing, refinancing, sale or purchase of the employees' bona fide home property. Waiver of such charges is authorized only in connection with those costs which the employee would be obligated to pay, by established custom, as a party to the transaction.



Lawyers Title  
4100 Newport Place Drive  
Suite 120  
Newport Beach, CA 92660  
Phone: (949) 724-3170

Order No: 11826525

**“Notice to Customers”**  
**(Involves Residential Real Property in California ONLY)**

You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must – prior to the close of the current transaction – inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company if the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

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

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

Telephone No: \_\_\_\_\_



Lawyers Title  
4100 Newport Place Drive  
Suite 120  
Newport Beach, CA 92660  
Phone: (949) 724-3170

Order No: 11826525

**“Notice to Customers”**  
**(Involves Residential Real Property in California ONLY)**

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If your previous transaction involved the same property that is the subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must – prior to the close of the current transaction – inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company if the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.

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

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

Telephone No: \_\_\_\_\_



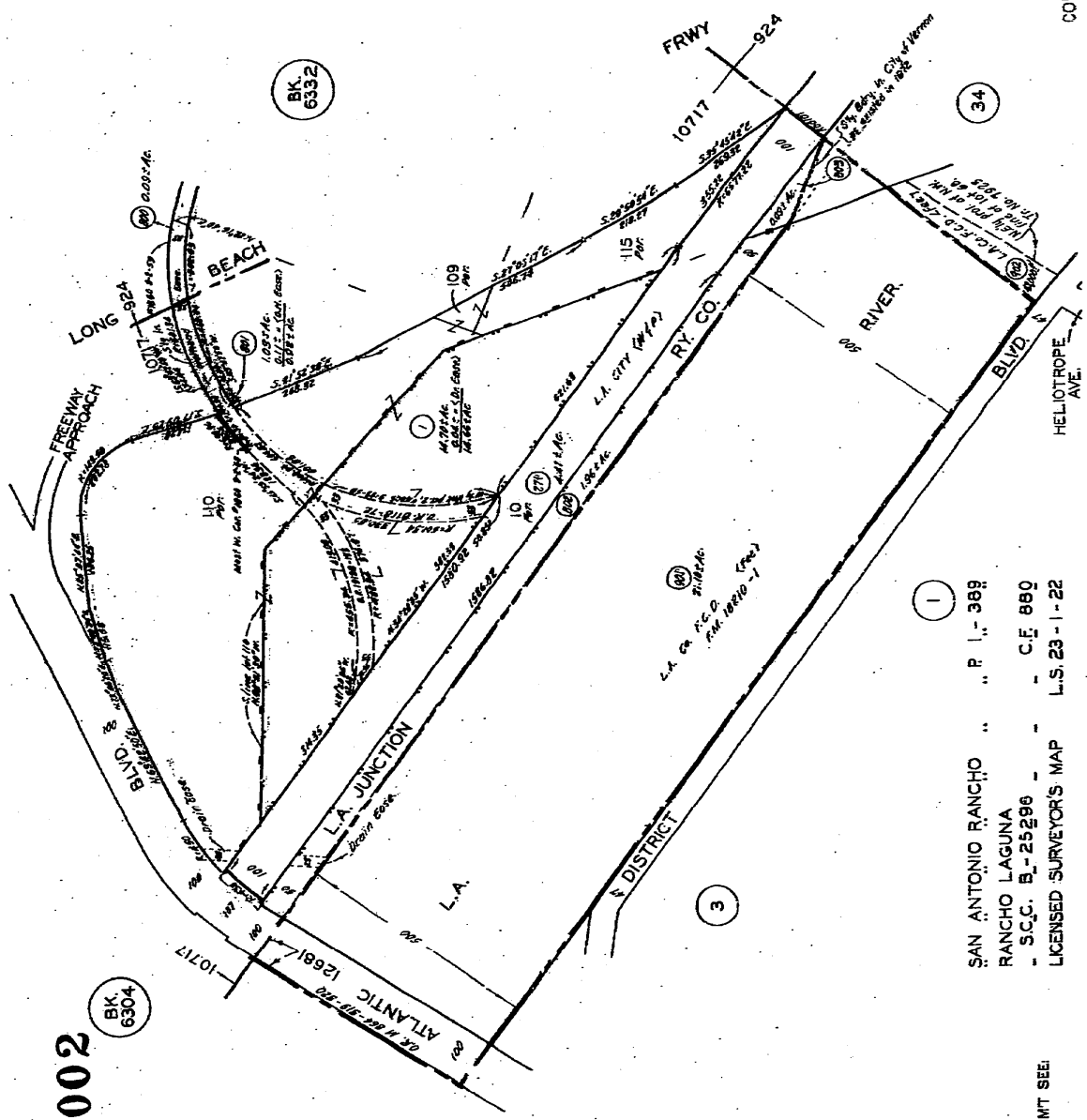
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FOR PREV. ASSMT SEE:  
6332-315 & 7

SEP 07 2001  
ASSESSOR'S MAP  
COUNTY OF LOS ANGELES, CALIF.

Project: ATLANTIC BOULEVARD BRIDGE WIDENING PROJECT  
APN: 6314-003-001, Vernon, California  
Lessee: Clear Channel Outdoor, LLC

Date: January 26<sup>th</sup>, 2022

Clear Channel Outdoor, LLC, a Delaware limited liability company ("Lessee") is the Lessee of certain real property located at 5122 S. Atlantic Boulevard, Vernon, CA ("the Property"). The City of Vernon ("City") has made an offer to purchase real estate interests on the Property for construction of the Atlantic Boulevard Bridge Widening Project ("the Project"). In order to construct the Project, it is necessary for Lessee to move from the Property. The parties understand that Lessee is entitled to certain relocation benefits. The purpose of this agreement is for the parties to set forth the entire terms of their agreement with respect to compensating Lessee for its interests in leasehold improvements and items pertaining to the realty in the Property.

It is mutually agreed as follows:

1. The City shall:
  - (A) Pay the Lessee the sum of **\$34,405.00** for all of Lessee's interests in leasehold improvements and items pertaining to the realty in the Property and the cost of the demolition and removal of the advertising structure. This sum shall be paid to Lessee upon the execution of this agreement, delivery of a signed Quitclaim Deed and the completion of the demolition and removal of the advertising structure
  - (B) Open an internal escrow and pay all escrow fees incurred in this transaction.
2. It is understood and agreed by and between the parties hereto that payment in Clause 1(A) above is payment for leasehold improvements and items pertaining to the realty in the amount of \$34,405.00 as set forth in Exhibit "A" Caltrans Poster Panel Removal Schedule attached hereto, and Exhibit "A-1" which are considered to be part of the realty and to be acquired by the City in this transaction. That payment in Clause 1(A) above is also payment to the Lessee for the demolition and removal of the advertising structure.
3. Should the Property be materially destroyed by fire, earthquake, or other calamity without the fault of either party, this Agreement may be rescinded by the City. In such an event, the City may reappraise the property and make an offer thereon.
4. In consideration for the payment of the sum stated in Clause 1(A) above and other valuable consideration, receipt of which is hereby acknowledged, the Lessee hereby waives any rights Lessee may have under the Federal and State Uniform Relocation Assistance Acts (42 U.S.C. Section 4601 et seq.; Gov. Code Section 7260, et seq.) to receive reimbursement for the expense of moving and /or reinstallation of the items listed on Exhibit "A".
5. It is agreed and confirmed by the parties hereto that included in the amount payable under Clause 1(A) is payment in full to compensate Lessee for the expense of performing the following work: demolition and removal of the advertising structure.

- 6. It is agreed and confirmed by parties hereto that the removal of the advertising sign shall be completed on or before April 22, 2022 ("Completion Date"). Prior to the Completion Date, and in exchange for the compensation described in Clause 1(A), Lessee agrees to perform all of the demolition and removal of the advertising structure, subject to City's approval, which will not be unreasonably withheld.
  
- 7. In the event the removal of the advertising structure is not completed and approved by the City prior to the Completion Date, City and/or its agents, contractors shall have the right to demolish and remove the advertising structure to allow for the construction of the project and the City and /or its contractors shall not be liable for any damages resulting from the City's demolition and removal of the advertising structure. The City shall be entitled to seek the release of any of the remaining funds in escrow for the demolition and removal of the advertising structure. If City, its agents, contractors are required to complete any portion of the demolition and removal work and the costs incurred exceed the amount remaining in escrow, Lessee shall be responsible for and reimburse City for all costs associated with the demolition and removal of the advertising structure.

*In Witness thereof*, the Parties have executed this agreement the date first above written.

**LESSEE: CLEAR CHANNEL OUTDOOR, LLC,**  
a Delaware limited liability company

By: 

Name: Bryan Parker

EVP, Real Estate & Public Affairs

Its: January 26, 2022

*January 26, 2022*      *January 26, 2022*

**City of Vernon, a body corporate and politic**

Date: \_\_\_\_\_

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

Carlos Fandino  
City Administrator

**APPROVED AS TO FORM:**

Date: \_\_\_\_\_

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

Zaynah N. Moussa  
Interim City Attorney

EXHIBIT "A"

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION  
**POSTER PANEL REMOVAL (English Units)**

EXHIBIT  
7-EX-14 (REV 8/2019)  
Page 1 of 7

**SCHEDULE A - ENGLISH UNITS**

**PAYMENT SCHEDULE FOR POSTER PANEL REMOVAL**

<b>Type of Panel</b>	<b>Unilluminated</b>	<b>Illuminated</b>
Straight Single Poster Panel	\$23,326	\$25,290
Offset Single Poster Panel	\$25,269	\$27,282
Straight Double Poster Panel	\$28,321	\$31,405
Offset Double Poster Panel	\$30,295	\$33,391
Roof Top Poster Panel	-	\$33,751

Adjustments:

1. For single signs on wood structures, deduct \$2,332.
2. For back-to-back signs on wood structures, deduct \$2,830.

**EXHIBIT "A-1"**

**Improvements Pertaining to the Realty**

CLEAR CHANNEL DOUBLE POSTER PANEL, FACE NOS. 003790 & 003791  
IMPROVEMENTS PERTAINING TO THE REALTY  
EFFECTIVE DATE OF VALUE - JULY 31, 2018

Item No.	Qty.	Description	Replacement Cost New	Fair Market Value in Place	Forced Liquidation Value
1	1	Straight double poster panel, Clear Channel, Face nos. 003790 and 003791, 25' x 12', 2- I-beam uprights, 15' high, metal catwalks, illuminated	N/A	\$28,550	N/A
TOTAL IMPROVEMENTS PERTAINING TO THE REALTY			<u>N/A</u>	<u>\$28,550</u>	<u>N/A</u>

CLEAR CHANNEL DOUBLE POSTER PANEL, FACE NOS. 003790 & 003791  
 IMPROVEMENTS PERTAINING TO THE REALTY  
 EFFECTIVE DATE OF VALUE - JULY 31, 2018

Item No.	Qty.	Description	Replacement Cost New	Fair Market Value in Place	Forced Liquidation Value
1	1	Straight double poster panel, Clear Channel, Face nos. 003790 and 003791, 25' x 12', 2- I-beam uprights, 15' high, metal catwalks, illuminated	N/A	\$28,550	N/A
TOTAL IMPROVEMENTS PERTAINING TO THE REALTY			<u>N/A</u>	<u>\$28,550</u>	<u>N/A</u>



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

February 9, 2022

IN REPLY PLEASE

REFER TO FILE: SMP-6  
19.041  
M1823007

City of Vernon  
c/o Mr. Roy Guinaldo  
Overland, Pacific & Cutler, LLC  
5000 Airport Plaza Drive, Suite 250  
Long Beach, CA 90815

**LOS ANGELES RIVER PARCEL 195, AFFECTS PARCEL 246 (PORTION)  
PROJECT ID NO. MPR0000883  
ASSESSOR'S IDENTIFICATION NOS. 6304-007-900 AND 6314-033-901 (PORTIONS)  
REQUEST FOR APPROVAL OF GRANT OF PERMANENT AND  
TEMPORARY CONSTRUCTION EASEMENTS**

We received your e-mail dated August 8, 2021, in which you indicated that the City of Vernon accepts the Los Angeles County Flood Control District's counteroffer for the grant of permanent and temporary construction easements (affecting portions of the Los Angeles River within the City) in the sum of \$1,431,762.

Enclosed are copies of the Easement, Easements, and Temporary Construction Easement documents, which the District will use to grant the rights required by the City in connection with its Atlantic Boulevard Bridge Widening Over Los Angeles River Project, subject to approval by the Board of Supervisors of the County of Los Angeles. Also enclosed is an aerial map showing the location of the easements.

Please have the authorized representative(s) review the aforementioned documents and sign the enclosed Document Approval letter and return it with a certified or cashier's check in the amount of \$1,431,762 payable to the Los Angeles County Flood Control District to the address below:

Los Angeles County Public Works  
Survey/Mapping & Property Management Division  
Real Estate Services Section  
900 South Fremont Avenue, 10th Floor  
Alhambra, CA 91803

Upon receipt of the Document Approval letter and the certified or cashier's check, we will submit a recommendation to the Board to approve the proposed grant of the permanent and temporary construction easements.

February 9, 2022  
Page 2

If you have any questions or require additional information, please contact me at (626) 458-7051 or [lzometa@pw.lacounty.gov](mailto:lzometa@pw.lacounty.gov). Our office hours are Monday through Thursday from 7 a.m. to 5:45 p.m.

Very truly yours,

MARK PESTRELLA, PE  
Director of Public Works



LUIS ALBERTO ZOMETA, Real Property Agent II  
Real Estate Services Section  
Survey/Mapping & Property Management Division

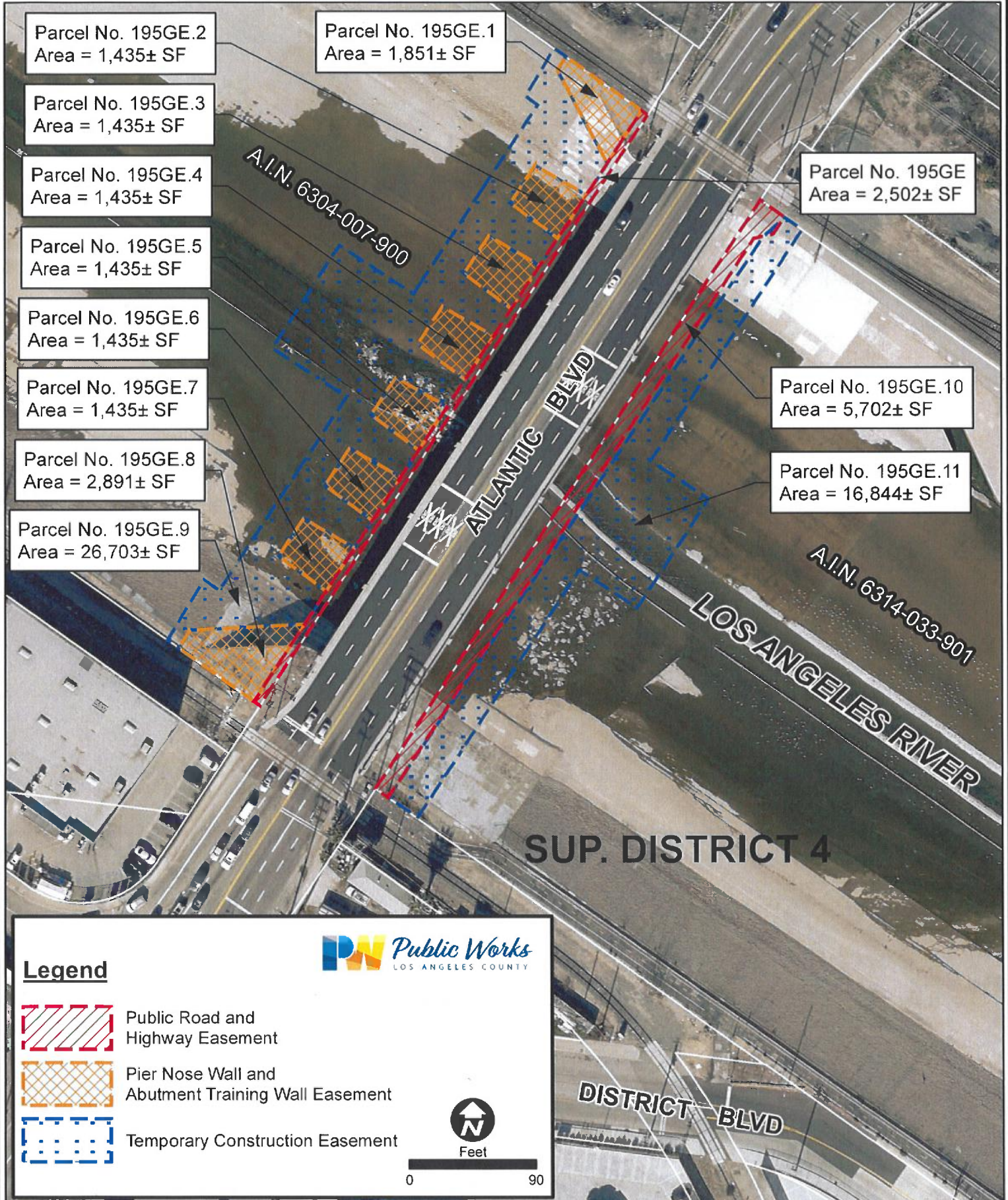
LAZ:vu

P:\MPPUB\ADMIN\IVIAN\SMP-6 2022\DOC APVL REQ\81 LAZILA RVR PCL 195.DOCX

Enc.



# LOS ANGELES RIVER CITY OF VERNON



- Parcel No. 195GE.2  
Area = 1,435± SF
- Parcel No. 195GE.3  
Area = 1,435± SF
- Parcel No. 195GE.4  
Area = 1,435± SF
- Parcel No. 195GE.5  
Area = 1,435± SF
- Parcel No. 195GE.6  
Area = 1,435± SF
- Parcel No. 195GE.7  
Area = 1,435± SF
- Parcel No. 195GE.8  
Area = 2,891± SF
- Parcel No. 195GE.9  
Area = 26,703± SF

Parcel No. 195GE.1  
Area = 1,851± SF

Parcel No. 195GE  
Area = 2,502± SF

Parcel No. 195GE.10  
Area = 5,702± SF

Parcel No. 195GE.11  
Area = 16,844± SF

### Legend

- Public Road and Highway Easement
- Pier Nose Wall and Abutment Training Wall Easement
- Temporary Construction Easement

Feet

0 90

Mr. Greg Even  
Assistant Deputy Director  
Survey/Mapping & Property Management Division  
Los Angeles County Public Works  
P.O. Box 1460  
Alhambra, CA 91802-1460

Attention Mr. Luis Alberto Zometa

Dear Mr. Even:

**LOS ANGELES RIVER PARCEL 195, AFFECTS PARCEL 246 (PORTION)  
PROJECT ID NO. MPR0000883  
ASSESSOR'S IDENTIFICATION NOS. 6304-007-900 AND 6314-033-901 (PORTIONS)  
DOCUMENT APPROVAL LETTER**

We have examined and do hereby approve and accept the Easement, Easements, and Temporary Construction Easement documents from the Los Angeles County Flood Control District to the City of Vernon. Enclosed is our certified or cashier's check in the amount of \$1,431,762 payable to the Los Angeles County Flood Control District.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Address: 4305 Santa Fe Avenue  
Vernon, CA 90058

Enc.

# ORIGINAL

RECORDING REQUESTED BY  
AND MAIL TO:

City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE GOVERNMENT CODE.

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER  
TAX IS \$ ZERO

Assessor's Identification Number:  
6304-007-900 (Portion)

## EASEMENT

For a valuable consideration, receipt of which is hereby acknowledged, the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), does hereby grant to the CITY OF VERNON, a municipal corporation (hereinafter referred to as CITY), an easement for public road and highway purposes in, on, over, and across the real property in the City of Vernon, County of Los Angeles, State of California, described in Exhibit A and shown on and delineated on Exhibit B, both of which are attached hereto and by this reference made a part hereof.

Subject to all matters of record and to the following reservation and conditions, which the CITY by the acceptance of this Easement document and/or the exercise of any of the rights granted herein, agrees to keep and perform, viz:

1. DISTRICT reserves the paramount right to use said land for flood control purposes.
2. CITY agrees that it will not perform or arrange for the performance of any construction or reconstruction work in, on, over, and across the land herein described, until the plans and specifications for such construction or reconstruction work shall have first been submitted to and been approved in writing by the Chief Engineer of the Los Angeles County Flood Control District. Such approval by DISTRICT shall not be interpreted or inferred as an endorsement or approval as to the design, accuracy, correctness, or authenticity of the information shown on the submitted plans and specifications. Furthermore, such approval cannot be relied upon for any other purpose or by any third party for any reason whatsoever. DISTRICT does not accept ownership or responsibility for the improvements.

Los Angeles River (City of Vernon)  
(File with: LOS ANGELES RIVER 195)  
Affects: Parcel No. 246  
Parcel No. 195GE  
I.M. 099-217  
S.D. 4 M1823007  
Project ID No. MPR0000883

3. CITY shall indemnify, defend, and save harmless DISTRICT, its officers, agents, and/or employees, from any and all claims, demands, liability, loss, damage, or expense to which DISTRICT, its officers, agents, and employees may be subjected as the result of any act or omission by CITY, its officers, agents, employees, or contractors, including without limitation any violation of federal, state or local laws or regulations, arising out of the exercise by CITY, its officers, agents, employees, or contractors of any of the rights granted to it by this Easement document, unless such claim, demand, liability, loss, damage, or expense arises from the sole negligence or willful misconduct of the DISTRICT, its officers, agents and employees.
4. It is expressly understood that DISTRICT will not be called upon to construct, repair, maintain, or reconstruct any structure or improvement to be erected or constructed pursuant to this Easement document.
5. The provisions and agreements contained in this Easement document shall be binding upon CITY, its successors, and assigns.

To the extent any lawful assessment be levied pertaining to the area to which this easement applies and to the extent that the assessment is based on the structures and improvements being constructed under the authority of this easement and provided further that the assessment be levied following CITY's exercise of these easement rights to construct such structures and improvements, CITY agrees to pay on behalf of DISTRICT that part of any such assessment levied against DISTRICT, which is based on the value contributed to the area by CITY's said improvements.

Pursuant to the authority delegated by the Board of Supervisors of the Los Angeles County Flood Control District, this Easement document has been executed on behalf of said DISTRICT by the Director of the Los Angeles County Public Works on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT,  
a body corporate and politic

MARK PESTRELLA, PE  
Director of Public Works

By \_\_\_\_\_  
ADAM WALDEN  
Principal Engineer  
Survey/Mapping & Property Management Division

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

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

**ACKNOWLEDGMENT FORM  
(FOR COUNTY USE ONLY)**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California        )  
                                          ) ss.  
County of Los Angeles    )

On \_\_\_\_\_, before me, \_\_\_\_\_, Deputy County Clerk of the County of Los Angeles, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS my hand and official seal.

\_\_\_\_\_  
Deputy County Clerk of the County of Los Angeles        (Seal)

APPROVED as to title and execution

\_\_\_\_\_, 20\_\_\_\_\_  
LOS ANGELES COUNTY PUBLIC WORKS  
Survey/Mapping & Property Management Division

Supervising Title Examiner

By \_\_\_\_\_

CERTIFICATE OF ACCEPTANCE  
**(California Government Code Section 27281)**

This is to certify that the interest in real property conveyed to or created in favor of the City of Vernon by that certain Easement document dated \_\_\_\_\_, executed by the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Minute Order by the City Council of the City on \_\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 20\_\_\_\_

CITY OF VERNON

\_\_\_\_\_  
MELISSA YBARRA, Mayor

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ZAYNAH N. MOUSSA,  
Interim City Attorney

**EXHIBIT "A"**  
**PUBLIC ROAD AND HIGHWAY EASEMENT**

File with: LOS ANGELES RIVER 195  
Affects: Parcel No. 246  
Parcel No. 195GE  
19-RW 36.1  
A.I.N. 6304-007-900 (Portion)  
I.M. 099-217  
S.D. 4  
M1823007

**LEGAL DESCRIPTION**

**PARCEL NO. 195GE**

THAT PORTION OF LOT 19 OF OFFICIAL MAP OF THE COUNTY OF LOS ANGELES, REGION 48, DIVISION 105, IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 3, PAGES 19 THROUGH 27, INCLUSIVE, OF OFFICIAL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING SOUTHEASTERLY OF A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER.

CONTAINING 2,502 SQUARE FEET, MORE OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY OF RECORD, IF ANY.



PREPARED BY: STANTEC CONSULTING INC.  
UNDER THE DIRECTION OF:

*James O. Steines*

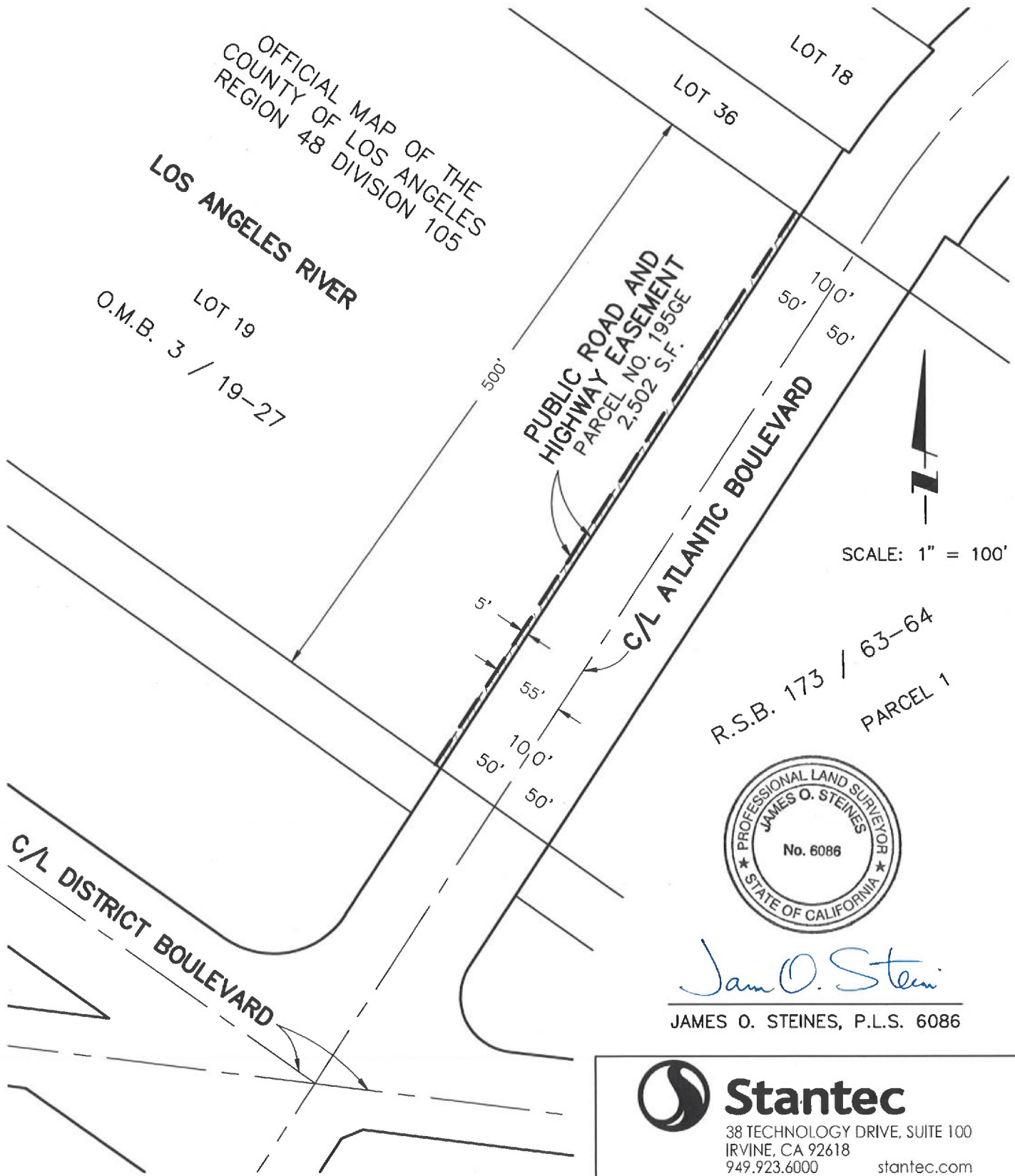
JAMES O. STEINES, P.L.S. 6086

JUNE 10, 2021  
J.N. 2073 009230

# EXHIBIT "B"

SHEET 1 OF 1

A PORTION OF LOT 19 OF OFFICIAL MAP OF THE COUNTY OF  
LOS ANGELES, REGION 48, DIVISION 105, O.M.B. 3 / 19-27,  
IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA  
**PUBLIC ROAD AND HIGHWAY EASEMENT**



R.S.B. 173 / 63-64  
PARCEL 1



*James O. Steines*  
JAMES O. STEINES, P.L.S. 6086

 **Stantec**  
38 TECHNOLOGY DRIVE, SUITE 100  
IRVINE, CA 92618  
949.923.6000      stantec.com



# ORIGINAL

RECORDING REQUESTED BY  
AND MAIL TO:

City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE GOVERNMENT CODE.

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER  
TAX IS \$ ZERO

Assessor's Identification Number:  
6314-033-901 (Portion)

## EASEMENT

For a valuable consideration, receipt of which is hereby acknowledged, the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), does hereby grant to the CITY OF VERNON, a municipal corporation (hereinafter referred to as CITY), an easement for public road and highway purposes in, on, over, and across the real property in the City of Vernon, County of Los Angeles, State of California, described in Exhibit A and shown on and delineated on Exhibit B, both of which are attached hereto and by this reference made a part hereof.

Subject to all matters of record and to the following reservation and conditions, which the CITY by the acceptance of this Easement document and/or the exercise of any of the rights granted herein, agrees to keep and perform, viz:

1. DISTRICT reserves the paramount right to use said land for flood control purposes.
2. CITY agrees that it will not perform or arrange for the performance of any construction or reconstruction work in, on, over, and across the land herein described, until the plans and specifications for such construction or reconstruction work shall have first been submitted to and been approved in writing by the Chief Engineer of the Los Angeles County Flood Control District. Such approval by DISTRICT shall not be interpreted or inferred as an endorsement or approval as to the design, accuracy, correctness, or authenticity of the information shown on the submitted plans and specifications. Furthermore, such approval cannot be relied upon for any other purpose or by any third party for any reason whatsoever. DISTRICT does not accept ownership or responsibility for the improvements.

Los Angeles River (City of Vernon)  
(File with: LOS ANGELES RIVER 195)  
Parcel No. 195GE.10  
I.M. 099-217  
S.D. 4 M1823007  
Project ID No. MPR0000883

3. CITY shall indemnify, defend, and save harmless DISTRICT, its officers, agents, and/or employees, from any and all claims, demands, liability, loss, damage, or expense to which DISTRICT, its officers, agents, and employees may be subjected as the result of any act or omission by CITY, its officers, agents, employees, or contractors, including without limitation any violation of federal, state or local laws or regulations, arising out of the exercise by CITY, its officers, agents, employees, or contractors of any of the rights granted to it by this Easement document, unless such claim, demand, liability, loss, damage, or expense arises from the sole negligence or willful misconduct of the DISTRICT, its officers, agents and employees.
4. It is expressly understood that DISTRICT will not be called upon to construct, repair, maintain, or reconstruct any structure or improvement to be erected or constructed pursuant to this Easement document.
5. The provisions and agreements contained in this Easement document shall be binding upon CITY, its successors, and assigns.

To the extent any lawful assessment be levied pertaining to the area to which this easement applies and to the extent that the assessment is based on the structures and improvements being constructed under the authority of this easement and provided further that the assessment be levied following CITY's exercise of these easement rights to construct such structures and improvements, CITY agrees to pay on behalf of DISTRICT that part of any such assessment levied against DISTRICT, which is based on the value contributed to the area by CITY's said improvements.

Pursuant to the authority delegated by the Board of Supervisors of the Los Angeles County Flood Control District, this Easement document has been executed on behalf of said DISTRICT by the Director of the Los Angeles County Public Works on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT,  
a body corporate and politic

MARK PESTRELLA, PE  
Director of Public Works

By \_\_\_\_\_  
ADAM WALDEN  
Principal Engineer  
Survey/Mapping & Property Management Division

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

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

**ACKNOWLEDGMENT FORM  
(FOR COUNTY USE ONLY)**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California        )  
                                          ) ss.  
County of Los Angeles    )

On \_\_\_\_\_, before me, \_\_\_\_\_, Deputy County Clerk of the County of Los Angeles, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS my hand and official seal.

\_\_\_\_\_  
Deputy County Clerk of the County of Los Angeles                                    (Seal)

APPROVED as to title and execution

\_\_\_\_\_, 20\_\_\_\_\_  
LOS ANGELES COUNTY PUBLIC WORKS  
Survey/Mapping & Property Management Division

Supervising Title Examiner

By \_\_\_\_\_

CERTIFICATE OF ACCEPTANCE  
(California Government Code Section 27281)

This is to certify that the interest in real property conveyed to or created in favor of the City of Vernon by that certain Easement document dated \_\_\_\_\_, executed by the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Minute Order by the City Council of the City on \_\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 20\_\_\_\_

CITY OF VERNON

\_\_\_\_\_  
MELISSA YBARRA, Mayor

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ZAYNAH N. MOUSSA,  
Interim City Attorney

**EXHIBIT "A"**  
**PUBLIC ROAD AND HIGHWAY EASEMENT**

File with: LOS ANGELES RIVER 195  
Parcel No. 195GE.10  
19-RW 37.1  
A.I.N. 6314-033-901 (Portion)  
I.M. 099-217  
S.D. 4  
M1823007

**LEGAL DESCRIPTION**

**PARCEL NO. 195GE.10**

THAT PORTION OF THE RANCHO SAN ANTONIO, IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 1, PAGE 389 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN PARCEL 1 AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER.

**EXCEPTING THEREFROM** THAT PORTION LYING SOUTHEASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHERLY CORNER OF SAID PARCEL 1;

THENCE, ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 1, SOUTH 54°34'54" EAST, 21.02 FEET TO A LINE PARALLEL WITH AND 71.00 FEET SOUTHEASTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD, 100 FEET WIDE, AS SHOWN ON SAID RECORD OF SURVEY AND THE **POINT OF BEGINNING**;

THENCE, ALONG SAID PARALLEL LINE, SOUTH 33°11'59" WEST, 14.51 FEET TO A LINE PARALLEL WITH AND 14.50 FEET SOUTHWESTERLY OF SAID NORTHEASTERLY LINE OF PARCEL 1;

THENCE, SOUTH 78°11'59" WEST, 14.14 FEET TO A LINE PARALLEL WITH AND 61.00 FEET SOUTHEASTERLY OF SAID CENTERLINE OF ATLANTIC BOULEVARD;

THENCE, ALONG SAID PARALLEL LINE, SOUTH 33°11'59" WEST, 475.52 FEET TO THE SOUTHWESTERLY LINE OF SAID PARCEL 1.

CONTAINING 5,702 SQUARE FEET, MORE OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

**EXHIBIT "A"**  
**PUBLIC ROAD AND HIGHWAY EASEMENT**

BEARINGS REFERENCED HEREON ARE BASED ON THE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE 5, RELATIVE TO THE NORTH AMERICAN DATUM OF 1983 (NAD 83) AND WERE DETERMINED BY GLOBAL POSITIONING SYSTEM (GPS) TIES TO NATIONAL GEODETIC SURVEY (NGS) CONTINUOUS OPERATING REFERENCE STATIONS.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS, AND RIGHTS-OF-WAY OF RECORD, IF ANY.



PREPARED BY: STANTEC CONSULTING INC.  
UNDER THE DIRECTION OF:

*James O. Steines*

JAMES O. STEINES, P.L.S. 6086

JUNE 10, 2021  
J.N. 2073 009230

# EXHIBIT "B"

SHEET 1 OF 1

A PORTION OF RANCHO SAN ANTONIO PER BOOK 1, PAGE 389 OF PATENTS,  
IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

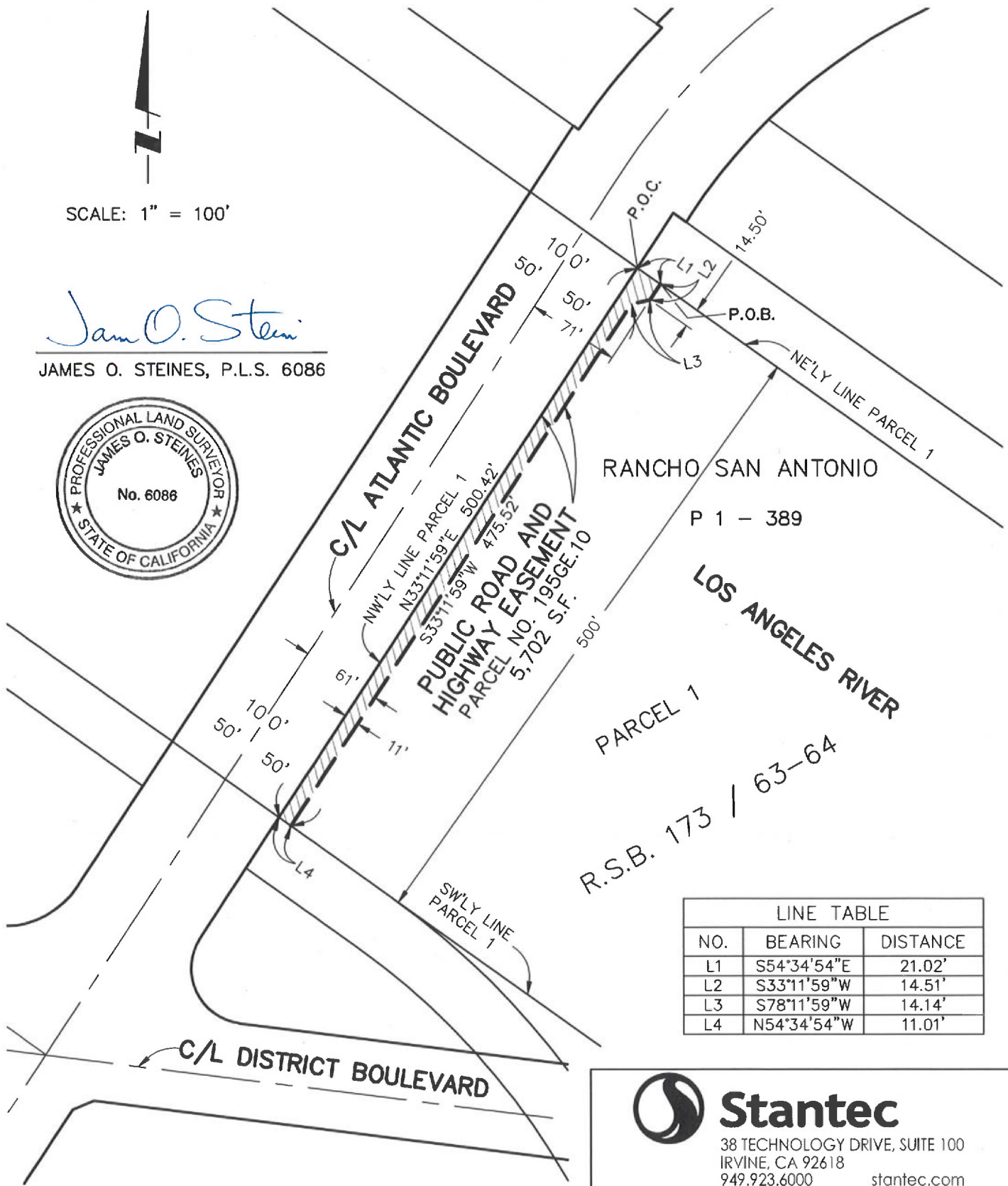
## PUBLIC ROAD AND HIGHWAY EASEMENT



SCALE: 1" = 100'

*James O. Steines*

JAMES O. STEINES, P.L.S. 6086



LINE TABLE		
NO.	BEARING	DISTANCE
L1	S54°34'54"E	21.02'
L2	S33°11'59"W	14.51'
L3	S78°11'59"W	14.14'
L4	N54°34'54"W	11.01'



**Stantec**

38 TECHNOLOGY DRIVE, SUITE 100  
IRVINE, CA 92618  
949.923.6000 stantec.com

J.N. 2073 009230

DATE: 6/10/21

# ORIGINAL

RECORDING REQUESTED BY  
AND MAIL TO:

City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE GOVERNMENT CODE.

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY TRANSFER  
TAX IS \$ ZERO

Assessor's Identification Number:  
6304-007-900 (Portions)

## EASEMENTS

For a valuable consideration, receipt of which is hereby acknowledged, the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), does hereby grant to the CITY OF VERNON, a municipal corporation (hereinafter referred to as CITY), easements for pier nose wall and abutment training wall purposes in, on, over, and across the real property in the City of Vernon, County of Los Angeles, State of California, described in Exhibit A and shown on and delineated on Exhibit B, both of which are attached hereto and by this reference made a part hereof.

Subject to all matters of record and to the following reservation and conditions, which the CITY by the acceptance of this Easements document and/or the exercise of any of the rights granted herein, agrees to keep and perform, viz:

1. DISTRICT reserves the paramount right to use said land for flood control purposes.
2. CITY agrees that it will not perform or arrange for the performance of any construction or reconstruction work in, on, over, and across the land herein described, until the plans and specifications for such construction or reconstruction work shall have first been submitted to and been approved in writing by the Chief Engineer of the Los Angeles County Flood Control District. Such approval by DISTRICT shall not be interpreted or inferred as an endorsement or approval as to the design, accuracy, correctness, or authenticity of the information shown on the submitted plans and specifications. Furthermore, such approval cannot be relied upon for any other purpose or by any third party for any reason whatsoever. DISTRICT does not accept ownership or responsibility for the improvements.

Los Angeles River (City of Vernon)  
(File with: LOS ANGELES RIVER 195)  
Affects: Parcel No. 246  
Parcel Nos. 195GE.1 – 195GE.8  
I.M. 099-217  
S.D. 4 M1823007  
Project ID No. MPR0000883



3. CITY shall indemnify, defend, and save harmless DISTRICT, its officers, agents, and/or employees, from any and all claims, demands, liability, loss, damage, or expense to which DISTRICT, its officers, agents, and employees may be subjected as the result of any act or omission by CITY, its officers, agents, employees, or contractors, including without limitation any violation of federal, state or local laws or regulations, arising out of the exercise by CITY, its officers, agents, employees, or contractors of any of the rights granted to it by this Easements document, unless such claim, demand, liability, loss, damage, or expense arises from the sole negligence or willful misconduct of the DISTRICT, its officers, agents and employees.
4. It is expressly understood that DISTRICT will not be called upon to construct, repair, maintain, or reconstruct any structure or improvement to be erected or constructed pursuant to this Easements document.
5. The provisions and agreements contained in this Easements document shall be binding upon CITY, its successors, and assigns.

To the extent any lawful assessment(s) be levied pertaining to the areas to which these easements applies and to the extent that the assessment(s) is based on the structures and improvements being constructed under the authority of these easements and provided further that the assessment(s) be levied following CITY's exercise of these easement rights to construct such structures and improvements, CITY agrees to pay on behalf of DISTRICT that part of any such assessment(s) levied against DISTRICT, which is based on the value contributed to the areas by CITY's said improvements.

Pursuant to the authority delegated by the Board of Supervisors of the Los Angeles County Flood Control District, this Easements document has been executed on behalf of said DISTRICT by the Director of the Los Angeles County Public Works on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT,  
a body corporate and politic

MARK PESTRELLA, PE  
Director of Public Works

By \_\_\_\_\_  
ADAM WALDEN  
Principal Engineer  
Survey/Mapping & Property Management Division

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

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

**ACKNOWLEDGMENT FORM  
(FOR COUNTY USE ONLY)**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California        )  
                                          ) ss.  
County of Los Angeles    )

On \_\_\_\_\_, before me, \_\_\_\_\_, Deputy County Clerk of the County of Los Angeles, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS my hand and official seal.

\_\_\_\_\_  
Deputy County Clerk of the County of Los Angeles        (Seal)

APPROVED as to title and execution  
  
\_\_\_\_\_, 20\_\_\_\_\_  
LOS ANGELES COUNTY PUBLIC WORKS  
Survey/Mapping & Property Management Division  
  
Supervising Title Examiner  
  
By \_\_\_\_\_

CERTIFICATE OF ACCEPTANCE  
**(California Government Code Section 27281)**

This is to certify that the interests in real property conveyed to or created in favor of the City of Vernon by that certain Easements document dated \_\_\_\_\_, executed by the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Minute Order by the City Council of the City on \_\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 20\_\_\_\_

CITY OF VERNON

\_\_\_\_\_  
MELISSA YBARRA, Mayor

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ZAYNAH N. MOUSSA,  
Interim City Attorney

**EXHIBIT "A"**  
**PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT**

File with: LOS ANGELES RIVER 195  
Affects: Parcel No. 246  
Parcel Nos. 195GE.1 - 195GE.8  
19-RW 36.1  
A.I.N. 6304-007-900 (Portion)  
I.M. 099-217  
S.D. 4  
M1823007

**LEGAL DESCRIPTION**

THOSE PORTIONS OF LOT 19 OF OFFICIAL MAP OF THE COUNTY OF LOS ANGELES, REGION 48, DIVISION 105, IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 3, PAGES 19 THROUGH 27, INCLUSIVE, OF OFFICIAL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

**PARCEL NO. 195GE.1:**

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, SOUTH 33°11'59" WEST, 44.67 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 28°17'12" WEST, 75.55 FEET;

NORTH 35°25'06" EAST, 11.17 FEET TO SAID NORTHEASTERLY LINE OF LOT 19;

THENCE, ALONG SAID NORTHEASTERLY LINE OF LOT 19, SOUTH 54°34'54" EAST, 66.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,851 SQUARE FEET, MORES OR LESS.

**PARCEL NO. 195GE.2:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

**EXHIBIT "A"**  
**PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT**

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 71.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,435 SQUARE FEET, MORE OR LESS.

**PARCEL NO. 195GE.3:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 131.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,435 SQUARE FEET, MORE OR LESS.

**PARCEL NO. 195GE.4:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

**EXHIBIT "A"**  
**PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT**

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 191.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19 THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,435 SQUARE FEET, MORE OR LESS.

**PARCEL NO. 195GE.5:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 251.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,435 SQUARE FEET, MORE OR LESS.

**PARCEL NO. 195GE.6:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

**EXHIBIT "A"**  
**PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT**

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 311.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,435 SQUARE FEET, MORE OR LESS.

**PARCEL NO. 195GE.7:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 371.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 1,435 SQUARE FEET, MORE OR LESS.

**PARCEL NO. 195GE.8:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

**EXHIBIT "A"**  
**PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT**

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 434.92 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 65.50 FEET TO THE SOUTHWESTERLY  
LINE OF SAID LOT 19;

THENCE, ALONG SAID SOUTHWESTERLY LINE OF LOT 19, NORTH 54°34'54" WEST,  
72.33 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 35°25'06" EAST, 15.00 FEET;

NORTH 89°33'30" EAST, 86.12 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 2,891 SQUARE FEET, MORE OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART  
HEREOF.

BEARINGS REFERENCED HEREON ARE BASED ON THE CALIFORNIA COORDINATE  
SYSTEM (CCS83), ZONE 5, RELATIVE TO THE NORTH AMERICAN DATUM OF 1983  
(NAD 83) AND WERE DETERMINED BY GLOBAL POSITIONING SYSTEM (GPS) TIES  
TO NATIONAL GEODETIC SURVEY (NGS) CONTINUOUS OPERATING REFERENCE  
STATIONS.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,  
EASEMENTS, AND RIGHTS-OF-WAY OF RECORD, IF ANY.



PREPARED BY: STANTEC CONSULTING INC.  
UNDER THE DIRECTION OF:

*James O. Steines*

JAMES O. STEINES, P.L.S. 6086

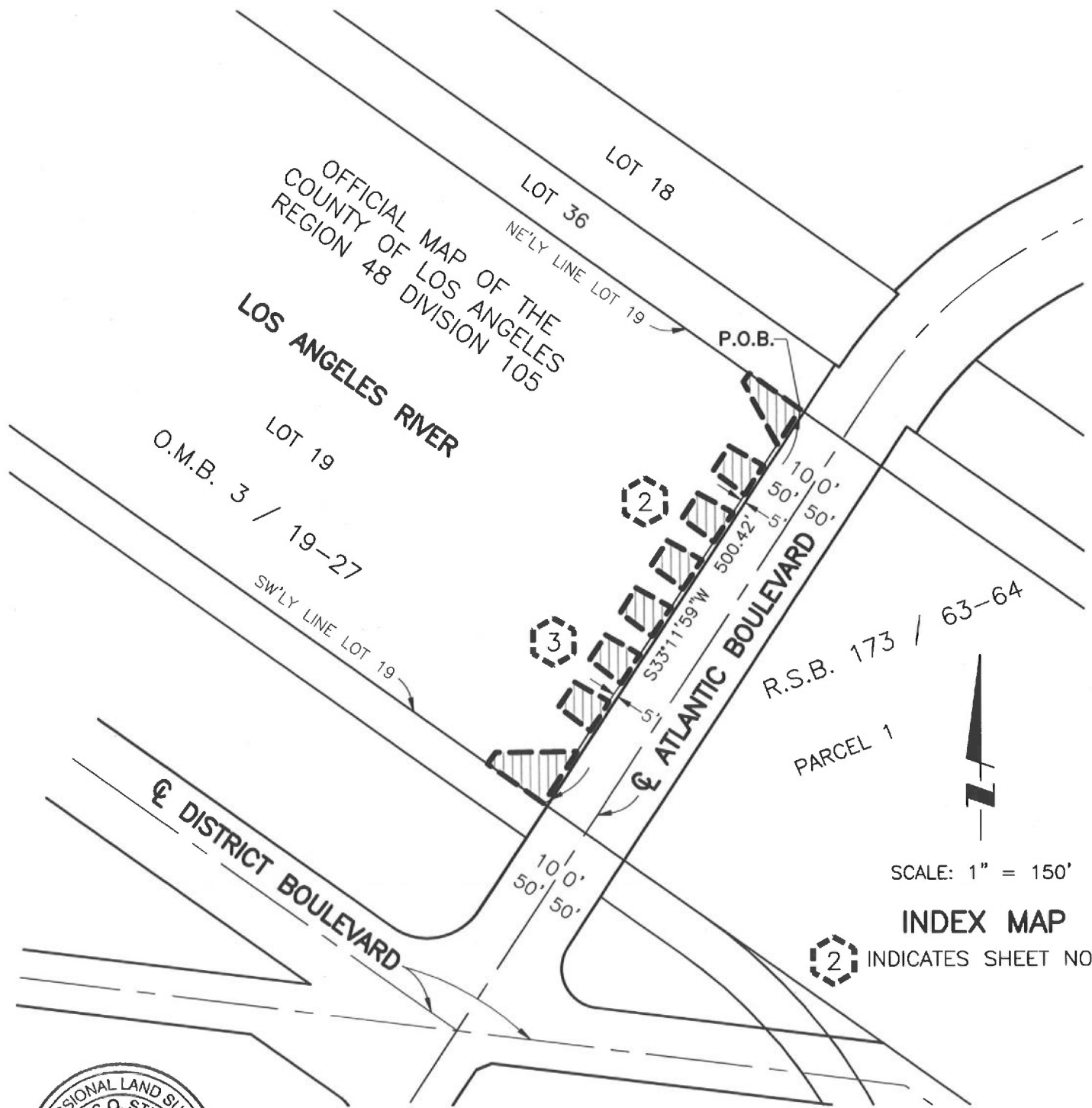
MAY 14, 2021  
J.N. 2073 009230



# EXHIBIT "B"

SHEET 1 OF 3

A PORTION OF LOT 19 OF OFFICIAL MAP OF THE COUNTY OF  
LOS ANGELES, REGION 48, DIVISION 105, O.M.B. 3 / 19-27,  
IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA  
**PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT**



*James O. Steines*  
JAMES O. STEINES, P.L.S. 6086

**Stantec**  
38 TECHNOLOGY DRIVE  
IRVINE, CA 92618  
949.923.6000 stantec.com

# EXHIBIT "B"

## PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT

LINE TABLE		
NO.	BEARING	DISTANCE
L1	N28°17'12"W	75.55'
L2	N35°25'06"E	11.17'
L3	S54°34'54"E	66.00'
L4	N53°02'48"W	42.00'
L5	N33°11'59"E	31.50'

LINE TABLE		
NO.	BEARING	DISTANCE
L6	S60°33'14"E	42.00'
L7	N54°34'54"W	72.33'
L8	N35°25'06"E	15.00'
L9	N89°33'30"E	86.12'

SEE SHEET 1

OFFICIAL MAP OF THE  
COUNTY OF LOS ANGELES  
REGION 48 DIVISION 105

LOS ANGELES RIVER

PARCEL NO.  
195GE.1  
1,851 S.F.

P.O.B.  
PARCEL NO.  
195GE.1  
P.O.C.  
PARCEL NOS.  
195GE.2 -  
195GE.8

PARCEL NO.  
195GE.2  
1,435 S.F.

P.O.B.  
PARCEL NO.  
195GE.2

PARCEL NO.  
195GE.3  
1,435 S.F.

P.O.B.  
PARCEL NO.  
195GE.3

PARCEL NO.  
195GE.4  
1,435 S.F.

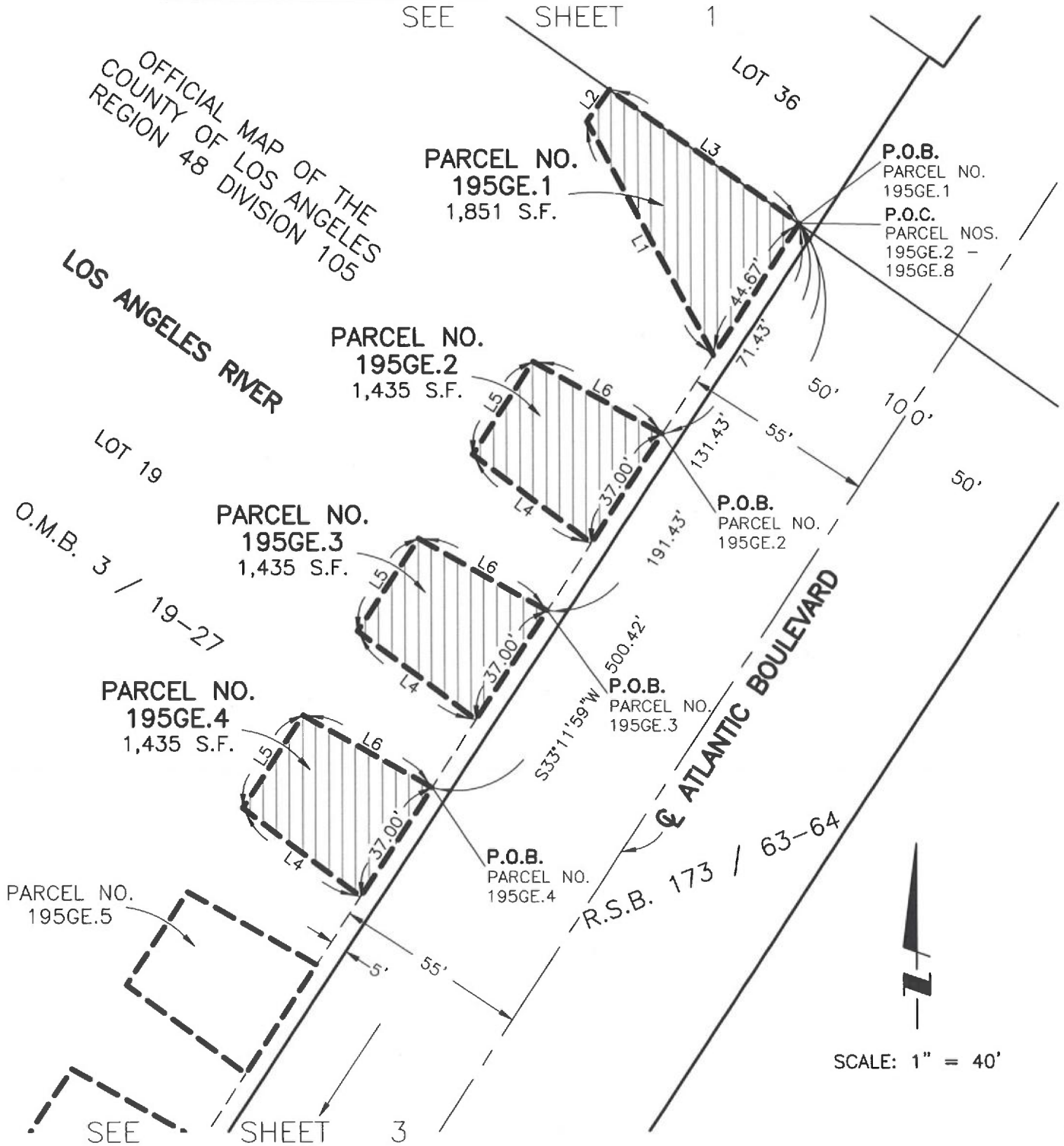
P.O.B.  
PARCEL NO.  
195GE.4

PARCEL NO.  
195GE.5

ATLANTIC BOULEVARD  
R.S.B. 173 / 63-64

LOT 19  
O.M.B. 3 / 19-27

LOT 36



SCALE: 1" = 40'

SEE SHEET 3

# EXHIBIT "B"

SHEET 3 OF 3

## PIER NOSE WALL AND ABUTMENT TRAINING WALL EASEMENT

SEE SHEET 2

OFFICIAL MAP OF THE  
COUNTY OF LOS ANGELES  
REGION 48 DIVISION 105

LOS ANGELES RIVER

LOT 19

O.M.B. 3 / 19-27

PARCEL NO.  
195GE.3

PARCEL NO.  
195GE.4

PARCEL NO.  
195GE.5  
1,435 S.F.

PARCEL NO.  
195GE.6  
1,435 S.F.

PARCEL NO.  
195GE.7  
1,435 S.F.

PARCEL NO.  
195GE.8  
2,891 S.F.

P.O.B.  
PARCEL NO.  
195GE.5

P.O.B.  
PARCEL NO.  
195GE.6

P.O.B.  
PARCEL NO.  
195GE.7

P.O.B.  
PARCEL NO.  
195GE.8

434.92'  
500.42'  
S33°11'59"W

ATLANTIC BOULEVARD

R.S.B. 173 / 63-64

SEE SHEET 1

SEE SHEET 2



SCALE: 1" = 40'

FOR LINE TABLE  
SEE SHEET 2

**ORIGINAL**

RECORDING REQUESTED BY  
AND MAIL TO:

City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE GOVERNMENT CODE.

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY  
TRANSFER TAX IS \$ ZERO

Assessor's Identification Number:  
6304-007-900 (Portion)

## **TEMPORARY CONSTRUCTION EASEMENT**

For a valuable consideration, receipt of which is hereby acknowledged, the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), does hereby grant to the CITY OF VERNON (hereinafter referred to as CITY), a temporary construction easement in, on, over, and across the real property in the City of Vernon, County of Los Angeles, State of California, described in Exhibit A and shown on and delineated on Exhibit B, both of which are attached hereto and by this reference made a part hereof.

Together with the further right to enter upon and to pass and repass over and along said easement and right of way to deposit tools, implements, and other materials thereon by said CITY, its officers, agents, and employees, and by persons under contract with it and their employees, whenever and wherever necessary, for the purposes above set forth.

Said temporary construction easement is granted for a period, which shall commence on August 1, 2022 and shall cease and terminate on July 31, 2026.

Los Angeles River (City of Vernon)  
(File with: LOS ANGELES RIVER 195)  
Affects: Parcel No. 246  
Parcel No. 195GE.9  
I.M. 099-217  
S.D. 4 M1823007  
Project ID No. MPR0000883

Pursuant to the authority delegated by the Board of Supervisors of the Los Angeles County Flood Control District, this Temporary Construction Easement document has been executed on behalf of said DISTRICT by the Director of the Los Angeles County Public Works on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT,  
a body corporate and politic

MARK PESTRELLA, PE  
Director of Public Works

By \_\_\_\_\_  
ADAM WALDEN  
Principal Engineer  
Survey/Mapping & Property Management Division

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

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

**ACKNOWLEDGMENT FORM  
(FOR COUNTY USE ONLY)**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California        )  
                                          ) ss.  
County of Los Angeles    )

On \_\_\_\_\_, before me, \_\_\_\_\_, Deputy County Clerk of the County of Los Angeles, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS my hand and official seal.

\_\_\_\_\_  
Deputy County Clerk of the County of Los Angeles                      (Seal)

APPROVED as to title and execution

\_\_\_\_\_, 20\_\_\_\_\_  
LOS ANGELES COUNTY PUBLIC WORKS  
Survey/Mapping & Property Management Division

Supervising Title Examiner

By \_\_\_\_\_

CERTIFICATE OF ACCEPTANCE  
**(California Government Code Section 27281)**

This is to certify that the interest in real property conveyed to or created in favor of the City of Vernon by that certain Temporary Construction Easement document dated \_\_\_\_\_, executed by the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Minute Order by the City Council of the City on \_\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 20\_\_\_\_\_

CITY OF VERNON

\_\_\_\_\_  
MELISSA YBARRA, Mayor

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ZAYNAH N. MOUSSA,  
Interim City Attorney

**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

File with: LOS ANGELES RIVER 195  
Affects: Parcel No. 246  
Parcel No. 195GE.9  
19-RW 36.1  
A.I.N. 6304-007-900 (Portion)  
I.M. 099-217  
S.D. 4  
M1823007

**LEGAL DESCRIPTION**

**PARCEL NO. 195GE.9**

THAT PORTION OF LOT 19 OF OFFICIAL MAP OF THE COUNTY OF LOS ANGELES, REGION 48, DIVISION 105, IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, PER MAP FILED IN BOOK 3, PAGES 19 THROUGH 27, INCLUSIVE, OF OFFICIAL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, SOUTH 33°11'59" WEST, 500.42 FEET TO THE SOUTHWESTERLY LINE OF SAID LOT 19;

THENCE, ALONG SAID SOUTHWESTERLY LINE OF LOT 19, NORTH 54°34'54" WEST, 82.33 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 35°25'06" EAST, 48.37 FEET;  
SOUTH 54°34'54" EAST, 13.49 FEET;  
NORTH 33°11'59" EAST, 164.88 FEET;  
NORTH 56°48'01" WEST, 63.08 FEET;  
NORTH 33°11'59" EAST, 87.00 FEET;  
SOUTH 56°48'01" EAST, 63.08 FEET;  
NORTH 33°11'59" EAST, 160.78 FEET;  
NORTH 54°34'54" WEST, 10.56 FEET;



**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

NORTH 35°25'06" EAST, 39.33 FEET TO SAID NORTHEASTERLY LINE OF LOT 19;

THENCE, ALONG SAID NORTHEASTERLY LINE OF LOT 19, SOUTH 54°34'54" EAST, 76.00 FEET TO THE **POINT OF BEGINNING**.

**EXCEPTING THEREFROM** THE FOLLOWING DESCRIBED PARCELS:

**PARCEL 195GE.1:**

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, SOUTH 33°11'59" WEST, 44.67 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 28°17'12" WEST, 75.55 FEET;

NORTH 35°25'06" EAST, 11.17 FEET TO SAID NORTHEASTERLY LINE OF LOT 19;

THENCE, ALONG SAID NORTHEASTERLY LINE OF LOT 19, SOUTH 54°34'54" EAST, 66.00 FEET TO THE **POINT OF BEGINNING**.

**PARCEL 195GE.2:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 71.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

**PARCEL 195GE.3:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 131.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

**PARCEL 195GE.4:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 191.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

**PARCEL 195GE.5:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 251.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

**PARCEL 195GE.6:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 311.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

**PARCEL 195GE.7:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 371.43 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 37.00 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 53°02'48" WEST, 42.00 FEET;

NORTH 33°11'59" EAST, 31.50 FEET;

SOUTH 60°33'14" EAST, 42.00 FEET TO THE **POINT OF BEGINNING**.

**PARCEL 195GE.8:**

COMMENCING AT THE INTERSECTION OF THE NORTHEASTERLY LINE OF SAID LOT 19 AND A LINE PARALLEL WITH AND 55.00 FEET NORTHWESTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID PARALLEL LINE, THE FOLLOWING COURSES:

SOUTH 33°11'59" WEST, 434.92 FEET TO THE **POINT OF BEGINNING**;

CONTINUING SOUTH 33°11'59" WEST, 65.50 FEET TO SAID SOUTHWESTERLY LINE OF LOT 19;

THENCE, ALONG SAID SOUTHWESTERLY LINE OF LOT 19, NORTH 54°34'54" WEST, 72.33 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID LOT 19, THE FOLLOWING COURSES:

NORTH 35°25'06" EAST, 15.00 FEET;

NORTH 89°33'30" EAST, 86.12 FEET TO THE **POINT OF BEGINNING**.

**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

CONTAINING 26,703 SQUARE FEET, MORE OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART  
HEREOF.

BEARINGS REFERENCED HEREON ARE BASED ON THE CALIFORNIA COORDINATE  
SYSTEM (CCS83), ZONE 5, RELATIVE TO THE NORTH AMERICAN DATUM OF 1983  
(NAD 83) AND WERE DETERMINED BY GLOBAL POSITIONING SYSTEM (GPS) TIES  
TO NATIONAL GEODETIC SURVEY (NGS) CONTINUOUS OPERATING REFERENCE  
STATIONS.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,  
EASEMENTS, AND RIGHTS-OF-WAY OF RECORD, IF ANY.



PREPARED BY: STANTEC CONSULTING INC.  
UNDER THE DIRECTION OF:

*James O. Steines*

JAMES O. STEINES, P.L.S. 6086

JUNE 10, 2021  
J.N. 2073 009230

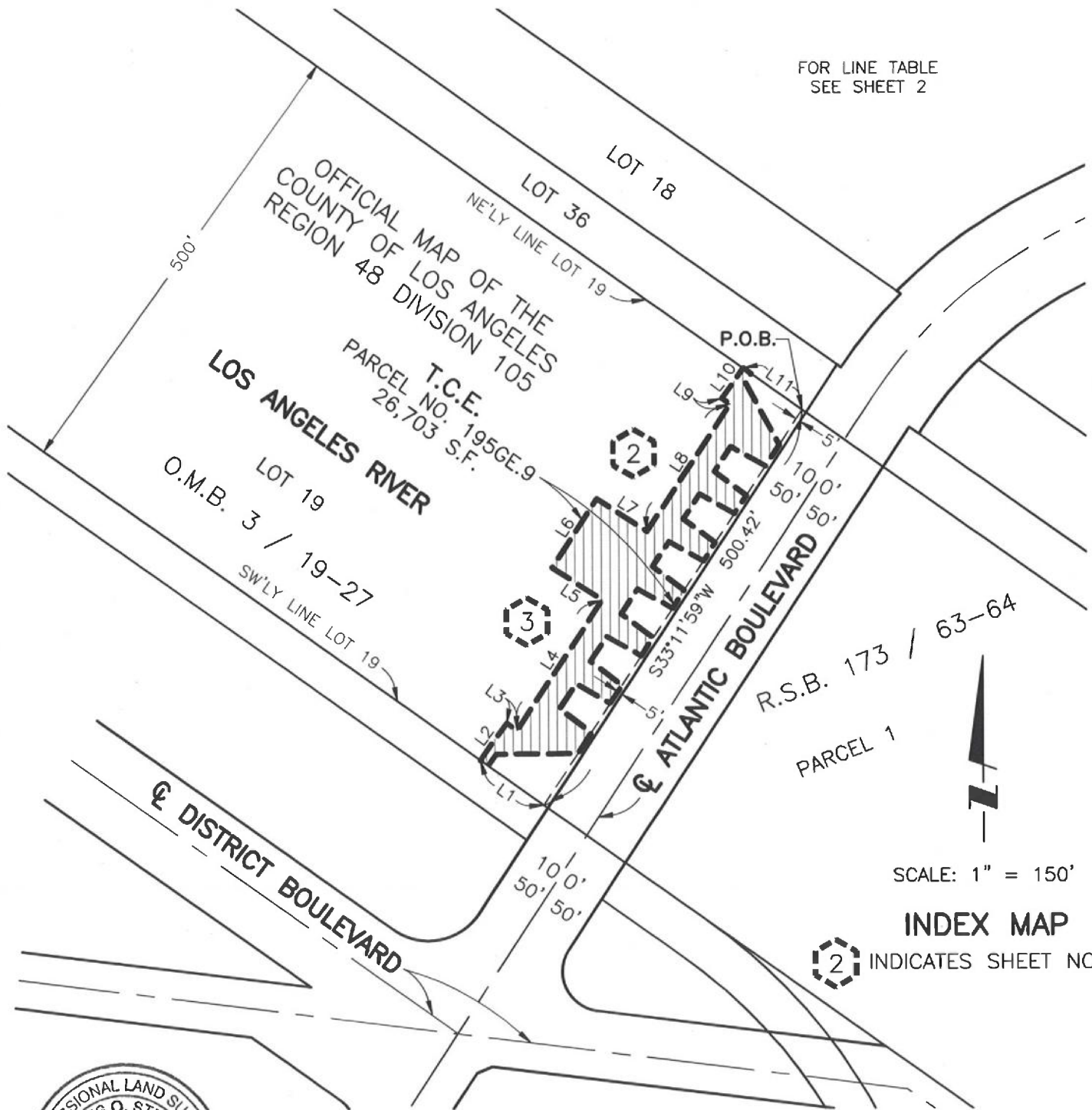
# EXHIBIT "B"

SHEET 1 OF 3

A PORTION OF LOT 19 OF OFFICIAL MAP OF THE COUNTY OF LOS ANGELES, REGION 48, DIVISION 105, O.M.B. 3 / 19-27, IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

## TEMPORARY CONSTRUCTION EASEMENT

FOR LINE TABLE  
SEE SHEET 2



SCALE: 1" = 150'

INDEX MAP

INDICATES SHEET NO.



*James O. Steines*  
JAMES O. STEINES, P.L.S. 6086



**Stantec**

38 TECHNOLOGY DRIVE  
IRVINE, CA 92618  
949.923.6000

stantec.com

J.N. 2073 009230

DATE: 6/10/21

# EXHIBIT "B"

## TEMPORARY CONSTRUCTION EASEMENT

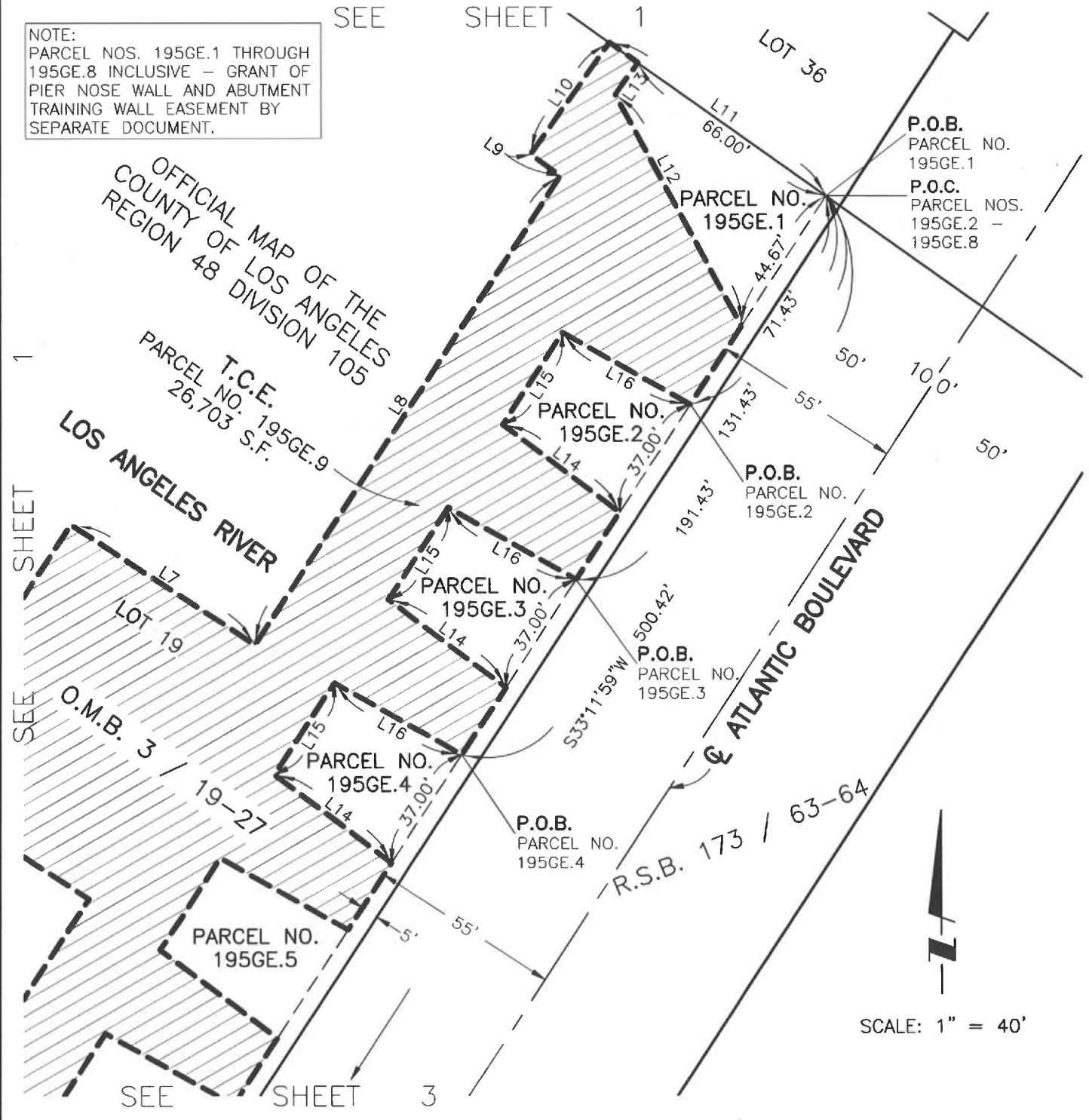
LINE TABLE		
NO.	BEARING	DISTANCE
L1	N54°34'54"W	82.33'
L2	N35°25'06"E	48.37'
L3	S54°34'54"E	13.49'
L4	N33°11'59"E	164.88'
L5	N56°48'01"W	63.08'
L6	N33°11'59"E	87.00'

LINE TABLE		
NO.	BEARING	DISTANCE
L7	S56°48'01"E	63.08'
L8	N33°11'59"E	160.78'
L9	N54°34'54"W	10.56'
L10	N35°25'06"E	39.33'
L11	S54°34'54"E	76.00'
L12	N28°17'12"W	75.55'

LINE TABLE		
NO.	BEARING	DISTANCE
L13	N35°25'06"E	11.17'
L14	N53°02'48"W	42.00'
L15	N33°11'59"E	31.50'
L16	S60°33'14"E	42.00'
L17	N35°25'06"E	15.00'
L18	N89°33'30"E	86.12'

NOTE:  
 PARCEL NOS. 195GE.1 THROUGH  
 195GE.8 INCLUSIVE - GRANT OF  
 PIER NOSE WALL AND ABUTMENT  
 TRAINING WALL EASEMENT BY  
 SEPARATE DOCUMENT.

SEE SHEET 1



SCALE: 1" = 40'

# EXHIBIT "B"

## TEMPORARY CONSTRUCTION EASEMENT

SEE SHEET 2

NOTE:  
PARCEL NOS. 195GE.1 THROUGH  
195GE.8 INCLUSIVE - GRANT OF  
PIER NOSE WALL AND ABUTMENT  
TRAINING WALL EASEMENT BY  
SEPARATE DOCUMENT.

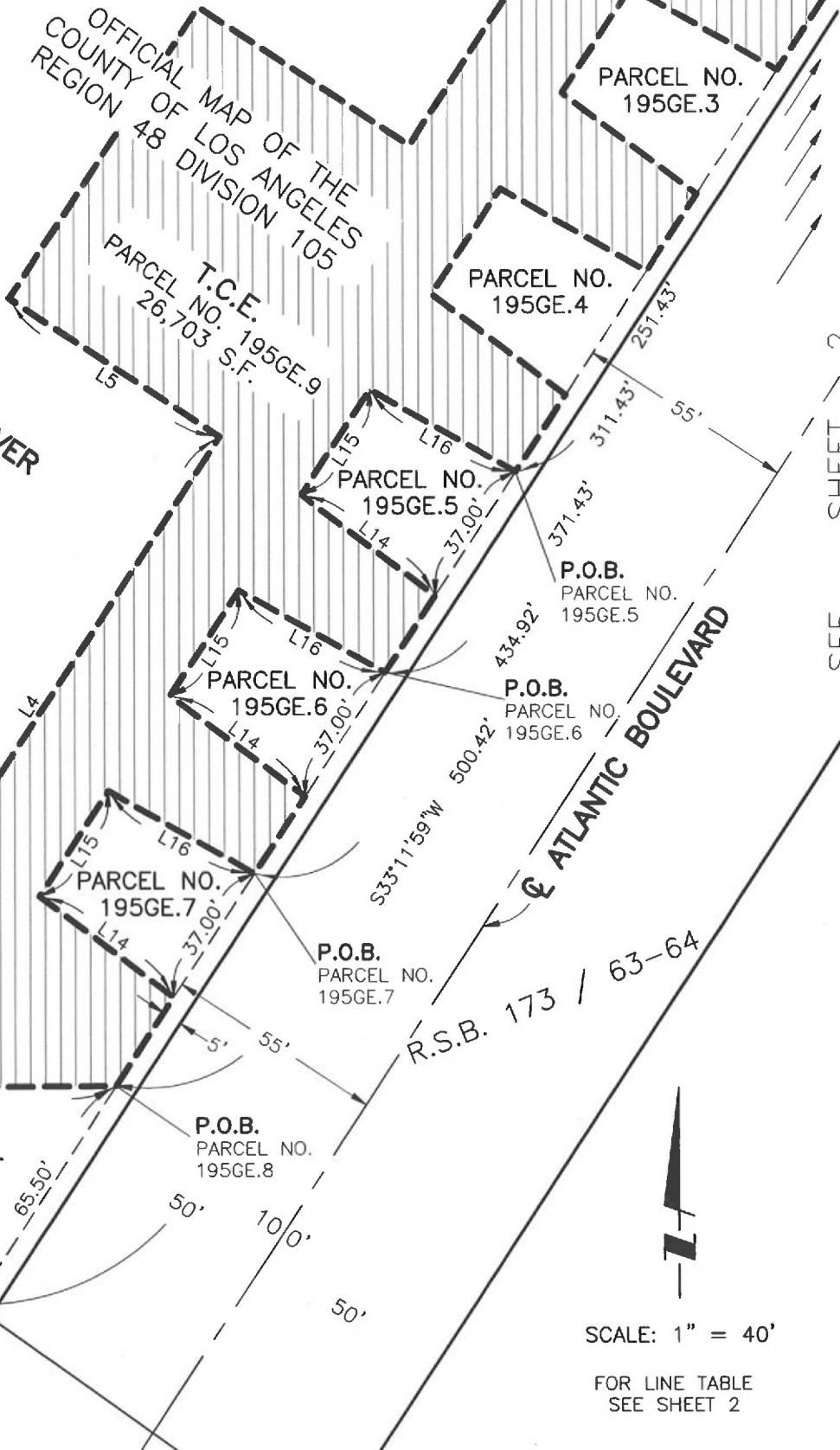
OFFICIAL MAP OF THE  
COUNTY OF LOS ANGELES  
REGION 48 DIVISION 105

LOS ANGELES RIVER

O.M.B. 3 / 19-27

ATLANTIC BOULEVARD

R.S.B. 173 / 63-64



SEE SHEET 1

SEE SHEET 2



SCALE: 1" = 40'

FOR LINE TABLE  
SEE SHEET 2



# ORIGINAL

RECORDING REQUESTED BY  
AND MAIL TO:

City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058

*Space Above This Line Reserved for Recorder's Use*

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE.

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE GOVERNMENT CODE.

THE UNDERSIGNED GRANTOR(S) DECLARE(S) DOCUMENTARY  
TRANSFER TAX IS \$ ZERO

Assessor's Identification Number:  
6314-033-901 (Portion)

## TEMPORARY CONSTRUCTION EASEMENT

For a valuable consideration, receipt of which is hereby acknowledged, the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic (hereinafter referred to as DISTRICT), does hereby grant to the CITY OF VERNON (hereinafter referred to as CITY), a temporary construction easement in, on, over, and across the real property in the City of Vernon, County of Los Angeles, State of California, described in Exhibit A and shown on and delineated on Exhibit B, both of which are attached hereto and by this reference made a part hereof.

Together with the further right to enter upon and to pass and repass over and along said easement and right of way to deposit tools, implements, and other materials thereon by said CITY, its officers, agents, and employees, and by persons under contract with it and their employees, whenever and wherever necessary, for the purposes above set forth.

Said temporary construction easement is granted for a period, which shall commence on August 1, 2022 and shall cease and terminate on July 31, 2026.

Los Angeles River (City of Vernon)  
(File with: LOS ANGELES RIVER 195)  
Parcel No. 195GE.11  
I.M. 099-217  
S.D. 4 M1823007  
Project ID No. MPR0000883

Pursuant to the authority delegated by the Board of Supervisors of the Los Angeles County Flood Control District, this Temporary Construction Easement document has been executed on behalf of said DISTRICT by the Director of the Los Angeles County Public Works on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

LOS ANGELES COUNTY FLOOD CONTROL DISTRICT,  
a body corporate and politic

MARK PESTRELLA, PE  
Director of Public Works

By \_\_\_\_\_  
ADAM WALDEN  
Principal Engineer  
Survey/Mapping & Property Management Division

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

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

**ACKNOWLEDGMENT FORM  
(FOR COUNTY USE ONLY)**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California        )  
                                          ) ss.  
County of Los Angeles    )

On \_\_\_\_\_, before me, \_\_\_\_\_, Deputy County Clerk of the County of Los Angeles, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity on behalf of which the person(s) acted, executed the instrument.

**I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.**

WITNESS my hand and official seal.

\_\_\_\_\_  
Deputy County Clerk of the County of Los Angeles        (Seal)

APPROVED as to title and execution

\_\_\_\_\_, 20\_\_\_\_\_  
LOS ANGELES COUNTY PUBLIC WORKS  
Survey/Mapping & Property Management Division

Supervising Title Examiner

By \_\_\_\_\_

CERTIFICATE OF ACCEPTANCE  
**(California Government Code Section 27281)**

This is to certify that the interest in real property conveyed to or created in favor of the City of Vernon by that certain Temporary Construction Easement document dated \_\_\_\_\_, executed by the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic, is hereby accepted by the undersigned officer on behalf of the City pursuant to the authority conferred by Minute Order by the City Council of the City on \_\_\_\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 20\_\_\_\_

CITY OF VERNON

\_\_\_\_\_  
MELISSA YBARRA, Mayor

ATTEST:

\_\_\_\_\_  
LISA POPE, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
ZAYNAH N. MOUSSA,  
Interim City Attorney

**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

File with: LOS ANGELES RIVER 195  
Parcel No. 195GE.11  
19-RW 37.1  
A.I.N. 6314-033-901 (Portion)  
I.M. 099-217  
S.D. 4  
M1823007

**LEGAL DESCRIPTION**

**PARCEL NO. 195GE.11**

THAT PORTION OF THE RANCHO SAN ANTONIO, IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 1, PAGE 389 OF PATENTS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WITHIN PARCEL 1 AS SHOWN ON A RECORD OF SURVEY FILED IN BOOK 173, PAGES 63 AND 64 OF RECORD OF SURVEYS, IN SAID OFFICE OF THE COUNTY RECORDER, DESCRIBED AS FOLLOWS:

**COMMENCING** AT THE NORTHERLY CORNER OF SAID PARCEL 1;

THENCE, ALONG THE NORTHEASTERLY LINE OF SAID PARCEL 1, SOUTH 54°34'54" EAST, 21.02 FEET TO A LINE PARALLEL WITH AND 71.00 FEET SOUTHEASTERLY OF THE CENTERLINE OF ATLANTIC BOULEVARD, 100 FEET WIDE, AS SHOWN ON SAID RECORD OF SURVEY AND THE **POINT OF BEGINNING**;

THENCE, ALONG SAID PARALLEL LINE, SOUTH 33°11'59" WEST, 14.51 FEET TO A LINE PARALLEL WITH AND 14.50 FEET SOUTHWESTERLY OF SAID NORTHEASTERLY LINE OF PARCEL 1;

THENCE, SOUTH 78°11'59" WEST, 14.14 FEET TO A LINE PARALLEL WITH AND 61.00 FEET SOUTHEASTERLY OF SAID CENTERLINE OF ATLANTIC BOULEVARD;

THENCE, ALONG SAID PARALLEL LINE, SOUTH 33°11'59" WEST, 475.52 FEET TO THE SOUTHWESTERLY LINE OF SAID PARCEL 1;

THENCE, ALONG SAID SOUTHWESTERLY LINE OF PARCEL 1, SOUTH 54°34'54" EAST, 25.02 FEET;

THENCE, TRAVERSING THE INTERIOR OF SAID PARCEL 1, THE FOLLOWING COURSES:

NORTH 33°11'59" EAST, 209.73 FEET;

SOUTH 56°48'01" EAST, 49.00 FEET;

NORTH 33°11'59" EAST, 92.45 FEET;

NORTH 56°48'01" WEST, 49.00 FEET;

**EXHIBIT "A"**  
**TEMPORARY CONSTRUCTION EASEMENT**

NORTH 33°11'59" EAST, 198.24 FEET TO SAID NORTHEASTERLY LINE OF  
PARCEL 1;

THENCE, ALONG SAID NORTHEASTERLY LINE OF PARCEL 1,  
NORTH 54°34'54" WEST, 15.01 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 16,844 SQUARE FEET, MORE OR LESS.

ALSO AS SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART  
HEREOF.

BEARINGS REFERENCED HEREON ARE BASED ON THE CALIFORNIA COORDINATE  
SYSTEM (CCS83), ZONE 5, RELATIVE TO THE NORTH AMERICAN DATUM OF 1983  
(NAD 83) AND WERE DETERMINED BY GLOBAL POSITIONING SYSTEM (GPS) TIES  
TO NATIONAL GEODETIC SURVEY (NGS) CONTINUOUS OPERATING REFERENCE  
STATIONS.

SUBJECT TO COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS,  
EASEMENTS, AND RIGHTS-OF-WAY OF RECORD, IF ANY.



PREPARED BY: STANTEC CONSULTING INC.  
UNDER THE DIRECTION OF:

*James O. Steines*

JAMES O. STEINES, P.L.S. 6086

MAY 14, 2021  
J.N. 2073 009230

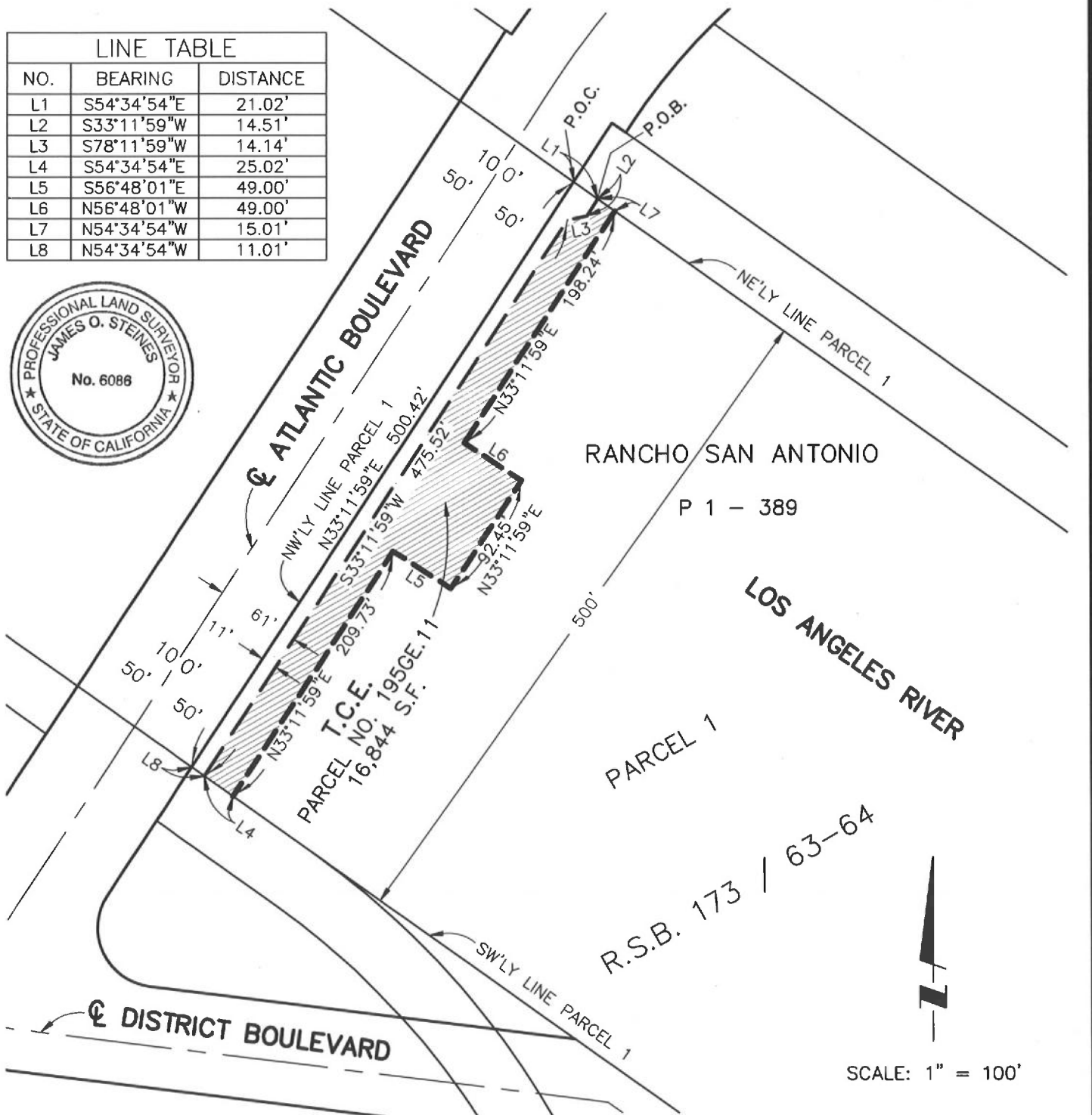
# EXHIBIT "B"

SHEET 1 OF 1

A PORTION OF RANCHO SAN ANTONIO PER BOOK 1, PAGE 389 OF PATENTS,  
IN THE CITY OF VERNON, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

## TEMPORARY CONSTRUCTION EASEMENT

LINE TABLE		
NO.	BEARING	DISTANCE
L1	S54°34'54"E	21.02'
L2	S33°11'59"W	14.51'
L3	S78°11'59"W	14.14'
L4	S54°34'54"E	25.02'
L5	S56°48'01"E	49.00'
L6	N56°48'01"W	49.00'
L7	N54°34'54"W	15.01'
L8	N54°34'54"W	11.01'



RANCHO SAN ANTONIO

P 1 - 389

LOS ANGELES RIVER

PARCEL 1

R.S.B. 173 / 63-64

SCALE: 1" = 100'

*James O. Steines*  
JAMES O. STEINES, P.L.S., 6086

**Stantec**  
38 TECHNOLOGY DRIVE  
IRVINE, CA 92618  
949.923.6000 stantec.com

J.N. 2073 009230

DATE: 5/14/21

# City Council Agenda Item Report

Submitted by: Jessica Alcaraz  
Submitting Department: Finance/Treasury  
Meeting Date: March 15, 2022

## **SUBJECT**

Professional Service Agreement with GovInvest Inc. for Actuarial Consulting and Technology Services

## **Recommendation:**

Approve and authorize the City Administrator to execute a Professional Services Agreement with GovInvest Inc., in substantially the same form as submitted, for actuarial consulting and technology services for a total amount not-to-exceed \$116,600, for a three-year term.

## **Background:**

On July 26, 2018, the actuarial consulting firm GovInvest Inc. (GovInvest) met with the City Administrator and staff to present sole source software solutions for California government agencies in the areas of employee labor and benefit costs and pension liability modeling. GovInvest specializes in analytical software that empowers government agencies to proactively manage their labor negotiation costs, pension, other Post-Employment Benefits (OPEB), and bonded debt liabilities.

On October 4, 2018, the City Administrator approved and signed a three-year software license agreement with GovInvest for the use of GovInvest's Standard Pension Module and OPEB Module of Total Liability Calculator. Since then, the Finance Department has utilized this software to analyze labor and benefit costs during labor negotiations and to analyze the City's pension and OPEB liabilities.

The contract expired on October 18, 2021 and staff requests approval for a new license agreement with GovInvest. Due to favorable market conditions, the City has an opportunity to reduce the City's unfunded pension liabilities cost by issuing pension obligation bonds at a low interest rate and GovInvest's Pension Obligation Bond Module would provide the necessary tools to continue evaluating this opportunity. This module would help develop alternative funding approaches for current and future pension and/or OPEB debt and analyze the benefit and risks associated with issuing bonds to refinance pension and/or OPEB debt.

Additionally, GovInvest has developed proprietary software that will incorporate with the City's employee-specific data for both OPEB and pension benefits. The software will allow management to project and measure the impact on OPEB and Pension costs for multiple scenarios, including but not limited to, changes in actuarial estimates, bargaining unit negotiations impacts, and the issuance of appropriate Governmental Accounting Standards Board (GASB) 75 reports required to measure the OPEB liability in the City's financial statements, also known as the Annual Comprehensive Financial Report (ACFR). The software will assist City staff in making recommendations to Council, refining policies, and presenting post-employment benefit information in meaningful, easily understood charts and graphs.

Pursuant to Vernon Municipal Code Section 3.32.110 (A)(2), the proposed Licensing Agreement with GovInvest is exempt from competitive bidding since the modules are



proprietary software that are only available through the Consultant. The proposed agreement has been reviewed and approved as to form by the City Attorney's Office.

**Fiscal Impact:**

The total fiscal impact of the proposed agreement is \$116,600 over three years. Sufficient funds for actuarial consulting and technology services are available in the Professional Services - Technical account in the Finance Department, Electric Fund and Water Fund for FY 2021-22 and will be budgeted accordingly in the FY2022-23 and FY 2023-24 budgets.

**Attachments:**

- [1. Agreement with GovInvest](#)

# SaaS Licensing Agreement



Attention: Vernon, CA

Prepared by: Anthony Escárcega. Customer Success Manager

February 1st, 2022

## Summary of Services and Implementation

### Customer:

Scott Williams  
4305 S. Santa Fe Ave  
Vernon, CA 90058  
Phone: (323) 583-8811  
[swilliams@ci.vernon.ca.us](mailto:swilliams@ci.vernon.ca.us)

### Services:

Service Capacity: Use of the Standard Pension Module, Other Post-Employment Benefits Module, Labor Costing Module of the Total Liability Calculator (the "Service(s)"). GASB 75 Roll Forward and GASB 75 Full Valuation.

Service Fees: Pension Module: \$10,000 per year, OPEB Module: \$10,000 per year, Labor Costing Module: \$7,500 per year, Pension Obligation Bond Module: \$5,000 per year, GASB 75 Roll Forward: \$4,800 per report & GASB 75 Full Valuation: \$9,500 per report.

Initial Term: Three years from Effective Date.

Total Contract Value: \$116,600.00

### Implementation Services:

Company will use commercially reasonable efforts to provide Customer the services described in accordance with the terms herein, and Customer shall pay Company the Implementation Fee in accordance with the terms herein.

## SERVICE AGREEMENT

This SaaS Services Agreement (“Agreement”) is entered into on this 1<sup>st</sup> day of February, 2022 (the “Effective Date”) between GovInvest, Inc. (“Company”), and the Customer listed above (“Customer”). This Agreement includes and incorporates the above Summary of Services and Implementation, as well as the attached Terms and Conditions and contains, among other things, warranty disclaimers, liability limitations and use limitations. There shall be no force or effect to any different or additional terms of any purchase order, confirmation, or similar form, even if signed by the parties before or after the date hereof.

### GovInvest Inc.

By: Jasmine Nachtigall-Fournier  
Name: Jasmine Nachtigall-Fournier  
Title: President  
Date: 02/22/2022

### Vernon, CA

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

### GovInvest Inc.

By: Ted Price  
Name: Ted Price  
Title: CEO  
Date: 02/22/2022

### Vernon, CA

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

## TERMS AND CONDITIONS

### 1. SAAS SERVICES AND SUPPORT

- 1.1 Subject to the terms of this Agreement, Company will use commercially reasonable efforts to provide Customer the Services in accordance with the Service Level Terms attached hereto as Exhibit A. As part of the registration process, Customer will identify an administrative user name and password for Customer’s account. Company reserves the right to refuse registration or cancel passwords it deems inappropriate.
- 1.2 Subject to the terms hereof, Company will provide Customer with reasonable technical support services in accordance with the terms set forth in Exhibit B.

### 2. RESTRICTIONS AND RESPONSIBILITIES

- 2.1 Customer will not, directly or indirectly; reverse engineer, decompile, disassemble or otherwise attempt to discover the source code, object code or underlying structure, ideas, know-how or algorithms relevant to the Services or any software, documentation or data related to or used to provide the Services (“Software”); modify, translate, or create derivative works based on the Services or any Software (except to the extent expressly permitted in writing by Company or authorized within the Services); use the Services or any Software for timesharing or service bureau purposes or otherwise for the benefit of a third party; or remove any proprietary notices or labels.

- 2.2 Further, Customer shall not export or re-export, either directly or indirectly, the Software or any copies thereof in such manner as to violate the export laws and regulations of the United States or any other applicable jurisdiction in effect from time to time (including, without limitation, when such export or re-export requires an export license or other governmental approval without first obtaining such license or approval). Without limiting the foregoing, Customer shall not permit any third parties to access or use the Services in violation of any United States export embargo, prohibition, or restriction.
- 2.4 Customer hereby agrees to indemnify and hold harmless Company against any damages, losses, liabilities, settlements and expenses (including without limitation costs and attorney's fees) in connection with any claim or action that arises from Customer's failure to comply with the terms of this Agreement or otherwise from Customer's use of Services. Although Company has no obligation to monitor Customer's use of the Services, Company may do so. Company reserves the right, in its sole discretion, to prohibit or suspend Customer's use of the Services at any time Company believes such use to be in violation of this Agreement or otherwise harmful to the Service.
- 2.5 Customer shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Services, including, without limitation, modems, hardware, servers, software, operating systems, networking, web servers and the like (collectively, "Equipment"). Customer shall also be responsible for maintaining the security of the Equipment, Customer account, passwords (including but not limited to administrative and user passwords) and files, and for all uses of Customer account or the Equipment with or without Customer's knowledge or consent.
3. **CONFIDENTIALITY; PROPRIETARY RIGHTS**
- 3.1 One party (the "Receiving Party") understands that the other party (the "Disclosing Party") has disclosed or may disclose business, technical or financial information relating to the Disclosing Party's business (hereinafter referred to as "Proprietary Information" of the Disclosing Party). Proprietary Information of Company includes non-public information regarding features, functionality and performance of the Service. Proprietary Information of Customer includes non-public data ("Customer Data") provided by Customer to Company to enable the provision of the Services. The Receiving Party agrees: (i) to take reasonable precautions to protect such Proprietary Information, and (ii) not to use (except in performance of the Services or as otherwise permitted herein) or divulge to any third party any such Proprietary Information. The Disclosing Party agrees that the foregoing shall not apply with respect to any information after five (5) years following the disclosure thereof or any information that the Receiving Party can document (a) is or becomes generally available to the public, without any action by, or involvement of, the Receiving Party or (b) was in its possession or known by it prior to receipt from the Disclosing Party, or (c) was rightfully disclosed to it without restriction by a third party, or (d) was independently developed without use of any Proprietary Information of the Disclosing Party or (e) is required to be disclosed by law. The Receiving Party acknowledges that in the event of a breach of Section 3.1 by the Receiving Party, substantial injury could result to the Disclosing Party and money damages will not be a sufficient remedy for such breach. Therefore, in the event that the Receiving Party engages in, or threatens to engage in, any act which violates Section 3.1, the Disclosing Party will be entitled, in addition to all other remedies which may be available to it under law, to seek injunctive relief (including, without limitation, temporary restraining orders, or preliminary or permanent injunctions) and specific enforcement of the terms of Section 3.1. The Disclosing Party will not be required to post a bond or other security in connection with the granting of any such relief.
- 3.2 Company shall own and retain all rights, title and interest in and to: (i) the Services and Software, together with all improvements, enhancements, modifications, changes, translations, compilation,

and derivative works thereto, (ii) any software, applications, inventions or other technology developed in connection with Implementation Services or support, (iii) any analytics generated through Customer's use of the Services, including but not limited to, any data, materials, information, and reports ("Analytics") and (iv) all intellectual property rights related to any of the foregoing. Company hereby grants Customer a non-exclusive, non-transferable and non-sublicensable license to access and use the Analytics.

3.3 Notwithstanding anything to the contrary, Company shall have the right to collect and analyze data and other information relating to the provision, use and performance of various aspects of the Services and related systems and technologies (including, without limitation, information concerning Customer Data and data derived therefrom), and Company will be free (during and after the term hereof) to: (i) use such information and data to improve and enhance the Services and for other development, diagnostic and corrective purposes in connection with the Services and other Company offerings, (ii) disclose such data solely in aggregate or other de-identified form in connection with its business, and (iii) disclose, share, license, or resell Analytics to third parties for consideration. No rights or licenses are granted except as expressly set forth herein.

#### 4. PAYMENT OF FEES

4.1 Customer will pay Company the then applicable fees described in the Summary of Services and Implementation in accordance with the terms therein (the "Fees"). If Customer's use of the Services exceeds the Service Capacity set forth in the Summary of Services and Implementation or otherwise requires the payment of additional fees (per the terms of this Agreement), Customer shall be billed for such usage and Customer agrees to pay the additional fees in the manner provided herein. Company reserves the right to change the Fees or applicable charges and to institute new charges and Fees at the end of the Initial Term or then current Renewal Term, upon thirty (30) days prior notice to Customer (which may be sent by email). If Customer believes that Company has billed Customer incorrectly, Customer must contact Company no later than 60 days after the closing date on the first billing statement in which the error or problem appeared, in order to receive an adjustment or credit. Inquiries should be directed to Company's customer support department.

4.2 Company may choose to bill through an invoice, in which case, full payment for invoices issued in any given month must be received by Company thirty (30) days after the mailing date of the invoice. Unpaid amounts are subject to a finance charge of 5% per month on any outstanding balance, or the maximum permitted by law, whichever is lower, plus all expenses of collection and may result in immediate termination of Service. Customer shall be responsible for all taxes associated with Services other than U.S. taxes based on Company's net income.

4.3 Services may be provided outside the scope encompassed within the "Summary of Services and Implementation". Said services may be subject to additional fees, which are set at \$600/hour for executive-level work, \$425/hour for FSA-level work, \$300/hour for ASA-level work, \$200/hour for analyst work, and reasonable travel expenses. Said services that are subject to additional fees will not be performed without explicit advance consent from Customer.

4.4 Company may incur business license fees that are mandated by Customer. Customer agrees to reimburse Company for said fees.

#### 5. TERM AND TERMINATION

5.1 Subject to earlier termination as provided below, the Initial Term of this Agreement shall be for a period specified in the Summary of Services and Implementation (the "Initial Term").

5.2 In addition to any other remedies it may have, either party may terminate this Agreement upon thirty (30) days written notice (or without notice in the case of nonpayment), if the other party materially breaches any of the terms or conditions of this Agreement. Customer will pay in full for the Services up to and including the last day on which the Services are provided. All sections of this Agreement which by their nature should survive termination will survive termination, including, without limitation, accrued rights to payment, confidentiality obligations, warranty disclaimers, and limitations of liability.

6. **WARRANTY AND DISCLAIMER**

Company shall use reasonable efforts consistent with prevailing industry standards to maintain the Services in a manner which minimizes errors and interruptions in the Services and shall perform the Implementation Services in a professional and workmanlike manner as expressed in Exhibit C. Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Company or by third-party providers, or because of other causes beyond Company's reasonable control, but Company shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption. However, Company does not warrant that the Services will be uninterrupted or error free; nor does it make any warranty as to the results that may be obtained from use of the Services. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE SERVICES, THE ANALYTICS, AND IMPLEMENTATION SERVICES ARE PROVIDED "AS IS" AND COMPANY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

7. **INDEMNITY**

Company shall hold Customer harmless from liability to third parties resulting from infringement by the Service of any United States patent or any copyright or misappropriation of any trade secret, provided Company is promptly notified of any and all threats, claims and proceedings related thereto and given reasonable assistance and the opportunity to assume sole control over defense and settlement; Company will not be responsible for any settlement it does not approve in writing. The foregoing obligations do not apply with respect to portions or components of the Service (i) not supplied by Company, (ii) made in whole or in part in accordance with Customer specifications, (iii) that are modified after delivery by Company, (iv) combined with other products, processes or materials where the alleged infringement relates to such combination, (v) where Customer continues allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement, or (vi) where Customer's use of the Service is not strictly in accordance with this Agreement. If, due to a claim of infringement, the Services are held by a court of competent jurisdiction to be or are believed by Company to be infringing, Company may, at its option and expense (a) replace or modify the Service to be non-infringing provided that such modification or replacement contains substantially similar features and functionality, (b) obtain for Customer a license to continue using the Service, or (c) if neither of the foregoing is commercially practicable, terminate this Agreement and Customer's rights hereunder and provide Customer a refund of any prepaid, unused fees for the Service.

8. **LIMITATION OF LIABILITY**

NOTWITHSTANDING ANYTHING TO THE CONTRARY, EXCEPT FOR BODILY INJURY OF A PERSON, COMPANY AND ITS SUPPLIERS (INCLUDING BUT NOT LIMITED TO ALL EQUIPMENT AND TECHNOLOGY SUPPLIERS), OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE

RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY: (A) FOR ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OR CORRUPTION OF DATA OR COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY OR LOSS OF BUSINESS; (B) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (C) FOR ANY MATTER BEYOND COMPANY'S REASONABLE CONTROL; OR (D) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE FEES PAID BY CUSTOMER TO COMPANY FOR THE SERVICES UNDER THIS AGREEMENT IN THE 12 MONTHS PRIOR TO THE ACT THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9. **MISCELLANEOUS**

If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect and enforceable. This Agreement is not assignable, transferable or sublicensable by Customer except with Company's prior written consent. Company may not transfer or assign any of its rights and obligations under this Agreement without Customer's prior written consent. This Agreement is the complete and exclusive statement of the mutual understanding of the parties and supersedes and cancels all previous written and oral agreements, communications and other understandings relating to the subject matter of this Agreement, and all waivers and modifications in this Agreement must be in a writing signed by both parties, except as otherwise provided herein. No agency, partnership, joint venture, or employment is created as a result of this Agreement and Customer does not have any authority of any kind to bind Company in any respect whatsoever. In any action or proceeding to enforce rights under this Agreement, the prevailing party will be entitled to recover costs and attorneys' fees. All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by facsimile or e-mail; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt, if sent by certified or registered mail, return receipt requested. This Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions. The parties shall work together in good faith to issue at least one mutually agreed upon press release within 90 days of the Effective Date, and Customer otherwise agrees to reasonably cooperate with Company to serve as a reference account upon request.



**EXHIBIT A**  
**Service Level Terms**

The Services shall be available 99% of the time, measured monthly, excluding holidays and weekends and scheduled maintenance. If Customer requests maintenance during these hours, any uptime or downtime calculation will exclude periods affected by such maintenance. Further, any downtime resulting from outages of third party connections or utilities or other reasons beyond Company's control will also be excluded from any such calculation. Customer's sole and exclusive remedy, and Company's entire liability, in connection with Service availability shall be that for each period of downtime lasting longer than 12 hours, Company will credit Customer 1% of Service Fees for each period of 30 or more consecutive minutes of downtime; provided that no more than one such credit will accrue per day. Downtime shall begin to accrue as soon as Customer (with notice to Company) recognizes that downtime is taking place, and continues until the availability of the Services is restored. In order to receive downtime credit, Customer must notify Company in writing within 12 hours from the time of downtime, and failure to provide such notice will forfeit the right to receive downtime credit. Such credits may not be redeemed for cash and shall not be cumulative beyond a total of credits for one (1) week of Service Fees in any one (1) calendar month in any event. Company will only apply a credit to the month in which the incident occurred. Company's blocking of data communications or other Service in accordance with its policies shall not be deemed to be a failure of Company to provide adequate service levels under this Agreement.

**EXHIBIT B**  
**Support Terms**

Company will provide Technical Support to Customer via both telephone and electronic mail on weekdays during the hours of 9:00 a.m. through 5:00 p.m. Pacific Standard Time, with the exclusion of Federal Holidays (“Support Hours”).

Customer may initiate a help desk ticket during Support Hours by calling 310-371-7106 or any time by emailing [support@govinvest.com](mailto:support@govinvest.com).

Company will use commercially reasonable efforts to respond to all help desk tickets within one (1) business day.

**EXHIBIT C**  
**Disclaimer of Software Analysis**

Company will use census data, plan provisions, and actuarial assumptions provided by Customer and/or Customer's actuary to develop the software for Customer. Company will rely on this information without audit. Company does not set actuarial assumptions.

Company will provide software with financially sound projections and analysis, but does not guarantee compliance with actuarial standards for funding and accounting purposes under Government Accounting Standards Board or Generally Accepted Accounting Principles.

The software will not be prepared in accordance with the actuarial standards of practice or actuarial compliance guidelines as promulgated by the American Academy of Actuaries nor will outputs constitute a Statement of Actuarial Opinion. Software results are not suitable for financial reporting purposes.

While the software is tested against actuarial valuation results, the software results will not match, nor are intended to match actuarial valuation results.

# City Council Agenda Item Report

Submitted by: Daniel Wall  
Submitting Department: Public Works  
Meeting Date: March 15, 2022

## **SUBJECT**

Amendment No. 2 Janitorial Services Agreement with Priority Building Services

### **Recommendation:**

- A. Find that the approval of the proposed amendment is exempt from California Environmental Quality Act (CEQA) review, as it is an administrative activity that will not result in direct or indirect physical changes in the environment, and therefore is not a “project” as defined by Section 15378 of the CEQA Guidelines; and
- B. Approve and authorize the City Administrator to execute Amendment No. 2 to Services Agreement with Priority Building Services, LLC, in substantially the same form as submitted, for janitorial services, changing the contract total from \$398,307 to \$436,006.30.

### **Background:**

The City's three-year services agreement with Priority Building Services, LLC (Priority) for janitorial services recently expired on December 30, 2021. Over the course of the three-year contract there have been authorized expenses for the cleaning of City facilities not originally contemplated in the original agreement. The Public Works Department is currently processing the contract's final invoice for payment and has determined that the contract's total remaining balance is insufficient to cover the final invoices for services rendered.

The Public Works Department is requesting that \$37,699.30 be added to the Agreement to cover the remaining balance. Pursuant to Vernon Municipal Code Chapter 2, Article IV, Sec. 2.17.02(B), City Council approval is required for this Agreement since the City has paid or awarded the contractor more than \$100,000 in the twelve months preceding the proposed amendment.

All other terms and conditions of the original contract would remain unchanged. The proposed Amendment No. 2 has been reviewed and approved by the City Attorney's Office.

### **Fiscal Impact:**

Sufficient funds for Amendment No. 2 Janitorial Services Agreement with Priority Building Services are available in Repairs & Maintenance, City Buildings Division Account No. 011.1049.590000.

### **Attachments:**

1. [Amendment No. 2 - Priority Building Services](#)

**AMENDMENT NO. 2 TO THE SERVICES AGREEMENT BETWEEN THE  
CITY OF VERNON AND PRIORITY BUILDING SERVICES, LLC,  
FOR JANITORIAL SERVICES**

This Amendment (Amendment No. 2) to that certain Agreement for janitorial services dated October 1, 2018, (Agreement), is made as of March 15, 2022, by and between the City of Vernon, a California charter city and municipal corporation (the “City”), and Priority Building Services, LLC (“Contractor”), a California limited liability company.

WHEREAS, the City and Contractor are parties to a written Agreement, dated October 1, 2018, under which Contractor provides janitorial services (Agreement); and

WHEREAS, the City and Contractor entered into Amendment No. 1 to extend the Agreement for an additional ninety (90) day period effective October 1, 2021 through December 30, 2021 (Renewal Term), for a total amount not to exceed \$30,639.00; and

WHEREAS, the City and Contractor desire to amend the Agreement to add an additional \$37,699.30 to cover additional expenses incurred through the Renewal Term.

NOW, THEREFORE, the parties to this Amendment No. 2 agree as follows:

1. Contractor’s grand total consideration for the Renewal Term, shall not exceed the amount of Sixty-Eight Thousand Three Hundred Thirty-Eight Dollars and Thirty Cents (\$68,338.30), without prior City Council approval and written amendment of the Agreement.

2. Except as expressly modified by this Amendment No. 2, all provisions of the Agreement shall remain in full force and effect.

3. The provisions of this Amendment No. 2 shall constitute the entire agreement of the parties with respect to the subject matter included in this Amendment No. 2 and shall supersede any other agreement, understanding, or arrangement, whether written or oral, between the parties with respect to the subject matter of this Amendment No. 2.

4. The person or persons executing this Amendment No. 2 on behalf of each of the parties warrants and represents that he or she has the authority to execute this Amendment No. 2 on behalf of that party and has the authority to bind that party to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have signed this Amendment No. 2 as of the date stated in the introductory clause.

[SIGNATURES FOLLOW ON NEXT PAGE]

CITY OF VERNON a California charter city  
and municipal corporation

Priority Building Services, LLC, California limited  
liability company

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

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

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Zaynah N. Moussa,  
Interim City Attorney

# City Council Agenda Item Report

Submitted by: Daniel Wall  
Submitting Department: Public Works  
Meeting Date: March 15, 2022

## **SUBJECT**

Supplemental to Purchase Contract No. CS-1363 with Mega Renovation, Inc. for the Remodel of 4328 Furlong Place

## **Recommendation:**

- A. Find that the proposed action is categorically exempt under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15301, because the project consists of the maintenance, repair or minor alteration of an existing facility and involves negligible or no expansion of an existing use; and
- B. Approve and authorize the issuance of a Supplemental to Purchase Contract No. CS-1363 with Mega Renovations, Inc. for the Remodel of City-Owned Residential Property Located at 4328 Furlong Place for an amount not to exceed \$19,283.95.

## **Background:**

On June 15, 2021, City Council approved a contract with Mega Renovation, Inc. for the remodel of City-owned property located at 4328 Furlong Place. The renovations were completed as of August 2021. Initially, the Public Works Department estimated the total cost of this project would not exceed \$50,000 and diligently solicited quotes for the subject work as required by Vernon Municipal Code (VMC) Section 3.32.030 (B).

Based on the Department's estimate, Purchase Contract CS-1363 with Mega Renovation, Inc. was issued in the amount of \$50,000. However, due to the sharp and unexpected increase in the cost of materials in 2021, the total cost of the remodel project was higher than anticipated at \$69,283.95. The Department is now requesting a Supplemental for the remaining \$19,283.95 owed to Mega Renovation, Inc. for the work completed at the City-owned residential property located at 4328 Furlong Place.

Pursuant to VMC Section 3.32.030 (B), City Council approval is required for the Supplemental since the City has paid or awarded the contractor more than \$100,000 in the twelve months preceding the proposed amendment for other work also awarded based on competitive quotes received. Staff recommends that \$19,283.95 be added to Purchase Contract CS-1363 with Mega Renovation, Inc. increasing the total not to exceed amount of the contract to \$69,283.95 to cover the expenses incurred for the renovations completed.

## **Fiscal Impact:**

The fiscal impact of this request for a Supplemental to Contract No. CS-1363 is \$19,283.95. The total fiscal impact of the remodel of 4328 Furlong Place is \$69,283.95. Sufficient funds for total cost of the remodel, including the supplemental amount requested, are available in the Capital Outlay, City Housing Division Account No. 011.1048.590000 for Fiscal Year 2021-2022.

## **Attachments:**

None.

# City Council Agenda Item Report

Submitted by: Angela Melgar  
Submitting Department: Finance/Treasury  
Meeting Date: March 15, 2022

## **SUBJECT**

Fiscal Year 2021-22 Mid-Year Financial Update

### **Recommendation:**

- A. Find that approval of the proposed action is exempt from California Environmental Quality Act (CEQA) review, because it is a government fiscal activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and
- B. Adopt Resolution No. 2022-05 approving Mid-Year Budget Appropriations and amending the Annual Operating and Capital Budget for Fiscal Year 2021-22.

### **Background:**

Finance Department will provide a briefing to the City Council to report budget to actuals for the General Fund and Vernon Public Utilities on the first six months of Fiscal Year 2021-22 and the economic outlook for the near to mid-term.

### **General Fund**

#### Revenue Trends and Highlights

Most revenue categories are expected to be consistent with projections. However, some revenue categories, such as property and parcel taxes, are primarily collected in the second half of the fiscal year per the disbursement schedule of the County and do not reflect 50% of the fiscal year at December 31st. Sales Tax is expected to exceed budgeted estimates, and the City’s sales tax analytics firm has indicated that this trend is expected to continue. Actual sales and use tax revenues increased by 43.6% compared to the same six-month period last year. Budgeted intergovernmental revenues include \$7 million in Federal grants for Public Works; however, these funds have not been received to date. With General Fund revenues at 45.2% as of December 31, 2021 and given the timing of revenues to be collected in the second half of the fiscal year, revenue trends year-to-date are following the budgeted expectations of meeting current year operations.

#### Expenditure trends

With 50% of the fiscal year elapsed, the General Fund expenditures across all City Departments are at 37.2% of budgeted expenditures. Department Directors continue exercising fiscal discipline and are working to control expenditures in their annual operating budgets, with salaries and benefits for all departments under 50% at mid-year. Maintenance and operations expenses are at 44.3%. Timing for anticipated capital projects and equipment expenses may have been delayed to the second half of the fiscal year as totals for this category are only 3.9% for all General Government departments as of December 31, 2021.

### **Enterprise Funds**

#### Revenue and Expenditure Trends

As of December 31, 2021, Electric revenues are at 57.6%, Gas is at 71.1%, and charges for services in the Water Fund are at 48%. Fiber Optic revenues are at 35% of budgeted revenue



due to the timing of billing. VPU continues to look for opportunities to operate its systems efficiently while at the same time addressing infrastructure needs. As of mid-year, Electric and Water Funds are below 50% of budgeted expenditures. The VPU Credit Program and an increase in the need for system maintenance have brought Gas Fund to 71.1% and Fiber Optic to 95% of expenditures at mid-year. Adjustments are being presented to Council to appropriate funds for these unexpected costs.

### **Cash Position**

Approximately 71% of the City's cash funds are unrestricted, with the electric utility reserves exceeding 180 days of operating expenditures. The General Fund reserve balance has increased over the last three fiscal years. Deposits with financial institutions are approximately 41% of total funds for day to day operations and activity. The remainder of the funds are invested in money market accounts and mutual funds.

### **Economic Outlook**

Although the City's economic performance throughout the state of emergency has proven very resilient, the outlook remains one of caution. Global events, such as the Russian war on Ukraine have driven up energy prices which directly impact the City's Enterprise Funds and its customers. Supply chain shocks and inventory shortages have added to the inflationary trends that are likely to continue throughout the calendar year. However, savings from City operations will have a positive impact for the General Fund, such as the long-term savings from the transition of City Fire operations to Los Angeles County, and leveling annual pension payments for savings through Pension Obligation Bonds.

### **Proposed Budget Adjustments**

Due to factors related to the state of emergency and worldwide events, as well as expenditures that were not known or expected at the adoption of the FY 2021-22 Budget, staff recommends adopting a resolution for budget adjustments from City departments and enterprise funds.

### **Fiscal Impact:**

Approved budget adjustments will result in an appropriation for each fund incorporated in the current year budget. Approval of this action would require an appropriation of \$660,344 for City Administration, City Clerk, Public Works, and Health and Environmental Control expenditures in various General Fund accounts from available General Fund Unassigned Fund Balance, an appropriation of \$30,000 for water treatment costs in Water Department's Account No. 020-1084-500140 from available Water Fund Balance, an appropriation of \$2,774,393 for technical professional services and bond interest paid for various Electric Fund accounts from available Electric Fund Balance, an appropriation of \$733,952 for overtime and customer rebate costs for various Gas Fund accounts from available Gas Fund Balance, and an appropriation of \$358,893 for repairs & maintenance, professional services, and capital outlay costs for various Fiber Optic Fund accounts from available Fiber Optic Fund Balance.

### **Attachments:**

- [1. Resolution No. 2022-05](#)

RESOLUTION NO. 2022-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VERNON APPROVING MID-YEAR BUDGET APPROPRIATIONS AND AMENDING THE ANNUAL OPERATING AND CAPITAL BUDGET FOR FISCAL YEAR 2021-2022

SECTION 1. Recitals.

- A. On June 1, 2021, the City Council of the City of Vernon adopted Resolution No. 2021-13, approving the annual operating and capital budget for fiscal year 2021-2022.
- B. Changes in anticipated expenditures of the City require a revision of the appropriations for fiscal year 2021-2022 and amendment of the budget by the affirmative vote of a majority of the members of the City Council.
- C. There are sufficient funds in anticipated revenues and fund balance to cover the proposed budget adjustments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VERNON AS FOLLOWS:

SECTION 2. The City Council of the City of Vernon hereby finds and determines that the above recitals are true and correct.

SECTION 3. Pursuant to Chapter 8.5 of the Charter of the City of Vernon, a majority of the members of the City Council hereby approves the mid-year budget appropriations in the table below.

Department	GL Account	Vendor	Description	Adjustment Amount
City Administration	011.1002.501010 Salaries - Regular	City of Vernon	Personnel changes within department	67,000.00
City Administration	011.1002.502020 Retirement	City of Vernon	Personnel changes within department	1,000.00
City Administration	011.1002.502060 FICA Taxes	City of Vernon	Personnel changes within department	2,000.00
City Clerk	011.1003.596300 Election Costs	Registrar-Recorder	Election Costs for two special elections	30,000.00
Public Works	011.1040.501020 Salaries - O.T.	City of Vernon	Overtime caused by vacancies and leave of absence in PW Admin and Warehouse departments	11,000.00

Department	GL Account	Vendor	Description	Adjustment Amount
Public Works	011.1041.201020 Salaries - O.T.	City of Vernon	Overtime on weekends for Code Enforcement Officer due to unpermitted nightclubs, etc.	7,000.00
Public Works	011.1043.501020 Salaries - O.T.	City of Vernon	Extraordinary OT expenses due to homeless encampments/RR cleanups	40,000.00
Public Works	011.1043.590000 Repairs & Maintenance	Bear Electrical Solutions	Extraordinary Traffic Signal Repairs due to unanticipated increases in traffic collisions	80,000.00
Public Works	011.1043.590000 Repairs & Maintenance	Various	Emergency Sewer Repairs	150,000.00
Public Works	011.1046.590000 Repairs & Maintenance	Various	Repair and maintenance of City Vehicle Fleet	80,000.00
Public Works	011.1048.501020 Salaries - O.T.	City of Vernon	Overtime due to requests for repair and extraordinary maintenance greater than anticipated	5,000.00
Public Works	011.1049.590000 Repairs & Maintenance	Priority	Janitorial services	32,343.94
Public Works	011.1049.590000 Repairs & Maintenance	Commercial Door	Repairs and maintenance of City doors and garages	5,000.00
Public Works	011.1049.590000 Repairs & Maintenance	Western Allied	Repairs and maintenance of HVAC systems. Anticipated repairs will increase total spending in second half of FY.	20,000.00
Public Works	011.1049.596200 Professional Services - Other	Various	Building Evaluation, extraordinary maintenance	40,000.00
Public Works	011.1049.900000 Capital Outlays	Mega Renovation	Cost of materials were higher than quoted based on market value.	20,000.00
Health and Environmental Control	011.1060.595200 Professional Services - Technical	SESPE Consulting Inc.	Requested to add additional funding to the contract the Dept exceeded the anticipate service requests from the contractor	40,000.00

Department	GL Account	Vendor	Description	Adjustment Amount
Health and Environmental Control	011.1060.595200 Professional Services - Technical	Ocean Blue	Payment for environmental clean-up services for hazardous materials spills	30,000.00
<b>General Fund</b>				<b>660,343.94</b>
Water	020.1084.500140 Water Treatment	Waterline Technologies, Fuller Engineering	Increase needed due to price increases as a result of production outages and labor shortages	30,000.00
Electric	055.9000.595200 Professional Services - Technical	Morgan, Lewis & Brockius, LLP	Bicent PPA Outage	1,118,403.74
Electric	055.9000.760010 Bond Interest Paid	2021 Series A Bonds	Interest on 2021 Bonds less Refunded 2012A Bond interest	1,655,989.00
Gas	056.5600.501020 Salaries - O.T.	City of Vernon	Emergency work	2,000.00
Gas	056.5600.596706 VPU Credit Program		Unable to complete cost of service study in FY 2021-22 to remove this customer rebate	731,951.84
Fiber Optics	057.1057.590000 Repairs & Maintenance	Petrelli Electric Co.	Routine Repairs and Maintenance	174,000.00
Fiber Optics	057.1057.596200 Professional Services - Other	Millennium UPC, LLC	Battery Testing - Upon system audit batteries needed service maintenance contract	4,893.08
Fiber Optics	057.1057.900000 Capital Outlay	Petrelli Electric Co.	System Enhancement, Expansion, Upgrades, and Construction	180,000.00
<b>Vernon Public Utilities</b>				<b>3,897,237.66</b>
<b>23</b>	<b>Citywide</b>			<b>4,557,581.60</b>

SECTION 4. The Annual Operating and Capital Budget for fiscal year 2021-2022, adopted by Resolution No. 2021-13, is hereby amended to include the mid-year budget appropriations.

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SECTION 5. The City Clerk shall certify the passage and adoption of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 15<sup>th</sup> day of March, 2022.

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MELISSA YBARRA, Mayor

ATTEST:

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LISA POPE, City Clerk  
(seal)

APPROVED AS TO FORM:

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ZAYNAH N. MOUSSA,  
Interim City Attorney

# City Council Agenda Item Report

Submitted by: Angela Kimmey  
Submitting Department: City Administration  
Meeting Date: March 15, 2022

## **SUBJECT**

Reimbursement Agreement for Shelter Beds Within the Salvation Army Bell Shelter

## **Recommendation:**

- A. Approve and authorize the Mayor to execute a Reimbursement Agreement for shelter beds within the Salvation Army Bell Shelter with the cities of Bell, Bell Gardens, Commerce, Cudahy, Huntington Park, Maywood, and Southgate, collectively referred to as the Local Coordinating Alliance 1 (LCA1) at an estimated cost of \$62,415.50 and not to exceed total of \$100,000 for a term beginning March 1, 2022 and ending on June 30, 2023.

## **Background:**

Homelessness is a complicated problem that is resistant to localized and uncoordinated solutions. In 2020, nearly one in four of the estimated 570,000 unsheltered homeless individuals in the United States lived in the State of California. Of the 151,000 homeless individuals in California, forty-three percent (43%) were unhoused on the streets of Los Angeles County, roughly 66,000 individuals. Of the 66,000 unsheltered individuals in Los Angeles County in 2020, 41,000 lived on the streets of the City of Los Angeles.

The Los Angeles Homeless Services Authority (LAHSA), a quasi-governmental agency, was formed in 1993 as a joint powers authority of the City of Los Angeles and the County of Los Angeles to coordinate effective delivery of homeless services within the City of Los Angeles and the County of Los Angeles. The cities of Glendale, Long Beach, and Pasadena operate their own local homeless service programs through partnerships with local private and nonprofit actors. The remaining eighty-four (84) cities within Los Angeles County, including Vernon, are served by the regional Continuum of Care (CoC) system that is managed by LAHSA.

Before the formation of LAHSA, homeless services were fragmented and inefficient within the region. Duplicative service delivery led to inefficiencies, there was also a lack of accountability and inconsistent results. Coordination between cities and regional agencies remains an issue today, as does accountability to the public after the passage of Measure H. The current challenge for cities is how to develop local and subregional homelessness service systems that support and add to the efficiency of regional systems while still addressing local needs.

In the United States, homelessness services are provided by a Public-Private Partnership model, where governmental agencies coordinate with private and nonprofit service providers to deliver services. A comprehensive homelessness response system is composed of four parts:

1. Homelessness Prevention – Preserving affordable housing, addressing income insecurity and housing stability, providing mainstream safety net and anti-poverty programs where the responsible parties are cities, counties, and the state.

2. Housing Creation – Building housing for all income levels and investing in permanent supportive housing creation where the responsible parties are cities, counties, and the state.
3. Rehousing Programs – The end-to-end system that focuses on placing homeless individuals and families into temporary and permanent housing. LAHSA is the responsible regional agency in this area.
4. Street Management – Street level efforts to provide services to unhoused individuals through outreach and to ensure public health and safety. The responsible parties are LAHSA for homeless outreach and the cities and the county for public health and safety.

LAHSA does not plan or execute street sanitation cleanups to maintain public health and safety. Cities are responsible for coordinating and completing street sanitation cleanups that include prior notification to unhoused individuals, the removal and safe storage of personal items and effects in compliance with the law, and the cleanup and removal of accumulated human waste and other debris that threatens public health and safety. When a city plans a street sanitation cleanup it notifies LAHSA, which sends outreach workers to the locations before and after cleanups to provide support and to offer temporary housing to people experiencing homelessness.

In 2018, the Ninth Circuit court held in *Martin v. Boise* that a city cannot prosecute homeless individuals for sleeping in public when there are more unhoused individuals than available shelter beds. As a result, to execute sanitation cleanups and maintain public health and safety, cities need to develop systems of coordination where city staff know when and how many shelter beds are available and have the resources to be able to provide shelter options to unhoused individuals that are affected by sanitation cleanups. In addition, it is critical that public safety agencies know how many shelter beds are available to them, and public safety agencies need access to shelter beds on an emergency basis. If a police officer encounters an individual in need during the night or on the weekend, the opportunity for that person to receive care and shelter, if they are willing to accept shelter, may be lost if the officer does not have access to a shelter bed for that individual. If the willing unhoused individual can be provided a shelter bed, their options to access medical care, mental health care, drug and alcohol counseling, and permanent housing are significantly improved.

The Salvation Army Bell Shelter is located within the city limits of the City of Bell and the shelter receives unhoused residents from the regional Continuum of Care (CoC) system. The Bell Shelter is one of the largest shelters in the nation, and the shelter provides a significant portion of the region's shelter beds. The Salvation Army Bell Shelter complex provides a variety of supportive services and housing options, shelter beds are only one segment of the critical regional resources that the Salvation Army provides within the City of Bell. The shelter beds at the Salvation Army Bell Shelter are funded through contracts with agencies such as LAHSA, the Veterans Administration, and the Los Angeles County Department of Mental Health (DMH). Existing contracts provide most of the operations revenue for the Salvation Army Bell Shelter, and without these contracts the shelter would not be able to operate. The City of Bell does not currently have a separate contract for shelter beds at the Bell Shelter. Therefore, the City's only available resource to serve unhoused individuals is the overburdened CoC system, which limits the City's ability to directly address local homelessness issues.

DISCUSSION:

The Local Coordinating Alliance 1 (LCA1) cities and unincorporated areas (Bell, Bell Gardens, Commerce, Cudahy, East Los Angeles, Huntington Park, Maywood, South Gate, Vernon, and Walnut Park) surrounding the Salvation Army Bell Shelter face a disproportionate homelessness impact. Unhoused individuals that are transported to the Salvation Army Bell Shelter from the greater Los Angeles County region may not successfully transfer to permanent housing for a variety of reasons, may not accept the mental health or drug and alcohol treatment services provided at the Salvation Army Bell Shelter, or may refuse to conform to the rules necessary for a safe and orderly living environment for residents of the Salvation Army Bell Shelter. As a result of these personal choices, and despite the best efforts of the Salvation Army Bell Shelter staff, these individuals may increase the unhoused population in the LCA1 cities, the surrounding unincorporated communities, and in the adjacent Los Angeles River channel. Thus, improved subregional coordination between the affected Southeast Los Angeles (SELA) area LCA1 communities, Los Angeles County Supervisorial Districts 1 and 4, the Salvation Army Bell Shelter, the Gateway Cities Council of Governments (Gateway COG), and existing regional agencies and nonprofit service providers is necessary to address the complex issue of homelessness in a manner that improves quality of life in the SELA subregion and improves the efficiency and effectiveness of existing regional services for the unhoused.

The Gateway COG provided Measure H Innovation funding in 2020/2021 for the City of Bell to be the lead agency in hiring a shared Homeless Services Liaison for the cities of Bell, Commerce, Cudahy, and Maywood to cooperatively address the disparate homelessness impact in the area. The work of the shared Homeless Services Liaison that is based in the City of Bell Community Services Department has been critical in addressing issues within the four participating communities. However, without an additional inventory of shelter beds to supplement the CoC system, the immediate challenges in the four-city area are difficult to address.

The City of Bell applied for and received \$500,000 in Measure H Innovation Funds from the Gateway COG to support this shared shelter bed pilot program and to reduce the cost to the LCA1 cities by fifty percent (50%). The City of Bell has achieved consensus with the LCA1 cities to share costs equally for this innovative pilot program. Los Angeles County Supervisorial District 1 (Solis) and Supervisorial District 4 (Hahn) are in the process of separately contracting with the Salvation Army Bell Shelter to add six (6) additional shelter beds to this coordinated group of thirty-six (36) shelter beds that will result in a total of forty-two (42) shelter beds coordinated by the Homeless Services Liaison that is based in the City of Bell. The Gateway COG also awarded \$182,435 to the City of Bell to continue funding the shared Homeless Services Liaison through June 30, 2023.

#### REIMBURSEMENT AGREEMENT DETAILS:

Several meetings and discussions occurred with the LCA1 City Managers, Los Angeles County Supervisorial Districts 1 and 4 staff, Gateway COG staff, the Gateway COG Homelessness Technical Advisory Committee, the Chief Executive's Office of Los Angeles County, the Los Angeles County Homelessness Initiative, and the Salvation Army to develop this Agreement over a period of six months. In total, seven (7) versions of this Agreement were developed: five (5) to reach group consensus and two (2) to add additional terms and metrics to align this program with regional service delivery standards. The issues noted below were debated during development of the Agreement.



## Program Costs

The initial cost per bed/per day proposed by the Salvation Army to the City of Bell was sixty dollars (\$60) per bed/per day for low barrier crisis shelter beds, the final cost per bed/per day in the Agreement is fifty-seven dollars (\$57) per bed/per day for a mix of low barrier crisis shelter beds and bridge shelter beds. The type of shelter bed provided to a resident is based on the acuity or special needs of the resident, with bridge beds providing a higher level of services.

City of Bell staff and the Salvation Army discussed fixed and variable service costs per type of shelter bed, as well as other City contributions that support the Salvation Army Bell Shelter (public safety response, public works response, etc.) in determining the final cost of \$57 per day/per bed. This Agreement is also important to the Salvation Army Bell Shelter, as they are sensitive to negative impacts that may occur in the SELA communities around the shelter, and they want to develop improved collaboration with communities near the shelter that may not have the fiscal resources to directly contract with the shelter.

## Equal Distribution of Costs

Several meetings of the LCA1 cities discussed how to distribute costs among the agencies, with several cost factors proposed. The LCA1 group looked at the following factors: population, general fund budget, five-year average of homeless point in time counts, city area in square miles, five-year average of homeless point in time counts by square mile, and equal share.

Based on the difficulty of finding consensus (as many cities preferred the cost factor which resulted in the lowest cost for their city), the need for all cities to be flexible in coordinating the inventory of shelter beds, the availability of funding from the Gateway COG and the American Rescue Act, and the recognition of the LCA1 cities that the success of this innovative pilot program would likely improve local response to homelessness and improve subregional homelessness coordination, the LCA1 cities agreed to share an equal one-eighth (1/8th) cost of the pilot program.

The contribution of Measure H Innovation Grant funds from the Gateway COG was critical in reducing the cost of the program for LCA1 cities with smaller populations and limited general fund resources. It is likely that without the Measure H Innovation Grant funds several of the cities would not be able to participate due to financial constraints and the opportunity to coordinate the SELA subregion would be lost.

## Distribution of Shelter Bed Inventory and Shelter Bed Availability

The Agreement provides for four (4) shelter beds per LCA1 city, and four (4) shared public safety shelter beds. However, it is impossible to predict exactly how long a specific shelter bed will be occupied, how many unhoused individuals will accept shelter, and what the various demands will be from each of the LCA1 cities.

The LCA1 cities understand that this is a pilot program, and a high degree of flexibility, coordination, and analysis will be necessary to manage the shelter bed inventory in a manner that satisfies every LCA1 party. The Agreement clearly states the need for coordination and flexibility that is required of all participants for the pilot program to be successful.

It is expected that a high level of city, county and agency communication will result from this pilot program. The LCA1 cities will have to work cooperatively to balance their individual needs and ensure that each LCA1 city has access to the shelter beds. There is also a risk that the LCA1 cities may not be able to achieve ninety percent (90%) occupancy of the shelter beds, as many unhoused individuals may choose to not accept shelter. If the LCA1 cities cannot maintain the desired shelter bed occupancy, the available shelter beds may be used by other Service Planning Area 7 (SPA7) cities. This will be an incentive for the LCA1 cities to coordinate the shelter bed inventory so that this valuable resource is not underutilized or wasted.

### Metrics and Program Analysis

The success of this pilot program is dependent not just on the flexibility and coordination of the parties, but also on the data that is developed to determine whether a subregional collaboration for homeless services can improve local service delivery and successfully supplement regional homelessness service delivery. The information from this program will be input into the County's Homeless Management Information System (HMIS) which will allow for analysis and auditing of the pilot program's effectiveness. The Agreement notes specific metrics and targets for pilot program success. If the parties can effectively coordinate in a manner that improves local homelessness response and supports regional homelessness response without waste or inefficiency, this pilot program can be a model for subregional homeless services that can address the concerns of local communities in a targeted manner.

### Termination

This Agreement includes the option for any LCA1 party to terminate for convenience after June 30, 2022, within thirty (30) days of written notice to the City of Bell, and/or upon a termination of the Social Services Collaborator Agreement by the City of Bell or by the Salvation Army pursuant to the terms of the Social Services Collaborator Agreement with the City of Bell. This Agreement also includes provisions for the default of an LCA1 party in Section 6(a). If issues occur with reimbursement from the LCA1 cities, or if the pilot program does not successfully address subregional needs, the pilot program may be terminated.

The proposed Reimbursement Agreement for Shelter Beds within the Salvation Army Bell Shelter with the participating LCA1 parties has been reviewed and approved as to form by the City Attorney's Office.

### **Fiscal Impact:**

The total cost of the agreement to the City of Vernon will be determined by the timing of the execution of the final Reimbursement Agreement for Shelter Beds within the Salvation Army Bell Shelter with the participating LCA1 parties. The maximum estimated cost to the City of Vernon for this agreement is \$62,415.50 for a term starting on March 1, 2022 and ending on June 30, 2023 (487 days). This cost is determined based on \$500,000 in Measure H Innovation Grant Funds reimbursed from the Gateway Cities Council of Governments, and the approval of the Reimbursement Agreement by the LCA1 cities of Bell Gardens, Commerce, Cudahy, Huntington Park, Maywood, South Gate and Vernon to share remaining costs equally. The total cost and/or term of the agreement may be reduced if delays in program implementation occur due to COVID-19 public health restrictions at the Salvation Army Bell Shelter that may restrict or reduce the initial availability of shelter beds.

For Fiscal Year (FY) 2021/2022 the estimated cost is \$15,637.96. For FY 2022/2023, the estimated cost is \$46,785.70. The proposed agreement is not budgeted in FY 2021/2022, however, sufficient funds are available in the Community Development Fund Account No. 011.1070.596200 and will be budgeted accordingly for FY 2022/2023.

**Attachments:**

1. [Joint Agency Reimbursement Agreement for Salvation Army Bell Shelter Beds](#)

**REIMBURSEMENT AGREEMENT  
FOR  
SHELTER BEDS WITHIN THE SALVATION ARMY BELL SHELTER**

**THIS REIMBURSEMENT AGREEMENT (“Agreement”)** is entered into as of March \_\_\_\_\_, 2022 (“**Effective Date**”) by and among the **CITY OF BELL**, a California charter city (“**Bell**”), the **CITY OF BELL GARDENS**, a California general law city (“**Bell Gardens**”), the **CITY OF COMMERCE**, a California general law city (“**Commerce**”), the **CITY OF CUDAHY**, a California general law city (“**Cudahy**”), the **CITY OF HUNTINGTON PARK**, a California general law city (“**Huntington Park**”), the **CITY OF MAYWOOD**, a California general law city (“**Maywood**”), the **CITY OF SOUTH GATE**, a California general law city (“**South Gate**”), and the **CITY OF VERNON**, a California charter city and municipal corporation (“**Vernon**”), collectively referred to herein as the “**LCA1 Members**” and/or the “**Parties**”.

**RECITALS**

- A. The cities of Bell, Bell Gardens, Commerce, Cudahy, Huntington Park, Maywood, South Gate, and Vernon, are members of a Local Coordinating Alliance 1 (“**LCA1**”), a cooperative working group of eight (8) entities developed within the Gateway Cities Council of Governments for subregional homeless services coordination in the Southeast Los Angeles subregion of Service Planning Area 7 (“**SPA 7**”). The LCA1 Members have agreed to coordinate resources and services to address homelessness in the Southeastern Los Angeles region within a provisional pilot program as described / outlined pursuant to the terms in this Agreement.
- B. Los Angeles County (First and Fourth Supervisorial Districts) (“**County**”) will separately participate with The Salvation Army for the same services as set forth herein pursuant to separate agreements directly with the Salvation Army Bell Shelter.
- C. A “**Shelter Bed**” is defined as an occupancy placement within a crisis housing bed or a bridge housing bed within the Salvation Army Bell Shelter located at 5600 Rickenbacker Rd, Bell, CA 9020, for a single adult (age 18 or over) participant referred into a program of comprehensive homeless support services within such shelter. Depending on the service needs of the particular unhoused individual, initial placement may occur in a crisis housing bed that is operated with a low barrier design or in a bridge housing bed. Both crisis and bridge housing beds are intended provide a safe and supportive twenty-four (24) hour residence to individuals experiencing homelessness while enabling assistance for them to obtain permanent housing. A low barrier design program is one in which no participant that is placed within the Salvation Army Bell Shelter shall be required to commit to sobriety, or to commit to an adherence to medications for physical or mental health conditions. Low barrier crisis housing beds are expected to be provided at the Salvation Army Bell Shelter in Building 1E. Bridge housing beds are expected to be provided at the Salvation Army Bell Shelter sober living dormitories in Building 2A/B for participants who prefer to live in a more stable environment. The

number of beds provided in each housing type will be flexible to accommodate the shifting needs of the participants at any time.

- D. It is expected that a number of participants entering the pilot program will have significant barriers to employment and housing. The Parties expect that there will be an on-site Salvation Army Bell Shelter employee who will provide group and individual psychotherapy for participants who need an advanced level of support and are open to engaging in behavioral health services.
- E. Client level data for this pilot program will be entered into the Los Angeles Homeless Services Authority's ("LAHSA") Homeless Management Information System ("HMIS"). HMIS collects participant demographic data, as well as program and service utilization data for auditing, reporting, and to facilitate participant transfer and coordination among available regional homeless services programs.
- F. The LCA1 Members currently participate in the Los Angeles County Coordinated Entry System ("County CES"), which provides for placements of individuals experiencing homelessness within occupiable shelter beds in Los Angeles County. Due to the high demand for shelter beds within Los Angeles County, a shelter bed may not be immediately available to address the needs of the local unhoused population in the Southeast Los Angeles County subregion. Thus, the City of Bell has negotiated an agreement with The Salvation Army to procure the prioritized use of thirty-six (36) shelter beds for the eight (8) participating LCA1 Members, in recognition of the local impacts of homelessness experienced by the LCA1 Members.
- G. The LCA1 Members, have collectively designated the City of Bell as the lead agency to coordinate the implementation of the pilot program proposed by this Agreement for the placement of homeless individuals within the Salvation Army Bell Shelter in an effort to address the unhoused population that the LCA1 Members seek to assist.
- H. This pilot program will require a great deal of cooperation among the LCA1 Members in order to enable the efficient placement of homeless individuals currently to a Shelter Bed within the Salvation Army Bell Shelter.
- I. The Salvation Army Bell Shelter, one of the largest shelters in the nation, is located within the City of Bell in the Southeast Los Angeles County subregion and accepts placements from throughout the Los Angeles County area through the County CES. The Shelter Beds are contracted by various governmental and nonprofit entities, and the Salvation Army Bell Shelter, in recognition of the homeless housing impacts experienced by the LCA1 Members, has agreed to contract with the City of Bell for thirty-six (36) prioritized Shelter Beds to be allocated to the LCA1 Members' homeless population, based on certain conditions.

- J. The City of Bell will take the lead on behalf of the LCA1 Members plus the County to coordinate the prioritized use of forty-two (42) Shelter Beds within the Salvation Army Shelter through a Homeless Liaison (as such term is defined below), which shall be a designated staff member selected by the City of Bell to implement the pilot program under this Agreement that is separately funded by a Measure H Innovation Fund Grant reimbursement through the Gateway Cities Council of Governments.
- K. To this end, the City of Bell and The Salvation Army, a California corporation (“**Salvation Army**”) have entered into an agreement, dated March \_\_\_\_, 2022, as set forth in Exhibit A (the “**Salvation Army Agreement**”), whereby the City of Bell, has acquired the prioritized right for thirty-six (36) Shelter Beds within the Salvation Army Bell Shelter, and additional supportive services to serve the LCA1 Members’ homeless housing population.
- L. Separately, the City of Bell, as lead agency, applied for and received a \$500,000 Measure H Innovation Fund Grant (“**Measure H Grant**”) from the Gateway Cities Council of Governments, which reduces the total cost of this pilot program to the eight (8) LCA1 Members. With Measure H Grant funds, the total estimated cost of the Salvation Army Agreement to the eight (8) participating LCA1 Members would be reduced by fifty percent (50%) from \$999,324 to \$499,324. In return for the Measure H Grant award, the LCA1 Members agree that if the thirty-six (36) Shelter Beds cannot be filled by the LCA1 Members, open placements will be made available to other SPA 7 communities with pre-approval of the designated Homeless Liaison. The total number of SPA 7 placements from outside of the eight (8) LCA1 Members may not exceed fifty percent (50%) of the thirty-six (36) Shelter Beds, which is eighteen (18) out of the thirty-six (36) Shelter Beds at any one time. Placements will not be available to other SPA 7 communities through this Agreement until Shelter Bed occupancy drops below ninety percent (90%) occupancy, or thirty-three (33) of the thirty-six (36) Shelter Beds.
- M. The City of Bell shall appoint an individual to serve as a liaison to all LCA1 Members and the County (the “**Homeless Liaison**”), and shall work with the participating LCA1 Members and the County to coordinate the use of the prioritized Shelter Beds within the Salvation Army Bell Shelter in addition to any other beds that are made available through the County CES.
- N. The Shelter Beds are designed to provide the LCA1 Members with an additional inventory of homeless shelter beds to address the significant impacts of homelessness the LCA1 Members are experiencing. If any individuals choose to leave a placement at the Salvation Army Bell Shelter, either of their own volition or for violating the rules and policies of the Salvation Army Bell Shelter, they will add to the unhoused population in the communities of the Southeast Los Angeles subregion. Thus, the pilot program proposed by the LCA1 Members is designed to provide an enhanced level of support, resources, and communication in order to ensure any placement of individuals within the Salvation Army Bell Shelter remain for as long as reasonably possible.

- O. The LCA1 Members agree that the costs of this Agreement will be shared equally among all of the LCA1 Members and they shall be required to pay their equal share each month during the term of this Agreement. If a LCA1 Member chooses to withdraw from this Agreement, other cities within the SPA 7 area may be added to this Agreement with priority provided to communities closest to the Salvation Army Bell Shelter (which addition may require an amendment or supplement to this Agreement as determined by the City of Bell). The intent of the LCA1 Members is to retain a minimum of eight (8) participating entities, in order to ensure, i) that the cost of this Agreement is not prohibitive for any one member and, ii) that the Shelter Beds remain ninety percent (90%) occupied during the term of this Agreement.

## **AGREEMENT**

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

**Section 1. Incorporation of Recitals.** The recitals set forth above are hereby acknowledged and agreed to by the Parties and are incorporated in the terms of this Agreement. Specifically, the City of Bell is acknowledged and agreed to as the lead agency, and its appointed Homeless Liaison is acknowledged and agreed to, for purposes of this Agreement.

**Section 2. Term; Termination.**

(a) The term of this Agreement will commence on March 1, 2022 and end on June 30, 2023 (the “**Term**”) for a total of 487 days.

(b) In addition, this Agreement may be terminated after June 30, 2022, (i) at the convenience of any LCA1 Member following thirty (30) days prior written notice to the City of Bell, and/or (ii) upon a termination of the Salvation Army Agreement by the Salvation Army or the City of Bell pursuant to the terms of the Salvation Army Agreement. The City of Bell, as lead agency, may replace any party that terminates this Agreement with another city within the SPA7 area that executes an acknowledgement and acceptance of the terms of this Agreement (which, at the City of Bell’s discretion, may require an amendment to this Agreement).

(c) In the event of any termination by a LCA1 Member after June 30, 2022, and a replacement SPA 7 city is not immediately available to take such terminating Party’s share of the costs/payments required herein, then the equitable share of costs for this Agreement (along with the allocation of the thirty-six (36) Shelter Beds for all LCA1 Members) provided in Section 3 below shall be adjusted accordingly.

**Section 3. Cost and Payment.** It is agreed and acknowledged that the Parties will share the costs of this pilot program equally, and that, regardless of any ability of the City of Bell, the Homeless Liaison, and / or the Salvation Army Bell Shelter to actually enable the utilization of any Shelter Bed within the Salvation Army Bell Shelter for any LCA1 Member’s homeless population, each LCA1 Member shall be required to pay the monthly

amount due under this Agreement on the first day of each month of the Term of this Agreement to the City of Bell in order for the City of Bell to pay any and all monthly invoices received from the Salvation Army without delay. If the invoice received by the City of Bell from the Salvation Army for the use of the Shelter Beds in any given month is less than the amount collectively paid by the LCA1 Members for such month, then the City of Bell shall promptly refund any such overcharge to each of the LCA1 Members on an equal basis.

As the City of Bell, as lead agency, was successful in procuring \$500,000 in Measure H Grant funds from the Gateway Cities Council of Governments, the total cost for each of the Parties (as set forth below) is proportionally reduced during the term of the Measure H Grant fund term.

### **Total Agreement Cost**

The total cost of the Salvation Army Agreement is \$999,324 calculated at thirty-six (36) Shelter Beds per day at a cost of \$57 per bed / per day for 487 days.

The City of Bell will invoice the Gateway Cities Council of Governments for \$500,000 in Measure H Grant fund reimbursements, which would reduce the total cost of this Agreement to \$499,324.

Los Angeles County First Supervisorial District will enter directly into a separate agreement with the Salvation Army Bell Shelter for four (4) additional Shelter Beds at a cost of \$117,420. Los Angeles County Fourth Supervisorial District will enter directly into a separate agreement with the Salvation Army Bell Shelter for two (2) additional Shelter Beds at a cost of \$58,710, to bring the total number of coordinated Shelter Beds in the Southeast Los Angeles subregion to forty-two (42) under this pilot program.

The eight (8) LCA1 Members will be invoiced monthly by the City of Bell for an equal one-eighth (1/8<sup>th</sup>) share. Each of the eight (8) LCA1 Members will be billed a maximum of \$62,415.50 of the total Agreement of \$499,324.

### **Monthly Invoice**

The City of Bell, as lead agency, will submit the monthly invoice it receives from the Salvation Army pursuant to the Salvation Army Agreement, to each LCA1 Member upon five (5) business days of its receipt therefor, with, if applicable, backup documentation and related reports for the thirty-six (36) Shelter Beds.

**Section 4. Specifications.** The availability and use of the thirty-six (36) Shelter Beds allocated to each LCA1 Member shall be subject to the following specifications. In recognition of the complexity of the daily operations of the Salvation Army Bell Shelter, and the unknown personal, regional, and local factors which affect Shelter Bed availability, the Parties agree that a high level of communication, coordination, and flexibility is necessary to effectively use all available Shelter Beds, and to refrain from submitting Shelter Bed placements when inventory is not available. There is no guarantee that a Shelter Bed is available at any specific time, as the complex and shifting factors that affect



Shelter Bed inventory are beyond the control of the City of Bell and the Salvation Army Bell Shelter. The purpose of this pilot program is to increase coordination and communication on homelessness within the LCA1 subregion, to develop data at a subregional level, and to develop improved and effective partnerships on a subregional level with regional service providers and nonprofit entities.

**(a) Initial Use of Crisis Housing Bed Inventory.** Upon the notice from the Salvation Army of availability of Shelter Beds within the Salvation Army Bell Shelter, ten percent (10%) of the thirty-six (36) beds will be designated as public safety priority beds for emergency use by the public safety agencies of all LCA1 Members, for a total of four (4) beds. The remaining ninety percent (90%), or thirty-two (32) beds, will be prioritized as four (4) general inventory beds per each LCA1 Member. This distribution equals eight (8) LCA1 Members times four (4) beds each for a general inventory of thirty-two (32) beds. Initial intake into a public safety priority bed shall also require participation from a public safety agency (e.g., Bell Police Department, Bell Gardens Police Department, Los Angeles County Sheriff, South Gate Police Department, Vernon Police Department, etc.). Once the new resident is placed in a public safety bed and completes the facility intake process, they will be rotated from the priority public safety bed into one of the thirty-two (32) general beds, if a general bed is available. If the LCA1 Members cannot fill the Shelter Bed inventory, and the Shelter Bed occupancy drops below ninety percent (90%), the Homeless Liaison may refer participants from non LCA1 Member SPA 7 cities to ensure that the Shelter Bed inventory is used efficiently up to a maximum of eighteen (18) non LCA1 Member SPA 7 placements at any one time. The LCA1 Members shall use best efforts to efficiently and effectively coordinate the shared use of available Shelter Beds to maintain ninety percent (90%) occupancy and meet their specific local needs depending on bed availability. The Salvation Army has agreed, pursuant to the Salvation Army Agreement to coordinate in good faith to plan transfers of homeless individuals to other available support programs, based on participant eligibility (i.e., Veteran's Administration program shelter beds, Department of Mental Health program shelter beds, Substance Abuse Prevention and Control program shelter beds) to increase the annual number of participants that can benefit from the forty (40) prioritized Shelter Beds under the Salvation Army Agreement. The LCA1 Members acknowledge and agree that the thirty-six (36) Shelter Beds are not actually reserved or dedicated to the LCA1 Members' homeless population, but are merely prioritized to them under the Salvation Army Agreement. Each day there shall be an analysis of the occupancy of Shelter Beds and allocations will be made available to each of the LCA1 Members through the Homeless Liaison in coordination with the LCA1 Members. As such, the effectiveness of this pilot program requires cooperation and consistent communication between the LCA1 Members and the Homeless Liaison, given the fluidity of available bed occupancy (and the rotation in and out of such beds by homeless individuals).

**(b) Recalculation of Crisis Housing Bed Inventory.** In order to ensure the full and efficient use of the thirty-six (36) prioritized Shelter Beds, cooperation and communication between the Parties is essential. Informal analysis and recalculation of Shelter Bed use ratios shall occur every week day during the Term of this Agreement, and as needed, to use the available Shelter Beds efficiently. An initial thirty (30) day use analysis will be provided to the LCA1 Members by the City of Bell and/or the Homeless

Liaison after the Effective Date and a secondary sixty (60) day use analysis will be provided to the LCA1 Members, in order to determine and agree to the most efficient bed use ratios. Thereafter, quarterly reviews will occur to determine the efficient use of the Shelter Beds, and the effectiveness of this pilot program and how it could be improved. Shelter Bed inventory flexibility is critical in order to effectively address conditions in the field (given the fact that individuals placed within the Salvation Army Bell Shelter will likely be rotating in and out frequently) and in order to assess the success of program participants in receiving housing placement. As this program is a pilot program and requires participant flexibility, all Parties will designate a public safety contact and a staff contact for the Homeless Liaison to coordinate activities and improve communication, each of which are designated on the signature page for each of the Parties below.

**(c) Shelter Bed Availability Limitations.** If the Salvation Army Bell Shelter is experiencing COVID-19 quarantine limits or holds on resident intake upon the execution of the Salvation Army Agreement, the Salvation Army Bell Shelter will not initiate invoicing for Shelter Beds until the beds are available. Limitations on Shelter Bed availability may exist depending on the number of available Shelter Beds in the Salvation Army Bell Shelter's daily inventory. The Salvation Army Bell Shelter does not provide family shelter resources; thus LCA1 Members must coordinate placement of any such families to other shelters through the Homeless Liaison during business hours or call 211 ([www.211la.org](http://www.211la.org)) to find suitable shelter or motel options for families in need. The Salvation Army Bell Shelter does not provide a kennel to shelter the pets of unhoused individuals in need. The thirty-six (36) Shelter Beds addressed in this Agreement are merely a supplement to the shelter beds available through the County CES.

**(d) Intake.** New resident intake shall occur during regular business hours of 8:00 AM to 4:00 PM, Monday through Friday. The Salvation Army Bell Shelter provides 24 hour a day, seven day a week staffing, however the shelter has an inventory of four (4) safe rooms for intake and staff are required to perform COVID-19 protocols upon intake that limit the ability of the shelter to perform intake outside of regular business hours. After hours domestic violence and/or other emergency placements are subject to the availability of an unoccupied safe room at the Salvation Army Bell Shelter. Emergency intake is available after hours, however due to a limited number of available safe rooms and due to COVID-19 protocols, after hours intake should only be for emergency situations. An after-hours call line that operates 24 hours a day will be provided to participating public safety agencies for use in the event of an after-hours emergency.

**(e) Length of Stay.** Each participant will be limited to an initial stay of ninety (90) days. Two (90) day extensions are available upon request for participants actively working on a housing plan, for a maximum stay of 270 days for any individual participant.

**(f) COVID-19 Protocols and Processes.** The Salvation Army Bell Shelter restarted limited intake of residents into quarantine facilities on August 19, 2021. COVID-19 protocols for intake include but are not limited to, i) any incoming participant is tested on the day of or on the day after intake regardless of vaccine status, ii) if an incoming participant is vaccinated, the participant may move into a public safety prioritized bed. If

a participant is not vaccinated, they must remain in quarantine until two negative COVID-19 tests are received. The second test occurs seven to eight days after the first, with results generally available within three days. Modular homes located on the greater Salvation Army Bell complex property serve as a first line of intake quarantine and are subject to availability.

**(g) Homeless Liaison.** The Homeless Liaison will coordinate daily with assigned Salvation Army Bell Shelter staff, in order to determine the daily inventory on weekdays of Shelter Bed availability and the roster of shelter residents, however, it shall not be required to ensure the availability of all thirty-six (36) Shelter Beds since such beds are only prioritized, they are not specifically reserved, and the LCA1 Members must coordinate with the Homeless Liaison in order to ensure allocation of Shelter Beds for proposed participants. The Homeless Liaison will coordinate daily with assigned LCA1 public safety agency assigned staff (as designated on the signature page to this Agreement) to report shelter bed inventory availability and to determine any planned public safety needs. The Homeless Liaison will coordinate daily with designated Salvation Army Bell Shelter staff to determine how many residents can be transferred to general bed inventory or to other programs to maximize Shelter Bed use. The City of Bell and the Homeless Liaison shall have no liability for any failure to ensure a placement of any LCA1 Member's proposed participant / homeless population within a Shelter Bed.

**(h) Reporting.**

(i) Reporting by Salvation Army Bell Shelter: It is expected that the Salvation Army Bell Shelter will provide, i) daily inventory counts to the Homeless Liaison and, ii) a monthly report and invoice to the City of Bell and the Homeless Liaison.

(ii) Reporting by the Homeless Liaison: the Homeless Liaison will reasonably endeavor to provide: i) a monthly report and the Salvation Army Bell Shelter invoice it received to all participating LCA1 cities and, ii) a quarterly report to the LCA1 Members and the Gateway Cities Council of Governments.

(iii) Participant level data will be entered into the LAHSA HMIS system for program reporting and auditing purposes.

(iv) The following metrics and expected outcome measures will be reasonably tracked and reported: i) a minimum of one hundred (100) unduplicated individuals will be served each year during the Term of this Agreement, with a goal of one hundred and fifty (150) unduplicated individuals over the Term of the Agreement, ii) twenty percent (20%) of participants (of those able to work – e.g. not disabled or retired) will be employed by the expected exit date and, iii) thirty percent (30%) of participants will exit to permanent housing and, iv) eighty five percent (85%) of participants will complete a housing plan and, v) ten percent (10%) of participants will exit to another level of care (DMH IHP or other stable housing location). However, there shall be no liability to any of the Parties if such metrics and/or outcome measures are not achieved

**Section 6. Defaults and Indemnification Provisions.**

(a) **Defaults.** In the event any of the Parties shall fail to pay its required share of the costs of the Shelter Beds in any given month during the Term of this Agreement (or any extension approved by the Parties), then such party shall be in immediate default under this Agreement, and the City of Bell shall be entitled to, and may sue for, the payment of all such unpaid amounts (and the defaulting party shall pay interest at the lesser of (i) 10% per annum, or (ii), the maximum rate permitted by law) from and after the due date of such monetary payment obligation until payment is actually received. The Parties acknowledge that money damages and remedies at law generally are inadequate and that specific performance is appropriate for the enforcement of this Agreement. Therefore, the remedy of specific performance shall be available to all Parties hereto. This subsection shall not limit any other rights, remedies, or causes of action that any party may have at law or equity.

(b) **Indemnity by City of Bell.** To the full extent permitted by law, the City of Bell agrees to indemnify, defend and hold harmless each of the other Parties, and their respective officers, employees and agents (“**Indemnified Parties**”) against, and will hold and save them and each of them harmless from, any and all actions, claim, or liabilities that may be asserted or claimed by the Salvation Army, arising out of or in connection with any defaults or failures asserted under the Salvation Army Agreement against the City of Bell, and/or the City of Bell’s negligent performance of the activities, work, or operations provided under this Agreement, except claims or liabilities occurring as a result of Indemnified Parties’ negligence or willful acts or omissions. The indemnity obligations contained herein shall be binding on successors and assigns of the Parties and shall survive termination of this Agreement.

(c) **Indemnity by Parties.** To the full extent permitted by law, each of the Parties agree (based on, and only up to, the Parties’ respective proportionate share of the costs due from each party as set forth in Section 3 above) to indemnify, defend and hold harmless the City of Bell and the Homeless Liaison, and their respective officers, employees and agents against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities that may be asserted or claimed by the Salvation Army, or any other person, firm or entity arising out of or in connection with the Shelter Beds, the Salvation Army Agreement, and/or this Agreement, except with respect to the negligent performance of the activities, work, or operations provided by the City of Bell or the Homeless Liaison under the Salvation Army Agreement or herein. In no event shall any party’s aggregate liability exceed the party’s respective proportionate share of the costs due from each party as set forth in Section 3 above. The indemnity obligations contained herein shall be binding on successors and assigns of the Parties and shall survive termination of this Agreement. Notwithstanding anything to the contrary herein, in the event any of the Parties fail to make any payment due hereunder, which causes the City of Bell to fail to make the payments due under the Salvation Army Agreement, the Parties shall share in any costs, liabilities, or claims that result from the failure of such nonpayment and the City of Bell shall not be

required to make any additional payment to the Salvation Army to cover such unreimbursed amounts.

**Section 6. Miscellaneous Provisions.**

(a) **Notices.** All notices or other communications under this Agreement shall be in writing and shall be delivered to the appropriate party at the address set forth below (subject to change from time to time by written notice to all other Parties to this Agreement). All notices, demands or other communications shall be considered as properly given if sent by: (a) electronic mail and regular mail; or (b) overnight express mail, charges prepaid. Notices so sent shall be deemed effective one (1) business day after mailing or the same day as sent for electronic delivery. For purposes of notice, the addresses of the Parties shall be as set forth on the signature pages contained herein.

(b) **Attorneys' Fees.** If any of the Parties to this Agreement is required to or seeks to initiate or defend litigation against any other party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorneys' fees.

(c) **Integration; Amendments.** This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the Parties (including the Salvation Army Agreement). It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the Parties (other than the Salvation Army Agreement), and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the City of Bell as the lead agency. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

(c) **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument. Signatures transmitted electronically shall be deemed originals for all purposes of this Agreement.

(d) **Authority.** The persons executing this Agreement on behalf of each of the Parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said party is bound.

**[SIGNATURES ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement on the date and year first-above written.

**CITY:**

CITY OF BELL, a California charter city

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

Title:

Address: City Hall; 6330 Pine Ave, Bell, CA  
90201

ATTEST:

\_\_\_\_\_  
Angela Bustamante, City Clerk

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
David J. Aleshire, City Attorney

**CITY:**

CITY OF BELL GARDENS,  
a California general law city

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

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

**Public Safety Contact:**

\_\_\_\_\_  
**Staff Contact:**

**CITY:**

CITY OF COMMERCE,  
a California general law city

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

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

**Public Safety Contact:**

\_\_\_\_\_  
**Staff Contact:**

**CITY:**

CITY OF CUDAHY,  
a California general law city

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

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

**Public Safety Contact:**

\_\_\_\_\_  
**Staff Contact:**

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**CITY:**

CITY OF HUNTINGTON PARK,  
a California general law city

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

Name:

Title:

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

**Public Safety Contact:**

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**Staff Contact:**

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**CITY:**

CITY OF MAYWOOD,  
a California general law city

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

Name:

Title:

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

**Public Safety Contact:**

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**Staff Contact:**

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**CITY:**

CITY OF SOUTH GATE,  
a California general law city

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

Name:

Title:



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

**Public Safety Contact:**

\_\_\_\_\_  
**Staff Contact:**

**CITY:**

CITY OF VERNON,  
a California charter city

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

Name:

Title:

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

**Public Safety Contact:**

\_\_\_\_\_  
**Staff Contact:**

# City Council Agenda Item Report

Submitted by: Adriana Ramos  
Submitting Department: Public Utilities  
Meeting Date: March 15, 2022

## **SUBJECT**

Change Order No.16 to the Amended and Restated Services Agreement with Siemens Energy, Inc.

## **Recommendation:**

- A. Find that approval of the proposed action is exempt from California Environmental Quality Act (CEQA) review, because it is a government fiscal activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; to the extent the Services Agreement with Siemens Energy provides for facility and equipment maintenance or repairs, such work is categorically exempt from CEQA review, in accordance with CEQA Guidelines § 15301, because the project consists of the maintenance, repair or minor alteration of existing structures, facilities, or equipment, and involves negligible or no expansion of an existing use;
- B. Approve and authorize the City Administrator to execute Change Order No. 16 to the Amended and Restated Services Agreement with Siemens Energy, Inc., (Siemens Energy) in substantially the same form as submitted, to revise the Payment Schedule and amend the termination date of the agreement; and
- C. Approve the issuance of a blanket Purchase Contract in an amount not-to-exceed \$450,000 for maintenance services with Siemens Energy for the remainder of fiscal year 2021-2022.

## **Background:**

On November 16, 2021, City Council adopted Resolution No. 2021-41, approving a Purchase and Sale Agreement (PSA) with Bicent (California) Malburg LLC (Bicent) for the acquisition of the Malburg Generating Station (MGS). Under the PSA, the City is required to assume or otherwise comply with certain vendor contracts previously entered by Bicent. As such, the City is obligated to assume the existing Long Term Service Agreement (LTSA) between Bicent and Siemens Energy.

In accordance with Section 2.6(a)(12) of the PSA, at the Closing, Bicent would deliver to the City “an assignment of the LTSA executed by Seller, Purchaser, and Siemens Energy, substantially in the form of Exhibit F.” The referenced ‘Exhibit F’ is the Assignment of the Amended and Restate Services Agreement for MGS executed by Bicent, the City and Siemens Energy.

As assigned, the LTSA was designed for Siemens Energy to provide Program Parts, Non-Program Parts, Miscellaneous Hardware, Inspection Hardware, Generator Parts, Generator Scheduled Outages, Steam Turbine Parts, Steam Turbine Scheduled Outages, Scheduled Outage Services and Program Management Services to Bicent for the ongoing needs of MGS. The agreement was structured in form and function with consideration to the terms and requirements of the Power Purchase Tolling Agreement (PPTA) between the City and Bicent, dated April 10, 2008. As required by the PSA, the PPTA was terminated.

The acquisition of MGS, concurrent with the termination of the PPTA, renders areas of the LTSA obsolete. In addition, changes in the long-term turbine maintenance marketplace and evolving electric marketplace, suggest the City will benefit financially and operationally by an early termination of the LTSA.

Siemens Energy recently provided Change Order No. 16 to the Amended and Restated Services Agreement. Change Order No. 16 amends the termination date to occur on or around September 30, 2025. City Council approval of Change Order No. 16 will enable a discount to the originally scheduled 2023 and 2024 payments by \$750,000 (upon escalation) and will eliminate the scheduled payments for services beyond the June 2024 invoice.

Subsequently, staff will conduct an analysis to determine how to best meet the needs of the MGS operations in the long-term, and work through the City procurement process to secure a vendor with the appropriate competency to maintain proper maintenance at the power plant. Accordingly, VPU is requesting to amend the LTSA agreement with Siemens in accordance with Change Order No. 16.

Change Order No. 16 has been approved as to form by the City Attorney's Office and proprietary and confidential information has been redacted.

Staff is also seeking approval of a blanket Purchase Contract in the amount of \$450,000 through the remainder of the current fiscal year to cover services needed from Siemens Energy for the Malburg Spring 2022 Outage, scheduled from May 1 through May 26, 2022.

**Fiscal Impact:**

The total fiscal impact associated with Change Order No. 16 is \$10,035,526 and will be included in the FY 2023-24 and FY 2024-25 budgets accordingly. The total fiscal impact of the proposed blanket Purchase Contract for services needed from Siemens for the Spring 2022 Outage is \$450,000. Sufficient funds for the Spring 2022 outage services are available in Electric Fund, Resource Planning Division Account No. 055.9200.500180 – Capacity.

**Attachments:**

1. [Change Order 16 - Siemens Energy Inc. - Redacted](#)

CHANGE ORDER NO. 16

Contract: Amended and Restated Services Agreement, dated as of September 30, 2010

Effective Date: March 15, 2022

Buyer: City of Vernon, CA, as Assignee  
Seller: Siemens Energy, Inc.

1. **Introduction.** This Change Order No. 16 (this "Change Order") is agreed to pursuant to that certain Amended and Restated Services Agreement, dated as of September 30, 2010 (the "Contract") by and between Siemens Energy, Inc. ("Seller") and City of Vernon, CA, as Assignee ("Buyer"). Capitalized terms used but not defined herein shall have the meaning given them in the Contract. This Change Order as submitted by one Party to the other shall constitute a request for a Change Order. Upon its countersignature in the space provided below, this Change Order shall constitute a Change Order within the meaning of the Contract.

2. **Scope of Change.**

The Parties agree to the following:

(1) Delete in its entirety Section 5.1 of the Contract, and any amendments thereto, and replace it with the following Section 5.1 "Term":

5.1 Term. The Term of the Contract shall commence on the Effective Date and unless terminated early pursuant to Article 12, shall expire on a Combustion Turbine by Combustion Turbine basis, when each Combustion Turbine has reached the earlier of:

- (i) accumulates a total EOH reading of 59,999 EOH as counted from the March 2018 Level C Scheduled Outage (Outage 6);
- (ii) accumulates 499 EOC from the 2022 Level B Scheduled Outage (Outage 9); or
- (iii) September 30, 2025

In the event Buyer reasonably believes that all of the Scheduled Outages planned to be performed in accordance with Exhibit C "Projected Scheduled Outage Plan" (Rev. 2) will not be completed by the end of the Term, Buyer shall provide notice to Seller no later than twelve (12) months prior to the end of the Term that an extension is required. Promptly upon Seller's receipt of such notice, the Parties shall negotiate in good faith a Change Order extending the Term by such amount of time that the Parties reasonably believe is necessary to complete all of the Scheduled Outages planned to be performed in accordance with Exhibit C "Projected Schedule Outage Plan"(Rev.2).

For the avoidance of doubt, Seller's liabilities related to the Steam Turbine as identified in Section 5.4 and Article 8 shall end when the first Combustion Turbine reaches the end of its Term.

(2) Delete and replace in its entirety the following Exhibits of the Contract, and any amendments thereto:

- i. Exhibit C is hereby deleted and replaced with Exhibit C “Projected Schedule Outage Plan” (Rev. 2), attached to this Change Order as **Appendix 1**.
- ii. Exhibit E is hereby deleted and replaced by Exhibit E “Payment Scheduled; Taxes” (Rev. 2) attached to this Change Order as **Appendix 2**.
- iii. Exhibit G is hereby deleted and replaced by Exhibit G “Cancellation Scheduled” (Rev. 2), attached to this Change Order as **Appendix 3**.

(3) Delete in its entirety ARTICLE 11 of the Contract and replace it with the following:

#### ARTICLE 11 INSURANCE

11.1 Seller's Insurance. Seller shall, at its own expense, procure and maintain policies of insurance of types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto and shall provide to Buyer certificates evidencing such coverage. The insurance shall be placed with insurers with a Best's rating of no less than A-/VIII or better (or if lower, otherwise satisfactory to Buyer). Seller shall provide certificates in a form that is reasonably acceptable to Buyer. In the event of an accident or occurrence that could reasonably be believed to give rise to the right of Buyer to make a claim against a policy as an additional insured under Seller's insurance, Seller shall make available a redacted copy of the applicable policy for Buyer's review at a time and place designated by Seller.

- (a) Professional Errors and Omissions coverage with limits of not less than five million dollars (\$5,000,000) per claim and in the aggregate for engineering services. Seller shall maintain such coverage for at least one (1) year after the termination of this Agreement. This coverage may be provided via endorsement to Seller's Commercial General Liability policy, or through a corporate affiliate located outside of the U.S.
- (b) Commercial General Liability insurance, including bodily injury, property damage, products/completed operations, contractual, and personal injury liability, with a combined single limit of two million dollars (\$2,000,000) per occurrence with a four million dollars (\$4,000,000) annual aggregate.
- (c) umbrella excess liability coverage providing excess general liability, automobile liability and employer's liability with a combined single limit of five million dollars (\$5,000,000) per occurrence and in the aggregate. Any umbrella liability policy or excess liability policy will in “following form” and will contain a provision to the effect that, if the underlying aggregate is exhausted, the excess coverage will drop down as primary insurance.
- (d) workers' compensation insurance with statutory limits, and employers liability insurance with limits of not less than one million dollars (\$1,000,000) per accident.

- (e) Automobile liability insurance in comprehensive form covering owned, non-owned and hired automobiles for a combined single limit of one million Dollars (\$1,000,000) per accident.

Seller agrees to cause its commercial general liability, umbrella excess liability and automobile liability policies/coverages listed in Sections 11.1(b), (c) and (e) to include Buyer, its directors, commissioners, officers, employees, and agents as additional insured to the extent that bodily injury, death or third-party property damage are caused by the negligent acts or omissions of Seller, its agents, suppliers or subcontractors. The coverage afforded to Buyer as an additional insured shall apply on a primary and non-contributory basis for the benefit of Buyer before the Buyer's own insurance or self-insurance shall be called upon to protect it as a named insured. Buyer shall be given thirty (30) Days advance notice of cancellation or material change. Except for Professional Liability, all policies furnished by Seller shall include waivers of subrogation rights against Buyer, its directors, commissioners, officers, employees, and agents.

## 11.2 Buyer's Insurance.

11.2.1 Without limiting Buyer's liability under this Contract, Buyer shall maintain in full force and effect during the Term of this Contract with insurance companies having a Best's Insurance Guide rating of "A-" or better (or otherwise satisfactory to Seller), the insurance described below, with coverage at levels normal in the ordinary course of its business, but at levels no less than the minimums indicated, and shall provide to Seller certificates evidencing such coverages. In the event of an accident or occurrence that could reasonably be believed to give rise to the right of Seller to make a claim against a policy as an additional insured under Buyer's insurance, Buyer shall make available a redacted copy of the applicable policy for Seller's review at a time and place designated by Buyer.

- (a) Property damage insurance, including boiler and machinery coverage covering all real and personal property of Buyer on a 100% replacement cost basis;
- (b) commercial general liability insurance, including bodily injury, property damage, products/completed operations, contractual, and personal injury liability, with a combined single limit of one million Dollars (\$1,000,000) per occurrence with a two million Dollar (\$2,000,000) annual aggregate;
- (c) umbrella excess liability coverage providing excess general liability, automobile liability and employer's liability with a combined single limit of five million Dollars (\$5,000,000);
- (d) workers' compensation insurance with statutory limits, and employers liability insurance with limits of not less than one million Dollars (\$1,000,000) per accident; and
- (e) business automobile liability insurance in comprehensive form covering owned, non-owned and hired automobiles for a combined single limit of one million Dollars (\$1,000,000) per accident.

11.2.2 Buyer agrees to cause its commercial general liability, umbrella excess liability and automobile liability policies/coverages listed in Sections 11.2.1(b), (c) and (e) to include

Seller and its affiliates as additional insureds to the extent that bodily injury, death or third party property damage are caused by the negligent acts or omissions of Buyer, its agents, other suppliers or subcontractors. The coverage afforded to Seller as an additional insured shall apply on a primary and non-contributory basis for the benefit of Seller before the Seller's own insurance or self-insurance shall be called upon to protect it as a named insured. Seller shall be given thirty (30) Days advance notice of cancellation or material change. All policies furnished by Buyer shall include waivers of subrogation rights against Seller and its affiliates.

(4) Delete in its entirety Section 16.14 of the Contract, and replace it with the following Section 16.14 "Notices":

16.14. Notices. Except as otherwise specified in Section 5.3, any written notice, direction, instruction, request, or other communication required or permitted under this Contract, including payment invoices from Seller to Buyer, shall be deemed to have been duly given on the date of receipt, and shall be either served personally or by facsimile to the Party to whom notice is to be given, or mailed to the Party to whom notice is to be given, by first class registered, nationally recognized courier service or certified mail, return receipt requested, postage prepaid, and addressed to the addressee at the address stated opposite its name below, or at the most recent address specified by written notice given to the other Party in the manner provided in this Section 16.14.

BUYER: City of Vernon 4305 Santa Fe Avenue  
Vernon, CA 90058  
Attention: Abraham Alemu, General Manager of Public Utilities  
Tel: (323) 583-8811 ext. 250  
Email: aalemu@cityofvernon.org

With a copy to:

City of Vernon, CA  
4305 Santa Fe Avenue  
Vernon, CA 90058  
Attention: Richard Olsen, Assistant General Manager of Generation and  
Operation  
Tel: (323) 583-8811 ext. 278  
Email: rolsen@cityofvernon.org

SELLER: Siemens Energy, Inc.  
4400 Alafaya Trail  
Orlando, FL 32826-2399  
Attention: Head of IA Long Term Programs  
Telephone: (407)701-2036  
Email: davidlawrence@siemens-energy.com

With a copy to:

Siemens Energy, Inc.  
4400 Alafaya Trail  
Orlando, FL 32826-2399  
Attention: Legal Department

4. **Timing.**

This Change Order shall be effective as of the effective date stated above.

5. **Other Terms and Conditions.**

Except as otherwise specifically provided in this Change Order, all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused this Change Order No. 16 to be executed by their duly authorized representatives to be effective as of the date first above written.

SELLER

BUYER

SIEMENS ENERGY, INC.

CITY OF VERNON, CA

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

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

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

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

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

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SIEMENS ENERGY, INC.

ATTEST:

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

\_\_\_\_\_  
Lisa Pope, City Clerk

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

APPROVED AS TO FORM:

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

\_\_\_\_\_  
Zaynah Moussa, Interim City Attorney

Date: \_\_\_\_\_



**Appendix 1**

Exhibit C – Projected Scheduled Outage Plan (Rev. 2)

Scheduled Outages will be performed based on the projected Scheduled Outage plan below, which may be amended from time to time by Seller.

LTP Contract										
	End of Term	Sept. 2025								

Note 1: L4 generator outage requires generator rotor removal.

Note 2: For purposes of Section 8.6 "Scheduled Outage Duration and Exclusive Remedy" duration shall start from the time the Steam Turbine is off turning gear and Buyer has provided access to Seller's Scheduled Outage personnel to the applicable Program Parts, Miscellaneous Hardware and Inspection Hardware that have been delivered to the Site for such Scheduled Outage

Note 3: Outage 12 is not included in the Contract Term, shown as reference only to show timing of the end of the Term.

**Appendix 2**

Exhibit E – Payment Scheduled; Taxes (Rev. 2)

**1. Basis for Payment Schedule**

1.1 The Payment Schedule set forth in Section 2 below (the "Payment Schedule") is based on the Terms and Conditions of this Contract. The prices provided in the Payment Schedule represent an operating mode based on the EOH used to determine the inspection intervals. Further, the Payment Schedule is based on the number of Planned Outages set forth on Exhibit C "Projected Scheduled Outage Plan" (Rev. 2) and assumes the total number payments in the Payment Schedule are paid.

1.1.1 Buyer has the option to pre-pay any payment. If Buyer elects to pre-pay any amount under this Contract, the Payment Schedule set forth below shall be restated in its entirety, as discussed and mutually agreed by the Parties, pursuant to a Change Order in accordance with Article 6, to reflect the application of such pre-payment to reduce the payment amount(s) specified by Buyer on a dollar-for-dollar basis.

1.2 The Payment Schedule is based upon Seller invoicing the Buyer for the entire amount due in each year of the Contract Term, unless earlier terminated, in accordance with the Payment Schedule. The Payment Schedule was based on Exhibit C "Projected Scheduled Outage Plan" (Rev. 2). Seller shall present an invoice to the Buyer as specified in Section 2.

**2. Payment Schedule**

Year	Invoice Date	Payment
██████████	██████████	██████████
██████████	██████████	██████████

All amounts described above shall be escalated pursuant to the Escalation Factor at the time of invoice.

**3. Payments for Change Orders**

Any Additional Work performed or provided by Seller outside the scope of the Service Program will be purchased through a separate Change Order in accordance with Article 6.

#### 4. Adjustments to Prices

##### 4.1 Escalation Mechanics

All Fees due to Seller under this Contract shall be paid in U.S. Dollars and escalated at the time of invoice according to the Escalation Factor using the calculated rate developed at the beginning of each year.

##### 4.2 Escalation Factor

The annual percentage change (rounded to four (4) decimal places) in the Gross Domestic Product Implicit Price Deflator, as reported in the Survey of Current Business published in February of each subsequent year, and revised thereafter, by the Bureau of Economic Analysis, United States Department of Commerce, Washington, D.C. (the "██████████"), will be used for the computation of "Escalation Factor" to be used to determine the applicable escalation amounts due and payable hereunder unless otherwise noted. In the event an "annual" value is not posted, the arithmetic average of the quarterly or monthly cost indices for the previous year in question will be used.

Fees subject to the Escalation Factor shall be adjusted either up or down by the Escalation Factor at the time of each invoice. Should the indices specified in the formula be discontinued, or should the basis of an index be modified, the Parties shall mutually agree on an appropriate correction factor or substitute index.

"Escalation Factor" means: the net percentage increase or decrease (as the case may be) in the ██████████ Index over the period from base date of January 1, 2015 ("annual" index value of ██████████) for calendar year 2014 through date of the subject invoice, utilizing the most current "annual" escalation data released for the 12 month period for the previous Calendar year. The Escalation Factor shall be calculated by the following formula:

Escalation Factor =  $(AF - \text{██████████}) / \text{██████████}$ , where AF is the latest ██████████ Index

The Escalation Factor shall use the average of the applicable index calculated to the nearest fourth decimal point. If the next succeeding decimal place is five (5) or higher, then the preceding figure shall be raised to the next figure.

The following is a list of Fees that are subjected to this provision for escalation:

1. All Fees described in Exhibit E

#### 5. Change Order Discounts

During the Term of the Contract, all prices paid by Buyer pursuant to a Change Order shall be discounted at the following rates: (a) discount of ██████ percent (██████) off of the prices set forth in the Domestic Price List with respect to Services; (b) a discount of ██████ percent (██████) off of the Non-Program Parts, Miscellaneous Hardware and Inspection Hardware at the prices set forth in Seller's price quote at the time of supply; and (c) a discount of ██████ percent (██████) off of the prices set forth in the Domestic Price List with respect to Program

Parts. The terms and conditions of this Contract shall prevail over any terms and conditions or selling policies specified in the Seller's price lists or in any Seller quote.

6. **Tax Allocation**

Pursuant to Section 4.2 of this Contract, the Contract Price shall be allocated for Tax purposes, and each invoice delivered by Seller to Buyer pursuant to this Contract shall reflect such allocation, as follows:

Parts: new parts and Miscellaneous Hardware = [REDACTED]

Services: repaired parts, field service and project management = [REDACTED]

**Appendix 3**

Exhibit G - Cancellation Schedule (Rev. 2)

Pursuant to Article 12.4 and 12.5 of this Contract, the following cancellation fees shall apply for each Combustion Turbine:

<b>Term</b>	<b>Amount per CT</b>
Upon the effective date of Change Order No. 16	██████████
After 2022 payment up to 2023 payment	██████████
After 2023 payment up to 2024 payment	██████████
After 2024 payment	██████████

# City Council Agenda Item Report

Submitted by: Lisa Pope  
Submitting Department: City Clerk  
Meeting Date: March 15, 2022

## **SUBJECT**

City Council Appointments to Outside Agencies

### **Recommendation:**

Appoint a delegate and alternate to represent the City at the Southern California Association of Government 2022 Regional Conference and General Assembly.

### **Background:**

Previously the City Council appointed a representative and alternate to the Southern California Association of Governments (SCAG). As such, following the June 1, 2021 Special Municipal Election which created vacancies on the Council, on July 20, 2021, the City Council appointed Council Member Lopez as the representative and Mayor Pro Tem Davis remained as the alternate.

The current delegate and alternate are unable to attend the Conference, therefore, the Council should select a delegate and alternate (if applicable) to represent the City.

Each city Delegate Representative (or Alternate in the absence of the Delegate) will vote on agenda items pertaining to the General Assembly – Business Meeting. Each city Delegate Representative (or Alternate in the absence of the Delegate) will receive a complimentary one-night hotel accommodation at the JW Marriott Resort & Spa for the night of May 5, validated overnight parking and meals during the conference.

The positions are required to file Statement of Economic Interest, Fair Political Practices Form 700. SCAG's recent policy is that only those attending the Annual Conference are required to file a Form 700. Therefore, in the future, the appointments will be made in March or April for the purpose of the Conference.

### **Fiscal Impact:**

There is no fiscal impact associated with this report.

### **Attachments:**

None.

# City Council Agenda Item Report

Submitted by: Adriana Ramos  
Submitting Department: Public Utilities  
Meeting Date: March 15, 2022

## **SUBJECT**

Labor and Materials Contract with Petrelli Electric, Inc. to Provide High Voltage Electric System Service, Maintenance and Utility Support

## **Recommendation:**

- A. Approve and authorize the City Administrator to execute a Labor and Materials Contract with Petrelli Electric, Inc. (Petrelli Electric), in substantially the same form as submitted, for a five-year term effective July 18, 2022, with an option to extend for an additional five years after the expiration of the initial term, to provide high voltage electric system service, maintenance, and utility support to Vernon's Electric and Fiber Optic Systems; and
- B. Pursuant to Sections 3.32.220(B) and 3.32.110(B)(3) of the Vernon Municipal Code (VMC), find that it is commercially unreasonable to rebid the proposed contract for high voltage electric system service, maintenance, and utility support every three years due to significant risks to the electric system reliability and responsiveness, as well as added costs to the City and contractor including a steep learning curve in potential frequent transitions in contracted services.

## **Background:**

The City of Vernon has the benefit of having a locally-owned utility, where the focus and priority are serving the customers and community within its 5.2-mile jurisdiction. Vernon Public Utilities (VPU) has a unique customer base where most customers are very large industrial and commercial companies. Vernon's average electric baseload is 165 megawatts (MW), equivalent to a medium-sized community, similar to the size of Pasadena, Glendale, or Burbank. VPU is the only publicly owned utility in Southern California to offer full utility services of electric, water, natural gas, and fiber optics. Additionally, the majority of VPU's electric transmission and distribution system consists of high voltage lines, in comparison to most other publicly owned utilities that have a blend of high voltage and low voltage. In order to provide safe, reliable, and high-quality electric utility services at competitive rates, VPU has utilized a hybrid model for its electric operations consisting of in-house staff and contracted services.

Vernon's business community heavily relies on VPU's ability to maintain highly reliable and responsive continual electric services ensuring business productivity around the clock. Taking into account the size and the 24/7 operations of many of its customers, VPU currently supplements the electric system maintenance, construction, and emergency restoration services with contracted services. With the current agreement for these services set to expire in July of this year, VPU issued a Request for Qualifications (RFQ) and subsequently a Request for Proposals (RFP) to solicit proposals from various qualified contractors to provide such services. Based on the results of the RFP, staff recommends that the City Council approve the proposed Labor and Materials Contract with Petrelli Electric.

Petrelli Electric is the City's current contractor and was selected in May 2012 following an RFP

process for the City's electric system maintenance. The current contract was established for a five-year term, with an option to extend another five years upon mutual agreement of the City and Contractor. The five-year extension is set to expire on July 17, 2022. To avoid any lapse in this essential service and in accordance with Vernon Municipal Code (VMC) 3.32.080 regarding competitive selection, staff issued a Request for Qualifications (RFQ) for High Voltage Electric System Service, Maintenance, and Utility Support on November 4, 2021. The pre-qualification package was advertised on the City's website, the Planet Bids platform, and directly notified 90 prospective contractors through Planet Bids. Due to the extensive and comprehensive nature and scope of this work, staff found it prudent to establish a qualified list of contractors before issuing an RFP.

Interested contractors submitted a standard questionnaire and provided supplemental background information to demonstrate that they possessed sufficient experience and the ample resources necessary to work on VPU's Electric System, including qualified electrical workers trained to work safely and responsively on energized high voltage systems. A total of 26 contractors downloaded the pre-qualification package as prospective proposers, and 4 submitted a complete package. The four submissions received were deemed qualified, based on an evaluation matrix of utility experience, training, and safety records, and were placed on the 'pre-qualified' list of contractors. VPU developed the following list of pre-qualified high voltage electric contractors:

- Henkels & McCoy, Inc.
- Hotline Construction, Inc.
- Parkia, Inc. Engineering & Construction
- Petrelli Electric Co.

Accordingly, on December 16, 2021, VPU issued an RFP to solicit proposals to perform High Voltage Electric System Service, Maintenance, and Utility Support to the pre-qualified list of contractors. The scope of work included, but was not limited to, construction of delivery facilities and infrastructure, high voltage switching, routine maintenance, and inspections, as well as emergency restoration and repairs to Vernon's Electric and Fiber Optic Systems. In addition, VPU staff held outreach efforts, including a pre-proposal meeting with all contractors.

Subsequently, proposal packages were received from each pre-qualified contractor by the February 16, 2022 deadline.

A qualified panel thoroughly examined each proposal utilizing criteria to measure experience, work plan, references, and cost. Petrelli Electric demonstrated the highest competence and most cost-effective approach to assist VPU in service planning, construction, maintenance, and emergency restoration of the Vernon Electric and Fiber Optic Systems. The proposal submitted by Petrelli Electric ranked the highest across the panel and was, therefore, deemed the most qualified. Their proposal was 30% lower than the other bidders, which was significantly more cost-effective than the three other proposals. Petrelli's labor cost by classification represented the most economical approach to satisfy the scope of work.

Additionally, their proposal demonstrated expertise and experience through a comprehensive approach to the work scope. Petrelli Electric possesses considerable experience in Vernon to perform a wide array of tasks, including system expansion, capital improvements, and emergency outage restoration. As noted within this report, Petrelli Electric is acutely aware of Vernon's business community and the nature of goods and products produced around the clock. Oxygen and liquid high-pressure containment that serve hospitals throughout the state,



recycled glass bottling that relies heavily on consistent temperature throughout the manufacturing process, and cold storage of essential foods imported and exported throughout the world have benefited from Vernon's 99.99% electric system availability and quick restoration. In addition, Petrelli Electric's workforce has extensive familiarity and knowledge of the Los Angeles Department of Water and Power (LADWP) and Southern California Edison (SCE) systems, which is critical given that VPU's Electric system neighbors LADWP and is connected to SCE.

Petrelli Electric has more than 39 years of experience in the electric utility industry, including years of exceptional service to Vernon's Electric and Fiber Optic System. Petrelli Electric is proven, tested, highly capable, and uniquely qualified to provide the wide-ranging scope of services in a responsive manner that Vernon customers have come to expect. In addition, Petrelli Electric has demonstrated consistency and stability with an outstanding safety record and industry-leading restoration capabilities in the most challenging situations. Petrelli Electric's proximity to the City allows for timely restoration on average under an hour for sustained outages.

Contracting with Petrelli Electric has resulted in outstanding reliability and restoration metrics for VPU. VPU currently stands at 99.99% electric system availability, an indication of high reliability which means fewer outages and faster response times. These metrics have garnered national recognition for system availability and system improvement. Given that high voltage electric work is considered dangerous and carries significant risks, it is essential that the crews working on the lines are experienced, skilled, and qualified, and have the necessary and up-to-date equipment to safely and efficiently work on maintaining and restoring power. Petrelli Electric has a proven track record in providing an exceptionally skilled staff and crews working alongside VPU electric operations personnel resulting in a seamless workflow to provide safe and reliable electric service to all VPU's electric customers. Moreover, contracting for these services also supports the City's objective to reduce pension obligations while delivering high-quality utility services at competitive rates.

By awarding the proposed contract to Petrelli Electric, VPU can not only continue to serve the community in a very responsive and dependable manner but at an outstanding value as well. As such, staff recommends that Petrelli Electric, Inc. be awarded the contract to provide high voltage electric system service, maintenance, and utility support based on the RFQ and RFP process results. The proposed Labor and Materials Contract will have a five-year term with an option to extend an additional five years. Pursuant to Sections 3.32.220(B) and 3.32.110(B)(3) of the Vernon Municipal Code (VMC), staff recommends the City Council deem the proposed contract for high voltage electric system service, maintenance, and utility support is commercially unreasonable to rebid every three years due to significant risks to the electric system reliability and responsiveness, as well as added costs to the City and contractor including a steep learning curve in potential frequent transitions in contracted services. The time and effort it takes VPU to work through the process to select a contractor and the commitment of a contractor to provide these services to Vernon are comprised of significant investments in time, personnel, equipment, safety culture, and dedication. The learning curve involved in becoming familiar with the VPU electric system and the risk to customer productivity, system reliability, and prompt response to disturbances involved in a potential transition to a new contractor every three years would be extremely costly.

The proposed contract does not have a fixed financial threshold due to the nature of the work performed. Each fiscal year VPU determines the maintenance, construction, and capital

improvement projects that will be completed based on an overall evaluation of the infrastructure as well as projected revenues and expenditures for each fiscal year. The Electric Enterprise revenues and expenditures are affected by market forces, commodity pricing, and volatility each fiscal year. It is unreasonable and impractical to identify a specific amount for the life of the proposed contract based on changing needs and priorities as well as inflation over the course of the initial contract plus potential extension. VPU has learned that forces outside of our control, such as the COVID-19 pandemic, domestic political strife, global supply chain issues, and the prospect of overseas conflict, can significantly impact the cost of supplies and equipment associated with this type of work. VPU also believes that some flexibility is advantageous to help achieve changing priorities and goals such as improved community aesthetics, customer needs, an evolving business and residential landscape, and accelerating State climate goals. The compensation under this proposed contract does not exceed the City Council annually approved and appropriated aggregate amount of the VPU Electric System generation, transmission, distribution, and fiber optic accounts. All work performed by the proposed contractor is pre-scheduled, pre-approved, and closely tracked through a detailed approval and work order system.

The current agreement with Petrelli will expire on July 17, 2022. To avoid a detrimental lapse in service, the new Labor and Materials Contract with Petrelli will begin July 18, 2022. The proposed Labor and Materials Contract has been reviewed and approved as to form by the City Attorney's Office.

**Fiscal Impact:**

The proposed Contractor shall not incur costs and expenses exceeding the aggregate amount of the annual Vernon Public Utilities' Electric System and Fiber Optic Systems budgets approved by the Vernon City Council each fiscal year through the budget process.

**Attachments:**

1. [Petrelli Electric Inc. - Labor and Materials Contract](#)

LABOR AND MATERIALS CONTRACT BETWEEN THE CITY OF VERNON AND PETRELLI ELECTRIC, INC. FOR HIGH VOLTAGE ELECTRIC SYSTEM SERVICE, MAINTENANCE AND UTILITY SUPPORT

COVER PAGE

Contractor:	Petrelli Electric, Inc.
Responsible Principal of Contractor:	Cindy Petrelli, President
Notice Information - Contractor:	Petrelli Electric, Inc. 11615 Davenport Road Agua Dulce, CA 91390 Attention: Cindy Petrelli, President Phone: (661) 268-7312
Notice Information - City:	City of Vernon 4305 Santa Fe Avenue Vernon, CA 90058 Attention: Abraham Alemu, General Manager of Vernon Public Utilities Telephone: (323) 583-8811 ext. 250
Commencement Date:	July 18, 2022
Termination Date:	July 17, 2027, with an option to extend an additional five (5) years after the expiration of the initial term with City Council approval.
Consideration:	Notwithstanding anything to the contrary set forth herein, in any year of the Term, the Contractor shall not incur, costs and expenses exceeding the aggregate amount of the annual Vernon Public Utilities overall electric system and fiber optic system budgets approved by the Vernon City Council.
Records Retention Period	Three (3) years, pursuant to Section 7.17

LABOR AND MATERIALS CONTRACT BETWEEN THE CITY OF VERNON AND PETRELLI  
ELECTRIC, INC. FOR HIGH VOLTAGE ELECTRIC SYSTEM SERVICE, MAINTENANCE AND  
UTILITY SUPPORT

This Contract is made between the City of Vernon (City), a California charter City and California municipal corporation, and Petrelli Electric, Inc., a California corporation, with headquarters located at 11615 Davenport Road, Agua Dulce, CA 91390 (Contractor).

The City and Contractor agree as follows:

1.0 DEFINITIONS

1.1 Capitalized terms not otherwise defined in this Contract shall have the meanings set forth in this Section 1.1.

DELIVERABLES. Written materials created, written, or developed for the City and delivered to the City in connection with the Services.

ELECTRIC SYSTEM. All electric generation, transmission, and distribution facilities and other electrical infrastructure now owned or hereafter owned by the City that is used for providing electric service in the City, including the 66 kV transmission system, overhead and underground distribution systems, substations, street lighting systems, transformers and service lines.

EMERGENCY. A situation in which a Party reasonably believes immediate action is necessary to prevent regulatory non-compliance, bodily injury, loss of life, interruption in the generation, transmission, or distribution of electricity, or damage to the environment or to property, including the Electric System.

EMERGENCY WORK. The Services required to (i) respond to Emergency calls as set forth in Section 5.2.3.3 and (ii) prevent or mitigate as much as practicable any threatened damage, injury or loss caused by an Emergency affecting the safety or protection of Persons or endangering any property, including the Electric System.

ENVIRONMENTAL LAW. All Laws relating to (i) land use and environmental matters, (ii) the control of any pollutant, or protection of the air, water, or land, (iii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation, (iv) exposure to hazardous, toxic or other harmful substances, and (v) the protection and enhancement of the environment.

FERC. The Federal Energy Regulatory Commission, and any successor to the function thereof.

GOOD UTILITY PRACTICES. Any of the practices, methods, standards, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practices is not intended to be any one of a number of the optimum practices, methods, standards or acts to the exclusion of

all others, but rather to be acceptable practices, methods or acts generally accepted in the region.

GOVERNMENTAL APPROVAL. Any authorization, consent, approval, license, ruling, permit, tariff, certification, exemption, filing, variance, order, judgment, decree, declaration or publication of, notices to, or registration by or with any Governmental Authority having jurisdiction over the Electric System.

GOVERNMENTAL AUTHORITY. Any national, state or local government, any political subdivision thereof or any other governmental, judicial, public, or statutory instrumentality, authority, body, agency, bureau or entity or any arbitrator with authority to bind a Party at Law.

LAW. (i) any statute, law, rule, regulation, code, ordinance, judgment, decree, writ, order, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, mandatory standards or criteria, or other governmental restriction or any similar form of decision of or determination by, or any binding interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereafter in effect or (ii) any requirements or conditions on or with respect to the issuance, maintenance or renewal of any Governmental Approval or applications therefor, whether now or hereafter in effect.

NERC. The North American Electricity Reliability Corporation or its successor thereto.

OFF-HOURS. Hours between 3:30 pm and 7:00 am on any Business Day and the hours between 00:00, PPT and 23:00, PPT, on any day other than a Business Day.

PERMITS. Any permits, approvals and authorizations issued by any Governmental Authority to, or obtained by, the City, which are necessary to operate and maintain the Electric System.

ROUTINE WORK. Routine maintenance work, including line patrol, switching, replacement of minor components, minor modifications and additions, and other routine work normally required on electric utility systems, consistent with Good Utility Practices.

WORK ORDER. A Work Order for Routine Work that has been pre-approved and established by Contractor and the City and authorizes Contractor to perform Routine Work thereunder.

2.0 Contractor shall furnish all necessary and incidental labor, material, equipment, transportation and services as described in, and strictly in accordance with, and subject to all terms and conditions set forth in Specifications for High Voltage Electric System Service, Maintenance and Utility Support, as more fully set forth in the City's Request for Proposals issued on or about December 16, 2021, and titled High Voltage Electric System Service, Maintenance and Utility Support, and Contractor's proposal to the City dated February 14, 2022, attached hereto and incorporated herein by reference as Exhibit "A".

3.0 All work shall be done in a manner satisfactory to the City's General Manager of Vernon Public Utilities (General Manager), or the Director's designee, in writing, and shall be of highest quality with respect to the contract specifications.

In the event Contractor fails to perform satisfactorily the City shall advise Contractor in writing, and Contractor shall have thirty (30) days to cure such failure to satisfactorily perform. If Contractor fails to so cure its performance within said 30 days, the City may, at its option, terminate this Contract for default without further liability, other than payment to Contractor for work performed satisfactorily prior to the date of termination.

4.0 Contractor shall commence work upon the execution of this contract and shall perform work requested in writing by the General Manager.

5.0 In consideration of satisfactory and timely Performance of requested work pursuant to the Scope and Work set forth in Exhibit "B," which is attached hereto and incorporated herein by reference, the City shall pay Contractor as follows:

The bid amounts, according to the requested and accepted price set forth in the Contractor's Fees for Services, attached hereto and incorporated herein by reference as Exhibit "C". Notwithstanding anything to the contrary set forth herein, in any year of the Term, the Contractor shall not incur, and the City shall not be liable for, costs and expenses exceeding the aggregate amount of the annual Vernon Public Utilities overall electric system and fiber optic systems budgets approved by the Vernon City Council.

#### 5.1 ENGAGEMENT; WORK ORDERS

5.1.1 General. Subject to the terms and conditions of this Contract, the City hereby engages Contractor, and Contractor hereby accepts such engagement to perform the Services pursuant to the terms of this Contract, as an independent contractor and not as an agent or employee of the City during the Term.

5.1.2 Work Orders. All of the Services shall be performed pursuant to a work order (Work Order), issued by the City from time to time in accordance with the requirements of this Contract. The Work Order shall include, as applicable, the requirements set forth on Exhibit A (Work Order Requirements). Nothing in this Contract shall obligate the City to issue a Work Order. Prior to initiating any Services, other than Emergency Work or Routine Work, Contractor shall obtain written authorization from the City pursuant to a Work Order for the proposed Services. Work Orders shall be issued for the following categories:

5.1.2.1 Major Work. Any major modifications, extensions, additions or improvements to the Electric System, including work that requires structural replacement, such as poles, switches and transformers, and large maintenance jobs estimated to take more than one crew day, (Major Work) shall be performed pursuant to a Work Order for Major Work. As-built documentation identified all Major Work performed and any other deliverables specified in the Work Order shall be provided to the City promptly following completion of the Major Work.

5.1.2.2 Emergency Work. Contractor shall mobilize and commence Emergency Work in response to emergency calls within one hour of receipt of any call for Emergency Work pursuant to Section 5.2.3.3 and shall seek a written Work Order for such Emergency Work by 9:00 a.m. PPT on the next business day after the Emergency Work is initiated. All other Emergency Work shall be performed by Contractor as soon as possible

following an Emergency. Contractor shall telephonically notify the City of any Emergency discovered by Contractor as soon as practicable following the occurrence thereof and shall seek a written Work Order for such Emergency Work by 9:00 a.m. PPT on the next business day after the Emergency Work is initiated. As-built information shall be provided upon completion of such Emergency Work. Contractor shall not be entitled to payment for performance of Emergency Work, unless such Emergency Work is approved pursuant to a written Work Order obtained as provided above.

5.1.2.3 Routine Work. Routine Work shall include maintenance work, including line patrol, switching, replacement of minor components, minor modifications and additions, and other routine work normally required on electric utility systems, consistent with Good Utility Practices (Routine Work). Routine Work will be completed under Standing Work Orders specifically established for such Routine Work. Contractor and Vendor will collaborate on establishing a process for issuing Standing Work Orders.

5.1.3 Scheduling of Work. A Work Order may be issued by the City or requested by Contractor. If requested by Contractor, Contractor shall provide the City's representative with a proposed plan for the performance of Services under a proposed Work Order by no later than 9:00 am PPT on Monday of each week. Each proposed Work Order shall contain the Work Order Requirements. The City's Representative shall review such proposed Work Order and approve or make modifications to such proposed Work Order by no later than 2:00 pm on the day such proposed Work Order is provided. Once the Work Order is approved and/or modified by the City's representative, Contractor shall be authorized to perform the Services pursuant to and as set forth in the approved Work Order. The timing for submittal of Work Orders and the City's approval or modification of such Work Orders may be changed by mutual agreement of the Parties.

## 5.2 DUTIES AND RESPONSIBILITIES

### 5.2.1 Independent Contractor and Standard of Care.

5.2.1.1 Independent Contractor. Contractor shall perform and execute the provisions of the Contract as an independent contractor to the City and shall not in any respect be deemed or act, or hold itself out, as an agent of the City for any purpose or reason whatsoever. Contractor is an independent contractor, and all of its agents and employees shall be subject solely to the control, supervision, and authority of Contractor. The City and Contractor disclaim any intention to create a partnership or joint venture. Contractor shall not be entitled to act for or have any power or authority to assume any obligation or responsibility on behalf of the City.

5.2.1.2 Compliance Obligations. Contractor shall perform its obligations hereunder in accordance with and in compliance with the following: (a) the City's construction and operation standards and codes, EOP and GOP, General Orders 95, 128, and 165, National Electric Safety Codes, ordinances, rules, regulations, and operating procedures; (b) the requirements under the insurance policies maintained under this Contract; (c) Good Utility Practices; and (d) all applicable Laws, including Laws promulgated and enforced by NERC and FERC, Governmental Approvals and Permits. Contractor shall use all commercially reasonable efforts, consistent with Good Utility Practices to perform its obligations hereunder in a manner so as to (i) minimize expenses and liabilities of the Electric System; (ii) optimize the useful life of the Electric System; and (iii) minimize downtime and disruption of the Electric System.

5.2.2 Services. Contractor shall provide all services and maintenance to keep the Electric System in a safe and reliable condition, in strict accordance with the terms of this Contract and pursuant to Work Orders issued to Contractor from time to time. Services to include construction and maintenance of the City's fiber optic cables and network, on an as-needed basis. Such Services shall include, but not be limited to, the following.

5.2.2.1 Work to Electric System. At the direction of the City, and pursuant to a Work Order, all modifications, extensions, additions and improvements in and to the Electric System, as shall from time to time be required or necessary for the Electric System to serve, in a safe and reliable manner, the electric power requirements of the City and its customers, both present and future. Such work shall include: (a) installation of transformers, switches, cutouts, lines and facilities on the 66 kV transmission system and distribution systems as required for repairs, replacements, new customers and system expansion; (b) removal of underground and overhead facilities no longer needed; (c) performance of other work on underground and overhead systems; and (d) Emergency Work.

5.2.2.2 Troubleshooting. At the direction of the City pursuant to a Work Order, carry out troubleshooting activities, including responding to customer calls and complaints, traveling to various sites within the City of Vernon, assessing and estimating failures or damages, safely restoring service as quickly as possible, and reporting on system and equipment status.

5.2.2.3 Maintenance. Contractor shall provide the City with monthly maintenance and inspection schedules identifying the location and circuit name of the equipment inspected. Contractor shall maintain and inspect the Electric System pursuant to the requirements of General Order Nos. 95, 128 and 165. The maintenance and inspection schedule shall include the following: (a) insulator washing (transmission, distribution and substations); (b) street lighting inspection; (c) customer substation inspection; (d) manhole and underground cable inspection; (e) pole inspection and testing; (f) distribution circuit inspection; and (g) transmission system inspection. Contractor shall maintain a system database to track and report inspection results and corresponding repairs/correction. All documented work performed shall meet or exceed the requirements of General Order 165. Contractor must submit reports of all inspections to the City within thirty (30) days of the completion of such inspection.

5.2.2.4 New Facilities. If a new facility is to be constructed by the City, Contractor shall be allowed an opportunity to submit a bid or proposal to construct such facility. the City reserves the right to permit the electric customer requiring such new facility to construct such facility and to negotiate an agreement for the construction of such facility with potential contractors, including Contractor. The City shall not be obligated to use Contractor for the construction of such new facility.

### 5.2.3 Personnel.

5.2.3.1 Personnel. Contractor shall furnish all labor, personnel and supervision required for the performance of the Services in a safe, productive and efficient manner during the Term, including office and field staff; Contractor shall staff and maintain a construction and operations headquarters within the city limits of the City of Vernon, as shall be required or necessary to meet the needs and requirements of the City and its customers, both present and future. Contractor shall ensure its employees are qualified (and if required,



licensed, certified or registered) and experienced in the functions to which they are assigned. If requested, Contractor shall provide to the City (i) evidence of the competence of such personnel including details of their previous experience and qualifications and (ii) details of the working hours, salary levels and all other matters relating to the employment of Contractor's employees. All individuals engaged by Contractor in the performance of the Services shall be the employees of Contractor or its subcontractors, and their working hours, rates of compensation and all other matters relating to their employment shall be determined solely by Contractor or the applicable subcontractors. Contractor shall, at all times during the Term, have full supervision and control over Contractor's employees and shall at all times maintain appropriate order and discipline among its personnel and shall cause each subcontractor to maintain similar standards with respect to such subcontractor's employees. Upon the City's request, Contractor shall provide the City with the qualifications of any or all management personnel employed in connection with the Services.

5.2.3.2 Staffing Levels. Without limiting the foregoing, Contractor shall provide the minimum level of employee staffing set forth in Exhibit C. Such shall be pre-approved by Contractor and shall be dedicated to perform Services on the Electric System. Contractor may supplement this level of staffing with the pre-approval of City's Representative, to the extent necessary to perform the Services. Contractor shall not increase or decrease this level of staffing by adding or deleting full-time employees without the prior written approval of the City. In the event the City wishes to increase or decrease the staffing level provided for herein, the City shall be permitted to do so upon providing thirty (30) days written notice to Contractor. Contractor may also supplement this level of staffing through the use of subcontractors, if pre-approved by the City, to the extent necessary to perform such Services; provided such subcontractors and subcontracts are approved in advance in writing by the City and meet the requirement. Contractor may bill the City as a straight pass through with no mark up its costs for such prior approved subcontractors and subcontracts.

5.2.3.3 Off-Hour Staffing/Emergencies. Contractor shall keep a minimum of one full crew on standby to respond to Emergency calls, troubleshooting calls, and service calls during Off-Hours. Contractor shall provide a weekly list of the dedicated staff that will be available to respond to such calls. Personnel on standby must respond to the City within one hour of call out from Station A. Contractor shall bill two hours per day "Straight Time" per employee on standby schedule. Contractor shall send a copy of standby call out sheet no later than 08:00 A.M. PPT of each Monday.

5.2.3.4 Training. Contractor shall send all employees that shall be performing Services on the Electric System to J.A.T.C training. Contractor shall be compensated for such training expenses. If any such trained employee leaves Contractor before three years after completing the Journeyman status, Contractor shall reimburse the City the total cost of such J.A.T.C. training incurred for such employee.

5.2.3.4 Subcontractors. Any subcontracting of the Services pursuant to Section 5.2.3.2 shall not relieve Contractor of any of its duties, liabilities or obligations hereunder, relieve Contractor of its responsibility for the performance of Services rendered by any subcontractor, or create any relationship between the City and any subcontractor. Contractor shall be solely responsible for the payment of any subcontractor and shall be responsible for the acts, omissions and errors and defaults of its subcontractors. Each subcontract shall be in writing and shall contain provisions giving Contractor an unrestricted right to assign the subcontract and all benefits, interest, rights and causes of action arising

under it to the City. At the request of the City, Contractor shall provide the City with copies of all warranties of each subcontractor relating to any of the Services, and Contractor shall comply with any request by the City upon the termination of this Contract to assign the benefit of any subcontractor warranty to the City.

### 5.3 CITY'S DUTIES AND RESPONSIBILITIES

5.3.1 Use of City Owned Property. The City shall provide Contractor with access to a city-owned building and a storage yard on city-owned property to utilize in connection with the performance of its Services, including for the warehousing of supplies, materials and vehicles. The City shall be responsible for maintenance and upkeep of such facilities, including for the procurement and payment of all utilities.

5.3.2 Materials and Supplies. All materials, supplies, tools, equipment, hardware, uniforms, and personal protective equipment required for the performance of the Services ("Materials and Supplies"), shall be procured by Contractor as follows. Contractor shall first determine whether the Materials and Supplies are available as inventory items from the City. If such Materials and Supplies are available, Contractor shall issue a requisition order in the City's accounting and reporting EDEN software system. Contractor shall be reimbursed for the costs of such Materials and Supplies as follows: (a) if Contractor is reimbursed by the City within twelve (12) business days of the issuance of the requisition order in the EDEN system, Contractor shall be reimbursed for the direct costs of such Materials and Supplies without additional overhead or mark-up; (b) if Contractor is not reimbursed for such costs within such twelve (12) business day period, Contractor shall be reimbursed the direct costs of such Materials and Supplies, plus a mark-up of ten percent (10%). All Materials and Supplies procured by Contractor shall remain part of inventory of the City and shall be logged into the City's Eden inventory database and shall be available for purchase. Upon termination of this Contract, Contractor shall return all Materials and Supplies to the City.

5.3.3 Vehicles. The City may provide Contractor with city-owned vehicles for Contractor's use in connection with performing the Services. If the City does not provide vehicles for Contractor's use, Contractor shall provide all vehicles required for the performance of the Services and shall bill the City for the use of such vehicles pursuant to the monthly rates agreed upon for such vehicles in the attached Exhibit C. If not provided by the City, all service vehicles reasonably required to fulfill Contractor's obligations hereunder shall be acquired in an expeditious manner and maintained in accordance with Good Utility Practices. The City shall provide Contractor with all fuel used in such vehicles in connection with Contractor's performance of the Services.

5.3.4 Authorized Representative. Within thirty (30) days after the Effective Date, the City shall appoint an individual representative ("City's Representative") authorized and empowered to act for and on behalf of the City on all matters concerning this Contract and the City's obligations hereunder, and shall promptly notify Contractor in writing of the identity of the City's Representative. Whenever this Contract requires the approval, consent or some other action of the City, Contractor may rely on the approval of or consent of, or other action taken by the City's Representative. Notwithstanding the foregoing, the City's Representative shall not have the authority to amend any of the provisions of this Contract.

## 5.4 COMPENSATION

5.4.1 Cost Reimbursement. It is the desire of the City to retain contractors having highly qualified the City shall reimburse Contractor for: (a) Contractor personnel time performing the Services at the rates ranges set forth on Exhibit C allocable to the Contractor personnel who perform Services under this Contract; (b) Materials and Supplies in accordance with Section 5.3.2; (c) the reasonable, direct and documented costs and expenses for rental of equipment not provided by the City at the rates set forth in Exhibit C and; (d) the reasonable, direct and documented costs incurred by Contractor solely and directly related to the performance of the Services. The rates set forth in Exhibit C may only be increased during the Term to the extent Contractor's costs increase under the "California Outside Line Construction Contract between Western Line Constructors Chapter of N.E.C.A. and Local Union No. 47 AFL-CIO International Brotherhood of Electric Workers." Contractor shall provide the City with evidence to the satisfaction of the City of any such rate changes thirty (30) days prior to the date such rate change becomes effective. All rate changes must be approved by the City Council prior to becoming effective under this Contract. All reimbursable expenses shall, require written receipts, invoices and/or timesheets in detail reasonably acceptable to the City.

Notwithstanding the foregoing, the following costs and expenses shall not be reimbursable and Contractor will not be entitled to recovery with respect to any of the following: Costs incurred, including time spent by Contractor personnel, not directly supporting the work to be provided hereunder (e.g., administering corporate policies, preparation of corporate training materials, internal financial reporting, financial controls, etc.);

- a. Costs to obtain and/or maintain licenses, certification and other permissions of Governmental Authorities to generally conduct business in California or the City of Vernon or elsewhere;
- b. Cost of compliance (including attorneys' fees) with any of Contractor's indemnification obligations as set forth in this Contract;
- c. Dispute resolution expenses related to disputes under this Contract;
- d. Cost of attorney time incurred in relation to amending, negotiating or interpreting this Agreement or resolution of disputes under this Contract;
- e. Bonus, incentive compensation, gratuities (except as incurred as a component of proper business travel or relocation expense), or corporate entertainment expense;
- f. Costs or payments incurred or owing by Contractor as a result of or in connection with any mistake, action, inaction or omission constituting gross negligence, fraud or willful or wanton misconduct by Contractor, its personnel, its agents or any Contractor personnel as the case may be;
- g. Taxes assessed against Contractor for income tax, corporate tax, profit, franchise, business, personal property and other taxes assessed by a Governmental Authority for or on account of any

income or profits accruing to or earned by Contractor in connection with the performance of the services hereunder or any of its operations, or any taxes arising from the employment or independent contractor relationship between Contractor and its personnel; or

- h. Fines or penalties imposed on Contractor or its subcontractors in connection with the performance of the services hereunder.

5.5.1 Payment of Costs and Expenses. On or before the first Business Day (Monday through Thursday only) of each calendar month, Contractor shall submit a "Maintenance and Administration Bill", which bill shall contain current inventory accounting reports and Work Order reports, with sufficient supporting data covering activities engaged in and Services performed by Contractor. All accounting shall comply with FERC accounting principles and City's accounting system. Contractor in consultation with the City shall develop a mutually agreeable form to be used for monthly accounting and reports.

## 6.0 GENERAL TERMS AND CONDITIONS

### 6.1 INDEPENDENT CONTRACTOR.

6.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent or employee of City and shall furnish such services in its own manner and method except as required by this Contract. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

6.1.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

6.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors, if any, shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

6.3 OWNERSHIP OF WORK. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City.

6.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy or incompleteness.

6.5 WAIVER. The City's waiver of any term, condition, breach or default of this Contract shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived.

6.6 SUCCESSORS. This Contract shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors and/or assigns.

6.7 NO ASSIGNMENT. Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Contract. No assignment shall release the original parties or otherwise constitute a novation.

6.8 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, resolutions, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof.

6.9 ATTORNEY'S FEES. If any action at law or in equity is brought to enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

## 7.0 INTERPRETATION

7.1 APPLICABLE LAW. This Contract, and the rights and duties of the parties hereunder (both procedural and substantive), shall be governed by and construed according to the laws of the State of California, without regards to its conflict of laws rules.

7.2 ENTIRE CONTRACT. This Contract, including any Exhibits attached hereto, constitutes the entire contract and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation and agreements (written or oral).

7.3 WRITTEN AMENDMENT. This Contract may only be changed by written amendment executed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Contract shall be of no force or effect.

7.4 SEVERABILITY. If any provision in this Contract is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Contract, and the remaining provisions shall nevertheless continue in full force

and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Contract.

7.5 ORDER OF PRECEDENCE. In case of conflict between the terms of this Contract and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Contract shall strictly prevail. The terms of the City's Specifications shall control over the Contractor's bid.

7.6 CHOICE OF FORUM. The parties hereby agree that this Contract is to be enforced in accordance with the laws of the State of California, is entered into in the City of Vernon and that all claims or controversies arising out of or related to performance under this Contract shall be submitted to and resolved in a forum within the County of Los Angeles at a place to be determined by the rules of the forum.

7.7 TIME OF ESSENCE. Time is strictly of the essence of this Contract and each and every covenant, term and provision hereof.

7.8 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity and authority to enter into and perform its obligations under this Contract, and its execution of this Contract has been duly authorized.

7.9 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach or any other aspect of this Contract, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. This clause shall not preclude the Parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

7.10 INDEMNITY.

7.10.1 Contractor agrees to indemnify, hold harmless and defend (even if the allegations are false, fraudulent or groundless), to the maximum extent permitted by law, the City, its City Council and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation) which in whole or in part result from, or arise out of, or are claimed to result from or to arise out of:

- A. any activity on or use of City's premises or facilities or any performance under this Contract; or
- B. any acts, errors or omissions (including, without limitation, professional negligence) of Contractor, its employees,

representatives, subcontractors, or agents in connection with the performance of this Contract.

7.10.2 This contract to indemnify includes, but is not limited to, personal injury (including death at any time) and property or other damage (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, Contractor and its employees or agents, and members of the general public). The sole negligence and/or active negligence or willful misconduct of City, its employees or agents other than Contractor or Contractor's subcontractors are excluded from this indemnity contract.

7.11 RELEASE. Contractor agrees to release and covenants not to sue the City, its City Council and each member thereof, and its officers, employees, commission members and representatives for any damage or injury (including death) to itself, its officers, employees, agents and independent contractors damaged or claiming to be damaged from any performance under this Contract.

7.12 INSURANCE. Contractor shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto. The policies shall state that they afford primary coverage.

7.12.1 Automobile Liability, including but not limited to, coverage for owned, non-owned and hired automobile with minimum of \$2,000,000 combined single limit covering automobiles used by Contractor in connection with the service and maintenance of the electric system. The policy will be endorsed to name the City, its officers, agents, employees, and volunteers as additional insured, and state that the insurance will be primary and not contribute with any insurance or self-insurance maintained by the City CA 00 01 10 13.

(1) Contractor agrees to subrogate automobile liability resulting from performance under this contract by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under the performance of the services.

7.12.2 General Liability with limits of not less than \$2,000,000 per occurrence and \$5,000,000 in aggregate written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" form or its equivalent for coverage on an occurrence basis. All policies shall expressly include coverage for products-completed operations hazards with limits of at least \$5,000,000

per aggregate limit. Premises/Operations and Personal Injury coverage is required. The City of Vernon, its directors, commissioners, officers, employees, agents and volunteers must be endorsed on the policy as additional insureds as respects liability arising out of the Contractor's performance of this Contract. The insurance will be primary and not contribute with any insurance or self-insurance maintained by the City and shall be at least as broad as CG 20 01 04 13.

- A. If Contractor employs other contractors as part of the services rendered, Contractor's Protective Coverage is required. Contractor may include all subcontractors as insureds under its own policy or shall furnish separate insurance for each subcontractor, meeting the requirements set forth herein.
- B. Blanket Contractual Coverage.
- C. Products/Completed Operations coverage.
- D. Contractor agrees to subrogate General Liability resulting from performance under this contract by agreeing to defend, indemnify and hold harmless, the City, and its respective employees, agents, and City Council from and against all claims, liabilities, suits, losses, damages, injuries and expenses, including all costs and reasonable attorney's fees ("Claims"), which are attributable to any act or omission by the City under the performance of the services.

7.12.3 Errors and Omissions coverage with limits of at least \$5,000,000 combined single limits, where such risk is applicable. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate. Contractor shall maintain such coverage for at least one (1) year after the termination of this Contract.

7.12.4 Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

- A. Provide copy of permissive self-insurance certificate approved by the State of California; or
- B. Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of \$1,000,000 per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Contract; or



C. Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

7.12.5 Excess Coverage – Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to project it as a named insured. Any umbrella liability policy or excess liability policy will in "following form" and will contain a provision to the effect that, if the underlying aggregate is exhausted, the excess coverage will drop down as primary insurance.

Limits of insurance required in this Contract may be satisfied by a combination of primary and umbrella or excess insurance.

7.12.6 Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice to City.

7.12.7 Insurance shall be placed with insurers with a Best's rating of no less than AVIII.

7.12.8 Prior to commencement of performance, Contractor shall furnish City with a certificate of insurance for each policy. Each certificate is to be executed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) must be in a form approved by City. City may require complete, certified copies of any or all policies at any time.

7.12.9 Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees and costs against Contractor by way of set-off or recoupment from sums due Contractor, at City's option; (b) immediately terminate this Contract; or (c) self insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set-off or recoupment from any sums due Contractor.

7.13 NOTICES. Any notice or demand to be given by one party to the other shall be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City: City of Vernon  
Attn: Abraham Alemu, General Manager of Vernon Public Utilities  
4305 Santa Fe Avenue  
Vernon, CA 90058

With a Copy to: Carlos R. Fandino, Jr.  
City Administrator  
City of Vernon  
4305 Santa Fe Avenue  
Vernon, CA 90058

If to the Contractor: Petrelli Electric, Inc.  
Attn: Cindy Petrelli, President  
11615 Davenport Road  
Agua Dulce, CA 91390

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

7.14 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Contract in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Contract is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

7.15 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Contract by written notice to the defaulting party. The notice shall specify the basis for the default. The Contract shall terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than ten (10) days after the date of the notice.

Termination for cause shall relieve the terminating party of further liability or responsibility under this Contract, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance.

7.16 ASSIGNMENT OF ANTITRUST CAUSES OF ACTION. Contractor hereby agrees to assign to the City all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under Chapter 2 of the Cartwright Act (commencing with Section 16700) or part 2 of Division 7 of the California Business and Professions Code, or any similar or successor provisions of Federal or State law, arising from purchases of goods, services or materials pursuant to this Contract or any subcontract. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor, without further acknowledgment by the parties.

7.17 MAINTENANCE OF BOOKS AND RECORDS. Contractor shall maintain service and maintenance records concerning Contractor's performance of the Services and all other books, records, accounts and bank statements, and such invoices, proofs of payment and other materials as the City may reasonably request as support thereof related to the performance of the Services, which records shall be properly created and maintained in accordance with generally accepted accounting principles (Books and Records). The Books and Records shall include, but not be limited to, the following:

- a. Quarterly Report. A quarterly report submitted to the City within fifteen (15) calendar days after the end of each calendar quarter containing sufficient information, detail and documentation as may be requested by the City relating to the Services performed for the preceding calendar quarter.
- b. Other Reports. Such other reports and/or documentation prepared by Contractor concerning its activities hereunder as may be requested by the City from time to time.

Contractor shall make such Books and Records available for a period of three (3) years following termination or expiration of this Contract upon no less than seventy-two (72) hours' notice to Contractor, for inspection and audit by the City and/or its designated representative, during normal business hours and at the operations headquarters of Contractor, or other location agreed to by the City and Contractor. Contractor shall cooperate in any audit of such request that the City may undertake. Upon the expiration or termination of this Contract, Contractor shall as soon as practicable, but in no event more than sixty (60) days following the date of such expiration or termination, deliver all of the Books and Records to the City.

## 8.0 ADDITIONAL ASSURANCES

8.1 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Contract, the Contractor and any other parties with whom it may subcontract shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "D".

8.2 VERNON BUSINESS LICENSE. Contractor shall obtain, and pay any and all costs associated therewith, any Vernon Business License which may be required by the Vernon Municipal Code.

8.3 CONFLICT. Contractor hereby represents, warrants and certifies that no member, officer or employee of the Contractor is a director, officer or employee of the City of Vernon, or a member of any of its boards, commissions or committees, except to the extent permitted by law.

8.4 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five dollars (\$25) for each worker employed in the execution of this Contract by the respective Contractor or subcontractor for each calendar day during which the worker is required or

permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

8.5 PREVAILING WAGES. The provisions of California Labor Code 1770, et seq., regarding the payment of prevailing wages on public works, and related regulations, apply to all City contracts. In addition, the selected consultant and/or any subcontractor must be currently registered and qualified (including payment of any required fee) with the State Department of Industrial Relations pursuant to Labor Code section 1725.5. This project is subject to compliance monitoring and enforcement by the State Department of Industrial Relations.

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have executed this Contract as of the Commencement Date stated on the cover page.

City of Vernon, a California charter City and California municipal corporation

Petrelli Electric, Inc., a California corporation

By: \_\_\_\_\_  
Carlos Fandino, City Administrator

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

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

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

ATTEST:

\_\_\_\_\_  
Lisa Pope, City Clerk

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

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

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

APPROVED AS TO FORM:

\_\_\_\_\_  
Zaynah N. Moussa,  
Interim City Attorney

EXHIBIT A  
CONTRACTOR'S PROPOSAL

**Petrelli** *ELECTRIC CO.*

**SAFETY • QUALITY • SERVICE**

ST. LIC. 444795



**CITY OF VERNON**

**REQUEST FOR PROPOSAL  
(RFP)**

**FOR**

**HIGH VOLTAGE ELECTRIC SYSTEM  
SERVICE, MAINTENANCE, AND  
UTILITY SUPPORT**

**SUBMITTED BY**

**PETRELLI ELECTRIC, INC.**



**POWER LINE MAINTENANCE AND CONSTRUCTION**





## Cover Letter

### Contractor

Petrelli Electric, Inc.

### Address

11615 Davenport Road

Agua Dulce, CA 91390

Office: (661) 268-7312

Fax: (661) 268-7331

### Contacts

Cindy Petrelli, President

Sal Petrelli, Vice President

Office: (661) 268-7312

Office: (661) 268-7312

cindy@petrellielectric.com

sal@petrellielectric.com

This proposal is valid for 90 days and hereby submitted by:

Cindy Petrelli

Cindy Petrelli, President

2-14-2022

Date

⚡ POWER LINE MAINTENANCE AND CONSTRUCTION ⚡





## Introduction

Petrelli Electric, Inc. began operating in 1983 and has excelled in the electric utility industry since its inception. The mission statement of safety, quality, and service has come to shine time and time again. The company prides itself on an excellent safety record, which is evidenced by its Experience Modification Rate of .62. Its dedicated employees are the primary factor of why Petrelli Electric, Inc. is able to have quality performance through the many years. The employees, along with management's vision, have created a stable, solid, and dynamic workforce capable of handling and solving problems that arise in a constantly changing utility environment.

The quality of workmanship derives from the best trained International Brotherhood of Electrical Workers (I.B.E.W.) linemen led by foremen who believe in carrying on the Petrelli Electric, Inc. tradition. During its 39 years of serving the electric utility industry, the company's customers have included the following:

- Burlington Northern Santa Fe Railroad
- City of Vernon Public Utilities
- Southern California Edison
- Los Angeles Department of Water and Power

The company is also certified by the California Public Utilities Supplier Clearinghouse as a Woman Business Enterprise (see attached certificate).

***SUPPLIER CLEARINGHOUSE  
CERTIFICATE OF ELIGIBILITY***



CERTIFICATION EXPIRATION DATE: **November 11, 2023**

The Supplier Clearinghouse for the Utility Supplier Diversity Program of the California Public Utilities Commission hereby certifies that it has audited and verified the eligibility of:

***Petrelli Electric, Inc.  
Women Business Enterprise (WBE)***

pursuant to Commission General Order 156, and the terms and conditions stipulated in the Verification Application Package. This Certificate shall be valid only with the Clearinghouse seal affixed hereto.

Eligibility must be maintained at all times, and renewed within 30 days of any changes in ownership or control. Failure to comply may result in a denial of eligibility. The Clearinghouse may reconsider certification if it is determined that such status was obtained by false, misleading or incorrect information. Decertification may occur if any verification criterion under which eligibility was awarded later becomes invalid due to Commission ruling. The Clearinghouse may request additional information or conduct on- site visits during the term of verification to verify eligibility.

This certification is valid only for the period that the above firm remains eligible as determined by the Clearinghouse. Utility companies may direct inquiries concerning this Certificate to the Clearinghouse at (800) 359-7998.

***VON: 8LN00036***

***DETERMINATION DATE: November 11, 2020***



## Scope and Work Plan

The scope of work to efficiently run the City of Vernon's Public Utilities department is vast and complex. Below is a semi-condensed version of its undertaking as currently performed.

1. Provide a stable and competent work force dedicated to running an electric utility department.
2. Provide crews to perform daily tasks, such as switching programs, trouble calls, on-off orders, USA Dig Alert marking, emergency repairs, service work, capital work, as well as engineering services.
3. Provide an on-call crew to respond to emergency call-outs with one hour or less response time seven days a week.
4. Provide company owned line trucks with the latest tools and equipment to perform energized work in a competent and safe manner.
5. Provide City of Vernon Public Utilities with annual inspection reports of the following:
  - Annual Pole Inspection Reports, including both Transmission and Distribution.
  - Annual G.O. 95 Inspections Reports. (including Fiber)
  - Annual G.O. 128 Inspections Reports.
  - Annual Customer Substation Inspections Reports, including thermal imaging.
  - Annual Substation Inspections Reports, including thermal imaging.
  - Annual Underground Vault and Equipment Inspections, including thermal imaging.



**POWER LINE MAINTENANCE AND CONSTRUCTION**





-Monthly Street Light Inspections and Repair.

-Implementation of G.O. 165 inspection cycle program.

6. Provide a dedicated crew to manage and maintain the fiber optic system. This crew includes an in-house splicer and completes all repairs, replacements, new customer installations, and assist with system expansion.
7. Provide certified meter technicians to complete new customer installations, upgrades, troubleshooting, repairing, and removing meter facilities.
8. Provide engineers with a vast electrical utility engineering background for competent and practical planning, engineering, including GIS management and coordination.
9. Provide cost efficient and effective engineering for capital improvement infrastructure projects assigned.
10. Provide a detailed and accurate accounting of inventory and actual costs on all aspects of daily operation relating to City of Vernon's EDEN inventory system, Lucity work order system, fixed assets, reporting, audit support, and bond reimbursement accounting.



## Experience

### Work Project History

Petrelli Electric, Inc. has the following experience working for its customers:

- Contractor for the City of Vernon Public Utilities Department.
  - Complete operations and maintenance of the Public Utilities Department on daily basis since 2003.
- Subcontractor for Los Angeles Department of Water and Power.
  - Overhead and underground crews for distribution and sub-transmission projects since 2013.
- Subcontractor for Southern California Edison.
  - Overhead and underground crews for distribution and transmission projects.
- Contractor for Burlington Northern Santa Fe Railroad
  - Building and maintaining overhead and underground distribution systems since 1986.



**POWER LINE MAINTENANCE AND CONSTRUCTION**





## Experience

### Key Staff

- General Manager: Sal Petrelli
- Account Manager: Christopher Plueger
- General Foremen: William Murray & Ryan Ordelleide
- P.E. Engineer/Service Planner: Ryan Hendrickson

#### ➤ Sal Petrelli

- Has 39 years industry experience.
- I.B.E.W. Local 47 Journeyman Lineman.
- Currently manages the City of Vernon Public Utilities contract.
- Graduate of Loyola Marymount University in 1983 with Bachelor of Arts Degree.

#### ➤ Christopher Plueger

- Certified Public Accountant.
- Currently manages City of Vernon Public Utilities EDEN inventory system, Lucity work order system, fixed assets, reporting, audit support, and bond reimbursement accounting.
- Graduate of California Lutheran University in 2006 Magna Cum Laude with Bachelor of Science Degree in Accounting.



➤ William Murray

- Has 33 years industry experience.
- I.B.E.W. Local 47 Journeyman Lineman.
- National Cable Splicer Certification.
- Currently oversees line crews for the City of Vernon Public Utilities contract.

➤ Ryan Ordelheide

- Line crew foreman.
- I.B.E.W. Local 47 Journeyman Lineman.
- Has 10 years industry experience.
- Graduate of University of La Verne in 2008 with Bachelor of Arts Degree in Business Administration.
- Graduate of University of La Verne in 2011 with Masters Degree in Business Administration and Leadership.
- National Cable Splicer Certification.
- Currently oversees line crews for City of Vernon Public Utilities contract.

➤ Ryan Hendrickson

- Has 10 years industry experience.
- California licensed Professional Engineer.
- Graduate of San Francisco State University in 2009.
- Currently oversees service planning and engineering for Petrelli Electric, Inc for the City of Vernon Public Utilities contract.



## Additional Information

Petrelli Electric, Inc. currently operates the operations and maintenance contract for City of Vernon's Public Utilities Department. The company has continually met and exceeded challenges and obstacles that utilities face each day. Its customer service record is also exemplary and unmatched. Additionally, the company owns equipment and tools that are well maintained and that few other contractors can equal.

The continual training the company has provided to its work force has produced results that have benefitted Petrelli Electric, Inc.'s customers. The company's partnerships with the I.B.E.W. and J.A.T.C. have produced some of the best qualified and hardest working linemen in the industry. This equates to a trusted and caliber of work force that is unsurpassed. Both management and its employees share a commitment for total customer satisfaction.

Petrelli Electric, Inc. believes that its performance throughout its tenure, along with the track record of efficiency and cost savings, hard work, dedication, and loyalty add a dimension that no other contractor can provide.





**B. Monthly Equipment Rates**

<u>Vehicle</u>	<u>Quantity</u>	<u>Monthly Rate</u>
Service Truck	<u>5</u>	<u>\$1,680.00 each</u>
Standard Bucket Truck (min 65ft)	<u>3</u>	<u>\$5,120.00 each</u>
Digger Derrick (min 60ft)	<u>2</u>	<u>\$5,280.00 each</u>
35 Ton Crane	<u>1</u>	<u>\$6,400.00</u>
Single Man Bucket Truck	<u>2</u>	<u>\$3,200.00 each</u>
_____	_____	_____
_____	_____	_____
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<u>Equipment</u>	<u>Quantity</u>	<u>Hourly Rate</u>
Light Tower	<u>2</u>	<u>\$14.00 each</u>
Sherman Reilly PT3366 Puller	<u>1</u>	<u>\$54.90</u>
Arrow Board	<u>2</u>	<u>\$12.00 each</u>
Sherman Reilly Duct Dawg Underground Puller	<u>1</u>	<u>\$34.90</u>
300 KW Generator	<u>1</u>	<u>\$60.50</u>
Bull Wheel Tensioner	<u>1</u>	<u>\$32.90</u>
8 Ton Forklift	<u>1</u>	<u>\$28.00</u>


**Fuel:**

The above monthly rates are based upon the fuel being provided by the City of Vernon.

**Tools:**

Tools and safety equipment to be included in the equipment monthly rate.

**AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR**

STATE OF CALIFORNIA            )  
                                                  ) ss  
COUNTY OF LOS ANGELES       )

Cindy Petrelli \_\_\_\_\_, being first duly sworn deposes

and says that he/she is President \_\_\_\_\_  
(Insert "Sole Owner", "Partner", "President", "Secretary", or other proper title)

of Petrelli Electric Inc \_\_\_\_\_  
(Insert name of bidder)

who submits herewith to the City of Vernon a bid/proposal;

- That all statements of fact in such bid/proposal are true;
- That such bid/proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;
- That such bid/proposal is genuine and not collusive or sham;
- That said bidder has not, directly or indirectly by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Vernon, or of any other bidder or anyone else interested in the proposed contract; and further
- That prior to the public opening and reading of bids/proposals, said bidder:

- a. Did not directly or indirectly, induce or solicit anyone else to submit a false or sham bid/proposal;
- b. Did not directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham bid/proposal, or that anyone should refrain from bidding or withdraw his/her bid/proposal;
- c. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the bid/proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his/her bid/proposal price, or of that of anyone else;
- d. Did not, directly or indirectly, submit his/her bid/proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except the City of Vernon, or to any person or persons who have a partnership or other financial interest with said bidder in his/her business.

I certify under penalty of perjury that the above information is correct

By: Cindy Petrelli \_\_\_\_\_ Title: President

Date: February 16, 2022 \_\_\_\_\_

EXHIBIT B  
SCOPE AND WORK PLAN

**Exhibit B**  
**Scope of Work**

1. Provide all necessary services as requested by the City and maintain Vernon's Electric and Fiber Optic System in a safe and reliable condition. Such work shall include, but not be limited to, high voltage switching, performing routine and emergency repairs, and maintenance and construction on Vernon's Electric and Fiber Optic Systems.
2. Contractor shall respond to emergency calls, troubleshooting calls, or service calls after work hours within one hour after the call is placed by Vernon's Control Center. Contractor shall provide a weekly list of the dedicated staff that will be available to respond to such calls.
3. At the direction of Vernon Public Utilities (VPU), make all modifications, extensions, additions, and improvements in and to Vernon's Electric and Fiber Optic Systems, as shall from time to time be required or necessary to serve in a safe and reliable manner, the electric power and fiber optic requirements of Vernon and its customers, both present and future.
4. Furnish all labor, supervision, equipment, tools of whatever kind or nature as necessary to facilitate a safe, productive, and efficient work force as deemed appropriate to maintain the City's power distribution/ transmission and fiber optic system during the terms of the actual contract.
5. VPU shall provide use of a city-owned building(s), structure(s) and/or a storage yard on city-owned property for use by Contractor in connection with the services performed under the agreement. Contractor shall be responsible for all tenant-type improvements and security in connection with the use of such City-owned property.
6. Contractor will provide all vehicles, tools, and equipment necessary to perform the work.
7. VPU shall normally supply all material and supplies required for major and routine work by Contractor pursuant to the agreement. Contractor shall supply all materials and supplies required by Contractor that are not provided. No markup of subcontractor's or engineering that may be additionally required will be allowed. Before purchasing materials or supplies, Contractor shall check with the City and obtain approval from the City to assure that such materials or supplies are not available from VPU. VPU shall compensate Contractor for such materials and supplies and only allow a 10% markup. However, if VPU compensates contractor for such materials and supplies within net 10 days, no markup will be allowed.
8. Furnish VPU end of month billing with current inventory accounting reports and work order reports, with sufficient supporting data covering activities engaged in and work performed by Contractor. Such accountings and reports shall be provided every thirty days, on the first business day (Monday through Thursday) of each month throughout the term of the agreement. All such accounting shall comply with the Federal Energy and Regulatory Commission (FERC) accounting principles as well as the City's accounting system. Contractor in consultation with VPU shall develop a mutually agreeable form to be used for monthly accounting and reports. For reference, the City's current accounting

and reporting software system is EDEN. The City's current asset management, inventory and work order software platform is CentralSquare Enterprise Asset Management (powered by Lucity).

9. Make electrical measurements and reports as requested by the City to provide operational data on Vernon's Electric and Fiber Optic System.
10. Install transformers, switches, cutouts, lines, meters, and other facilities on the transmission and distribution systems as required for repairs, replacements, new customers, and system expansion.
11. Install routers, modems, lines, service drops and other facilities on the fiber optic system as required for repairs, replacements, new customers, and system expansion.
12. Install metering facilities for all new customer installs and upgrades. Inspect, maintain, troubleshoot, and repair existing customer metering facilities. Remove metering facilities, as required.
13. Install, remove, and replace substation equipment and material as directed by the City. Perform maintenance on all substation equipment, as required. Troubleshoot substation related issues and take corrective actions, as required.
14. Remove underground and overhead facilities no longer needed and perform other work on underground and overhead system as required.
15. At the direction of the City, Contractor shall carry out troubleshooting activities including responding to customer calls and complaints, traveling to various sites in Vernon, assessing and estimating failures or damages, safely restoring service as quickly as possible, and reporting on system and equipment status.
16. All work shall be performed in accordance with the City's construction and operation standards, General Orders No. 95, 128, 165, 174, National Electric Safety Codes, ordinances, rules, regulations, operating procedures, and good utility practice.
17. If a new facility is to be constructed by the City, Contractor shall be allowed an opportunity to submit a proposal to construct any such facility. The City reserves the right to permit the customer to construct any customer facilities and to negotiate agreements with any contractors, including Contractor, if the City is to construct such facility. The City is not obligated to use Contractor for such services.
18. Works Orders: All work, with the exception of emergency work, shall be performed pursuant to approved work order(s) and will be scheduled with VPU. Contractor shall obtain authorization from the City for the proposed work prior to initiating construction and submit as-built documentation identifying the actual work performed after the completion of the changes made to the system. Work orders will fall into the following categories:
  - a. Major Work: Major modifications, extensions, addition, and improvements, including large maintenance jobs will be accomplished under pre-approved work orders. Large maintenance jobs are defined as those estimated in advance to take more than one crew day.

- b. Emergency Work: Emergency repairs shall be initiated as soon as possible by Contractor under a pre-assigned work order number. Contractor shall see the City's approval for the work order at the start of the next business day after the work is initiated and provide as-built information upon completion of the work. Contractor shall mobilize restoration activities in response to emergency calls within one hour of notification.
  - c. Routine work: Routine maintenance work will be completed under pre-approved standing work orders specifically established for these activities. Routine work will include line patrol, switching, replacement of minor components, minor modifications and additions, and other routine work normally required on electric utility systems. Contractor and Vernon will collaborate in establishing a number of standing work orders.
  - d. Work orders that require structure replacement such as poles, switches and transformers must be approved by the City prior to scheduling the construction and must be supplemented with as-built documentation after the completion of the work.
19. Contractor shall supply all Service Planning for work on the electric and fiber optic system for approval by the City.
20. Scheduling of Work: Contractor shall provide VPU's authorized representative, no later than 09:00 a.m. on Monday of each week, with a proposed plan and authorized representative shall approve or make modifications to the proposed plan and schedule no later than 2:00 p.m. on the day that the schedule is provided. Once approved, the plan and schedule shall be contractor's authorization to perform work during the following week. The timing of such submittals and meeting may be changed by mutual agreement between the City's and contractor's authorized representatives. Concurrent with the submission of its proposed plan and schedule, contractor shall also submit a status report and the as-built documents on the previous week's work.
21. Maintenance Schedule/Plan.
- a. Contractor shall provide VPU a monthly maintenance and inspection schedule identifying the location and circuit name. Contractor shall maintain and inspect the Electric System pursuant to the requirements of General Orders No. 95, 128, 165 and 174. The maintenance and inspection schedule shall include, but not be limited to the following:
    - i. Insulator washing (transmission, distribution, and substations).
    - ii. Street lighting inspection.
    - iii. Customer substation inspection.
    - iv. Manhole and underground cable inspection.
    - v. Pole inspection and testing.
    - vi. Distribution system inspection.
    - vii. Transmission system inspection.



- viii. Substation inspection.
  - ix. Meter testing and inspection.
  - x. Fiber Optics System inspection.
- b. Contractor shall maintain a system database to track and report inspection results and corresponding repairs/corrections. All documented work performed shall be equal to or greater than General Order 165. Contractor must submit all inspections and reports to the City within 30 days of said inspections.
22. Staffing Levels: Contractor shall provide a minimum level of employee staffing, dedicated to Vernon's Electric and Fiber Optic Systems. Contractor to provide a detailed standard rate sheet.
23. Contractor shall not accept or submit a proposal for any work for any of the City's customers, unless the City provides, in its sole discretion, advance written consent and agrees that such work shall not constitute a conflict of interest.
24. Contractor agrees that it shall provide services and maintain Vernon's Electric and Fiber Optic System for and on behalf of the City, subject to and in accordance with good utility practice and within the terms and provisions of the Agreement and direction given by Vernon's authorized representatives. Contractor shall also respond to all inquiries and requests from customers of Vernon's Electric and Fiber Optic System and shall provide safe, proper, efficient, and reliable services as provided under good utility practice.
25. Contractor understands and will perform the majority of overhead distribution work on the 7KV and 16KV while energized thereby minimizing customer outages. All work performed on the 66KV transmission system will be performed de-energized and with pre-approved switching programs. Contractor must have an extensive safety program and all appropriate hot tools to perform all energized work.

## **WORK ORDER REQUIREMENTS**

Each Work Order to be performed under the Agreement shall contain the following items, as applicable.

1. The Services authorized to be performed by Contractor.
2. The fees and payment schedule for the Services to be performed in accordance with Exhibit C – Contractor Fees for Services.
3. Identification of all critical path milestone events and target completion dates for each.
4. The Deliverables associated with the Services performed under the applicable Work Order.
5. Detailed description of all activities for the Services to be performed by Contractor and the location of each activity.
6. The number of hours, either estimate or firm, required for each activity
7. Specifications for any Equipment to be delivered under the Work Order.
8. Any other terms and conditions that are specific to the Services under the Work Order, including any modifications requested by Vernon's Authorized Representative pursuant to Section 4.1.

EXHIBIT C  
CONTRACTOR FEES FOR SERVICES



## City of Vernon - Labor

Classification	Quantity	Per New Contract	
		Regular	Double
General Manager	1	\$ 140.00	\$ 204.00
General Foreman	2	\$ 138.90	\$ 202.00
Account Manager/CPA	1	\$ 118.40	\$ 185.00
P.E. Engineer	2	\$ 112.40	\$ 182.00
Associate Engineer	2	\$ 104.80	\$ 168.50
GIS Coordinator	1	\$ 104.80	\$ 168.50
Line Crew Foreman	4	\$ 124.60	\$ 196.00
Substation Foreman	1	\$ 138.40	\$ 202.00
Meter Foreman	1	\$ 124.60	\$ 196.00
Fiber Foreman	1	\$ 124.60	\$ 196.00
Troubleman	1	\$ 115.80	\$ 184.60
Lineman	12	\$ 115.80	\$ 184.60
Groundman	4	\$ 88.50	\$ 128.90
Substation Electrician	2	\$ 115.80	\$ 184.60
Substation Relay Technician	1	\$ 132.40	\$ 199.70
Meter Technician	1	\$ 115.80	\$ 184.60
Fiber Technician/Splicer	1	\$ 115.80	\$ 184.60
Warehouse	1	\$ 88.50	\$ 128.90
Warehouse Pre-Fab	1	\$ 88.50	\$ 128.90
Mechanic Worker	2	\$ 88.50	\$ 128.90
Maintenance	1	\$ 88.50	\$ 128.90
Clerk Secretary	2	\$ 58.40	\$ 82.90



City of Vernon - Equipment

Quantity	Description	Monthly Rate	Total
11	SERVICE TRUCK F250/350	\$ 1,680.00	\$ 18,480.00
4	SERVICE TRUCK F450/550	\$ 2,210.00	\$ 8,840.00
4	3060 DIGGER DERRICK	\$ 5,280.00	\$ 21,120.00
3	STANDARD BUCKET TRUCK	\$ 5,120.00	\$ 15,360.00
3	SINGLE MAN TROUBLE BUCKET TRUCK	\$ 3,200.00	\$ 9,600.00
2	A-CLASS 80 FT. BUCKET TRUCK	\$ 11,800.00	\$ 23,600.00
1	A-CLASS 105 FT. MATERIAL HANDLER BUCKET TRUCK	\$ 12,400.00	\$ 12,400.00
1	ALTEC 35 TON CRANE	\$ 6,400.00	\$ 6,400.00
1	MANITOU FORKLIFT	\$ 2,100.00	\$ 2,100.00
1	SHERMAN REILLY PT3366 PULLER	\$ 2,400.00	\$ 2,400.00
1	SHERMAN REILLY DUCT DAWG	\$ 2,400.00	\$ 2,400.00
1	INGERSOL RAND COMPRESSOR	\$ 640.00	\$ 640.00
1	300 KW GENERATOR	\$ 610.00	\$ 610.00
1	25 KW GENERATOR	\$ 260.00	\$ 260.00
2	LIGHT TOWER	\$ 200.00	\$ 400.00
3	ARROW BOARD	\$ 390.00	\$ 1,170.00
1	CAT TELEHANDLER	\$ 2,100.00	\$ 2,100.00
1	CAT SCISSOR LIFT	\$ 400.00	\$ 400.00
			\$ 128,280.00

*Additional Hourly Equipment:*

MECHANIC TRUCK	\$ 32.00
7600 INT'L TRACTOR TRAILER LOWBED	\$ 265.00

## EXHIBIT D

### EQUAL EMPLOYMENT OPPORTUNITY

#### PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Contract, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Contract, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Contract shall be construed in any manner as to require or permit any act which is prohibited by law.