



# CITY COUNCIL Agenda

March 12, 2024, 5 p.m.

Council Chamber  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

## Welcome to Your City Council Meeting

We welcome your interest and involvement in the city's legislative process. This agenda includes information about topics coming before the City Council and the action recommended by city staff. You can read about each topic in the staff reports, which are available on the city website and in the Office of the City Clerk. The City Clerk is also available to answer any questions you have about City Council meeting procedures.

## How to Watch

### In Person



City Council Chamber  
1200 Carlsbad Village Drive

### On TV



Watch the city's cable channel  
Spectrum 24 and AT&T U-verse 99

### Online



Watch the livestream at  
[carlsbadca.gov/watch](https://carlsbadca.gov/watch)

## How to Participate

If you would like to provide comments to the City Council, please:

- Fill out a speaker request form, located in the foyer.
- Submit the form to the City Clerk before the item begins.
- When it's your turn, the City Clerk will call your name and invite you to the podium.
- For non-agenda public comment, speakers must confine their remarks to matters within the City Council's subject matter jurisdiction.
- For public comment on agenda items, speakers must confine their remarks to the question or matter under consideration.
- Speakers have three minutes, unless the presiding officer (usually the Mayor) changes that time.
- You may not give your time to another person, but can create a group. A group must select a single speaker as long as three other members of your group are present. All forms must be submitted to the City Clerk before the item begins and will only be accepted for items listed on the agenda (not for general public comment at the beginning of the meeting). Group representatives have 10 minutes unless that time is changed by the presiding officer or the City Council.
- Failure to comply with the rules for public participation is disruptive conduct. Continuing disruptive conduct after being asked by the presiding official to cease may result in removal from the meeting.

## Reasonable Accommodations

Reasonable Accommodations Persons with a disability may request an agenda packet in appropriate alternative formats as required by the Americans with Disabilities Act of 1990. Reasonable accommodations and auxiliary aids will be provided to effectively allow participation in the meeting. Please contact the City Manager's Office at 442-339-2821 (voice), 711 (free relay service for TTY users), 760-720-9461 (fax) or [manager@carlsbadca.gov](mailto:manager@carlsbadca.gov) by noon on the Monday before the meeting to make arrangements. City staff will respond to requests by noon on Tuesday, the day of the meeting, and will seek to resolve requests before the start of the meeting in order to maximize accessibility.

**More information about City Council meeting procedures can be found at the end of this agenda and in the Carlsbad Municipal Code chapter 1.20.**

*The City Council also sits as the Carlsbad Municipal Water District Board, Public Financing Authority Board, Community Development Commission and Successor Agency to the Redevelopment Agency. When considering items presented to the Carlsbad Municipal Water District Board, each member receives an additional \$100 per meeting (max \$300/month). When considering items presented to the Community Development Commission each member receives an additional \$75 per meeting (max \$150/month).*



**CALL TO ORDER:**

**ROLL CALL:**

**ANNOUNCEMENT OF CONCURRENT MEETINGS:** None.

**PLEDGE OF ALLEGIANCE:**

**APPROVAL OF MINUTES:**

Minutes from the Regular Meeting held Jan. 30, 2024

**PRESENTATIONS:**

Proclamation in Recognition of Women's History Month  
Recognition of Donation from Friends of Carrillo Ranch, Inc.

**PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:**

**PUBLIC COMMENT:** *The Brown Act allows any member of the public to comment on items not on the agenda, provided remarks are confined to matters within the City Council's subject matter jurisdiction. Please treat others with courtesy, civility, and respect. Members of the public may participate in the meeting by submitting comments as provided on the front page of this agenda. The City Council will receive comments as requested up to a total of 15 minutes in the beginning of the meeting. All other non-agenda public comments will be heard at the end of the meeting. In conformance with the Brown Act, no action can occur on these items.*

**CONSENT CALENDAR:** *The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed below. There will be no separate discussion on these items prior to the time the Council votes on the motion unless members of the Council, the City Manager, or the public request specific items be discussed and/or removed from the Consent Calendar for separate action.*

1. **REPORT ON CITY INVESTMENTS AS OF JAN. 31, 2024** – Accept and file Report on City Investments as of Jan. 31, 2024. (Staff contact: Zach Korach and Craig Lindholm, Administrative Services Department)
2. **ANNUAL INVESTMENT POLICY UPDATE** – Adoption of a resolution approving the City's Investment Policy dated March 12, 2024. (Staff contact: Zach Korach, Administrative Services Department)
3. **AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH WILLDAN ENGINEERING INC. FOR BUILDING AND SAFETY SERVICES** – Adoption of a resolution approving Amendment No. 2 to the Professional Services Agreement with Willdan Engineering Inc. to increase the total not-to-exceed compensation amount to \$140,000 in years one and two of the contract to provide continued temporary staffing and building and safety services. (Staff contact: Mike Strong, Community Services Department)
4. **AGRICULTURAL CONVERSION MITIGATION FEE FUNDS FOR BATIQUITOS LAGOON FOUNDATION PROJECTS** – Adoption of resolution approving a \$35,287 transfer of Agricultural Conversion Mitigation Fee funds from Batiquitos Lagoon Foundation Project AGP 06-12 to Batiquitos Lagoon Foundation Project AGP 09-03, a \$120,236 appropriation for upcoming costs associated with the projects, and an additional appropriation of \$5,000 for AGP 06-12 to align the current FY 2023-24 Agricultural Conversion Mitigation Fee Program Budget and authorizing the City Manager to execute funding agreements with the Batiquitos Lagoon Foundation. (Staff contact: Nicole Piano-Jones, Community Services Department)



5. ACCEPTING A \$10,310 DONATION FROM THE FRIENDS OF CARRILLO RANCH, INC. – Adoption of a resolution accepting a \$10,310 donation from the Friends of Carrillo Ranch, Inc. to the City of Carlsbad Parks & Recreation Department in support of the California History & Art Field Trip Program at Leo Carrillo Ranch Historic Park. (Staff contact: Majka Penner, Community Services Department)
6. AGREEMENT WITH SPACESAVER INTERMOUNTAIN, LLC FOR ADDITIONAL LOCKERS AND REVISING THE MEN’S LOCKER ROOM LAYOUT AT THE POLICE & FIRE HEADQUARTERS, CIP PROJECT NO. 4715 – Adoption of a resolution authorizing execution of an agreement with Spacesaver Intermountain, LLC to provide additional lockers for the Police and Fire Headquarters Renovation Project and revise the men’s locker room layout and authorizing an additional appropriation in the amount of \$157,160 from the General Capital Construction Fund for the project, CIP Project No. 4715. (Staff contact: Steven Stewart, Public Works Department and Mickey Williams, Police Department)
7. CONTINUATION OF PROCLAMATION OF A STORM-RELATED LOCAL EMERGENCY FOR REMOVAL OF SEDIMENT AND VEGETATION ON THE BUENA VISTA CREEK CONCRETE CHANNEL NEAR EL CAMINO REAL AND AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THIS EMERGENCY – Adoption of a resolution continuing the proclamation of a storm-related local emergency for removal of sediment and vegetation in the Buena Vista Creek Concrete Channel near El Camino Real and authorizing additional appropriations in the amount of \$474,000 for the Storm Drain System Rehabilitation and Repair Program. (Staff contact: Tom Frank, Public Works Department)

**BOARD AND COMMISSION MEMBER APPOINTMENTS:** None.

**ORDINANCES FOR INTRODUCTION:** None.

**ORDINANCES FOR ADOPTION:** None.

**PUBLIC HEARINGS:**

8. PUBLIC HEARING TO CONSIDER AN APPEAL OF THE CITY ENGINEER’S DECISION TO APPROVE THE GRADING FINAL PUNCH LIST, RELEASE SECURITIES AND APPROVE THE NOTICE OF COMPLETION AND ACCEPTANCE OF PUBLIC IMPROVEMENTS FOR GRADING PERMIT NO. GR2021-0016 – Adoption of a resolution denying the appeal and affirming the City Engineer designee’s approval of the Grading Final Punch List, release of grading securities and approval of the Notice of Completion and Acceptance of Public Improvements for Grading Permit No. GR2021-0016. (Staff contact: Paz Gomez, Public Works Department and Gina Herrera, City Attorney Department)

**City Manager’s Recommendation:** Take public input, close the public hearing, and adopt the resolution.

**DEPARTMENTAL AND CITY MANAGER REPORTS:**

9. UPDATE ON AFFIRMED HOUSING’S WINDSOR POINTE AFFORDABLE HOUSING PROJECT AND POTENTIAL ACTIONS TO ADDRESS CONCERNS – Receive an update on the city’s efforts to address concerns about Affirmed Housing’s Windsor Pointe Affordable Housing Project and direct designees to work with appropriate entities to resolve concerns. (Staff contact: Mandy Mills, Community Services Department and Mickey Williams, Police Department)

**City Manager’s Recommendation:** Receive the report and provide direction to staff.



10. CONTINUATION OF PROCLAMATION OF A STORM-RELATED LOCAL EMERGENCY FOR REPAIR OF THE SLOPE BETWEEN EL CAMINO REAL AND TRIESTE DRIVE, APPROVAL OF PLANS AND AUTHORIZATION OF ADDITIONAL APPROPRIATIONS FOR THIS EMERGENCY, CIP PROJECT NO. 6107 – Adoption of a resolution continuing the proclamation of a storm-related local emergency for repair of the slope between El Camino Real and Trieste Drive, approving the plans and authorizing additional appropriations in the amount of \$955,000 for the Trieste Drive Slope Repair, Capital Improvement Program Project No. 6107. (Staff contact: Tom Frank, Public Works Department)

**City Manager’s Recommendation:** Adopt the resolution.

**COUNCIL COMMENTARY AND REQUESTS FOR CONSIDERATION OF MATTERS:** *This portion of the agenda is for the City Council Members to make brief announcements, brief reports of their activities and requests for future agenda items.*

**City Council Regional Assignments (Revised 12/12/23)**

<b>Keith Blackburn</b> <b>Mayor</b>	Buena Vista Lagoon JPC Chamber of Commerce Liaison (alternate) Encina Joint Powers JAC Encina Wastewater Authority Board of Directors Economic Development Subcommittee SANDAG Board of Directors (2 <sup>nd</sup> alternate) SANDAG Shoreline Preservation Work Group (alternate)
<b>Priya Bhat-Patel</b> <b>Mayor Pro Tem – District 3</b>	City/School Committee Clean Energy Alliance JPA Economic Development Subcommittee League of California Cities – SD Division (alternate) North County Transit District SANDAG Board of Directors (1 <sup>st</sup> alternate)
<b>Melanie Burkholder</b> <b>Council Member – District 1</b>	City Council Legislative Subcommittee North County Dispatch Joint Powers Authority (alternate) SANDAG Board of Directors
<b>Teresa Acosta</b> <b>Council Member – District 4</b>	Chamber of Commerce Liaison City Council Legislative Subcommittee City/School Committee Clean Energy Alliance JPA (alternate) Encina Joint Powers JAC (alternate) Encina Wastewater Authority Board of Directors (alternate) League of California Cities – SD Division North County Dispatch Joint Powers Authority San Diego County Water Authority
<b>Carolyn Luna</b> <b>Council Member – District 2</b>	Buena Vista Lagoon JPC Encina Joint Powers JAC Encina Wastewater Authority Board of Directors North County Transit District (alternate) SANDAG Shoreline Preservation Work Group



## **PUBLIC COMMENT:** Continuation of the Public Comments

*This portion of the agenda is set aside for continuation of public comments, if necessary, due to exceeding the total time allotted in the first public comments section. In conformance with the Brown Act, no Council action can occur on these items.*

## **ANNOUNCEMENTS:**

This section of the Agenda is designated for announcements to advise the community regarding events that Members of the City Council have been invited to, and may participate in.

## **CITY MANAGER COMMENTS:**

## **CITY ATTORNEY COMMENTS:**

## **CITY CLERK COMMENTS:**

## **ADJOURNMENT:**

## **City Council Meeting Procedures (continued from page 1)**

### **Written Materials**

Written materials related to the agenda that are submitted to the City Council after the agenda packet has been published will be available for review prior to the meeting during normal business hours at the City Clerk's office, 1200 Carlsbad Village Drive and on the city website. To review these materials during the meeting, please see the City Clerk.

### **Visual Materials**

Visual materials, such as pictures, charts, maps or slides, are allowed for comments on agenda items, not general public comment. Please contact the City Manager's Office at 442-339-2820 or [manager@carlsbadca.gov](mailto:manager@carlsbadca.gov) to make arrangements in advance. All materials must be received by the City Manager's Office no later than noon the day before the meeting. The time spent presenting visual materials is included in the maximum time limit provided to speakers. All materials exhibited to the City Council during the meeting are part of the public record. **Please note that video presentations are not allowed.**

### **Decorum**

All participants are expected to conduct themselves with mutual respect. Loud, boisterous and unruly behavior can interfere with the ability of the City Council to conduct the people's business. That's why it is illegal to disrupt a City Council meeting. Following a warning from the presiding officer, those engaging in disruptive behavior are subject to law enforcement action.

### **City Council Agenda**

The City Council follows a regular order of business that is specified in the Carlsbad Municipal Code. The City Council may only make decisions about topics listed on the agenda.

### **Presentations**

The City Council often recognizes individuals and groups for achievements and contributions to the community. Well-wishers often fill the chamber during presentations to show their support and perhaps get a photo. If you don't see an open seat when you arrive, there will likely be one once the presentations are over.

### **Consent Items**

Consent items are considered routine and may be enacted together by one motion and vote. Any City Council member may remove or "pull" an item from the "consent calendar" for a separate vote. Members of the public may pull an item from the consent calendar by requesting to speak about that item. A speaker request form must be submitted to the clerk prior to the start of the consent portion of the agenda.

### **Public Comment**

Members of the public may speak on any city related item that does not appear on the agenda, provided remarks are confined to matters within the City Council's subject matter jurisdiction. State law prohibits the City Council from taking action on items not listed on the agenda. Comments requiring follow up will be referred to staff and, if appropriate, considered at a future City Council meeting. Members of the public are also welcome to provide comments on agenda items during the portions of the meeting when those items are being discussed, provided remarks are confined to the question or matter under consideration. In both cases, a request to speak form must be submitted to the clerk in advance of that portion of the meeting beginning.



### **Public Hearing**

Certain actions by the City Council require a “public hearing,” which is a time within the regular meeting that has been set aside and noticed according to different rules.

### **Departmental Reports**

This part of the agenda is for items that are not considered routine and do not require a public hearing. These items are usually presented to the City Council by city staff and can be informational in nature or require action. The staff report about each item indicates the purpose of the item and whether or not action is requested.

### **Other Reports**

At the end of each meeting, City Council members and the City Manager, City Attorney and City Clerk are given an opportunity to share information. This usually includes reports about recent meetings, regional issues, and recent or upcoming meetings and events.

### **City Council Actions**

#### **Resolution**

A resolution is an official statement of City Council policy that directs administrative or legal action or embodies a public City Council statement. A resolution may be introduced and adopted at the same meeting. Once adopted, it remains City Council policy until changed by subsequent City Council resolution.

#### **Ordinance**

Ordinances are city laws contained in the Carlsbad Municipal Code. Enacting a new city law or changing an existing one is a two-step process. First, the ordinance is “introduced” by city staff to the City Council. If the City Council votes in favor of the introduction, the ordinance will be placed on a subsequent City Council meeting agenda for “adoption.” If the City Council votes to adopt the ordinance, it will usually go into effect 30 days later.

#### **Motion**

A motion is used to propose City Council direction related to an item on the agenda. Any City Council member may make a motion. A motion must receive a “second” from another City Council member to be eligible for a City Council vote.





# CITY COUNCIL Minutes

Council Chamber  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

Jan. 30, 2024, 5 p.m.

**CALL TO ORDER:** 5 p.m.

**ROLL CALL:** Blackburn, Bhat-Patel, Acosta, Burkholder, Luna.

**PLEDGE OF ALLEGIANCE:** City Manager Scott Chadwick led the Pledge of Allegiance.

**ANNOUNCEMENT OF CONCURRENT MEETINGS:** None.

**APPROVAL OF MINUTES:**

Minutes of the Regular Meeting held Dec. 12, 2023

Minutes of the Special Meeting held Jan. 9, 2024

Minutes of the Regular Meeting held Jan. 9, 2024

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to approve the minutes as presented. Motion carried unanimously, 5/0.

**PRESENTATIONS:** None.

**PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:** None.

**PUBLIC COMMENT:**

*Mary Lucid expressed her concern regarding the lack of support for providing gold standards for seniors.*

*Lori Robins expressed her concern regarding the residents of Windsor Pointe.*

*Mark Packard expressed his concern regarding illegal and dangerous activities happening at Windsor Pointe.*

*Pierre Cochet-Weinandt expressed his concerns regarding climate action and global warming.*

*Mary Anne Monck expressed her concerns regarding insurance increases in her Tanglewood neighborhood.*

**CONSENT CALENDAR:** None.

**BOARD AND COMMISSION MEMBER APPOINTMENTS:** None.

**ORDINANCES FOR INTRODUCTION:** None.

**ORDINANCES FOR ADOPTION:**

1. **ORDINANCE NOS. CS-463 AND CS-464 - AMENDING THE ELECTED OFFICIAL COMPENSATION REVIEW** - 1) Adoption of "Ordinance No. CS-463, an Ordinance of the City Council of the City of Carlsbad, California, amending Title 2, Chapter 2.04, Section 2.04.010 (A), to adjust City



Council Members' Compensation by 4%"; and

2) Adoption of "Ordinance No. CS-464, an Ordinance of the City Council of the City of Carlsbad, California, amending Title 2, Chapter 2.04, Section 2.04.020(A), to adjust the City Clerk and City Treasurer Compensation by 4%." (Staff contact: Sheila Cobian, City Manager Department)

**City Manager's Recommendation:** Adopt Ordinance Nos. CS-463 and CS-464.

*Mary Lucid spoke regarding her concern regarding the compensation for elected officials.*

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to adopt Ordinance No. CS-463. Motion carried, 4/1 (Burkholder – No).

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to adopt Ordinance No. CS-464. Motion carried unanimously, 5/0.

**PUBLIC HEARING:**

2. 2021-2029 HOUSING ELEMENT REZONING PROGRAM (GPA 2022-0001/ZCA 2022-0004/ZC 2022-0001/AMEND 2023-0008/AMEND 2023-0009/AMEND 2023-0010/AMEND 2023-0011/AMEND 2023-0012/LCPA 2022-0015/EIR 2022-0007 (PUB 2022-0010)) – 1) Adoption of Resolution No. 2024-014 certifying the Final Supplemental Environmental Impact Report (EIR 2022-0007) and adopting findings of fact, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program for amendments to the General Plan Land Use and Community Design Element, Land Use Map, and Public Safety Element, the Zoning Ordinance and Zoning Map, the Local Coastal Program, and various master and specific plans; and
  - 2) Adoption of Resolution No. 2024-015 approving amendments to the General Plan Land Use and Community Design Element, Land Use Map (Map 1), Public Safety Element, and the Local Coastal Program to implement Objectives B, C, and D of Housing Element Program 1.1 (provide adequate sites to accommodate the RHNA), and Objective B of Housing Element Program 1.3 (Alternative Housing); and
  - 3) Adoption of Resolution No. 2024-016 approving a greater minimum affordability requirement to apply to development of residential units on city-owned sites and all other sites that receive a Residential Land Use Change, an increase in Residential Density, or that are otherwise identified as a housing site, all as those sites are identified in Planning Commission Resolution Nos. 7498 and 7499, (Case Name: Housing Element Implementation and Public Safety Element Update; Case No.: GPA 2022-0001/ZCA 2022-0004/ZC 2022-0001/LCPA 2022-0015/AMEND 2023-0008/AMEND 2023-0009/AMEND 2023-0010 AMEND 2023-0011/AMEND 2023-0012 (PUB 2022-0010)); and
  - 4) Introduction of Ordinance No. CS-465 titled "An ordinance of the City Council of the City of Carlsbad, California, amending the Zoning Ordinance and Zoning Map, Title 21 of the Carlsbad Municipal Code, to implement portions of Objectives B, C, and D of Housing Element Program 1.1 (provide adequate sites to accommodate the Regional Housing Needs Assessment (RHNA)), and Objective B of Housing Element Program 1.3 (Alternative Housing) for Map 1



(all sites)”, (Case Name: Housing Element Implementation and Public Safety Element Update; Case No.: ZCA 2022-0004/ZC 2022-0001/LCPA 2022-0015 (PUB 2022-0010)); and

5) Introduction of Ordinance No. CS-466 titled “An ordinance of the City Council of the City of Carlsbad, California, approving amendments to the Bressi Ranch Master Plan, Fenton Carlsbad Center Specific Plan, Green Valley Master Plan, North County Plaza Specific Plan, and Westfield Carlsbad Specific Plan to implement portions of Objectives B, C and D of Housing Element Program 1.1 (provide adequate sites to accommodate the Regional Housing Needs Assessment (RHNA)), and Objective B of Housing Element Program 1.3 (Alternative Housing),” (Case Name: Housing Element Implementation and Public Safety Element Update; Case No.: AMEND 2023-0008/AMEND 2023-0009/AMEND 2023-0010/AMEND 2023-0011/AMEND 2023-0012/LCPA 2022-0015 (PUB 2022-0010)).

**Or**

6) Adoption of a resolution approving amendments to the General Plan Land Use and Community Design Element, Land Use Map (Map 2 – excluding Sites 3, 8 and 15), Public Safety Element, and the Local Coastal Program to implement Objectives B, C and D of Housing Element Program 1.1 (provide adequate sites to accommodate the Regional Housing Needs Assessment (RHNA)) and Objective B of Housing Element Program 1.3 (Alternative Housing); and

7) Introduction of an ordinance titled “An ordinance of the City Council of the City of Carlsbad, California, approving an amendment to the Zoning Ordinance and Zoning Map, Title 21 of the Carlsbad Municipal Code to implement portions of Objectives B, C, and D of Housing Element Program 1.1 (provide adequate sites to accommodate the Regional Housing Needs Assessment (RHNA)), and Objective B of Housing Element Program 1.3 (Alternative Housing) for Map 2 (all sites excluding Sites 3, 8 and 15),” (Case Name: Housing Element Implementation and Public Safety Element Update; Case No.: ZCA 2022-0004/ZC 2022-0001/LCPA 2022-0015 (PUB 2022-0010)). (Staff contact: Eric Lardy and Robert Efrid, Community Development Department)

**City Manager’s Recommendation:** Take public input, close the public hearing, introduce the ordinances and adopt the resolutions.

City Planner Eric Lardy, Senior Planner Scott Donnell and Principal Planner Robert Efrid presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

*Mayor Blackburn opened the duly noticed public hearing at 5:51 p.m.*

*Lori Robbins spoke in support of Map 1.*

*Bob Pritchard requested that Site 5 not be included in the rezoning.*

*George Skinner expressed concerns over the density of Site 14.*

*Maddy Kilkenny explained the desire to continue to be involved in the city’s Housing Element.*



*Elizabeth Edmonston expressed concerns regarding Site 3 and the proposed building on that site and requested it be removed from the plan.*

*Alison Vredenburg requested that Site 3 be removed from the upzoning.*

*Joe Vredenburg spoke regarding the environmental impact of the eucalyptus groves and lack of open space in Site 3, and spoke in support of Map 2.*

*Gary Nessim spoke in support of Map 1 and explained that the units on city property should be 100% affordable units.*

*Roz Raue expressed her concern that the Planning Commissioners had not visited the sites in person.*

*Rosanne Bentley spoke against Site 3.*

*Saahil Khandwala spoke in support of Site 10 at Bressi Ranch.*

*Planning Commissioner Peter Merz thanked staff for their presentation and spoke in support of staff's recommendation on behalf of the Planning Commission.*

*Bill Hoffman of Hoffman Planning Associates spoke about how vetted the plan has been over the last several years in numerous workshops and outreach meetings, and expressed his full support for staff's recommendations.*

*Kim Hernandez expressed concerns regarding rezoning in the Village.*

*Chris Barnes spoke regarding his neighborhood petition in opposition of Site 8.*

*Jennifer Fornal urged the City Council to support Site 3 and explained that the driveway cutout would be along El Camino Real and not along Chestnut.*

*Jacob Zuniga spoke regarding Site 4 and asked for the site to be returned to the previously zoning of Mixed-Use and not High Density.*

*Yoland Higgins spoke regarding the environmental impacts to the natural habitat that the zoning change would have on the area along with the added traffic congestion on El Camino Real.*

*Seeing no one else wishing to speak, Mayor Blackburn closed the duly noticed public hearing at 6:38 p.m.*

*Mayor Blackburn called for a recess at 6:38 p.m.*

*Mayor Blackburn reconvened the meeting at 6:50 p.m.*

In response to Mayor Blackburn's request, City Planner Lardy clarified several items including:  
1) At no time did the Planning Commission take action on any items with less than four



members present as that would have not been a quorum, and that five members recommended Map 1 which is staff's recommendation; 2) North County Transit District area, Site 14, is subject to the Village & Barrio Master Plan and that there is no proposed project; 3) Staff is required to look for vacant property and is not deed restricted open space; 4) the EIR did review impacts to biology and wildlife and found items that would need to be mitigated for projects; 5) Staff is proposing a higher requirement for affordable housing; 6) Traffic studies were also completed for the sites. City Planner Lardy also explained that Sites 3 and 8 were removed on Map 2, and Site 15 is within the Village and was removed on Map 2.

In response to Mayor Blackburn, City Planner Lardy explained that if there were not a certified Housing Element, the builders remedy would come into play which would allow a developer to propose an application regardless of the General Plan.

In response to Mayor Pro Tem Bhat-Patel, City Planner Lardy explained that any property owner could propose a General Plan amendment at any time.

In response to Council Member Acosta's inquiry about traffic concerns, Principal Planner Efrid explained that there were two different in depth analyses conducted that analyzed vehicle miles traveled as a part of the state's significance criteria related to the environment and that traffic impacts were taken into consideration.

In response to Council Member Burkholder's inquiry regarding traffic, Principal Planner Efrid explained that if negative traffic impacts are found then other studies and steps would need to be made to mitigate the impacts.

Mayor Blackburn explained that the city is mandated by the state to provide the additional affordable housing and that staff is doing the best they can to comply with the mandate.

*Mayor Blackburn called for a recess at 7:32 p.m.*

*Mayor Blackburn reconvened the meeting at 7:38 p.m.*

Motion by Mayor Blackburn, seconded by Mayor Pro Tem Bhat-Patel, to adopt Resolution 2024-014, adopt Resolution No. 2024-015 with amendments (see below), adopt Resolution No. 2024-016, introduce Ordinance CS-465 (see below), and introduce Ordinance CS-466:

1) certify the Final SEIR and adopt related documents, including the additional materials memo dated Jan. 30, 2024 (Exhibit 1); 2) adopt amendments to the General Plan and Local Coastal Program, except for General Plan Land Use Map changes for Site 8 (Exhibit 2, Attachment B, Exhibit "GPA 2022-001/LCPA 2022-0015," (Site 8 – Cottage Row Apartments" on staff report page 34 of 159) (Exhibit 2); 3) adopt greater affordability levels for identified properties (Exhibit 3); 4) introduce amendment to the Zoning Ordinance and Zoning Map, except for Zoning Map changes for Site 8 (Exhibit 4, Attachment A, Exhibit "ZC 2022-0001/LCPA 2022-0015," "Site 8 – Cottage Row Apartments" on staff report page 68 of 159) (Exhibit 4); introduce amendment to master plans and specific plans (Exhibit 5); and do not include Site 15 "City's Oak Yard" as a housing site.



Before the vote was made, City Planner Lardy read the following into the record: “Amending the proposed project to remove Sites 8 and 15 is consistent with the environmental analysis. The draft EIR considered the impact of removing Sites 8 and 15 and concluded that reducing the sites would reduce the severity of impacts related to biological resources, geology and soils, hazards and hazardous materials, and hydrology and water quality compared to the proposed project (all sites). As noted in the draft EIR, the significant and unavoidable impacts related to air quality, historical resources, GHG emissions, construction noise, and transportation already analyzed under the proposed project, would remain if Sites 8 and 15 were removed. Removing Sites 8 and 15 would not create any substantial or net new impacts and would not increase the severity of any impacts which have been evaluated by the EIR.

Motion carried unanimously, 5/0.

3. AURA CIRCLE OPEN SPACE DESIGNATION (GPA 2021-0001, ZC 2021-0001, LCPA 2021-0011 (PUB 2021-0002)) AND BUENA VISTA PARK OPEN SPACE (GPA 2021-0002, ZC 2021-0002 (PUB 2021-0003)) – 1) Introduction of Ordinance No. CS-467 titled “An ordinance of the City Council of the City of Carlsbad, California, amending Section 21.05.030 of the Carlsbad Municipal Code by approving amendments to the zoning map and the Local Coastal Program Zoning Map to change zoning from One Family Residential, minimum 8,000 square foot lot size (R-1-8000) and Open Space (OS) to Open Space (OS) for a 14.58 acre property at the terminus of Aura Circle; and an amendment to the zoning map to change zoning from One Family Residential (R-1) to Open Space (OS) for a 3.1 acre property located at 1605 Buena Vista Way”, Case Name: Aura Circle Open Space and Buena Vista Park Open Space, Case No. ZC 2021-0001/LCPA 2021-0011 (PUB 2021-0002) and ZC 2021-0002 (PUB 2021-0003); and 2) Adoption of Resolution No. 2024-017 approving amendments to the General Plan and Local Coastal Program Land Use Maps to change the land use designation from Residential, 0-4 dwelling units/acre (R-4), and Open Space (OS) to Open Space (OS) for a portion of a 14.58-acre property at the terminus of Aura Circle; and an amendment to the General Plan Use Map to change the land use designation from Residential, 0-4 DU/AC (R-4) to Open Space (OS) for a 3.1 acre property at 1605 Buena Vista Way, (Case Name: Aura Circle Open Space and Buena Vista Park Open Space, Case No. GPA 2021-0001/LCPA 2021-0011 (PUB 2021-0002) and ZC 2021-0002 (PUB 2021-0003)). (Staff contact: Scott Donnell, Community Development)

**City Manager’s Recommendation:** Take public input, close the public hearing, introduce the ordinance and adopt the resolution.

City Planner Eric Lardy, Senior Planner Scott Donnell and Principal Planner Robert Efrid presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

*Mayor Blackburn opened the duly noticed public hearing at 7:45 p.m.*

*Sean McCrady spoke in opposition to the trail segment portion of the plan.*

*Roseanne Bentley expressed concerns relating to the length of time for Aura Circle open space to be addressed and in support of the trail segment.*



*Mayor Blackburn closed the duly noticed public hearing at 7:49 p.m.*

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to introduce Ordinance No. CS-467 and adopt Resolution No. 2024-017. Motion carried unanimously, 5/0.

**DEPARTMENTAL AND CITY MANAGER REPORTS:** None.

**COUNCIL REPORTS AND COMMENTS:** Mayor Blackburn and the City Council Members reported on activities and meetings of some committees and subcommittees of which they are members.

**ANNOUNCEMENTS:** This section of the Agenda is designated for announcements to advise the community regarding events that Members of the City Council have been invited to, and may participate in.

**Thursday, Feb. 1, 2024 - 9:30 a.m. – 2:30 p.m.**

Carlsbad City Council Special Meeting

Council Chamber

1200 Carlsbad Village Dr.

Carlsbad, CA

**PUBLIC COMMENT CONTINUED:**

*Roseanne Bentley expressed concerns regarding the corner of State and Carlsbad Village Drive where the Choice property is to be developed.*

**CITY MANAGER COMMENTS:** None.

**CITY ATTORNEY COMMENTS:** None.

**CITY CLERK COMMENTS:** None.

**ADJOURNMENT:** Mayor Blackburn adjourned the duly noticed meeting at 8 p.m.

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Tamara R. McMinn, CPMC, CMC  
Senior Deputy City Clerk





## CITY COUNCIL

## Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Craig Lindholm, City Treasurer  
craig.lindholm@carlsbadca.gov, 442-339-2472

Zach Korach, Finance Director  
zach.korach@carlsbadca.gov, 442-339-2127

**Subject:** Report on City Investments as of Jan. 31, 2024

**District:** All

**Recommended Action**

Accept and file Report on City Investments as of Jan. 31, 2024.

**Executive Summary**

The city's Investment Policy requires the City Treasurer to report the status of the city's pooled investment portfolio to the City Council each month.

**Discussion & Fiscal Analysis**

The city's pooled investment portfolio as of the month ending Jan. 31, 2024, is summarized below.

**Pooled investment portfolio (cash and securities)**

	Current month	Prior month
Par value <sup>1</sup>	\$882,158,591	\$863,099,767
Investment cost	\$882,580,295	\$864,645,547
Amortized cost <sup>2</sup>	\$877,762,858	\$859,452,707
Market value <sup>3</sup>	\$851,889,539	\$831,721,031

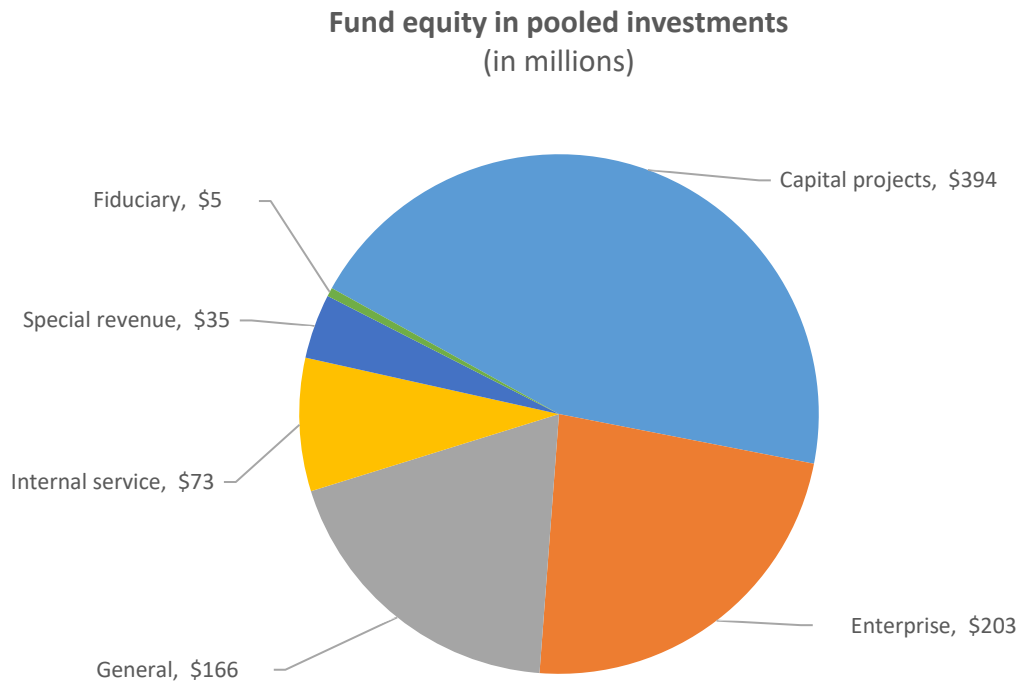
(1) The face value of the investments.

(2) The cost of investments adjusted for amortized premiums and discounts.

(3) The amount at which the investments could be sold. Source of market value is Principal custodial report.



The equity portion of the various funds in the total portfolio, that is, the part of the total investment portfolio assigned to each fund, is summarized in the graph below. Fund balances are restricted for various purposes (See Exhibit 6 for a more detailed breakdown).



	Pooled investment interest income		
	Fiscal year to date	Current month	Prior month
Cash income	\$12,096,137	\$1,972,108	\$1,538,391
The cash income received is adjusted for any received interest previously purchased.			

	Pooled investment performance		
	Average life (years)	Yield <sup>4</sup>	Modified duration
November 2023	1.77	2.44%	1.58
December 2023	1.75	2.49%	1.58
January 2024	1.78	2.58%	1.58

(4) Yield is computed by totaling the weighted average of each investment's return less any costs.

All pooled investments have been made in accordance with the city's Investment Policy, which was adopted Jan. 2, 1985, and last revised Feb. 7, 2023; however, events after the purchase might result in perceived non-compliance with the current policy. These events are typically a change in the credit rating after a purchase, a change in the city's Investment Policy, or a temporary reduction in total portfolio assets.



Exhibit 7 shows the investments out of compliance with the current policy that experienced a subsequent change in credit rating. Ratings on one investment has dropped to less than the rating required by the Investment Policy since its initial purchase. Corporate notes and municipal bonds require a “split rating” of AA from one rating company and an A rating from a second. Mortgage-backed securities require an AA rating from one rating company.

The city’s Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. These investments are paying interest at the required times, and their principal is considered secure. It is the intent of the City Treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.

Not less than two-thirds of the current fiscal year operating budget shall mature within one year. The maturity value within one year is \$321,079,568, which is 86.4% of the current year’s operating budget. The investment portfolio has the ability to meet the city’s anticipated cash flow demands for the next six months.

### **Next Steps**

The report on city investments will continue to be produced monthly by the City Treasurer.

### **Environmental Evaluation**

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

### **Exhibits**

1. Investments by cost, market value, cash income and average yield by class
2. Maturities by classification and length of time at market value
3. Yield comparison & market yield curve
4. Cash income by month & cumulative cash income
5. Maturities, calls and purchases this quarter
6. Fund equity in pooled investments
7. Security ratings and outlooks
8. Portfolio allocation at amortized cost by issuer
9. Investment detail
10. 115 trust activity



City of Carlsbad investment portfolio  
Investments by cost, market value, cash income and average yield by class

Exhibit 1

January 31, 2024

Class	Investment cost		Market value		YTD net income	Average yield		Percent of total
	Current month	Prior month	Current month	Prior month		Current month	Prior month	
Certificate of deposit	\$ 21,996,877	\$ 21,751,877	\$ 21,281,174	\$ 20,779,474	\$ 219,529	2.02%	1.99%	2.50%
Corporate notes	148,211,364	155,678,579	139,064,918	145,812,720	2,389,969	2.04%	2.02%	16.32%
Federal agency	330,764,728	321,324,378	316,810,505	306,571,818	2,587,512	1.66%	1.57%	37.19%
Mortgage passthrough securities	54,220,043	41,939,879	52,892,073	40,569,346	590,314	3.37%	2.99%	6.21%
Municipal bonds	92,728,727	90,952,947	89,423,182	87,331,920	961,766	2.42%	2.38%	10.50%
Supranational securities	19,683,412	19,683,412	18,772,600	18,747,910	214,662	1.69%	1.69%	2.20%
US Treasury	64,810,177	70,215,211	63,480,120	68,808,578	530,076	2.19%	2.12%	7.45%
General cash account	2,735,304	2,116,516	2,735,304	2,116,516	-	0.00%	0.00%	0.32%
Sweep account	13,493,503	5,834,389	13,493,503	5,834,389	272,551	5.21%	5.23%	1.58%
Investment cash account	3,872,829	3,679,961	3,872,829	3,679,961	51,334	2.95%	2.85%	0.45%
California Asset Mgmt Program (CAMP)	128,236,175	129,659,415	128,236,175	129,659,415	4,230,118	5.54%	5.55%	15.05%
Local Agency Investment Fund (LAIF)	1,827,156	1,808,983	1,827,156	1,808,983	48,307	4.01%	3.93%	0.21%
<b>Total</b>	<b>\$ 882,580,295</b>	<b>\$ 864,645,547</b>	<b>\$ 851,889,539</b>	<b>\$ 831,721,031</b>	<b>\$ 12,096,137</b>	<b>2.58%</b>	<b>2.49%</b>	<b>100.00%</b>



City of Carlsbad investment portfolio  
Maturities by classification and length of time at market value  
January 31, 2024

Exhibit 2

Class	Overnight	Within 12 months	13-36 months	37-60 months	Total
Certificate of deposit	-	\$ 2,194,948.92	11,171,194.24	7,915,030.61	21,281,173.77
Corporate notes	-	50,814,400.15	51,036,783.03	37,213,734.50	139,064,917.68
Federal agency	-	67,586,552.80	\$ 180,794,245.74	\$ 68,429,706.50	316,810,505.04
Mortgage passthrough securities	-	4,058,090.31	15,068,682.65	33,765,300.11	52,892,073.07
Municipal bonds	-	11,180,325.50	41,334,669.25	36,908,187.40	89,423,182.15
Supranational securities	-	5,298,300.80	8,456,750.00	5,017,549.50	18,772,600.30
US Treasury	-	29,781,982.50	25,098,495.00	8,599,642.50	63,480,120.00
General cash account	2,735,304.00	-	-	-	2,735,304.00
Sweep account	13,493,502.95	-	-	-	13,493,502.95
Investment cash account	3,872,829.21	-	-	-	3,872,829.21
California Asset Mgmt Program (CAMP)	128,236,174.88	-	-	-	128,236,174.88
Local Agency Investment Fund (LAIF)	1,827,156.16	-	-	-	1,827,156.16
<b>Totals</b>	<b>\$ 150,164,967.20</b>	<b>\$ 170,914,600.98</b>	<b>\$ 332,960,819.91</b>	<b>\$ 197,849,151.12</b>	<b>\$ 851,889,539.21</b>
Percent Total	17.63%	20.06%	39.08%	23.22%	100.00%

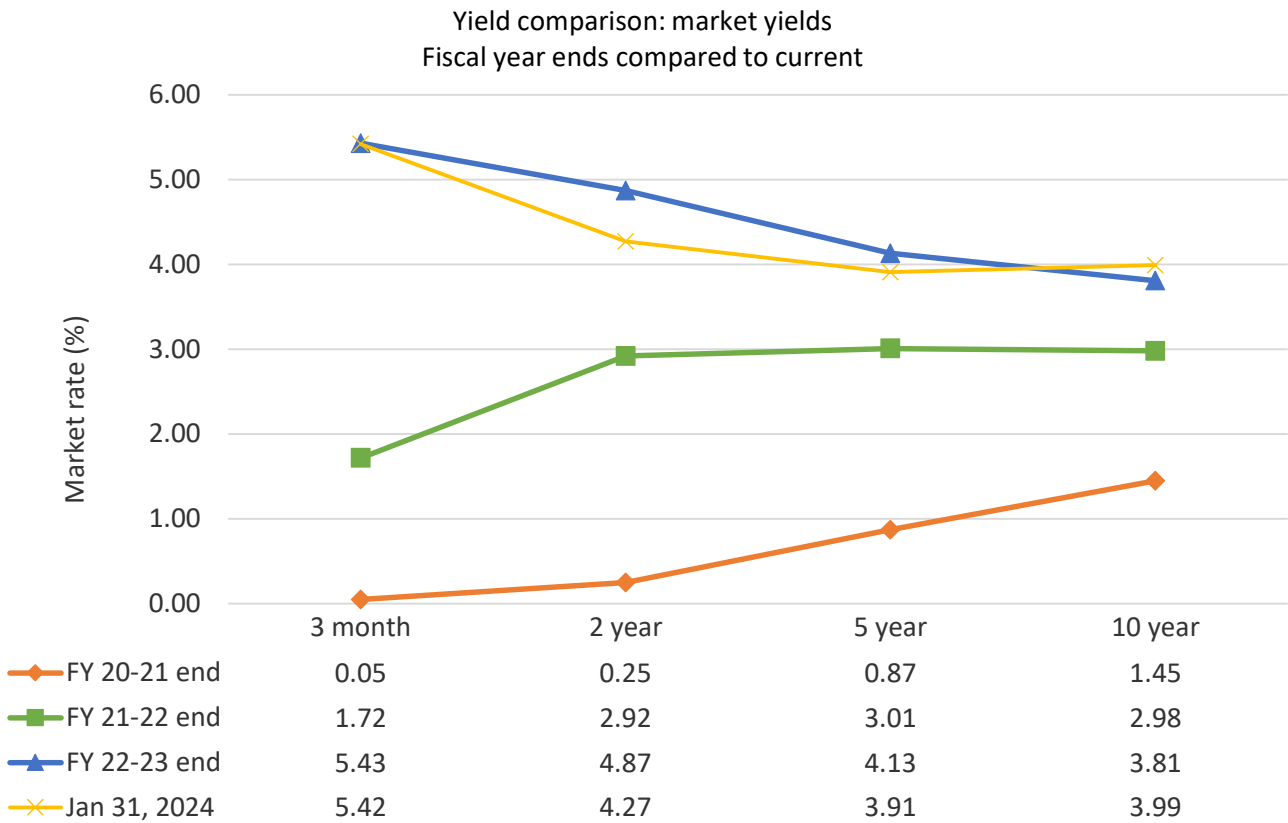
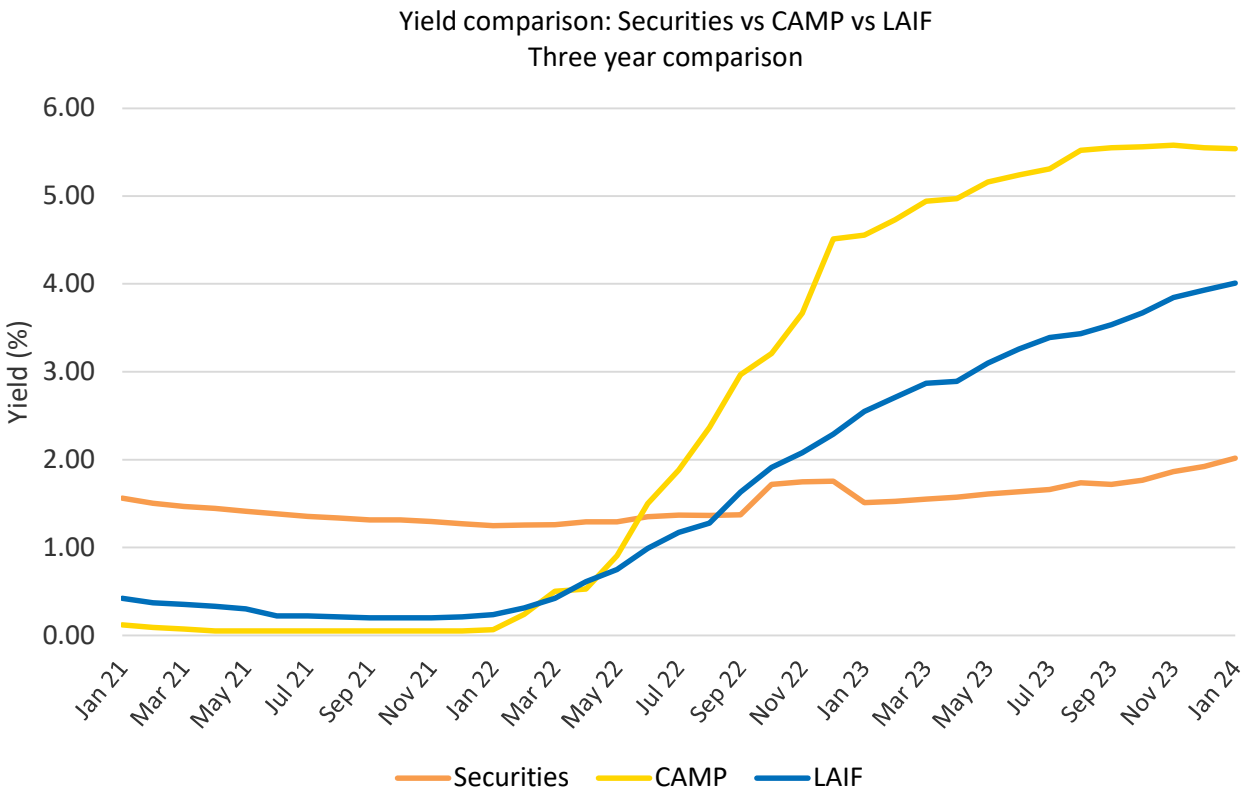
Total within one year      \$321,079,568  
Percentage of the budget      86.35%

*Policy:*

*Not less than \$251,510,000 to mature within one year, two-thirds of FY 23-24 operating budget of \$377,263,607.*

*Maximum term for all securities is five years.*

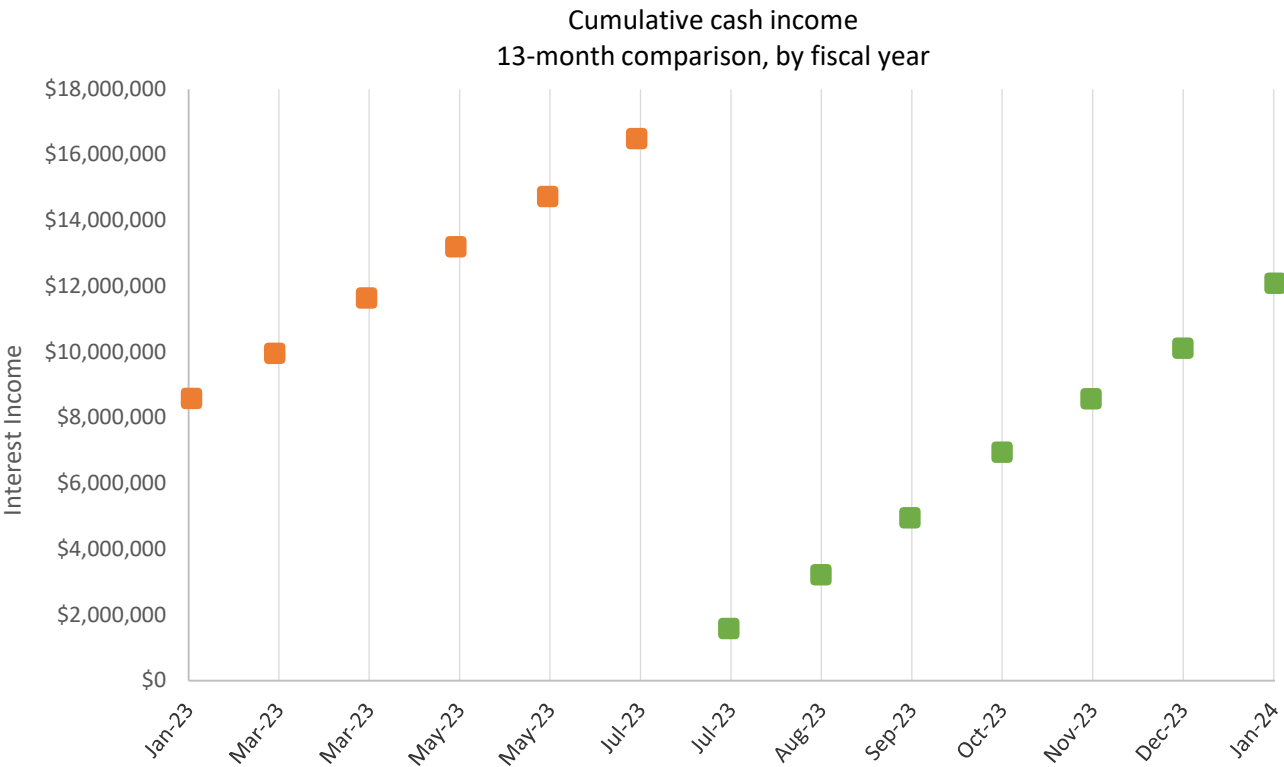
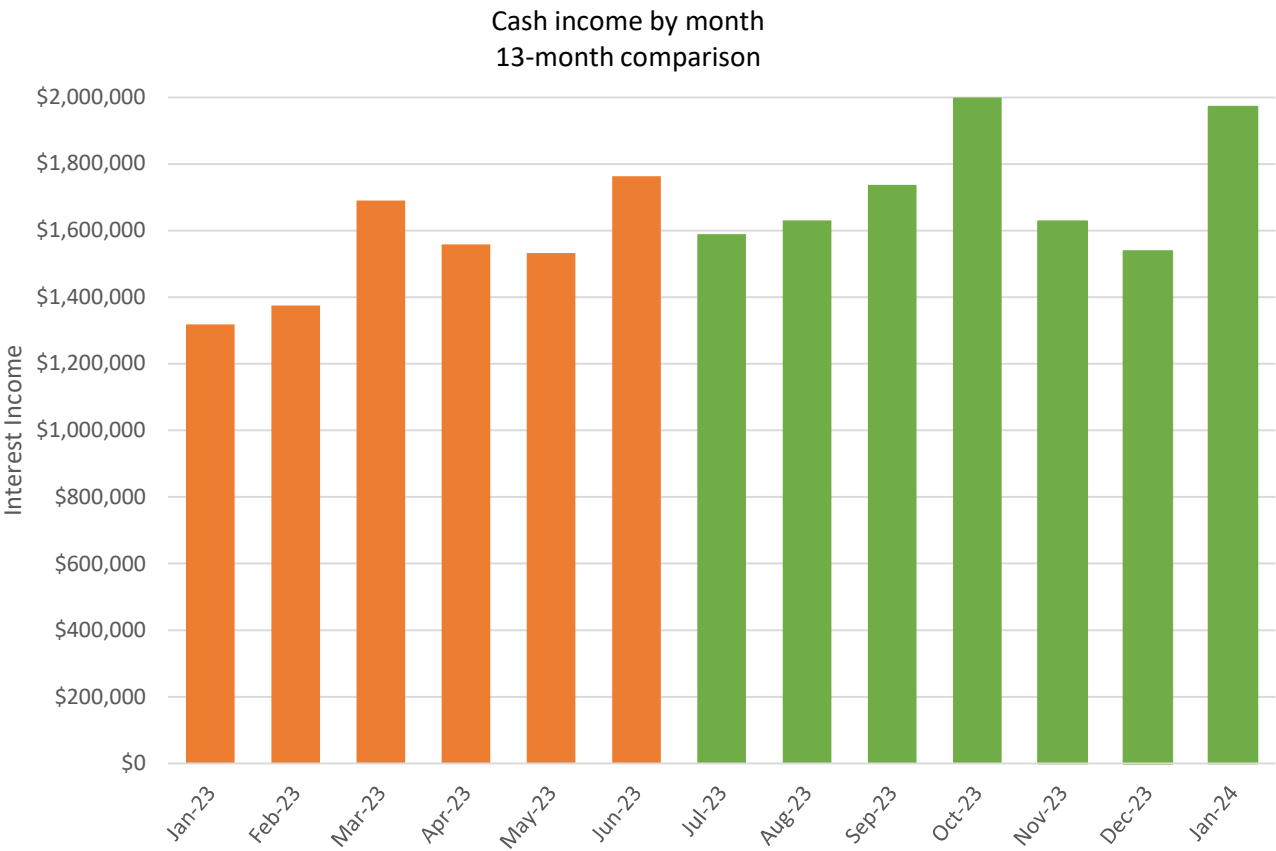






Cash income

January 31, 2024





City of Carlsbad investment portfolio  
Maturities, calls and purchases this quarter

Exhibit 5

January 31, 2024

**Maturities**

CUSIP	Issuer	Settled	Maturity	Yield	Par value	Book value	Interest	Total
Corporate notes								
89236TFS9	Toyota	03/07/19	01/08/24	2.95%	\$ 1,000,000.00	\$ 1,000,000.00	\$ 16,750.00	\$ 1,016,750.00
17325FAS7	Citibank	05/16/19	01/23/24	2.84%	1,000,000.00	1,000,000.00	18,250.00	1,018,250.00
17325FAS7	Citibank	02/13/20	01/23/24	1.77%	2,500,000.00	2,500,000.00	45,625.00	2,545,625.00
17325FAS7	Citibank	02/13/20	01/23/24	1.73%	2,000,000.00	2,000,000.00	36,500.00	2,036,500.00
17325FAS7	Citibank	02/20/20	01/23/24	1.78%	1,500,000.00	1,500,000.00	27,375.00	1,527,375.00
Mortgage passthrough securities								
31398E6W9	FHLM - FHR 3544 BC	08/27/20	01/16/24	0.53%	\$ 10,047.34	\$ 10,527.73	\$ 109.79	\$ 10,637.52
3137F32A1	FHLM - KHG1 A1	04/15/20	01/25/24	1.00%	84,550.98	90,628.08	2,710.50	93,338.58
30315EAA4	FRESB - MFM	07/24/20	01/25/24	0.83%	1,362.08	1,368.74	613.26	1,982.00
30318NAA1	FRESB - 2021-SB83	02/19/21	01/25/24	0.51%	2,340.25	2,351.24	637.53	2,988.77
3137FBTA4	FHLM - FHMS K728	03/10/21	01/25/24	3.06%	4,218.24	4,549.93	6,498.52	11,048.45
30321CAQ5	FRESB - 2021-SB88 A5F	07/23/21	01/25/24	0.75%	2,790.42	2,803.52	1,232.06	4,035.58
3137BP4J5	FHLM - FHMS K1R1	08/20/21	01/25/24	0.41%	42,166.96	44,163.30	2,516.24	46,679.54
30324QAC2	FRESB - 2022-SB94	01/21/22	01/25/24	1.50%	7,161.69	7,194.81	5,755.50	12,950.31
30311SAA7	FRESB - 2022-SB97 A5F	04/22/22	01/25/24	0.03%	4,964.62	4,767.86	4,998.05	9,765.91
3137BM7B6	FHMS - K051 A1	06/30/22	01/25/24	3.30%	90,629.08	89,921.04	5,455.97	95,377.01
3137BL6J2	FHLM - FHMS K048 A1	07/22/22	01/25/24	3.43%	71,214.45	70,502.31	1,636.12	72,138.43
30329MAA0	FRESB - 2022-SB103 A5F	10/28/22	01/25/24	4.79%	1,948.15	1,745.32	2,568.19	4,313.51
30329QAA1	FRESB - 2022-SB104 A5F	11/18/22	01/25/24	2.60%	49,443.67	45,134.06	8,564.42	53,698.48
3138L7D60	FHLM - AM6424	12/19/22	01/25/24	4.21%	2,519.89	2,439.57	2,810.36	5,249.93
30332EAA3	FRESB - 2023-SB107 A5F	07/20/23	01/25/24	4.09%	371.62	363.54	10,218.42	10,581.96
30333AAA0	FRESB - 2023-SB108 A5F	08/17/23	01/25/24	4.99%	789.47	772.46	12,384.07	13,156.53
30334CAA5	FRESB - 2023-SB111 A5F	11/16/23	01/25/24	5.28%	140.09	136.95	10,793.10	10,930.05
3132XGRH1	FRESB - FR WN2287	01/27/23	01/25/24	3.93%	3,558.96	3,526.71	9,520.04	13,046.75
U.S. Treasury								
91282CBE0	U.S. Treasury	11/15/21	01/16/24	0.13%	\$ 1,500,000.00	\$ 1,500,000.00	\$ 937.50	\$ 1,500,937.50
91282CBE0	U.S. Treasury	12/13/21	01/16/24	0.68%	2,000,000.00	2,000,000.00	1,250.00	2,001,250.00
91282CDV0	U.S. Treasury	06/13/22	01/31/24	2.90%	2,000,000.00	2,000,000.00	8,750.00	2,008,750.00
<b>Maturities Total</b>					<b>\$ 13,880,217.96</b>	<b>\$ 13,882,897.17</b>	<b>\$ 244,459.64</b>	<b>\$ 14,127,356.81</b>



City of Carlsbad investment portfolio  
Maturities, calls and purchases this quarter

Exhibit 5

January 31, 2024

**Purchases**

CUSIP	Issuer	Settled	Maturity	Yield	First Coupon	Par value	Book value
Certificate of deposit							
32026U4X1	First Foundation Bank	01/17/24	01/18/28	4.00%	07/17/24	\$ 245,000.00	\$ 245,000.00
Corporate notes							
6944PL2Z1	Pacific Life Global	01/12/24	01/11/29	4.75%	07/11/24	\$ 1,000,000.00	\$ 1,006,500.00
Federal agency							
3130APSR7	Federal Home Loan Bank	01/08/24	11/16/28	4.11%	05/16/24	\$ 1,500,000.00	\$ 1,342,500.00
3130AYE51	Federal Home Loan Bank	01/08/24	01/02/29	4.95%	07/02/24	2,500,000.00	2,501,250.00
3130AYCV6	Federal Home Loan Bank	01/11/24	01/03/29	5.00%	07/03/24	2,700,000.00	2,700,000.00
3130APTC9	Federal Home Loan Bank	01/19/24	11/22/28	4.19%	05/22/24	1,000,000.00	896,600.00
3130AYPJ9	Federal Home Loan Bank	01/29/24	01/26/28	4.50%	07/26/24	2,000,000.00	2,000,000.00
Mortgage passthrough securities							
3132XFGC6	FHLMC FR WN1094	01/08/24	03/01/28	4.48%	02/25/24	\$ 1,000,000.00	\$ 884,882.81
3140LKEG4	FNMA BS8234	01/09/24	05/01/28	4.45%	02/25/24	\$ 1,381,540.00	\$ 1,378,841.68
3140LBSE4	FNMA BS1416	01/09/24	03/01/28	4.30%	02/25/24	\$ 1,000,000.00	\$ 877,773.44
35564CAA5	FHLMCT SLST 2018	01/11/24	06/25/28	4.80%	02/25/24	\$ 1,046,799.56	\$ 1,004,641.34
3140HRZ55	FNMA BL0752	01/17/24	01/01/29	4.30%	02/25/24	\$ 1,500,000.00	\$ 1,458,450.00
3140LJJC1	FNMA BS7458	01/17/24	04/01/28	4.77%	02/25/24	\$ 2,000,000.00	\$ 2,003,593.75
3140NUN54	FNMA BZ0411	01/29/24	01/01/29	4.40%	02/25/24	\$ 2,000,000.00	\$ 1,985,220.00
3140NUFX2	FNMA BZ0181	01/30/24	12/01/28	4.43%	02/25/24	\$ 3,000,000.00	\$ 3,069,720.00
Municipal bonds							
83412PH54	Solano County CCD	01/22/24	08/01/24	4.23%	02/01/24	\$ 2,000,000.00	\$ 1,775,780.00
<b>Purchases total</b>						<b>\$ 25,873,339.56</b>	<b>\$ 25,130,753.02</b>



City of Carlsbad investment portfolio  
Fund equity in pooled investments

Exhibit 6

January 31, 2024

**Cash balance by fund:**

General		\$ 166,350,228
Special revenue		35,215,509
Capital projects:		
Infrastructure replacement	119,792,460	
Special districts	110,676,143	
General capital construction	49,195,822	
Public facilities fees	31,768,301	
Traffic impact fees	21,921,806	
Gas tax	19,366,580	
Park development	16,770,482	
Technology investment	14,796,535	
TransNet taxes	4,592,761	
Drainage fees	5,104,375	
Capital project subtotal		393,985,266
Enterprise:		
Carlsbad Municipal Water District	139,804,118	
Sewer fund	46,292,810	
Storm water	6,015,130	
Solid waste	4,021,202	
Golf course	6,369,450	
Enterprise subtotal		202,502,710
Internal service		72,526,024
Fiduciary		4,787,668
Total general ledger balance **		875,367,404
Reconciling adjustments (1)		2,395,454
<b>Total treasurer's investment portfolio at amortized cost</b>		<b>\$ 877,762,858</b>

\*\*Figures based on best estimate at the time report run on 02/15/2024.

(1) The reconciling adjustments consist of differences between the general ledger which is prepared on an accrual basis and the treasurer's report which is prepared on a cash basis.



City of Carlsbad investment portfolio  
Security ratings and outlooks

Exhibit 7

January 31, 2024

Issuer	Moody's	S&P	Fitch	Outlook
<b>Corporate notes</b>				
3M Company (Merck & Co)	A1	A+		Neg/Neg
Amazon.com Inc	A1	AA	AA-	Stable/Stable/Stable
Apple Inc	AAA	AA+		Stable/Stable/
Bank of America	A1	A-	AA-	Positive/ /Stable
Bank of Montreal	A2	N/A	AA-	Stable
Bank of New York Mellon Corp	A1	A	AA-	Neg/Stable/Stable
Blackrock Inc	AA3	AA-		Stable/Stable/
BLC Community Bank	A2	N/A	AA-	Stable
CME Group Inc	AA3	AA-	AA-	Stable/Stable/Stable
Colgate-Palmolive	AA3	AA-		Stable/Negative
Florida Power and Light Co	AA2	A+	AA-	Stable/Stable/Stable
Johnson & Johnson	AAA	AAA		Stable/Neg
JP Morgan Chase Bank	A1	A-	AA-	Stable/Stable/Stable
MassMutual Global Funding	AA3	AA+	AA+	/Stable/
Merck & Co	A1	A+		Stable/Stable/
Met Life Global	AA3	AA-	AA-	/Stable/
Microsoft	AAA	AAA		Stable/Stable/
New York Life	AAA	AA+	AAA	Stable
Nike Inc.	A1	AA-		Stable/Stable/
Novartis Capital Corp	A1	AA-	AA-	Positive/Stable
Pacific Life Global	AA3	AA-	AA-	Stable
Private Export Funding	AAA	N/A	AA+	Stable
Procter & Gamble	AA3	AA-		Stable/Stable/
Roche Holdings Inc	AA2	AA	AA	Stable
Royal Bank of Canada	A1	A	AA-	Stable/Stable/Stable
Seattle Children's Hospital	AA2	N/A	AA	Stable
Visa Inc.	AA3	AA-		Stable/Stable/
Wal-Mart	AA2	AA	AA	Stable/Stable/Stable

*Ratings of corporate notes must be AA or better by one and A or better by another of the three: Moody's, S&P, or Fitch.*

**Mortgage passthrough securities**

FHLMC	AAA	AA+		Stable
FNMA	AAA	AA+		Stable
FRESB	AAA	AA+		Stable

*Ratings of mortgage passthrough securities must be AA or better by one of the three: Moody's, S&P, or Fitch.*

**Municipal Bonds**

Ada/Canyon Cty SD	AA1	AA+		Stable
Alief Independent School Dist	AAA	AAA		
Amarillo Independent SD	AAA	AAA		Stable
Bay Area Water & Utl	AA3	AA-		
Cache County SD	AAA	AAA1	AAA1	Stable
City of Anaheim	N/A	AA+		



City of Carlsbad investment portfolio  
Security ratings and outlooks

Exhibit 7

January 31, 2024

Issuer	Moody's	S&P	Fitch	Outlook
Contra Costa Cmty College	AA1	AA+		
County of Multnomah OR	AAA	AAA		Stable
Fremont CA Unified	AA2	AA-		Stable
Honolulu Wastewater	AA3	N/A	AA-	Stable
Los Angeles Cmty Clg Dist	AAA	AA+		
Los Angeles Unified SD	AA3	AA-		Stable
Los Angeles Water & Power	AA2	AA-		Stable
Marion County SD	AA1	N/A	AA+	Stable
Mason/Kitsap Cty SD	AAA	N/A	AA+	Stable
Minnesota State	AAA	AAA	AAA	Stable
Oregon State Dept Admin Serv	AA2	AA		
Oregon State Dept of Transp	AA1	AAA	AA+	Stable
Pajaro Valley Unified SD	AA3	A+		
Portland Cmty College	AA1	N/A	AA+	Stable
San Bernardino CCD	AA1	AA		Stable
San Diego Cmty College	AA1	AAA		Stable
San Francisco City Pub Utl	N/A	AA-		
San Jose Evergreen CC	AA1	AA+		Stable
San Jose Redevelopment	N/A	AA	AA	Stable
San Ramon Valley USD	AA1	AA+		
Santa Barbara CA USD	AA1	AA		Stable
Santa Monica Cmty College	AA2	AA+		
Solano County Cmty College	AA2	AA		Stable
Southern CA Public Power	N/A	AA-	AA-	Stable
State of California	AA2	AA-	AA	Stable/positive/stable
State of Connecticut	AA3	AA-		
State of Hawaii	AA2	AA+	AA	Stable
Texas Tech University	AA1	AA+		Stable
University of California	AA2	AA	AA	Stable

*Ratings of municipal bonds must be AA or better by one and A or better by another of the three: Moody's, S&P, or Fitch.*

Investments with subsequent changes in credit rating \*

Corporate notes	Moody's	S&P	Fitch	Maturity date	Purchased	Book value
Merck & Co	A1	A+		03/07/24	10/08/19	\$ 1,503,364
						<u>\$ 1,503,364</u>

\* All investments were in compliance with the city's investment policy unless otherwise denoted.

The city's Investment Policy allows the city treasurer to determine the course of action that would correct exceptions to the policy. All current exceptions are paying interest at the required times. The principal of all investments are considered secure. It is the intent of the city treasurer to hold these assets in the portfolio until maturity unless events indicate they should be sold.



City of Carlsbad investment portfolio  
Portfolio allocation at amortized cost by issuer

Exhibit 8

January 31, 2024

Issuer	Amortized cost	Portfolio allocation
<b>Corporate notes</b>		
3M Company (Meric)	\$ 1,501,835	0.17%
Amazon.com Inc.	4,521,845	0.52%
Apple Inc.	1,526,396	0.17%
Bank of America	16,492,739	1.88%
Bank of Montreal	6,000,000	0.68%
Bank of New York Mellon	6,084,836	0.69%
Blackrock Inc.	7,018,957	0.80%
BLC Community Bank (Bank of Montreal)	2,450,000	0.28%
CME Group	2,836,687	0.32%
Colgate-Palmolive	1,961,365	0.22%
Florida Power & Light	3,741,913	0.43%
Johnson & Johnson	11,481,857	1.31%
JP Morgan Chase Bank	24,859,380	2.83%
Massmutual Global	3,767,038	0.43%
Merck & Co	1,493,957	0.17%
Met Life Global	5,148,858	0.59%
Microsoft	4,147,502	0.47%
New York Life	3,361,297	0.38%
Nike Inc.	2,927,994	0.33%
Novartis Capital Corp	3,324,906	0.38%
Pacific Life Global	1,006,431	0.11%
Private Export Funding Corp.	2,505,944	0.29%
Procter & Gamble	8,846,519	1.01%
Roche Holdings Inc	1,791,853	0.20%
Royal Bank of Canada	6,995,919	0.80%
Seattle Children's Hospital	877,017	0.10%
Visa Inc.	1,298,422	0.15%
Wal-Mart	6,536,216	0.74%
<b>Mortgage passthrough securities</b>		
FAMCA	3,563,138	0.41%
FHLMC	14,525,827	1.65%
FNMA	11,717,516	1.33%
FRESB	24,579,507	2.80%
<b>Federal agencies</b>		
Federal Agricultural Mortgage Corp.	23,147,227	2.64%
Federal Farm Credit Bank	85,485,306	9.74%
Federal Home Loan Bank	131,559,814	14.99%
Federal Home Loan Mortgage Corp.	55,690,606	6.34%



City of Carlsbad investment portfolio  
Portfolio allocation at amortized cost by issuer

Exhibit 8

January 31, 2024

Issuer	Amortized cost	Portfolio allocation
Federal National Mortgage Assoc.	33,413,910	3.81%
Tennessee Valley Authority	1,015,925	0.12%
<b>Municipal Bonds</b>		
Ada/Canyon Cty SD	1,535,869	0.17%
Alief Independent SD	1,970,038	0.22%
Amarillo Independent SD	1,789,326	0.20%
Bay Area Water	1,193,295	0.14%
Cache County SD	3,281,227	0.37%
City of Anaheim	1,500,428	0.17%
Contra Costa Cmty College	919,137	0.10%
County of Multnomah OR	2,001,897	0.23%
Fremont CA Unified	1,830,736	0.21%
Honolulu Wastewater	1,408,696	0.16%
Los Angeles Cmty College	2,025,817	0.23%
Los Angeles Unified SD	3,695,339	0.42%
Los Angeles Water & Power	1,565,986	0.18%
Marion County SD	1,882,748	0.21%
Mason/Kitsap Cty SD	640,000	0.07%
Minnesota State	1,215,000	0.14%
Oregon State Dept of Admin Services	948,119	0.11%
Oregon State Dept of Transp	3,191,199	0.36%
Pajaro Valley USD	1,173,871	0.13%
Portland CC	1,101,482	0.13%
San Bernardino CCD	1,364,757	0.16%
San Diego Cmty College	5,141,330	0.59%
San Francisco City Pub Utl	1,000,909	0.11%
San Jose Evergreen CC	775,068	0.09%
San Jose Redevelopment	4,056,051	0.46%
San Ramon Valley SD	874,074	0.10%
Santa Barbara CA USD	943,443	0.11%
Santa Monica Cmty College	506,059	0.06%
Solano County Cmty College	1,777,019	0.20%
Southern CA Public Power	2,446,810	0.28%
State of California	15,374,570	1.75%
State of Connecticut	2,856,600	0.33%
State of Hawaii	7,978,434	0.91%
Texas Tech University	5,716,445	0.65%
University of California	6,257,779	0.71%



City of Carlsbad investment portfolio  
Portfolio allocation at amortized cost by issuer

Exhibit 8

January 31, 2024

Issuer	Amortized cost	Portfolio allocation
<b>Other</b>		
Supranational	19,425,685	2.21%
US Treasury	65,025,785	7.41%
Certificate of deposits	22,000,407	2.51%
Cash	150,164,967	17.11%
<b>Total portfolio amortized cost</b>	<b>\$ 877,762,858</b>	<b>100.00%</b>

*Policy:*

*Corporate notes, mortgage passthrough securities, municipal bonds, and supranational securities may have no more than 5% invested with a single issuer.*

*Certificates of deposit may have no more than 10% invested with any single issuer.*

*Federal agencies and U.S. Treasury do not have issuer limitations*



## City of Carlsbad investment portfolio

Exhibit 9

## Investment detail

January 31, 2023

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
<b>Federal investments</b>								
3133EKBW5	03/06/19	02/27/24	Federal Farm Credit Banks	1,500,000.00	1,498,950.00	2.610%	194,771.25	1,694,771.25
3133ELNJ9	02/28/20	02/28/24	Federal Farm Credit Banks	2,500,000.00	2,500,000.00	1.550%	155,000.00	2,655,000.00
3130APZV0	11/30/21	02/28/24	Federal Home Loan Banks	1,500,000.00	1,500,000.00	0.770%	25,922.80	1,525,922.80
3130AOXE5	03/08/19	03/08/24	Federal Home Loan Banks	3,000,000.00	3,100,851.00	2.530%	487,500.00	3,487,500.00
3133EKGD2	04/09/19	04/05/24	Federal Farm Credit Banks	2,000,000.00	1,994,380.00	2.360%	229,105.56	2,229,105.56
3133EMXB3	04/23/21	04/22/24	Federal Farm Credit Banks	2,000,000.00	2,000,000.00	0.340%	20,381.11	2,020,381.11
3134GWZT6	04/05/21	04/23/24	Federal Home Loan Mortgage Corp	1,000,000.00	997,570.00	0.400%	9,760.00	1,009,760.00
3130AGEF8	05/09/19	05/07/24	Federal Home Loan Banks	1,000,000.00	1,005,320.00	2.287%	119,866.67	1,119,866.67
3133EKNX0	08/28/19	06/03/24	Federal Farm Credit Banks	1,470,000.00	1,517,378.10	1.457%	151,263.00	1,621,263.00
3135GA5Y3	11/29/21	06/14/24	Federal National Mortgage Assoc	2,000,000.00	1,976,200.00	0.849%	19,062.50	2,019,062.50
3133EKEC6	08/28/19	06/25/24	Federal Farm Credit Banks	1,183,000.00	1,237,524.47	1.457%	139,845.39	1,322,845.39
3133ELQ56	03/21/22	07/02/24	Federal Farm Credit Banks	2,005,000.00	1,942,243.50	1.980%	26,063.33	2,031,063.33
3130AP7D1	12/10/21	07/19/24	Federal Home Loan Banks	2,000,000.00	1,978,000.00	0.878%	23,475.00	2,023,475.00
3133ELX66	07/24/20	07/22/24	Federal Farm Credit Banks	2,000,000.00	2,000,000.00	0.440%	35,151.11	2,035,151.11
3133EKVV4	08/08/19	07/26/24	Federal Farm Credit Banks	2,500,000.00	2,532,125.00	1.582%	229,708.33	2,729,708.33
3134GW4X1	10/29/20	07/29/24	Federal Home Loan Mortgage Corp	3,000,000.00	3,000,000.00	0.375%	42,187.50	3,042,187.50
3130AGWK7	11/10/20	08/15/24	Federal Home Loan Banks	4,000,000.00	4,191,800.00	1.500%	255,833.33	4,255,833.33
3133EKQA7	08/30/19	09/10/24	Federal Farm Credit Banks	2,500,000.00	2,572,420.00	1.480%	261,444.44	2,761,444.44
880591ER9	02/19/21	09/15/24	Tennessee Valley Authority	1,000,000.00	1,091,424.00	0.300%	102,701.39	1,102,701.39
3134GWVM5	10/22/20	09/30/24	Federal Home Loan Mortgage Corp	3,000,000.00	3,000,000.00	0.350%	41,358.33	3,041,358.33
3134GWVM5	11/06/20	09/30/24	Federal Home Loan Mortgage Corp	1,170,000.00	1,170,000.00	0.350%	15,970.50	1,185,970.50
3130ALRK2	03/30/21	09/30/24	Federal Home Loan Banks	1,500,000.00	1,500,000.00	0.520%	27,300.00	1,527,300.00
31422XMV1	10/04/21	10/04/24	Federal Agricultural Mortgage Corp	2,000,000.00	2,000,000.00	0.500%	30,000.00	2,030,000.00
3133EK3B0	11/25/20	10/16/24	Federal Farm Credit Banks	1,400,000.00	1,466,052.00	0.280%	81,725.00	1,481,725.00
31422BPG9	11/15/19	11/01/24	Federal Agricultural Mortgage Corp	2,000,000.00	1,999,720.00	1.793%	177,607.78	2,177,607.78
3133EC2D5	07/10/20	11/13/24	Federal Farm Credit Banks	1,621,000.00	1,751,360.82	0.390%	159,055.22	1,780,055.22
3135G06E8	11/18/20	11/18/24	Federal National Mortgage Assoc	2,000,000.00	2,000,000.00	0.420%	33,600.00	2,033,600.00
3130APVZ5	12/02/21	12/02/24	Federal Home Loan Banks	1,900,000.00	1,900,000.00	1.050%	59,850.00	1,959,850.00
3130AQ5L3	12/16/21	12/16/24	Federal Home Loan Banks	2,000,000.00	2,000,000.00	0.500%	70,000.00	2,070,000.00
3130AKLQ7	12/30/20	12/30/24	Federal Home Loan Banks	4,000,000.00	4,000,000.00	0.310%	49,600.00	4,049,600.00
3134GXYX6	07/07/22	12/30/24	Federal Home Loan Mortgage Corp	2,500,000.00	2,500,000.00	3.348%	207,746.53	2,707,746.53
3130AISF7	05/27/21	01/08/25	Federal Home Loan Banks	2,000,000.00	2,000,000.00	0.648%	46,980.56	2,046,980.56
3130ASLP2	07/21/22	01/21/25	Federal Home Loan Banks	2,000,000.00	2,000,000.00	3.500%	175,000.00	2,175,000.00
3130AN7L8	07/28/21	01/28/25	Federal Home Loan Banks	1,750,000.00	1,750,000.00	0.520%	31,850.00	1,781,850.00
3133EMPV8	02/03/21	02/03/25	Federal Farm Credit Banks	2,000,000.00	2,000,000.00	0.320%	25,600.00	2,025,600.00
3134GWMN3	08/27/20	02/27/25	Federal Home Loan Mortgage Corp	2,500,000.00	2,500,000.00	0.520%	58,500.00	2,558,500.00
3130A4CH3	04/09/20	03/14/25	Federal Home Loan Banks	3,000,000.00	3,231,300.00	0.778%	351,302.08	3,351,302.08
3130A4CH3	02/18/21	03/14/25	Federal Home Loan Banks	1,500,000.00	1,620,240.00	0.389%	145,072.92	1,645,072.92
3134GWP26	06/07/21	03/28/25	Federal Home Loan Mortgage Corp	1,000,000.00	998,500.00	0.540%	19,041.67	1,019,041.67
3130AMRJ3	06/28/21	03/28/25	Federal Home Loan Banks	3,120,000.00	3,122,340.00	0.500%	70,200.00	3,190,200.00
3133EMWH1	04/21/21	04/21/25	Federal Farm Credit Banks	1,500,000.00	1,500,000.00	0.710%	42,600.00	1,542,600.00
3130APA39	09/30/22	04/21/25	Federal Home Loan Banks	1,055,000.00	963,215.00	4.287%	17,813.67	1,072,813.67
3135GAA43	12/23/20	04/23/25	Federal National Mortgage Assoc	3,000,000.00	3,000,000.00	0.500%	65,000.00	3,065,000.00
3134GWYW0	10/30/20	04/30/25	Federal Home Loan Mortgage Corp	2,000,000.00	2,000,000.00	0.500%	45,111.12	2,045,111.12
3133ELC28	06/03/20	05/27/25	Federal Farm Credit Banks	3,500,000.00	3,499,300.00	0.734%	127,324.17	3,627,324.17
3134GVB31	06/03/20	05/28/25	Federal Home Loan Mortgage Corp	2,000,000.00	2,000,000.00	0.750%	74,791.66	2,074,791.66
3135GA5S6	12/16/20	06/16/25	Federal National Mortgage Assoc	2,000,000.00	2,000,000.00	0.450%	40,500.00	2,040,500.00
3135G04Z3	01/11/21	06/17/25	Federal National Mortgage Assoc	3,000,000.00	3,014,640.00	0.389%	66,500.00	3,066,500.00
3135G04Z3	05/20/21	06/17/25	Federal National Mortgage Assoc	2,000,000.00	1,991,940.00	0.600%	40,750.00	2,040,750.00
3136G4XZ1	07/01/20	06/30/25	Federal National Mortgage Assoc	2,500,000.00	2,500,000.00	0.740%	92,448.61	2,592,448.61
3133EMMP4	01/15/21	07/14/25	Federal Farm Credit Banks	2,225,000.00	2,218,325.00	0.457%	39,024.65	2,264,024.65
3137EAEU9	09/14/20	07/21/25	Federal Home Loan Mortgage Corp	1,500,000.00	1,499,625.00	0.380%	27,296.87	1,527,296.87



## City of Carlsbad investment portfolio

Exhibit 9

## Investment detail

January 31, 2023

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
3133ELZ80	07/29/20	07/29/25	Federal Farm Credit Banks	3,000,000.00	3,000,000.00	0.580%	87,000.00	3,087,000.00
3133EMFC1	10/29/20	07/29/25	Federal Farm Credit Banks	3,000,000.00	3,000,000.00	0.530%	75,525.00	3,075,525.00
3134GWM3	10/01/20	07/30/25	Federal Home Loan Mortgage Corp	2,000,000.00	2,000,000.00	0.510%	49,271.67	2,049,271.67
3133EL3P7	08/12/20	08/12/25	Federal Farm Credit Banks	3,500,000.00	3,500,000.00	0.530%	92,750.00	3,592,750.00
3136G4C43	08/14/20	08/14/25	Federal National Mortgage Assoc	2,000,000.00	2,000,000.00	0.650%	65,000.00	2,065,000.00
3136G4H71	11/06/20	08/18/25	Federal National Mortgage Assoc	2,000,000.00	1,999,000.00	0.500%	47,833.33	2,047,833.33
3136G4K77	08/21/20	08/21/25	Federal National Mortgage Assoc	2,000,000.00	2,000,000.00	0.450%	45,000.00	2,045,000.00
3136G4X24	08/31/20	08/29/25	Federal National Mortgage Assoc	3,000,000.00	3,000,000.00	0.600%	89,900.00	3,089,900.00
3137EAEX3	10/22/20	09/23/25	Federal Home Loan Mortgage Corp	4,000,000.00	3,989,280.00	0.430%	73,791.67	4,073,791.67
3137EAEX3	12/28/20	09/23/25	Federal Home Loan Mortgage Corp	3,000,000.00	2,996,460.00	0.400%	53,281.25	3,053,281.25
3133EMCP5	10/14/20	10/14/25	Federal Farm Credit Banks	1,500,000.00	1,500,000.00	0.520%	39,000.00	1,539,000.00
3132XOCK5	11/01/22	10/14/25	Federal Agricultural Mortgage Corp	1,650,000.00	1,645,264.50	2.153%	184,415.59	1,834,415.59
3134GWXX9	10/15/20	10/15/25	Federal Home Loan Mortgage Corp	3,000,000.00	3,000,000.00	0.550%	82,500.00	3,082,500.00
3135G06A6	12/11/20	10/20/25	Federal National Mortgage Assoc	2,410,000.00	2,408,795.00	0.590%	67,909.78	2,477,909.78
3133EMDZ2	12/09/20	10/21/25	Federal Farm Credit Banks	3,000,000.00	2,994,300.00	0.560%	75,920.00	3,075,920.00
3133EMFR8	11/03/20	11/03/25	Federal Farm Credit Banks	4,500,000.00	4,500,000.00	0.540%	121,500.00	4,621,500.00
3135G06G3	12/29/20	11/07/25	Federal National Mortgage Assoc	3,000,000.00	3,012,960.00	0.410%	72,833.34	3,072,833.34
3130ALFF6	03/10/21	12/10/25	Federal Home Loan Banks	1,750,000.00	1,750,000.00	0.650%	54,031.25	1,804,031.25
31422XAT9	03/02/21	12/15/25	Federal Agricultural Mortgage Corp	3,000,000.00	3,000,000.00	0.520%	74,663.33	3,074,663.33
3134GXFV1	12/17/20	12/17/25	Federal Home Loan Mortgage Corp	5,000,000.00	5,000,000.00	0.625%	156,250.00	5,156,250.00
3134GXHD9	03/24/21	12/23/25	Federal Home Loan Mortgage Corp	1,500,000.00	1,489,500.00	0.700%	49,845.83	1,549,845.83
3135G06Q1	12/30/20	12/30/25	Federal National Mortgage Assoc	2,500,000.00	2,504,125.00	0.474%	80,000.00	2,580,000.00
3130AKMZ6	01/14/21	01/14/26	Federal Home Loan Banks	4,000,000.00	4,000,000.00	0.510%	102,000.00	4,102,000.00
3130AKMZ6	01/14/21	01/14/26	Federal Home Loan Banks	1,750,000.00	1,747,375.00	0.540%	44,625.00	1,794,625.00
31422B6K1	01/25/21	01/15/26	Federal Agricultural Mortgage Corp	1,500,000.00	1,500,000.00	0.480%	35,800.00	1,535,800.00
3130AKN69	01/28/21	01/28/26	Federal Home Loan Banks	3,000,000.00	3,000,000.00	0.500%	75,000.00	3,075,000.00
3130AKRF5	02/09/21	02/09/26	Federal Home Loan Banks	2,050,000.00	2,050,000.00	0.350%	14,575.00	2,064,575.00
3130AKVR4	02/12/21	02/12/26	Federal Home Loan Banks	2,000,000.00	2,000,000.00	0.550%	55,000.00	2,055,000.00
3130AKVV5	02/18/21	02/18/26	Federal Home Loan Banks	4,000,000.00	4,000,000.00	0.500%	100,000.00	4,100,000.00
3133EMSH6	03/03/21	03/03/26	Federal Farm Credit Banks	674,000.00	674,000.00	0.790%	26,623.00	700,623.00
3133EMSU7	03/09/21	03/09/26	Federal Farm Credit Banks	3,500,000.00	3,500,000.00	0.800%	140,000.00	3,640,000.00
3130ALH56	03/18/21	03/18/26	Federal Home Loan Banks	3,000,000.00	2,997,000.00	0.750%	112,500.00	3,112,500.00
3130ALUQ5	03/30/21	03/30/26	Federal Home Loan Banks	1,500,000.00	1,500,000.00	0.300%	22,500.00	1,522,500.00
31422XCX8	04/20/21	04/20/26	Federal Agricultural Mortgage Corp	2,000,000.00	2,000,000.00	1.000%	100,000.00	2,100,000.00
3130ALVB7	04/21/21	04/21/26	Federal Home Loan Banks	2,000,000.00	1,998,500.00	0.915%	90,000.00	2,090,000.00
3130AM4L3	04/29/21	04/29/26	Federal Home Loan Banks	4,000,000.00	4,000,000.00	0.500%	100,000.00	4,100,000.00
31422XFP2	05/04/21	05/04/26	Federal Agricultural Mortgage Corp	2,500,000.00	2,500,000.00	0.950%	118,750.00	2,618,750.00
3130AMCL4	09/30/22	05/19/26	Federal Home Loan Banks	1,100,000.00	979,726.00	4.300%	40,797.17	1,140,797.17
3130AMHN5	05/26/21	05/26/26	Federal Home Loan Banks	2,500,000.00	2,500,000.00	0.500%	112,500.00	2,612,500.00
31422XGL0	05/27/21	05/27/26	Federal Agricultural Mortgage Corp	2,000,000.00	2,000,000.00	0.920%	92,000.00	2,092,000.00
3130AMQK1	06/16/21	06/16/26	Federal Home Loan Banks	2,000,000.00	2,000,000.00	0.500%	94,000.00	2,094,000.00
3130AMQK1	06/16/21	06/16/26	Federal Home Loan Banks	2,500,000.00	2,500,000.00	0.500%	117,500.00	2,617,500.00
3133EML67	06/22/21	06/22/26	Federal Farm Credit Banks	2,000,000.00	1,993,160.00	0.870%	80,000.00	2,080,000.00
3130AMTW2	06/30/21	06/30/26	Federal Home Loan Banks	4,500,000.00	4,500,000.00	0.500%	186,750.00	4,686,750.00
3130AMWN8	06/30/21	06/30/26	Federal Home Loan Banks	2,000,000.00	2,000,000.00	0.550%	88,000.00	2,088,000.00
3130ANCH1	07/27/21	07/27/26	Federal Home Loan Banks	2,500,000.00	2,500,000.00	1.000%	125,000.00	2,625,000.00
3130ANL57	08/25/21	08/25/26	Federal Home Loan Banks	3,500,000.00	3,494,750.00	0.906%	153,125.00	3,653,125.00
31422XLY6	09/01/21	09/01/26	Federal Agricultural Mortgage Corp	4,000,000.00	4,000,000.00	0.900%	180,000.00	4,180,000.00
3133EM3T7	09/07/21	09/01/26	Federal Farm Credit Banks	3,000,000.00	2,997,750.00	0.885%	130,065.00	3,130,065.00
31422XNB4	09/30/21	09/30/26	Federal Agricultural Mortgage Corp	2,500,000.00	2,500,000.00	0.860%	107,798.60	2,607,798.60
3133ENAF7	12/27/21	10/07/26	Federal Farm Credit Banks	2,500,000.00	2,469,000.00	1.268%	119,444.44	2,619,444.44
3133ENT26	10/19/22	10/19/26	Federal Farm Credit Banks	3,000,000.00	3,000,000.00	5.300%	636,000.00	3,636,000.00
3134GW6C5	02/15/22	10/28/26	Federal Home Loan Mortgage Corp	4,500,000.00	4,266,900.00	1.958%	169,300.00	4,669,300.00



## City of Carlsbad investment portfolio

Exhibit 9

## Investment detail

January 31, 2023

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
3130APJZ9	02/25/22	10/28/26	Federal Home Loan Banks	3,500,000.00	3,378,200.00	1.979%	210,000.00	3,710,000.00
3133ENFP0	12/09/21	11/30/26	Federal Farm Credit Banks	2,950,000.00	2,952,950.00	1.408%	167,958.25	3,117,958.25
3130AQF65	01/14/22	12/21/26	Federal Home Loan Banks	1,550,000.00	1,532,857.00	1.483%	95,637.15	1,645,637.15
3130AQM8	02/07/22	01/26/27	Federal Home Loan Banks	1,250,000.00	1,245,000.00	1.331%	112,070.31	1,362,070.31
3130AQJR5	12/14/23	01/27/27	Federal Home Loan Banks	2,000,000.00	1,820,000.00	4.631%	105,000.00	2,105,000.00
3130AQLD3	03/29/22	01/28/27	Federal Home Loan Banks	2,500,000.00	2,384,750.00	2.776%	211,336.81	2,711,336.81
3130ARAB7	06/24/22	03/25/27	Federal Home Loan Banks	2,000,000.00	1,941,720.00	3.420%	260,791.67	2,260,791.67
3130ARL58	06/10/22	04/26/27	Federal Home Loan Banks	4,000,000.00	3,982,764.44	3.198%	589,235.56	4,589,235.56
3133EPJP1	05/12/23	05/12/27	Federal Farm Credit Banks	2,000,000.00	1,999,260.00	3.620%	290,000.00	2,290,000.00
3130ASCT4	06/28/22	06/28/27	Federal Home Loan Banks	2,500,000.00	2,500,000.00	3.250%	406,250.00	2,906,250.00
3130ASF46	06/30/22	06/30/27	Federal Home Loan Banks	2,500,000.00	2,500,000.00	3.500%	437,500.00	2,937,500.00
3130ASLA5	09/13/23	07/26/27	Federal Home Loan Banks	1,915,000.00	1,891,497.21	4.850%	344,700.00	2,259,700.00
3133ENL99	09/30/22	09/15/27	Federal Farm Credit Banks	2,500,000.00	2,432,200.00	3.983%	418,359.37	2,918,359.37
3133EPXB6	09/28/23	09/28/27	Federal Farm Credit Banks	2,000,000.00	1,993,860.00	4.625%	370,000.00	2,370,000.00
3130AW6F2	05/22/23	11/22/27	Federal Home Loan Banks	1,500,000.00	1,500,000.00	5.000%	337,500.00	1,837,500.00
3133EPJ30	12/06/23	12/06/27	Federal Farm Credit Banks	2,000,000.00	2,000,000.00	5.380%	430,400.00	2,430,400.00
3133EN3S7	12/07/22	12/07/27	Federal Farm Credit Banks	3,000,000.00	2,995,920.00	3.780%	562,500.00	3,562,500.00
3134H1GH0	10/30/23	12/30/27	Federal Home Loan Mortgage Corp	1,500,000.00	1,488,900.00	5.201%	312,500.00	1,812,500.00
3130AYPJ9	01/29/24	01/26/28	Federal Home Loan Banks	2,000,000.00	2,000,000.00	4.500%	359,500.00	2,359,500.00
3130AUQA5	02/02/23	02/02/28	Federal Home Loan Banks	2,500,000.00	2,500,000.00	4.050%	506,250.00	3,006,250.00
3130AUW59	03/08/23	02/17/28	Federal Home Loan Banks	1,500,000.00	1,480,500.00	4.240%	318,000.00	1,818,000.00
313382GT4	11/15/23	03/10/28	Federal Home Loan Banks	2,500,000.00	2,333,600.00	4.720%	337,500.00	2,837,500.00
3133EPDC6	03/13/23	03/13/28	Federal Farm Credit Banks	1,000,000.00	1,000,000.00	5.350%	267,500.00	1,267,500.00
3133EPFU4	04/12/23	04/12/28	Federal Farm Credit Banks	2,500,000.00	2,496,600.00	3.530%	437,500.00	2,937,500.00
3130AVK50	04/24/23	04/24/28	Federal Home Loan Banks	1,500,000.00	1,500,000.00	5.000%	375,000.00	1,875,000.00
3130ALZW7	12/14/23	04/28/28	Federal Home Loan Banks	1,000,000.00	895,070.00	4.362%	76,500.00	1,076,500.00
3130AVZQ8	04/12/23	05/17/28	Federal Home Loan Banks	1,880,000.00	1,871,070.00	5.150%	460,600.00	2,340,600.00
3133EPMA0	06/09/23	06/09/28	Federal Farm Credit Banks	1,500,000.00	1,500,000.00	4.690%	351,750.00	1,851,750.00
3134H1GL1	10/18/23	07/18/28	Federal Home Loan Mortgage Corp	2,500,000.00	2,493,750.00	5.002%	593,750.00	3,093,750.00
3134H1GL1	11/01/23	07/18/28	Federal Home Loan Mortgage Corp	2,000,000.00	1,982,760.00	5.210%	475,000.00	2,475,000.00
3134GYXX5	09/12/23	07/26/28	Federal Home Loan Mortgage Corp	1,750,000.00	1,747,375.00	5.650%	494,375.00	2,244,375.00
3133EPTA3	09/07/23	08/14/28	Federal Farm Credit Banks	1,000,000.00	1,000,000.00	5.108%	255,500.00	1,255,500.00
3134H1BP7	10/13/23	09/11/28	Federal Home Loan Mortgage Corp	1,000,000.00	995,750.00	5.148%	252,500.00	1,252,500.00
3134H1BP7	09/11/23	09/11/28	Federal Home Loan Mortgage Corp	3,000,000.00	2,974,500.00	5.245%	757,500.00	3,757,500.00
3134H1CM3	11/17/23	09/25/28	Federal Home Loan Mortgage Corp	1,500,000.00	1,477,875.00	4.843%	327,750.00	1,827,750.00
3130AP6J9	12/06/23	10/05/28	Federal Home Loan Banks	2,000,000.00	1,745,060.00	4.300%	135,000.00	2,135,000.00
3130APSR7	01/08/24	11/16/28	Federal Farm Credit Banks	1,500,000.00	1,342,500.00	4.107%	127,500.00	1,627,500.00
3130APTC9	01/19/24	11/22/28	Federal Home Loan Banks	1,000,000.00	896,600.00	4.193%	90,000.00	1,090,000.00
3130AYE51	01/08/24	01/02/29	Federal Home Loan Banks	2,500,000.00	2,501,250.00	4.947%	623,958.34	3,123,958.34
3130AYCV6	01/11/24	01/03/29	Federal Home Loan Banks	2,700,000.00	2,700,000.00	5.000%	675,000.00	3,375,000.00
Total federal investments				\$ 331,778,000.00	\$ 330,764,728.04	1.659%	\$ 24,353,111.76	\$ 356,131,111.76

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Supranationals								
459056HV2	08/29/19	08/28/24	International Bank for Recon & Devel	2,000,000.00	2,006,920.00	1.428%	149,916.67	2,149,916.67
45818WCW4	11/03/21	10/15/24	Inter-American Development Bank	1,440,000.00	1,419,552.00	0.828%	14,443.20	1,454,443.20
45950KCR9	02/04/21	10/16/24	International Finance Corporation	2,000,000.00	2,079,800.00	0.290%	101,750.00	2,101,750.00
45905U6L3	01/14/21	11/20/25	International Bank for Recon & Devel	2,000,000.00	2,250,220.00	0.510%	303,125.00	2,303,125.00
45950VPJ9	01/25/21	01/15/26	International Finance Corporation	2,000,000.00	2,007,840.00	0.500%	57,677.78	2,057,677.78
4581X0DV7	04/23/21	04/20/26	Inter-American Development Bank	3,000,000.00	3,000,720.00	0.870%	131,031.25	3,131,031.25
45950VPY6	05/28/21	05/15/26	International Finance Corporation	2,000,000.00	2,000,000.00	0.500%	49,638.89	2,049,638.89
45906M4E8	07/31/23	06/26/28	International Bank for Recon & Devel	1,250,000.00	1,240,000.00	4.684%	281,250.00	1,531,250.00



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CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
45906M4E8	09/07/23	06/26/28	International Bank for Recon & Devel	1,700,000.00	1,686,400.00	4.500%	382,500.00	2,082,500.00
459058KW2	09/28/23	08/01/28	International Bank for Recon & Devel	2,000,000.00	1,991,960.00	4.720%	448,368.06	2,448,368.06
Total supranationals				\$ 19,390,000.00	\$ 19,683,412.00	1.687%	\$ 1,919,700.85	\$ 21,309,700.85

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
U.S. Treasury								
91282CBM2	06/25/21	02/15/24	U.S. Treasury	2,500,000.00	2,484,765.63	0.357%	8,252.76	2,508,252.76
9128286G0	11/15/21	02/29/24	U.S. Treasury	2,500,000.00	2,600,183.50	2.283%	135,972.03	2,635,972.03
91282CEG2	06/13/22	03/31/24	U.S. Treasury	2,000,000.00	1,984,020.24	2.970%	80,901.64	2,080,901.64
91282CBV2	12/07/21	04/15/24	U.S. Treasury	2,000,000.00	1,985,937.50	0.677%	17,657.97	2,017,657.97
9128286R6	03/17/22	04/30/24	U.S. Treasury	2,000,000.00	2,011,875.00	1.961%	94,972.38	2,094,972.38
91282CCC3	12/07/21	05/15/24	U.S. Treasury	2,000,000.00	1,978,437.50	0.697%	12,196.13	2,012,196.13
912828WJ5	10/21/22	05/15/24	U.S. Treasury	1,750,000.00	1,694,057.40	2.500%	68,597.15	1,818,597.15
9128286Z8	03/01/21	06/30/24	U.S. Treasury	2,500,000.00	2,614,215.00	0.370%	145,873.62	2,645,873.62
91282CCL3	10/21/22	07/15/24	U.S. Treasury	3,000,000.00	2,789,648.44	4.302%	19,504.08	3,019,504.08
912828YH7	01/14/21	09/30/24	U.S. Treasury	2,000,000.00	2,088,448.94	1.500%	111,263.74	2,111,263.74
9128282Y5	10/21/22	09/30/24	U.S. Treasury	2,000,000.00	1,912,187.50	4.511%	82,548.08	2,082,548.08
912828YV6	06/07/21	11/30/24	U.S. Treasury	2,000,000.00	2,073,437.50	0.436%	104,426.23	2,104,426.23
91282CDS7	10/21/22	01/15/25	U.S. Treasury	4,000,000.00	3,712,187.50	4.548%	100,516.30	4,100,516.30
912828ZC7	07/15/21	02/28/25	U.S. Treasury	2,000,000.00	2,040,312.50	0.563%	81,623.64	2,081,623.64
912828ZL7	02/19/21	04/30/25	U.S. Treasury	2,000,000.00	1,997,920.00	0.400%	31,450.28	2,031,450.28
912828ZT0	02/19/21	05/31/25	U.S. Treasury	2,000,000.00	1,987,280.00	0.400%	21,387.36	2,021,387.36
91282CEU1	10/21/22	06/15/25	U.S. Treasury	3,000,000.00	2,877,180.00	4.530%	228,586.07	3,228,586.07
91282CAM3	01/11/21	09/30/25	U.S. Treasury	2,500,000.00	2,481,332.50	0.250%	29,481.46	2,529,481.46
91282CAZ4	01/11/21	11/30/25	U.S. Treasury	2,500,000.00	2,493,350.00	0.375%	45,793.27	2,545,793.27
91282CGA3	10/17/23	12/15/25	U.S. Treasury	2,000,000.00	1,962,187.50	4.930%	199,992.72	2,199,992.72
91282CBQ3	03/01/21	02/28/26	U.S. Treasury	3,000,000.00	2,964,726.56	0.740%	74,959.24	3,074,959.24
91282CBQ3	03/02/21	02/28/26	U.S. Treasury	2,000,000.00	1,975,513.02	0.750%	49,945.65	2,049,945.65
912828U24	12/27/21	11/15/26	U.S. Treasury	2,500,000.00	2,594,531.25	1.200%	244,198.90	2,744,198.90
91282CDK4	01/14/22	11/30/26	U.S. Treasury	1,500,000.00	1,485,000.00	1.463%	91,432.01	1,591,432.01
912828Z78	05/08/23	01/31/27	U.S. Treasury	1,500,000.00	1,485,855.00	3.500%	83,970.99	1,583,970.99
91282CFB2	04/21/23	07/31/27	U.S. Treasury	2,500,000.00	2,400,000.00	3.770%	294,181.63	2,794,181.63
91282CFU0	09/08/23	10/31/27	U.S. Treasury	1,500,000.00	1,479,375.00	4.491%	278,437.50	1,778,437.50
91282CGC9	01/25/23	12/31/27	U.S. Treasury	500,000.00	508,167.05	3.570%	96,393.30	596,393.30
91282CGC9	01/31/23	12/31/27	U.S. Treasury	750,000.00	760,105.97	3.647%	144,108.25	894,108.25
91282CGC9	09/08/23	12/31/27	U.S. Treasury	1,500,000.00	1,465,195.31	4.472%	261,562.50	1,761,562.50
91282CHA2	12/14/23	04/30/28	U.S. Treasury	1,000,000.00	969,687.50	4.265%	157,452.99	1,157,452.99
9128284N7	07/17/23	05/15/28	U.S. Treasury	1,000,000.00	953,056.40	3.952%	143,750.00	1,143,750.00
Total U.S. Treasury				\$ 65,500,000.00	\$ 64,810,177.21	2.192%	\$ 3,541,389.87	\$ 69,041,389.87

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Corporate notes								
46625HJT8	10/11/19	02/01/24	JP Morgan Chase Bank	1,765,000.00	1,900,834.40	2.000%	294,473.10	2,059,473.10
06048WL40	01/24/22	02/26/24	Bank of America	3,000,000.00	2,945,610.00	1.300%	26,300.00	3,026,300.00
58933YAU9	10/08/19	03/07/24	3M (Merck & Co)	1,500,000.00	1,581,000.00	1.604%	188,379.17	1,688,379.17
09247XAL5	08/29/19	03/18/24	Blackrock Inc.	2,000,000.00	2,162,500.00	1.640%	318,694.44	2,318,694.44
09247XAL5	10/28/19	03/18/24	Blackrock Inc.	1,000,000.00	1,071,360.00	1.801%	153,611.11	1,153,611.11
09247XAL5	11/14/19	03/18/24	Blackrock Inc.	1,000,000.00	1,065,420.00	1.923%	152,055.56	1,152,055.56
09247XAL5	05/14/20	03/18/24	Blackrock Inc.	3,000,000.00	3,300,600.00	0.845%	403,666.67	3,403,666.67
931142DP5	04/24/20	04/22/24	Wal-Mart	2,500,000.00	2,737,467.50	0.875%	329,541.67	2,829,541.67
931142DP5	04/24/20	04/22/24	Wal-Mart	2,000,000.00	2,191,860.00	0.700%	263,633.33	2,263,633.33



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CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
48133DE55	04/29/22	04/29/24	JP Morgan Chase Bank	1,500,000.00	1,500,000.00	3.125%	93,750.00	1,593,750.00
46625HJX9	07/31/19	05/13/24	JP Morgan Chase Bank	2,000,000.00	2,119,320.00	2.300%	346,791.67	2,346,791.67
46625HJX9	07/13/20	05/13/24	JP Morgan Chase Bank	3,000,000.00	3,331,290.00	0.700%	416,875.00	3,416,875.00
46625HJX9	12/13/21	05/13/24	JP Morgan Chase Bank	1,750,000.00	1,859,392.50	1.000%	153,307.29	1,903,307.29
06406HCV9	07/01/20	05/15/24	Bank of NY Mellon	3,000,000.00	3,316,860.00	0.560%	392,416.67	3,392,416.67
06048WQ60	12/03/21	06/03/24	Bank of America	2,500,000.00	2,500,000.00	1.000%	62,500.00	2,562,500.00
742651DP4	06/27/19	07/15/24	Private Export Funding	2,500,000.00	2,565,850.00	1.900%	309,142.36	2,809,142.36
023135AZ9	08/22/19	08/22/24	Amazon.com Inc	2,000,000.00	2,087,280.00	2.800%	279,377.78	2,279,377.78
023135AZ9	10/17/19	08/22/24	Amazon.com Inc	2,500,000.00	2,604,850.00	1.860%	339,305.56	2,839,305.56
06406RAL1	02/18/20	10/24/24	Bank of NY Mellon	3,055,000.00	3,093,737.40	1.816%	300,459.25	3,355,459.25
06368G3W5	11/15/21	11/15/24	Bank of Montreal	2,000,000.00	2,000,000.00	1.000%	60,000.00	2,060,000.00
931142DV2	01/16/20	12/15/24	Wal-Mart	2,000,000.00	2,067,790.00	1.900%	260,436.11	2,260,436.11
478160CJ1	01/15/20	01/15/25	Johnson & Johnson	1,820,000.00	1,882,380.50	1.586%	238,875.00	2,058,875.00
478160CJ1	04/08/20	01/15/25	Johnson & Johnson	3,000,000.00	3,231,960.00	0.906%	375,593.75	3,375,593.75
478160CJ1	07/13/20	01/15/25	Johnson & Johnson	1,000,000.00	1,090,640.00	0.510%	118,270.83	1,118,270.83
037833AZ3	09/10/21	02/09/25	Apple Inc	1,500,000.00	1,588,155.00	0.753%	128,020.83	1,628,020.83
66989HAP3	04/13/20	02/14/25	Novartis Capital Corp	3,310,000.00	3,379,576.20	1.300%	280,131.74	3,590,131.74
12572QAG0	06/03/20	03/15/25	CME Group Inc	2,771,000.00	3,050,981.84	0.730%	397,638.50	3,168,638.50
654106AH6	12/31/20	03/27/25	Nike Inc.	2,867,000.00	3,090,740.68	0.500%	291,669.47	3,158,669.47
341081FZ53	05/13/20	04/01/25	Florida Power & Light	3,667,000.00	3,980,565.17	1.020%	509,193.51	4,176,193.51
78015K7H17	12/07/21	06/10/25	Royal Bank of Canada	2,000,000.00	1,989,460.00	1.304%	80,691.67	2,080,691.67
478160CN2	04/23/21	09/01/25	Johnson & Johnson	1,250,000.00	1,241,700.00	0.705%	29,944.44	1,279,944.44
742718FL8	09/20/21	10/29/25	Procter & Gamble	1,500,000.00	1,487,460.00	0.757%	33,893.75	1,533,893.75
92826CAD4	05/17/21	12/14/25	Visa Inc	1,250,000.00	1,368,500.00	0.910%	180,140.62	1,430,140.62
06048WK82	08/23/21	01/26/26	Bank of America	1,000,000.00	989,470.00	1.000%	33,550.00	1,033,550.00
58933YAY1	04/12/21	02/24/26	Merck & Co	1,500,000.00	1,485,750.00	0.950%	54,750.00	1,554,750.00
48128G2Q2	03/01/21	02/26/26	JP Morgan Chase Bank	2,000,000.00	2,000,000.00	0.800%	80,000.00	2,080,000.00
478160BY9	03/01/21	03/01/26	Johnson & Johnson	2,500,000.00	2,697,950.00	0.750%	306,250.00	2,806,250.00
48128G3A6	03/03/21	03/03/26	JP Morgan Chase Bank	2,000,000.00	2,000,000.00	1.000%	100,000.00	2,100,000.00
48128G3V0	06/11/21	06/11/26	JP Morgan Chase Bank	2,000,000.00	2,000,000.00	1.150%	115,000.00	2,115,000.00
06048WM64	07/12/21	06/25/26	Bank of America	3,000,000.00	2,998,500.00	1.210%	178,300.00	3,178,300.00
57629WDE7	07/22/21	07/16/26	Massmutual Global	3,750,000.00	3,784,537.50	1.010%	224,250.00	3,974,250.00
594918BR4	08/11/21	08/08/26	Microsoft	4,000,000.00	4,292,240.00	0.900%	293,040.00	4,293,040.00
48128G5A4	08/25/21	08/25/26	JP Morgan Chase Bank	2,000,000.00	2,000,000.00	1.200%	120,000.00	2,120,000.00
06048WN63	09/10/21	09/10/26	Bank of America	2,000,000.00	2,000,000.00	1.150%	115,000.00	2,115,000.00
06048WP20	09/24/21	09/24/26	Bank of America	2,000,000.00	2,000,000.00	1.250%	125,000.00	2,125,000.00
59217GBY4	01/19/22	12/18/26	Met Life Global	4,000,000.00	4,281,720.00	1.940%	678,116.67	4,678,116.67
06368GC39	12/30/21	12/30/26	Bank of Montreal (BLC)	2,450,000.00	2,450,000.00	2.000%	245,000.00	2,695,000.00
742718FV6	02/04/22	02/01/27	Procter & Gamble	2,000,000.00	2,010,459.28	1.331%	189,683.33	2,189,683.33
742718FV6	05/11/23	02/01/27	Procter & Gamble	1,000,000.00	935,367.00	3.620%	76,000.00	1,076,000.00
48128G6F2	02/25/22	02/25/27	JP Morgan Chase Bank	5,000,000.00	5,000,000.00	2.550%	197,283.33	5,197,283.33
478160CE2	04/18/22	03/03/27	Johnson & Johnson	1,750,000.00	1,757,538.77	2.850%	251,671.87	2,001,671.87
742718FG9	07/08/22	03/25/27	Procter & Gamble	2,500,000.00	2,456,475.00	3.200%	329,972.22	2,829,972.22
64952WEQ2	06/23/23	04/07/27	New York Life Global	1,500,000.00	1,428,750.00	4.630%	195,000.00	1,695,000.00
64952WEQ2	07/18/23	04/07/27	New York Life Global	2,000,000.00	1,908,020.00	4.610%	260,000.00	2,260,000.00
06048WW63	06/23/22	06/22/27	Bank of America	3,000,000.00	3,000,000.00	5.000%	750,000.00	3,750,000.00
194162AN3	05/09/23	08/15/27	Colgate-Palmolive	2,000,000.00	1,997,600.00	3.694%	223,408.33	2,223,408.33
81257VAA9	03/10/23	10/01/27	Seattle Children Hosp	1,000,000.00	852,445.33	5.000%	222,581.34	1,222,581.34
78014RHK9	10/18/22	10/18/27	Royal Bank of Canada	2,500,000.00	2,500,000.00	5.700%	712,500.00	3,212,500.00
06374VBX3	11/15/22	11/15/27	Bank of Montreal	4,000,000.00	4,000,000.00	6.250%	1,250,000.00	5,250,000.00
592179KF1	10/17/23	01/06/28	Met Life Global	1,000,000.00	983,540.00	5.050%	227,250.00	1,227,250.00
78014RKf6	01/18/23	01/18/28	Royal Bank of Canada	2,500,000.00	2,500,000.00	5.450%	691,090.22	3,191,090.22
742718FZ7	11/01/23	01/26/28	Procter & Gamble	2,000,000.00	1,922,140.00	4.979%	355,500.00	2,355,500.00



## Investment detail

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CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
48130CDL6	11/03/23	11/03/28	JP Morgan Chase Bank	1,800,000.00	1,800,000.00	6.150%	553,500.00	2,353,500.00
771196BW1	12/22/23	12/13/28	Roche Holdings Inc	2,000,000.00	1,787,220.00	4.330%	193,000.00	2,193,000.00
6944PL2Z1	01/12/24	01/11/29	Pacific Life Global	1,000,000.00	1,006,500.00	4.752%	245,000.00	1,245,000.00
Total corporate notes				\$ 144,255,000.00	\$ 148,211,364.07	2.039%	\$ 17,400,478.16	\$ 161,655,478.16

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Certificate of deposit								
29367RKT2	05/16/19	05/16/24	Enterprise Bank	246,000.00	246,000.00	2.600%	31,980.00	277,980.00
27002YEN2	05/24/19	05/24/24	Eagle Bank	249,000.00	249,000.00	2.500%	31,125.00	280,125.00
336460CQ1	06/28/19	06/28/24	First State Bank Dequeen	249,000.00	249,000.00	2.300%	28,635.00	277,635.00
14042RMN8	07/31/19	07/31/24	Capital One	247,000.00	247,000.00	2.250%	27,787.50	274,787.50
938828BM1	08/30/19	08/30/24	Washington Federal	249,000.00	249,000.00	2.000%	24,900.00	273,900.00
29278TLH1	09/13/19	09/13/24	Enerbank Usa	249,000.00	249,000.00	1.750%	21,787.50	270,787.50
15118RSC2	09/18/19	09/30/24	Celtic Bank	249,000.00	249,000.00	1.700%	20,956.25	269,956.25
75472RAN1	11/26/19	11/26/24	Raymond James Bank NA	247,000.00	247,000.00	1.850%	22,872.54	269,872.54
61690URM4	01/09/20	01/09/25	Morgan Stanley Bank NA	247,000.00	247,000.00	1.900%	23,490.72	270,490.72
07815AAZ0	02/27/20	02/27/25	Bell Bank Corp	249,000.00	249,000.00	1.600%	19,941.88	268,941.88
17037TEN3	03/13/20	03/13/25	Choice Financial Group	248,000.00	248,000.00	1.100%	13,647.47	261,647.47
02554BDA6	03/13/20	03/13/25	American Eagle bank	249,000.00	249,000.00	1.100%	13,702.54	262,702.54
73319FAF6	03/18/20	03/18/25	Poppy Bank	249,000.00	249,000.00	1.100%	13,702.54	262,702.54
835104BZ2	03/19/20	03/19/25	Somerset Trust	249,000.00	249,000.00	1.000%	12,456.88	261,456.88
45083ANS7	03/20/20	03/20/25	Iberia Bank	248,000.00	248,000.00	1.000%	12,406.79	260,406.79
072727BF6	03/27/20	03/27/25	Baycoast Bank	248,000.00	248,000.00	0.950%	11,786.45	259,786.45
02519TAZ9	03/27/20	03/27/25	American Commerce Bank	249,000.00	249,000.00	0.950%	11,834.03	260,834.03
14042TDD6	04/08/20	04/08/25	Capital One	248,000.00	248,000.00	1.600%	19,850.88	267,850.88
33847E3H8	05/15/20	05/15/25	Flagstar Bank	248,000.00	248,000.00	0.850%	10,545.77	258,545.77
29260MBF1	05/15/20	05/15/25	Encore Bank	249,000.00	249,000.00	0.800%	9,965.41	258,965.41
404730CR2	05/26/20	05/27/25	Haddon Savings Bank	248,000.00	248,000.00	0.750%	9,310.19	257,310.19
43719LAE5	05/29/20	05/29/25	Home Loan Inv Bank	249,000.00	249,000.00	0.800%	9,965.41	258,965.41
69506YRT8	05/29/20	05/29/25	Pacific Western Bank	249,000.00	249,000.00	0.700%	8,719.77	257,719.77
56102AAJ5	05/29/20	05/29/25	Malaga Bank	249,000.00	249,000.00	0.700%	8,719.87	257,719.87
86128QCF3	06/10/20	06/10/25	Stockman Bank	249,000.00	249,000.00	0.600%	7,474.10	256,474.10
740367MA2	07/17/20	07/17/25	Preferred Bank	249,000.00	249,000.00	0.500%	6,228.46	255,228.46
89235MIJ5	07/16/20	07/28/25	Toyota Financial Savings Bank	249,000.00	249,000.00	0.650%	8,096.93	257,096.93
211163KQ2	07/29/20	07/29/25	Continental Bank	249,000.00	249,000.00	0.500%	6,228.46	255,228.46
02007GXF5	08/09/22	08/04/25	Ally Bank	201,000.00	201,000.00	3.400%	20,427.10	221,427.10
549104RV1	08/14/20	08/14/25	Luana Savings Bank	249,000.00	249,000.00	0.450%	5,605.57	254,605.57
32022RNT0	08/19/20	08/19/25	1st Financial Bank	249,000.00	249,000.00	0.450%	5,605.82	254,605.82
31944MBB0	08/20/20	08/20/25	1st Carolina Bank	249,000.00	249,000.00	0.450%	5,605.82	254,605.82
664122AF5	08/20/20	08/20/25	Northeast Community Bank	249,000.00	249,000.00	0.450%	5,605.82	254,605.82
228212AQ9	09/04/20	09/04/25	Crown Bank	249,000.00	249,000.00	0.400%	4,982.62	253,982.62
59013KKJ4	09/15/20	09/15/25	Merrick	249,000.00	249,000.00	0.400%	4,982.62	253,982.62
2027506P5	10/22/20	09/25/25	Commonwealth Bus Bank	249,000.00	249,000.00	0.400%	4,908.94	253,908.94
51507LBY9	09/29/20	09/29/25	Landmark Community	249,000.00	249,000.00	0.400%	4,982.58	253,982.58
538036LQ5	10/22/20	10/08/25	Live Oak Bank	249,000.00	249,000.00	0.400%	4,944.42	253,944.42
560390AS5	10/15/20	10/15/25	Maine Comm Bank	249,000.00	249,000.00	0.350%	4,359.94	253,359.94
33625CDS5	10/16/20	10/16/25	First Security Bank Wash	249,000.00	249,000.00	0.350%	4,359.94	253,359.94
780684AJ5	11/06/20	10/23/25	Royal Savings Bank	249,000.00	249,000.00	0.400%	4,944.42	253,944.42
33744AAW9	11/18/20	11/18/25	First US Bank	249,000.00	249,000.00	0.400%	4,982.62	253,982.62
88413QCU0	12/18/20	12/18/25	Third Federal Savings and Loan	249,000.00	249,000.00	0.450%	5,605.56	254,605.56
91330ACR6	12/18/20	12/18/25	Unity Bank	249,000.00	248,377.50	0.400%	4,982.72	253,982.72
08016PDV8	12/23/20	12/23/25	Belmont Savings Bank	249,000.00	248,377.50	0.400%	4,982.62	253,982.62



## City of Carlsbad investment portfolio

Exhibit 9

## Investment detail

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CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
634116CW5	12/28/20	12/23/25	National Bank of NY City	249,000.00	248,688.75	0.400%	4,968.98	253,968.98
882214AA7	01/08/21	12/23/25	Texas Bank Henderson	249,000.00	249,000.00	0.450%	5,556.70	254,556.70
06424KBH2	01/08/21	01/08/26	Bank of Santa Clarita	249,000.00	248,688.75	0.400%	4,982.62	253,982.62
38522ABP0	01/08/21	01/08/26	Grand Bank Tulsa	249,000.00	248,688.75	0.400%	4,982.62	253,982.62
20143PEH9	01/26/21	01/26/26	Commercial Bank	249,000.00	248,751.00	0.471%	5,605.82	254,605.82
15258RAV9	01/27/21	01/27/26	Central Bank Storm Lake	249,000.00	248,751.00	0.471%	5,605.82	254,605.82
43786UAJ2	02/18/21	01/29/26	Hometown Bk of Alabama	249,000.00	249,000.00	0.400%	4,928.04	253,928.04
909242AN9	02/26/21	02/26/26	United Rep Bk Omaha	249,000.00	249,000.00	0.400%	4,982.61	253,982.61
12527CDV1	03/03/21	03/03/26	CFG Community Bk	249,000.00	249,000.00	0.400%	4,982.73	253,982.73
110087AS2	03/10/21	03/10/26	Bristol Morgan Bank	249,000.00	249,000.00	0.450%	5,605.82	254,605.82
87164XA30	09/03/21	09/03/26	Syncrony Bank	249,000.00	249,000.00	0.900%	11,205.00	260,205.00
90348JS92	09/09/21	09/09/26	UBS Bank USA	249,000.00	249,000.00	0.950%	11,834.03	260,834.03
795451BH5	04/05/22	02/23/27	Sallie May Bank	247,000.00	242,902.27	2.564%	26,574.50	273,574.50
598580AM0	03/08/23	03/08/27	Mifflinburg Bank and Trust Company	249,000.00	249,000.00	4.650%	46,345.77	295,345.77
64034KBF7	03/09/22	03/09/27	Nelnet Bank Inc	247,000.00	247,000.00	1.950%	24,095.69	271,095.69
27004PCN1	03/09/22	03/09/27	Eaglemark Savings	247,000.00	247,000.00	2.000%	24,713.53	271,713.53
07371CN21	03/16/22	03/10/27	Beal Bank NV	247,000.00	247,000.00	1.800%	22,169.09	269,169.09
07371AB28	03/16/22	03/10/27	Beal Bank TX	247,000.00	247,000.00	1.800%	22,169.09	269,169.09
02589ABW1	03/23/22	03/23/27	American Exp Bank	247,000.00	247,000.00	2.200%	27,184.89	274,184.89
31938QW34	02/15/22	04/15/27	First Business Bank	245,000.00	245,000.00	3.900%	33,790.69	278,790.69
254673D94	05/18/22	05/19/27	Discover Bank	246,000.00	246,000.00	3.200%	39,403.14	285,403.14
910286GS6	07/14/23	07/14/27	United Fidelity Bank	249,000.00	249,000.00	4.600%	45,847.38	294,847.38
78577TMR3	11/06/23	08/06/27	Saco & Biddeford Savings Institution	244,000.00	244,000.00	5.000%	45,750.00	289,750.00
68405VAU3	09/15/23	09/13/27	Optum Bank	244,000.00	244,000.00	4.700%	45,872.00	289,872.00
20347MAS0	10/20/23	10/20/27	Community Bank and Trust	244,000.00	244,000.00	4.900%	47,824.00	291,824.00
37173RAJ2	12/13/23	12/13/27	Genesee Regional Bank	244,000.00	244,000.00	4.400%	42,944.00	286,944.00
34520LAY9	12/15/22	12/15/27	Forebright Bank	249,000.00	248,651.40	4.031%	49,827.34	298,827.34
84229LBJ0	12/16/22	12/16/27	Southern Bank	245,000.00	245,000.00	4.000%	49,026.84	294,026.84
32026U4X1	01/17/24	01/18/28	First Foundation Bank	245,000.00	245,000.00	4.000%	38,689.86	283,689.86
70212YBE1	02/22/23	02/22/28	Partners Bank California	245,000.00	245,000.00	3.850%	47,188.34	292,188.34
062119BH4	03/08/23	03/07/28	Bank Five Nine	249,000.00	249,000.00	4.550%	56,678.44	305,678.44
05580AW59	03/10/23	03/10/28	BMW Bank North America	244,000.00	244,000.00	4.600%	56,181.50	300,181.50
108622NK3	03/29/23	03/29/28	Bridgewater Bk	249,000.00	249,000.00	4.800%	59,825.54	308,825.54
178180GY5	03/31/23	03/31/28	City Natl Bk - Los Angeles	243,000.00	243,000.00	5.000%	60,816.56	303,816.56
914098DQ8	04/03/23	04/03/28	University Bank NA	249,000.00	249,000.00	4.800%	59,825.53	308,825.53
05600XE3	05/16/23	05/16/28	BMO Harris Bank NA	244,000.00	244,000.00	4.500%	54,960.16	298,960.16
23204HPB8	06/06/23	06/14/28	Customers Bank	244,000.00	244,000.00	4.500%	53,365.81	297,365.81
91527PCD7	06/06/23	06/21/28	Univest Bank & Trust	249,000.00	249,000.00	4.500%	56,546.88	305,546.88
501798UJ9	07/18/23	07/18/28	LCA Bank Corporation	243,000.00	243,000.00	4.500%	54,734.92	297,734.92
58404DTG6	09/19/23	09/19/28	Medallion Bank	249,000.00	249,000.00	4.600%	57,332.81	306,332.81
59936MAA4	09/25/23	09/25/28	Milford Building & Loan	244,000.00	244,000.00	4.550%	55,510.00	299,510.00
84287PJB9	10/17/23	10/17/28	Southern First Bank	244,000.00	244,000.00	4.850%	59,170.00	303,170.00
949765HZ0	11/21/23	11/21/28	Wells Fargo Bank NA	248,000.00	248,000.00	5.050%	62,898.31	310,898.31
523343AA9	12/29/23	12/29/28	Ledyark National Bank	244,000.00	244,000.00	4.050%	49,464.16	293,464.16
Total certificate of deposit				\$ 22,004,000.00	\$ 21,996,876.92	2.017%	\$ 2,101,955.03	\$ 24,105,955.03

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Mortgage backed securities (agency)								
31398E6W9	08/27/20	06/15/24	FHLM - FHR 3544 BC	22,889.15	86,670.23	0.532%	83,540.73	106,429.88
3137FBTA4	03/10/21	08/25/24	FHLM - FHMS K728	2,540,894.61	2,746,259.29	3.064%	153,244.21	\$ 2,694,138.82
3137F32A1	04/15/20	11/25/24	FHLM - KHG1 A1	888,988.05	949,246.91	0.999%	217,130.28	1,106,118.33
3137BL6J2	07/22/22	12/25/24	FHLM - FHMS K048 A1	658,921.80	652,332.58	3.425%	64,096.69	723,018.49



## City of Carlsbad investment portfolio

Exhibit 9

## Investment detail

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CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
3137BM7B6	06/30/22	04/25/25	FHMS - K051 A1	2,177,179.29	2,160,170.07	3.299%	163,239.98	2,340,419.27
30315EAA4	07/24/20	05/25/25	FRESB - MFM	885,277.07	886,259.10	0.830%	15,869.91	901,146.98
3137BJQ71	03/15/21	05/25/25	FHLM - FHMS KPLB A	2,000,000.00	2,157,500.00	2.770%	110,231.60	2,110,231.60
30318NAA1	02/19/21	01/25/26	FRESB - 2021-SB83	1,212,001.77	1,217,014.22	0.505%	22,551.11	1,234,552.88
3137BPW21	03/25/21	03/25/26	FHLM - KHMS K055	2,500,000.00	2,700,000.00	2.673%	154,976.68	2,654,976.68
3137BP4J5	08/20/21	03/25/26	FHLM - FHMS K1R1	1,192,293.03	1,022,266.35	0.414%	239,848.91	1,432,141.94
30321CAQ5	07/23/21	04/25/26	FRESB - 2021-SB88 A5F	1,677,296.55	1,685,174.90	0.746%	40,585.81	1,717,882.36
30324QAC2	01/21/22	11/25/26	FRESB - 2022-SB94	4,204,180.35	4,223,624.67	1.500%	171,584.69	4,375,765.04
30311SAA7	04/22/22	04/25/27	FRESB - 2022-SB97 A5F	3,364,505.69	3,231,163.62	2.803%	145,119.91	3,509,625.60
30329MAA0	10/28/22	06/25/27	FRESB - 2022-SB103 A5F	1,479,697.34	1,325,641.60	4.989%	186,362.10	1,666,059.44
30329QAA1	11/18/22	09/25/27	FRESB - 2022-SB104 A5F	3,903,362.89	3,563,137.99	2.600%	248,449.63	4,151,812.52
3138L7D60	12/16/22	10/01/27	FHLM - AM6424	974,994.91	943,916.95	4.212%	77,476.88	1,052,471.79
3132XGRH1	01/27/23	11/01/27	FRESB - WN2287	2,992,519.11	2,965,399.40	3.929%	259,613.30	3,252,132.41
3132XFGC6	01/08/24	03/01/28	FHLM - WN1094	1,000,000.00	884,882.81	4.476%	28,164.61	1,028,164.61
3140LBSE4	01/09/24	03/01/28	FNMA - BS1416	1,000,000.00	877,773.44	4.300%	509,942.51	1,509,942.51
3140LJJC1	01/17/24	04/01/28	FNMA - BS7458	2,000,000.00	2,003,531.75	4.780%	169,602.87	2,169,602.87
3140LKEG4	01/09/24	05/01/28	FNMA - BS8234	1,381,540.00	1,378,841.68	4.448%	128,402.51	1,509,942.51
30332EAA3	07/20/23	05/25/28	FRESB - 2023-SB107 A5F	2,997,699.06	2,932,526.08	4.090%	297,835.37	3,295,534.43
35564CAA5	01/11/24	06/25/28	FHLM - SLST 2018	1,046,799.56	1,004,641.34	5.366%	77,680.79	1,124,480.35
30333AAA0	08/17/23	06/25/28	FRESB - 2023-SB108 A5F	3,495,890.32	3,420,546.89	4.793%	359,518.19	3,855,408.51
30334CAA5	11/16/23	09/25/28	FRESB - 2023-SB111 A5F	2,749,693.74	2,688,130.85	5.284%	304,530.63	3,054,224.37
3140NUFX2	01/30/24	12/01/28	FNMA - BZ0181	3,000,000.00	3,069,720.00	4.920%	352,959.74	3,352,959.74
3140NUN54	01/29/24	01/01/29	FNMA - BZ0411	2,000,000.00	1,985,220.00	4.400%	169,602.87	2,169,602.87
3140HRZS5	01/17/24	01/01/29	FNMA - BL0752	1,500,000.00	1,458,450.00	3.650%	127,202.17	1,627,202.17
Total mortgage backed securities (agency)				\$ 54,846,624.29	\$ 54,220,042.72	3.366%	\$ 4,879,364.68	\$ 59,725,988.97

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
<b>Municipal bonds</b>								
127145LE8	05/27/21	06/15/24	Cache County SD	3,250,000.00	3,505,872.50	0.400%	297,375.00	3,547,375.00
005158XL9	06/17/21	08/15/24	Ada & Canyon County School District	1,500,000.00	1,710,405.00	0.520%	237,083.33	1,737,083.33
419792ZK5	02/26/21	10/01/24	State of Hawaii	3,000,000.00	3,039,420.00	0.433%	86,549.17	3,086,549.17
419792ZK5	03/17/22	10/01/24	State of Hawaii	2,000,000.00	1,933,240.00	2.160%	40,723.78	2,040,723.78
79771FAX5	03/01/21	11/01/24	San Francisco City Public Utilities	1,000,000.00	1,004,450.00	0.600%	26,523.31	1,026,523.31
575181GX	06/02/21	12/01/24	Mason & Kitsap Counties School Distr	640,000.00	640,000.00	0.538%	12,041.64	652,041.64
023051YW9	07/19/21	02/01/25	Amarillo Independent SD	1,800,000.00	1,762,290.00	0.600%	-	1,800,000.00
882806HG0	03/22/21	02/15/25	Texas St Tech Univ	2,500,000.00	2,524,850.00	0.679%	93,800.00	2,593,800.00
91412HGE7	03/01/21	05/15/25	University of California	1,500,000.00	1,517,250.00	0.600%	55,724.13	1,555,724.13
91412HGE7	06/29/21	05/15/25	University of California	1,960,000.00	1,966,154.40	0.799%	67,111.92	2,027,111.92
625506QN3	02/02/21	06/15/25	County of Multnomah OR	2,000,000.00	2,006,040.00	0.430%	37,553.89	2,037,553.89
91412GU94	01/28/21	07/01/25	University of California	1,805,000.00	1,995,210.90	0.509%	244,645.68	2,049,645.68
20772KEW5	06/30/22	09/15/25	State of Connecticut	2,850,000.00	2,863,053.00	3.201%	476,400.00	3,326,400.00
13063DMA3	04/01/21	04/01/26	State of California	4,140,000.00	4,478,652.00	0.970%	161,300.35	4,301,300.35
13063DMA3	05/18/21	04/01/26	State of California	1,250,000.00	1,353,350.00	0.910%	342,250.56	1,592,250.56
736688MF6	09/01/21	06/15/26	Portland Community College	1,100,000.00	1,102,992.00	0.841%	122,255.56	1,222,255.56
569280EX4	12/07/21	06/15/26	Marion County School	1,880,000.00	1,885,245.20	1.374%	548,550.00	2,428,550.00
842475P82	02/11/22	07/01/26	Sthrn CA ST Pub Pwr Auth	2,485,000.00	2,415,643.65	1.930%	47,357.32	2,532,357.32
797272QR5	08/12/21	08/01/26	San Diego Community College	3,000,000.00	3,209,550.00	0.860%	33,041.17	3,033,041.17
801315KR2	08/23/21	08/01/26	Santa Barbara CA USD	500,000.00	511,970.00	0.842%	81,862.08	581,862.08
798189PY6	08/23/21	08/01/26	San Jose Evergreen Community Colleg	750,000.00	799,522.50	0.842%	101,809.78	851,809.78
798170AJ5	01/06/22	08/01/26	San Jose Redevelopment	3,000,000.00	3,220,260.00	1.507%	342,742.58	3,342,742.58
604129ST9	08/10/22	08/01/26	Minnesota State	1,215,000.00	1,215,000.00	3.250%	174,512.81	1,389,512.81
13063DRD2	02/08/22	10/01/26	State of California	2,400,000.00	2,468,808.00	1.730%	170,415.98	2,570,415.98



## City of Carlsbad investment portfolio

Exhibit 9

## Investment detail

January 31, 2023

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
419792ZN9	03/02/22	10/01/26	State of Hawaii	2,000,000.00	1,938,920.00	1.810%	264,891.67	2,264,891.67
13067WSW3	12/20/21	12/01/26	State of California	1,275,000.00	1,257,405.00	1.051%	977,643.33	2,252,643.33
13067WSW3	03/29/22	12/01/26	State of California	1,425,000.00	1,322,001.00	2.708%	84,523.29	1,509,523.29
13067WSW3	04/18/22	12/01/26	State of California	2,705,000.00	2,475,237.30	3.035%	90,565.95	2,795,565.95
016249FQ2	10/30/23	02/15/27	Alief Independent School District	1,980,000.00	1,969,209.00	5.380%	360,360.00	2,340,360.00
544646A77	06/13/22	05/01/27	Los Angeles Unified School District	3,500,000.00	3,883,600.00	3.820%	15,705.20	3,515,705.20
68608VDX9	10/13/23	05/01/27	State of Oregon	1,000,000.00	943,330.00	5.080%	132,640.00	1,132,640.00
91412HGF4	05/15/23	05/15/27	University of California	1,000,000.00	908,270.00	3.810%	52,640.00	1,052,640.00
544495VX9	08/27/23	07/01/27	Los Angeles Dept of Water & Power	1,500,000.00	1,580,685.00	4.100%	345,669.33	1,845,669.33
419794F72	06/06/23	07/01/27	State of Hawaii	1,125,000.00	1,004,962.50	4.720%	82,624.50	1,207,624.50
438701Y40	06/28/23	07/01/27	Honolulu Wastewater System Revenue	1,500,000.00	1,392,885.00	4.460%	168,412.50	1,668,412.50
796720NT3	02/22/23	08/01/27	San Bernardino Community College D	1,500,000.00	1,328,325.00	1.480%	107,266.25	1,607,266.25
357155BA7	05/09/23	08/01/27	Fremont CA Unified School District	2,000,000.00	1,795,450.00	3.750%	94,110.34	2,094,110.34
68609TU22	08/22/23	08/01/27	Oregon State Dept of Transportation	1,585,000.00	1,394,070.90	1.354%	85,843.60	1,670,843.60
212204JH5	08/31/23	08/01/27	Contra Costa CA Community College E	1,000,000.00	909,510.00	4.720%	86,520.00	1,086,520.00
797272RP8	10/25/23	08/01/27	San Diego Community College	2,290,000.00	2,016,551.10	5.161%	149,582.80	2,439,582.80
072031AP2	08/01/23	10/01/27	Bay Area Water	1,250,000.00	1,185,562.50	4.742%	189,281.25	1,439,281.25
032556FB3	10/17/23	10/01/27	City of Anaheim	1,670,000.00	1,487,068.20	1.998%	133,466.40	1,803,466.40
68607DVD4	06/16/23	11/15/27	Oregon State Dept of Transportation	2,000,000.00	1,738,740.00	4.370%	97,560.00	2,097,560.00
13063DC48	12/14/23	02/01/28	State of California	1,440,000.00	1,289,520.00	4.500%	110,160.00	1,550,160.00
54438CYM8	12/19/23	08/01/28	Los Angeles Community College Dist	2,250,000.00	2,020,005.00	4.350%	180,675.00	2,430,675.00
802385SN5	11/17/23	08/01/28	Santa Monica Community College Dist	1,000,000.00	940,860.00	4.950%	176,350.00	1,176,350.00
798170AL0	08/09/23	08/01/28	San Jose Redevelopment	1,000,000.00	948,450.00	4.742%	189,281.25	1,189,281.25
83412PHS4	01/22/24	08/01/28	Solano County Community College Dis	2,000,000.00	1,775,780.00	4.227%	147,900.00	2,147,900.00
7994082H1	08/24/23	08/01/28	San Ramon Valley School District	1,000,000.00	861,870.00	4.850%	83,500.00	1,083,500.00
695802NN4	12/07/23	08/01/28	Pajaro Valley Unified School District	1,200,000.00	1,173,000.00	4.294%	257,640.00	1,457,640.00
882723B40	11/21/23	10/01/28	State of Texas	1,500,000.00	1,410,330.00	4.700%	248,325.00	1,748,325.00
882724RD1	11/21/23	10/01/28	State of Texas PFA	2,000,000.00	1,787,400.00	4.750%	227,600.00	2,227,600.00
13063DL22	11/15/23	10/01/28	State of California	1,000,000.00	860,500.00	5.008%	87,500.00	1,087,500.00
Total municipal bonds				\$ 94,220,000.00	\$ 92,728,726.65	2.417%	\$ 9,029,867.70	\$ 103,249,867.70

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Cash and pooled investments								
01WFCASH			Wells Fargo Bank - General	2,735,304.00	2,735,304.00	0.000%	-	2,735,304.00
01WFSWEEP			Wells Fargo Sweep account	13,493,502.95	13,493,502.95	5.205%	58,531.44	13,552,034.39
01WFCUSTODY			Principal - Custody	3,872,829.21	3,872,829.21	2.950%	9,520.71	3,882,349.92
01CAMP1028			CAMP	128,236,174.88	128,236,174.88	5.540%	592,023.67	128,828,198.55
01CI0502			LAIF City	208,949.79	208,949.79	4.012%	698.59	209,648.38
01CM0502			LAIF CMWD	844,558.98	844,558.98	4.012%	2,823.64	847,382.62
01PF10391			LAIF CPFA	773,647.39	773,647.39	4.012%	2,586.56	776,233.95
Total cash and pooled investments				\$ 150,164,967.20	\$ 150,164,967.20	5.324%	\$ 666,184.61	\$ 150,831,151.81
GRAND TOTAL				\$ 882,158,591.49	\$ 882,580,294.80	2.5794%	\$ 63,892,052.66	\$ 946,050,644.15



City of Carlsbad investment portfolio  
115 Trust Activity  
January 31, 2024

Exhibit 10

The city's Section 115 Trust is a post-employment benefit trust that was established by City Council on September 12, 2023 (Resolution 2023-240). In connection with City Council Policy No. 86 and 98, the trust allows the city to stabilize pension cost volatility, maintain local control over the city's assets and earn a potentially higher rate of return than if the assets were kept in the General Fund. These funds are restricted and not pooled with other investment funds.

Period Ending	Contributions		Net Earnings		Distributions		Ending Balance
12/31/23	\$	10,000,000.00	\$	294,069.68	\$	-	\$ 10,294,069.68
01/31/24		-		(40,308.43)		-	10,253,761.25
Summary		10,000,000.00		253,761.25		-	





## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Craig Lindholm, City Treasurer  
craig.lindholm@carlsbadca.gov, 442-339-5246

Zach Korach, Finance Director  
zach.korach@carlsbadca.gov, 442-339-2127

**Subject:** Annual Investment Policy Update

**Districts:** All

### Recommended Action

Adopt a resolution approving the city's Investment Policy dated March 12, 2024.

### Executive Summary

The City Council and the California Government Code require the city's Investment Policy and any modifications to the policy to be reviewed annually. The Investment Policy is more conservative than applicable California Government Code section requirements to ensure that the fiduciary responsibility is tailored to best practices and the city's best interests.

The updated policy includes minor adjustments that update position titles to correctly correlate with duties, and adjustments to the limitations on agency backed mortgage passthrough securities<sup>1</sup> to align with similar investments and the updated government code. Nonessential changes have also been made to improve the document structure, but do not change the substance of the policy.

### Explanation & Analysis

The effective management of the city's investment portfolio plays an important role in maintaining Carlsbad's fiscal health. Section 53646(a) of the Government Code states that the City Treasurer "may annually render to the legislative body . . . a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting."

An annual review of the policy is a requirement under the city's current Investment Policy.

---

<sup>1</sup> Mortgage pass-through securities are investment products similar to bonds that are based on pools of mortgages. Agency backed means the principal and interest payments on these mortgages are guaranteed by federal agencies.



The Investment Policy includes such subjects as:

- Investment objectives of safety, liquidity and return on investment
- Ethics and conflicts of interest and internal controls
- Authorized dealers, institutions and investments
- Portfolio strategy, review and reporting

The scope of the Investment Policy covers general and operating funds, as well as stating the objectives of the investment strategy. The scope of the Investment Policy does not cover the city's Section 115 Pension Trust or debt as each is governed by City Council policies (Nos. 98 and 94, respectively).

The city's investments are performing as desired and as designed by the city's Investment Policy. Due to changes in the California Government Code and ongoing evaluation of supportive roles to the Treasury Department, however, the City Treasurer has recommended the following changes:

- Section 5.0 - Delegation of Authority: Change delegation of duties from an Assistant to the City Treasurer to a Deputy City Treasurer and change reporting information to the City Treasurer from the city's Deputy City Manager of Administrative Services to the City Manager may designate an employee to assist the City Treasurer. These changes align the correct position titles with the assigned duties and expectations.
- Section 8.1.14 - Agency Backed Mortgage Passthrough Securities: Adjust requirements for percent of portfolio, issuer and ratings. These changes align with other agency investment limitations and updates to California Government Code Section 53601(o).
- Section 10.0 - Review of Investment Portfolio: Add the Finance Director to the committee and remove the Assistant to the City Treasurer. This change aligns the correct position title with the assigned duties and expectations.

Formatting changes were made to Section 8.0 - Authorized and Suitable Investments for readability and consistency purposes. No changes to the directive were made.

All of the other changes were made to improve readability, clarity of intent or provide additional information and do not alter the substance of the policy.

#### **Fiscal Analysis**

There is no fiscal impact from this action.

#### **Next Steps**

The City Treasurer will continue to implement and review the Investment Policy at least once every year.

#### **Environmental Evaluation**

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.



### Exhibits

1. City Council resolution
2. 2024 Investment Policy (redlined)



**RESOLUTION NO.** \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD,  
CALIFORNIA, APPROVING THE CITY'S INVESTMENT POLICY DATED MARCH  
12, 2024

WHEREAS, the City Council of the City of Carlsbad, California, adopted an Investment Policy on Jan. 2, 1985, as permitted by Section 53646 of the California Government Code; and

WHEREAS, Section 53646(a) of the California Government Code states the City Treasurer may annually render to the City Council a statement of investment policy; and

WHEREAS, the City Council shall consider such investment policy at a public meeting;  
and

WHEREAS, upon consideration, the City Council may from time to time revise the city's Investment Policy as deemed necessary to provide proper guidance to city staff and the City Treasurer; and

WHEREAS, the City Treasurer has reviewed the existing Investment Policy and has recommended modifications this year.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. The above recitations are true and correct.
2. The attached Investment Policy dated March 12, 2024 (Attachment A) is hereby adopted and supersedes the policy dated Feb. 7, 2023.
3. That the City Council finds that the Investment Policy dated March 12, 2024, conforms to Sections 53601 and 53635 of the California Government Code.



PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

---

KEITH BLACKBURN, Mayor

---

SHERRY FREISINGER, City Clerk  
(SEAL)



**City of Carlsbad  
Investment Policy  
March 12, 2024**



**Craig Lindholm**

**City Treasurer**

1635 Faraday Avenue

Carlsbad, CA 92008

(442) 339-5246

[www.carlsbadca.gov/city-hall/other-elected-officials/city-treasurer](http://www.carlsbadca.gov/city-hall/other-elected-officials/city-treasurer)



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**City of Carlsbad**  
**Investment Policy**

March 12, 2024

(Supersedes Investment Policy dated Feb. 7, 2023)

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and arranging for a short-term borrowing program which coordinates working capital requirements and investment opportunities.

**1.0 Policy**

It is the policy of the City of Carlsbad to invest public funds not required for immediate day-to-day operations in safe, liquid, and medium-term investments. These investments shall yield an acceptable return while conforming to all California statutes and the city's Investment Policy.

**2.0 Scope**

It is intended that this policy cover the investment activities of all contingency reserves and inactive cash under the direct authority of the city.

**2.1 Pooled Investments**

Investments for the city and its component units will be made on a pooled basis including, but not limited to, the City of Carlsbad, the Housing Authority of the City of Carlsbad, the City of Carlsbad Public Improvement Corporation, and the Carlsbad Municipal Water District. The city's Annual Comprehensive Financial Report identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds
- Miscellaneous Special Funds
- Any new funds created by the City Council, unless specifically exempt.



## **2.2 Investments Held Separately**

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

## **3.0 Prudence**

California Government Code Section 53600.3 identifies trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used shall be the "Prudent Investor" standard and shall be applied in the context of managing the overall portfolio. The Prudent Investor standard states that a trustee shall 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 agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

It is the policy of this Council that investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

## **4.0 Objective**

California Government Code Section 53600.5 outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the city's investment activities shall be:

### **4.1 Safety**

Safety of principal is the foremost objective of the investment program. Investments of the city shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. To attain this objective, the City Treasurer will diversify the city's investments by investing funds among a variety of securities with independent returns.

### **4.2 Liquidity**

The city's investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.



#### **4.3 Return on Investment**

Investment return becomes a consideration only after the requirements of safety and liquidity have been met. The City Treasurer shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements shall be commensurate with the city's investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio.

The City Treasurer should strive to maintain the level of investment of all contingency reserves and inactive funds as close to 100% as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the city that these assets be managed to realize a yield on investments consistent with California statutes and the city's Investment Policy.

#### **5.0 Delegation of Authority**

By the annual adoption of this policy, the management of inactive cash and the investment of funds identified in Section 2.0 Scope is the responsibility of the City Treasurer as directed by the City Council. Under the authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the City Treasurer.

In the execution of this delegated authority, the City Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy. The criteria used to select qualified financial institutions and brokers/dealers are identified in Section 7.0 Authorized Financial Dealers and Institutions.

The City Treasurer may designate in writing a Deputy City Treasurer who, in the absence of the City Treasurer, will assume the City Treasurer's duties and responsibilities. The City Treasurer shall retain full responsibility for all transactions undertaken under the terms of this policy.

In the endeavor to have all inactive cash invested all the time, the City Manager may designate an employee to assist the City Treasurer.

#### **6.0 Ethics and Conflicts of Interest**

All participants in the city's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper



execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the city attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.

## **7.0 Authorized Financial Dealers and Institutions**

Investments shall be purchased only through well established, financially sound institutions. The City Treasurer may maintain a list of financial institutions and broker/dealers who are approved to provide the city with investment services. This list should be updated annually by the City Treasurer to ensure compliance with this Investment Policy. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the city's Investment Policy and provide written confirmation indicating that the Investment Policy has been read, understood and that their investment offers will comply with this policy. Qualified financial institutions and broker/dealers must supply the City Treasurer with the documents below.

### **7.1 Financial Institutions**

- Current audited financial statements.
- Depository contracts, as appropriate.
- A copy of the latest Federal Deposit Insurance Corporation call report, and
- Proof that commercial banks, savings banks, or savings and loan associations are state or federally chartered.

### **7.2 Broker & Dealers**

- Current audited financial statements.
  - Proof that brokerage firms are members in good standing of a national securities exchange, or
  - A designation as a primary government dealer by the Federal Reserve Bank
- Commercial banks, savings banks, and savings and loan associations must maintain a minimum net worth to asset ratio as provided by law (total regulatory net worth divided by total assets) and must have had positive net earnings for the last reporting period.

### **7.3 Purchase, Sale, Payment, and Delivery**

A competitive bid process, when deemed practical by the City Treasurer, will be used to place all investment transactions. It is recommended that the City



Treasurer obtain two or more bids from broker/dealers before purchasing an investment, and three or more quotes when selling an investment. When two or more investment opportunities offer essentially the same maturity, liquidity, yield, and quality, the City Treasurer may consider financial institutions based in the City of Carlsbad, the State of California, and within the United States. Payment for securities will be done on a Delivery Versus Payment (DVP) basis via the city's custodian. Delivery of securities will be made to the city in accordance with the third-party custodial agreement.

## **8.0 Authorized and Suitable Investments**

Except for Certificates of Deposit, investments will be made only in readily marketable securities actively traded in the secondary market.

### **8.1 Pooled Investments**

The City Treasurer may invest city funds in the following instruments as specified in the California Government Code Section 53601 and as further limited in this policy.

#### **8.1.1 Obligations of the U.S. Government**

Government Sponsored Enterprise (GSE) debt and its agencies.

- Maximum remaining maturity of five years as of the date of settlement.
- Percentage of portfolio, issuer, and ratings are not applicable.

#### **8.1.2 Municipal Bonds**

Bonds of any local agency within the United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 15% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of “AA” by one and “A” another of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.



### **8.1.3 Bankers Acceptances**

Bankers Acceptances drawn on and accepted by a commercial bank.

- Maximum maturity 180 days as of the date of settlement.
- Shall not exceed 25% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

### **8.1.4 Certificates of Deposit**

Investments in Certificates of Deposit and checking accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. The city may use a private sector entity that assists in the placement of Certificates of Deposit.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

### **8.1.5 Negotiable Certificates of Deposit**

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

### **8.1.6 Commercial Paper**

Eligible paper is limited to issuing General Corporations that are organized and operating within the United States and having total assets in excess of \$500 million.

- Maximum remaining maturity of 270 days as of the date of settlement.
- Shall not exceed 10% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by two of Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies: Moody's Investors Service, Inc. and S&P Global Ratings if the issuer has other existing debt.



#### **8.1.7 Repurchase Agreements**

The market value of securities that underlay a Repurchase Agreement shall be valued at 102% or greater of the funds borrowed against those securities.

- Maximum remaining maturity of one year as of the date of settlement.
- Shall not exceed 5% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

#### **8.1.8 Corporate Notes**

Corporate Notes permitted are issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

New investments made directly into corporations involved in the business of exploration, extraction, or further processing of oil and gas are not eligible for investment.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of “AA” by one and “A” another of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

#### **8.1.9 Money Market Funds**

Money market funds whose portfolio consists of one or more of the foregoing lawful investments.

#### **8.1.10 Sweep Accounts**

Sweep accounts for the investment of overnight funds when the funds are swept into investments allowed by this policy.

#### **8.1.11 Local Agency Investment Fund (LAIF)**

LAIF of the State of California Investments will be made in accordance with the laws and regulations governing those Funds.

#### **8.1.12 California Asset Management Program (CAMP)**

CAMP investments will be made in accordance with the laws and regulations governing those funds.



#### **8.1.13 Supranational Securities**

Supranational securities are defined as United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD or World Bank), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). These organizations were established by international treaties, are headquartered in Washington D.C., and incorporated into U.S. Federal Law by Congressional Acts.

California Government Code Section 53601(q) permits the securities of these three organizations to be incorporated into local agency investment portfolios.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 10% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of “AA” by at least two of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

#### **8.1.14 Agency Backed Mortgage Passthrough Securities**

Mortgage passthrough securities issued or guaranteed by the U.S. Government and its agencies.

- Maximum remaining maturity of five years as of the date of settlement.
- Percentage of portfolio, issuer, and ratings are not applicable.

#### **8.1.15 Non-agency Backed Mortgage Passthrough Securities**

Non-agency backed mortgage passthrough security, collateralized mortgage obligation, mortgage backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 5% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of “AA” by at least one of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.



## **8.2 Investments Held Separately**

Investments of bond funds will be made in conformance with the trust indenture for each issue. Such investments will be held separately when required.

## **8.3 New Securities**

New types of securities authorized by California law, but which are not currently allowed by the city's Investment Policy, must first be approved by the City Council.

## **8.4 Housing Loans**

Housing loans approved by the City Council to private developers and homeowners as part of the city housing program shall comply with California statutes, but need not meet the investment objectives and the risk management requirements of this Investment Policy. The City Council will manage these loans directly. As assets of the city, individual loans will be reported by the City Treasurer and any changes will be explained. Collections and conformance with the requirements of each individual housing loan will be reported as an addendum to the City Treasurer's investment report each quarter.

## **9.0 Unauthorized Investments**

California Government Code Section 53601.6 disallows the following investments acquired after January 1, 1996:

- Inverse floaters
- Range notes
- Interest-only strips that are derived from a pool of mortgages.

In addition, and more generally, investments are further restricted as follows:

- No investment will be made in any security that could result in zero interest accrual if held to maturity.
- No investment will be made that could cause the portfolio to be leveraged.
- Purchases of investments on margin will not be made.

## **10.0 Review of Investment Portfolio**

An Investment Review Committee is hereby established to conduct reviews of the city's investment portfolio, the strategy being utilized for the investment of city funds, and the city's Investment Policy. This committee will be composed of the City Treasurer (acting as the chair), the City Manager, the City Attorney, the Deputy City Manager of Administrative Services and the Finance Director or delegate from each such department. Additionally, the City Treasurer may appoint other city residents as advisors to the committee. The committee will convene



periodically as necessary or desirable but, not less frequently than once each quarter.

### **10.1 Exceptions**

The securities held must be in compliance with Section 8.0 Authorized Investments at the time of purchase. Occasionally, exceptions to some of the requirements specified in this Investment Policy may occur for pooled investments because of events subsequent to the purchase of investment instruments, e.g., the rating of a corporate note held in the portfolio has been downgraded by an NRSRO or the total value of the portfolio has declined causing the percentage invested in corporate notes to rise above 30%, or an unforeseen expenditure causes investments maturing within one year to fall below two-thirds of the approved operating budget of the current fiscal year. California Government Code Section 53601 specifies a percentage limitation for a particular category of investment. That percentage is applicable only at the date of purchase. Exceptions may be temporary or more lasting; they may be self-correcting or require specific action. If specific action is required, the City Treasurer will determine the course of action that will correct exceptions to move the portfolio into compliance with state and city requirements. Decisions to correct exceptions will not expose the assets of the portfolio to undue risk and will not impair the meeting of financial obligations as they fall due. Any subsequent investments will not extend existing exceptions. Exceptions, and the decisions to correct the exceptions, will be reviewed with the Investment Review Committee and reported on the monthly investment report presented to city council.

### **11.0 Investment Pools & Mutual Funds**

An investigation and due diligence will be conducted before investing in any investment pool or mutual fund. The City Treasurer shall review at a minimum:

- The investment policy and objectives.
- Interest calculations and distributions.
- Safeguard and settlement processes.
- A description of the program including legal investors and the minimums and maximum transactions allowable.
- Schedule for receiving statements.
- How reserves and retained earnings are treated.
- The fee schedule.



## **12.0 Collateralization, Perfection, Security and Contracts**

When required by California statute or this Investment Policy, any investment capable of being collateralized, shall be collateralized by the required amounts imposed by law. To give greater security to the city's investments, when an investment is collateralized and not perfected under existing law, an attempt to perfect the collateralization should be made.

California Government Code Section 53652 requires that the depository secure active or inactive deposits with eligible securities having a fair market value of at least 10% more than the total amount of all deposits, and 50% in excess of the deposit when secured with mortgage pools. California Government Code Section 53649 specifies that the City Treasurer is responsible for entering into deposit contracts with each depository.

## **13.0 Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by the city shall be conducted on a delivery-versus-payment basis. All securities owned by the city will be held by a third-party custodian designated by the City Treasurer and evidenced by a monthly statement from the custodian. All securities will be held in the nominee name of the custodian unless the counterparty bank's trust department is used for the delivery of the security, in which case the security will be held in the city's name. Collateral for time deposits in banks will be held in the city's name in the bank's Trust Department or in the Federal Reserve Bank.

## **14.0 Diversification**

The portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In addition to the limitations on specific security types indicated in Section 8.0 Authorized Investments, and with the exception authorized pools and investments, no more than 5% of the city's portfolio will be placed with any single issuer.

## **15.0 Maximum Maturities and Maximum Modified Duration**

Maximum maturity and maximum modified duration evaluation supports the principal of liquidity by ensuring that adequate cash is available to meet anticipated cash flow requirements of the city.



## **15.1 Maximum Maturities for Pooled Investments**

A policy of laddered maturities will generally be followed for pooled investments. The following maturity requirements will apply as of the month end of each reporting period.

### **15.1.1 Two-Thirds Within One Year**

Investments maturing within one year, measured at par value, must be no less than two-thirds of the approved operating budget of the current year. This requirement should be met within three months following adoption of the current operating budget. Remaining investments of the portfolio shall not have a maturity greater than five years from the date of investment except as provided in Section 15.1.3 Five Year Exception.

### **15.1.2 Three Years Average**

The average portfolio investment maturity shall be three years or less. A dollar-weighted average will be used in computing the average maturity of the portfolio.

### **15.1.3 Five-Year Exception**

Before an investment, which is allowed by California statute, is made in securities that mature more than five years from the date of purchase, the City Treasurer and the Deputy City Manager of Administrative Services will review the city's long-term cash needs. Both must concur before such an investment is made. A resolution authorizing such investment must first be approved by the City Council. Investments beyond five years will not be greater than 10% of the portfolio and will be counted in the percentage of the portfolio that may mature beyond one year.

### **15.1.4 Ten-Year Limit**

No investments will be made that mature beyond 10 years from the date of investment.

### **15.1.5 Callable Investments**

Callable investments will be recorded at their maturity dates.

## **15.2 Maximum Modified Duration**

The investment restrictions identified in paragraphs of Section 8.0 Authorized Investments and Section 9.0 Unauthorized Investments, and the maturity requirements identified in Section 15.1 Maximum Maturities for Pooled Investments, imply that the value of city investments should not change more than 2.2% for every 1% change in market interest rates. To ensure that this is the case, a maximum modified duration is established at 2.2. This states that the



unrealized gains and losses of the portfolio are not expected to exceed 2.2% for every 1% change in market interest rates. A modified duration in excess of 2.2 would indicate that the portfolio is exposed to more market risk than is desired by this policy. If the modified duration of 2.2 is exceeded, an explanation will be made in the first monthly report following the occurrence.

### **15.3 Investments Held Separately**

Maturities for investments held separately will conform to the trust indenture for each issue.

### **16.0 Internal Controls**

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft, fraud or misuse. The treasurer shall present all monthly and annual reports to the City Council, internal auditor, deputy city manager, finance manager, and by the city's external auditors in the conduct of their annual audit of the city.

### **17.0 Performance Standard for Pooled Investments**

Laddered maturities and a buy and hold strategy for pooled investments will cause the investment portfolio to attain a market-average rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the city's cash flow needs. Since the amount maturing within one year must be at least equal to two-thirds of the currently approved operating budget, the rate of return will be more closely related to, but lag behind, changes in short-term market rates. The rate of return of the investment portfolio will be based on the maturity value of the investments. A dollar-weighted average of yields to maturity will be used in calculating the rate of return of the entire portfolio. The city's performance benchmarks may change from year to year but should strive to mirror the assets held in the city's portfolio.

### **18.0 Short-term Borrowing**

The city is permitted by law to borrow money to meet current short-term cash flow needs. These needs may arise either because projected cash disbursements exceed projected cash receipts, or because the city's cash accounts may be temporarily overdrawn due to the efforts to invest 100% of inactive funds at all times. To provide for these contingencies the City Treasurer is authorized to take the following actions:



### **18.1 Short-term Loan**

When there is a shortfall between projected cash revenues and projected cash disbursements, the City Treasurer may secure a loan in the amount that would equal the cash deficit plus projected cash disbursements for one month. Any such loan will be repaid within one year.

### **18.2 Line of Credit**

The City Treasurer may maintain a line of credit with the city's bank in an amount to cover sums temporarily overdrawn because of efforts to invest all inactive funds at all times.

## **19.0 Investment Strategy**

### **19.1 Pooled Investments**

A buy and hold strategy will be followed; that is, investments once made will be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the city.

### **19.2 Investments Held Separately**

Investments held separately for bond proceeds will follow the trust indenture for each issue.

## **20.0 Reporting**

California Government Code Section 53600 require reports meeting the standards set forth in these sections to be presented to City Council, as well as any additional information desired. Therefore, it is the policy of the city that the investments and transactions described in these sections, and as outlined in Section 20.1 below be given to the City Council, city manager, and internal auditor (or the deputy city manager of administrative services in the absence of an internal auditor).

### **20.1 Pooled Investments**

The investment report will be submitted monthly by the City Treasurer within 60 days following the end of the month covered by the report. The monthly report



will be published to the City Treasurer webpage after reporting to City Council. Each report will include the following elements:

- Itemized listing of portfolio investments by type, yield to maturity, and issuer
- Par value, dollar amount invested, amortized cost, and current market value as of the date of the report will be given for the total of all securities, investments, and moneys held by the city and its component units. The source of the market values will be cited.
- Credit ratings of corporate notes.
- Accrued income.
- Weighted average yield of the portfolio.
- Weighted average days to maturity of the portfolio from the date of the report.
- Weighted average modified duration of the portfolio.
- Dollar amount and percentage of portfolio maturing within one year.
- Dollar amount and percentage of portfolio maturing between one and 5 years.
- Percent that each type of investment represents in the portfolio.
- Investment transactions for the reporting period excluding due dates.
- Fund source of investments when available.
- Statement that the investment portfolio has the ability to meet the city's cash flow demands for the next six (6) months.
- Statement of compliance of the portfolio with the city's Investment Policy. When applicable, any material exceptions will be noted.

An annual report for pooled investments will also be made to the City Council following the close of the fiscal year. Among other items, the annual report will include an analysis of the composition of the portfolio with regard to fund source, a review of trends regarding the size of the fund, portfolio yields, cash income, and a statement regarding anticipated fund activity in the next fiscal year.

## **20.2 Investments Held Separately**

A report of investments held separately will be made quarterly. Within 30 days following the end of the quarter the report will be submitted as an exhibit in the City Treasurer's monthly report. The quarterly report will contain the information required by California Government Code Section 53646 when available.

## **21.0 Investment Policy Adoption**

California Government Code Section 53646(a)(2) allows the City Treasurer to render to the City Council and the Investment Review Committee a statement of Investment Policy and recommends that one be presented each year. Therefore,



the city's Investment Policy and any modifications to it shall be considered no less often than annually at a public meeting. Adoption of the Investment Policy and any changes must be made by resolution of the City Council.

## **22.0 Glossary**

### **Amortized Cost**

The cost of investments adjusted for amortized premiums and discounts. Amortized cost is used to maintain comparability with market value.

### **Arbitrage Regulation**

Laws to control the use of profit making by purchasing securities on one market for immediate resale on another to profit from a price difference.

### **Bankers Acceptances**

An investment vehicle created to facilitate international commercial trade transactions. The bank accepts responsibility to repay a loan to the holder of the investment vehicle created in a commercial transaction. The credit worthiness of Bankers Acceptances are enhanced because they are secured by the issuing bank, the goods themselves, and the importer. Bankers Acceptances are sold on a discounted basis.

### **Bond Indenture**

A written agreement specifying the terms and conditions for issuing bonds, stating the form of the bond being offered for sale, interest to be paid, the maturity date, call provisions and protective covenants, if any, collateral pledged, the repayment schedule, and other terms. It describes the legal obligations of a bond issuer and the powers of the bond trustee, who has the responsibility for ensuring that interest payments are made to registered bondholders.

### **Book Value**

A term synonymous with amortized cost.

### **Buy and Hold Strategy**

Investments in which management has the positive intent and ability to hold each issue until maturity.

### **California Asset Management Program (CAMP)**

A California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code



Section 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

**Certificate of Deposit**

A deposit account paying interest for a fixed term, with the understanding that funds cannot be withdrawn before maturity without giving notice.

**Collateralization**

An asset used to secure a debt in part or in full by pledge of collateral. The collateral is used as security to help ensure payment or performance of an obligation.

**Commercial Paper**

A short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. A promissory note of the issuer used to finance current obligations and is a negotiable instrument.

**Delivery Versus Payment**

A securities industry term indicating payment is due when the buyer has securities in hand or a book entry receipt.

**Embedded Option**

A statement within the bond structure that would alter the interest rate earned by the bond.

**Interest-Only Strips**

Mortgage backed instrument where investor receives only the interest, no principal, from a pool of mortgages. Issues are highly interest rate sensitive. Cash flows vary between interest periods. As well, the maturity date may occur earlier than that stated if all loans within the pool are pre-paid. High prepayments on underlying mortgages can return less to the holder than the dollar amount invested.

**Inverse Floater**

A bond or note that does not earn a fixed rate of interest. Rather, the interest rate that is earned is tied to a specific interest-rate index identified in the bond/note structure. The interest rate earned by the bond/note will move in the opposite direction of the index, e.g., if market interest rates as measured by the selected index rises, the interest rate earned by the bond/note will decline. An inverse floater increases the market rate risk and modified duration of the investment.



**Laddered Portfolio**

A bond investment portfolio with securities in each maturity range (e.g. monthly) over a specified period (e.g. five years).

**Leverage**

Investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

**Local Agency Investment Fund (LAIF)**

A voluntary investment program offering participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. Investment in LAIF, considered a short-term investment, is readily available for cash withdrawal daily.

**Market Risk**

The risk that market interest rates will rise causing a loss of value in investments held. All investments made by the city involve a degree of market risk. See also Unrealized Gains (Losses).

**Modified Duration**

A measure of the sensitivity that the value of a fixed-income security has to changes in market rates of interest. Modified duration is the best single measure of a portfolio's or security's exposure to market risk. Modified duration identifies the potential gain/loss in value before the gain/loss actually occurs. It is a prospective measurement, e.g., a modified duration of 1.5 indicates that when and if a 1% change in market interest rates occurs, a 1.5% change in the value of a security will result. Investments with modified durations of one to three are considered to be relatively conservative.

**Negotiable Certificates of Deposit**

A large denomination (\$100,000 or more) interest bearing time deposits, paying the holder a fixed amount of interest at maturity. Issues can be sold to a new owner before maturity.

**Municipal Bonds**

Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems.



**Nominee Name**

The registered owner of a stock or bond if different from the beneficial owner, who acts as holder of record for securities and other assets. Typically, this arrangement is done to facilitate the transfer of securities when it is inconvenient to obtain the signature of the real owner, or the actual owner may not wish to be identified. Nominee ownership simplifies the registration and transfer of securities.

**Nationally Recognized Statistical Rating Organization (NRSRO)**

A Nationally Recognized Statistical Rating Organization (NRSRO) is a credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes. Three of the primary recognized rating agencies are Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

**Pooled Investment**

A grouping of resources for the common advantage of the participants.

**Range Note**

An investment whose coupon payment varies (e.g. either 7% or 3%) and is dependent on whether the current benchmark (e.g. 30-year Treasury) falls within a pre-determined range (e.g. between 6.75% and 7.25%).

**Repurchase Agreement**

A contract to purchase and subsequently sell securities at a specified date and price.

**Supranational Organization**

A supranational organization is formed by a group of countries through an international treaty. Member states transcend national boundaries or interests to share in the decision-making process to promote economic development in the member countries.

**Supranational Securities**

Supranational securities are United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD or World Bank), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). These organizations were established by international treaties, are headquartered in Washington D.C and incorporated into U.S. Federal Law by Congressional Acts. The California Government Code Section 53601(q) permits the



securities of these three organizations to be incorporated into local agency investment portfolios.

**Sweep Account**

A short-term income fund into which all uninvested cash balances from the non-interest-bearing checking account are automatically transferred daily.

**Third-Party Custodian**

A corporate agent, usually a commercial bank, who, acting as trustee, holds securities under a written agreement for a corporate client and buys and sells securities when instructed. Custody services include securities safekeeping, and collection of dividends and interest. The bank acts only as a transfer agent and makes no buy-sell recommendations.

**Unrealized Gains (Losses)**

An increase (decrease) in the value of investments representing the difference between the amortized cost of the investments and their current market value. Increases (decreases) in value are caused primarily by changes in market interest rates subsequent to purchasing the investments. Increases (decreases) in value indicate two things: 1. The portfolio has a potential gain (loss) in principal if the securities are sold, and 2. The portfolio is over performing (underperforming) the current market for similar investments. An increase in value indicates the portfolio is earning relatively more interest than current market conditions, and a decrease in value indicates that the portfolio is earning relatively less interest than current market conditions.

**Zero Accrual Periods**

A period in which an investment accumulates no interest.



## 24.0 Summary of Authorized Investments

Investment Type	Maximum Maturity <sup>1</sup>	Maximum % Portfolio	Maximum % Issuer	NRSRO Minimum <sup>2</sup>
Obligations of the US Government	5 years	-	-	-
Certificates of Deposit	5 years	30%	10%	-
Negotiable Certificates of Deposit	5 years	30%	10%	-
Corporate Notes	5 years	30%	5%	AA/A
Municipal Bonds	5 years	15%	5%	AA/A
Supranational Securities	5 years	10%	5%	AA/AA
Agency Backed Mortgage Passthrough Securities	5 years	-	-	-
Non-agency Backed Mortgage Passthrough Securities	5 years	5%	5%	AA
Repurchase Agreements	1 year	5%	5%	-
Commercial Paper	270 days	10%	(3)	AA/AA
Bankers Acceptances	180 days	25%	10%	-
Money Market Funds	N/A	-	-	-
LAIF	N/A	-	-	-
CAMP	N/A	-	-	-
Sweep Accounts	N/A	-	-	-

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<sup>1</sup> Exceptions are addressed in §15.0 Maximum Maturities and Maximum Modified Duration. Total portfolio Modified Duration shall be 2.2 or less.

<sup>2</sup> NRSROs used by the city are limited to Moody's Investors Service, Inc., S&P Global Ratings, Inc., and Fitch Ratings, Inc. If two ratings are listed for an investment type, then at least two of the three agencies must have ratings compliant with this Investment Policy. Credit rating minimums include rating modifiers (+/-).

<sup>3</sup> Commercial Paper shall not represent more than 5% of the outstanding paper of an issuing company.



**City of Carlsbad  
Investment Policy**

**March 12, 2024**



**Craig Lindholm**

**City Treasurer**

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[www.carlsbadca.gov/city-hall/other-elected-officials/city-treasurer](http://www.carlsbadca.gov/city-hall/other-elected-officials/city-treasurer)



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**Investment Policy**

March 12, 2024

(Supersedes Investment Policy dated ~~Nov. 2, 2021~~ Feb. 7, 2023)

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and arranging for a short-term borrowing program which coordinates working capital requirements and investment opportunities.

**1.0 Policy**

It is the policy of the City of Carlsbad to invest public funds not required for immediate day-to-day operations in safe, liquid, and medium-term investments. These investments shall yield an acceptable return while conforming to all California statutes and the city's Investment Policy.

**2.0 Scope**

It is intended that this policy cover the investment activities of all contingency reserves and inactive cash under the direct authority of the city.

**2.1 Pooled Investments**

Investments for the city and its component units will be made on a pooled basis including, but not limited to, the City of Carlsbad, the Housing Authority of the City of Carlsbad, the City of Carlsbad Public Improvement Corporation, and the Carlsbad Municipal Water District. The city's Annual Comprehensive Financial Report identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Fiduciary Funds
- Miscellaneous Special Funds
- Any new funds created by the City Council, unless specifically exempt



## **2.2 Investments Held Separately**

Investments of bond proceeds will be held separately when required by the bond indentures or when necessary to meet arbitrage regulations. If allowed by the bond indentures, or if the arbitrage regulations do not apply, investments of bond proceeds will be held as part of the pooled investments.

## **3.0 Prudence**

California Government Code [Section](#) 53600.3 identifies as trustees those persons authorized to make investment decisions on behalf of a local agency. As a trustee, the standard of prudence to be used shall be the "Prudent Investor" standard and shall be applied in the context of managing the overall portfolio. [The Prudent Investor standard states that a](#) trustee shall 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 agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

It is the policy of this Council that investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk changes or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

## **4.0 Objective**

California Government Code [Section](#) 53600.5 outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the city's investment activities shall be:

### **4.1 Safety**

Safety of principal is the foremost objective of the investment program. Investments of the city shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. [To attain this objective, the City Treasurer will diversify the city's investments by investing funds among a variety of securities with independent returns.](#)

### **4.2 Liquidity**

The city's investment portfolio will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.



#### 4.3 Return on investment

Investment return becomes a consideration only after the requirements of safety and liquidity have been met. ~~The city treasurer shall attempt to realize a yield on investments consistent with California statutes and the city's Investment Policy.~~ The City Treasurer shall have the objective of attaining a comparative performance measurement or an acceptable rate of return throughout budgetary and economic cycles. These measurements shall be commensurate with the city's investment risk constraints identified in the Investment Policy and the cash flow characteristics of the portfolio.

The City Treasurer should strive to maintain the level of investment of all contingency reserves and inactive funds as close to 100% as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the city that these assets be managed to realize a yield on investments consistent with California statutes and the city's Investment Policy.

#### 5.0 Delegation of Authority

By the annual adoption of this policy, the management of inactive cash and the investment of funds identified in Section 2.0 Scope is the responsibility of the City Treasurer as directed by the City Council. Under the authority granted by the City Council, no person may engage in an investment transaction covered by the terms of this policy unless directed by the City Treasurer.

In the execution of this delegated authority, the City Treasurer may establish accounts with qualified financial institutions and brokers/dealers for the purpose of effecting investment transactions in accordance with this policy. The criteria used to select qualified financial institutions and brokers/dealers are identified in Section 7.0 Authorized Financial Dealers and Institutions.

The City Treasurer may designate in writing ~~an assistant to the city treasurer a~~ Deputy City Treasurer who, in the absence of the City Treasurer, will assume the City Treasurer's duties and responsibilities. The City Treasurer shall retain full responsibility for all transactions undertaken under the terms of this policy.

In the endeavor to have all inactive cash invested all the time, the City Manager may designate an employee to ~~city's deputy city manager of administrative services assist the~~ City Treasurer. ~~in the gathering of information to create cash flow estimates.~~

#### 6.0 Ethics and Conflicts of Interest



All participants in the city's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the city attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.

## **7.0 Authorized Financial Dealers and Institutions**

Investments shall be purchased only through well established, financially sound institutions. The City Treasurer may maintain a list of financial institutions and broker/dealers who are approved to provide the city with investment services. This list should be updated annually by the City Treasurer to ensure compliance with this Investment Policy. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the city's Investment Policy, and ~~a return cover letter~~ provide written confirmation indicating that the Investment Policy has been read, understood and that their investment offers will comply with this policy. Qualified financial institutions and broker/dealers must supply the City Treasurer with the documents below.

### **7.1 Financial Institutions**

- Current audited financial statements
- Depository contracts, as appropriate
- A copy of the latest Federal Deposit Insurance Corporation call report, and
- Proof that commercial banks, savings banks, or savings and loan associations are state or federally chartered

### **7.2 Broker & Dealers**

- Current audited financial statements
- Proof that brokerage firms are members in good standing of a national securities exchange, or
- A designation as a primary government dealer by the Federal Reserve Bank

Commercial banks, savings banks, and savings and loan associations must maintain a minimum net worth to asset ratio as provided by law (total regulatory



net worth divided by total assets) and must have had positive net earnings for the last reporting period.

### **7.3 Purchase, Sale, Payment, and Delivery**

A competitive bid process, when deemed practical by the City Treasurer, will be used to place all investment transactions. It is recommended that the City Treasurer obtain two or more bids from broker/dealers before purchasing an investment, and three or more quotes when selling an investment. When two or more investment opportunities offer essentially the same maturity, liquidity, yield, and quality, the City Treasurer may consider financial institutions based in the City of Carlsbad, the State of California, and within the United States. Payment for securities will be done on a Delivery Versus Payment (DVP) basis via the city's custodian. Delivery of securities will be made to the city in accordance with the third-party custodial agreement.

## **8.0 Authorized and Suitable Investments**

Except for Certificates of Deposit, investments will be made only in readily marketable securities actively traded in the secondary market.

### **8.1 Pooled Investments**

The City Treasurer may invest city funds in the following instruments as specified in the California Government Code Section 53601 and as further limited in this policy.

#### **8.1.1 Obligations of the U.S. Government**

Government Sponsored Enterprise (GSE) debt and its agencies.

- Maximum remaining maturity of five years as of the date of settlement.
- Percentage of portfolio, issuer, and ratings are not applicable.

#### **8.1.2 Municipal Bonds**

Bonds of any local agency within the United States, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

~~Municipal Bonds with a maximum remaining maturity of five years or less, issued by municipalities organized and operating within the United States shall not exceed 15% of the investment portfolio. The municipal bonds shall carry a combined rating of at least "AA" by one and "A" by another of the three Nationally~~



~~Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.~~

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 15% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by one and "A" another of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

### **8.1.3 Bankers Acceptances**

Bankers Acceptances drawn on and accepted by a commercial bank. ~~Bankers Acceptances may neither exceed 180 days maturity nor 25% of the portfolio. Furthermore, no more than 10% of the portfolio may be invested in any one issuer.~~

- Maximum maturity 180 days as of the date of settlement.
- Shall not exceed 25% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

### **8.1.4 Certificates of Deposit**

~~Certificates of Deposit shall not exceed five years to maturity.~~ Investments in Certificates of Deposit and checking accounts shall be fully insured up to the amount allowed per account by the Federal Deposit Insurance Corporation or the National Credit Union Administration. ~~Furthermore, the investments in Certificates of Deposit, if a private sector entity is used, shall not exceed more than 30% of the portfolio. The city may use a private sector entity that assists in the placement of Certificates of Deposit. Furthermore, no more than 10% of the portfolio may be invested in any one issuer.~~

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

### **8.1.5 Negotiable Certificates of Deposit**

Negotiable Certificates of Deposit issued by a nationally or state-chartered bank ~~may neither exceed five years to maturity nor exceed 30% of the portfolio.~~



~~Furthermore, no more than 10% of the portfolio may be invested in any one issuer.~~

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 10% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

#### **8.1.6 Commercial Paper**

~~Prime Commercial Paper of the highest numerical rating of Moody's Investors Service, Inc. or S&P Global Ratings. Further, Eligible paper is limited to issuing General Corporations that are organized and operating within the United States and having total assets in excess of \$500 million. If the issuer has other existing debt, it must have a "AA" or higher credit rating from both Moody's Investors Service, Inc. and S&P Global Ratings. Prime Commercial Paper may neither exceed 270 days maturity nor 10% of the portfolio, nor shall it represent more than 5% of the outstanding paper of an issuing corporation.~~

- Maximum remaining maturity of 270 days as of the date of settlement.
- Shall not exceed 10% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by two of Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies: Moody's Investors Service, Inc. and S&P Global Ratings if the issuer has other existing debt.

#### **8.1.7 Repurchase Agreements**

~~Repurchase Agreements with a maximum maturity of one year. Repurchase Agreements may not exceed 5% of the portfolio. The market value of securities that underlay a Repurchase Agreement shall be valued at 102% or greater of the funds borrowed against those securities.~~

- Maximum remaining maturity of one year as of the date of settlement.
- Shall not exceed 5% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Rating measures are not applicable.

#### **8.1.8 Corporate Notes**

Corporate Notes permitted are ~~with a maximum remaining maturity of five years or less,~~ issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and



~~operating within the United States shall not exceed 30% of the investment portfolio. The Corporate Notes shall carry a rating of "AA" and a second rating of "A" as combination of ratings by the three NRSRO rating agencies.~~

New investments made directly into corporations involved in the business of exploration, extraction, or further processing of oil and gas are not eligible for investment.

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 30% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by one and "A" another of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

#### **8.1.9 Money Market Funds**

Money market funds whose portfolio consists of one or more of the foregoing lawful investments.

#### **8.1.10 Sweep Accounts**

Sweep accounts for the investment of overnight funds when the funds are swept into investments allowed by this policy.

#### **8.1.11 Local Agency Investment Fund (LAIF)**

LAIF of the State of California Investments will be made in accordance with the laws and regulations governing those Funds.

#### **8.1.12 California Asset Management Program (CAMP)**

CAMP investments will be made in accordance with the laws and regulations governing those funds.

#### **8.1.13 Supranational Securities**

Supranational securities are defined as United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD or World Bank), International Finance Corporation (IFC), or Inter-American Development Bank (IADB). These organizations were established by international treaties, are headquartered in Washington D.C., and incorporated into U.S. Federal Law by Congressional Acts.



California Government Code Section 53601(q) permits the securities of these three organizations to be incorporated into local agency investment portfolios.

~~Securities eligible for investment shall have a maximum remaining maturity of five years or less and be eligible for purchase and sale within the United States. Supranational securities eligible for investment shall be rated "AA" or better from at least two NRSROs. Investments in supranational securities shall not exceed 10% of the City of Carlsbad's investment portfolio.~~

- Maximum remaining maturity of five years as of the date of settlement.
- Shall not exceed 10% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of "AA" by at least two of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

#### **8.1.14 Agency Backed Mortgage Passthrough Securities**

Mortgage passthrough securities issued or guaranteed by the U.S. Government and its agencies. ~~An agency-backed mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20% of the city's portfolio.~~

- Maximum remaining maturity of five years as of the date of settlement.
- Percentage of portfolio, issuer, and ratings are not applicable.

#### **8.1.15 Non-agency Backed Mortgage Passthrough Securities**

~~Non-agency-backed mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 5% of the city's portfolio.~~

- Maximum remaining maturity of five years as of the date of settlement.



- Shall not exceed 5% of the investment portfolio.
- No more than 5% of the portfolio may be invested in any single issuer.
- Shall carry a rating of “AA” by at least one of the three Nationally Recognized Statistical Rating Organization (NRSRO) rating agencies, Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

## **8.2 Investments Held Separately**

Investments of bond funds will be made in conformance with the trust indenture for each issue. Such investments will be held separately when required.

## **8.3 New Securities**

New types of securities authorized by California law, but which are not currently allowed by the city's Investment Policy, must first be approved by the City Council.

## **8.4 Housing Loans**

Housing loans approved by the City Council to private developers and homeowners as part of the city housing program shall comply with California statutes, but need not meet the investment objectives and the risk management requirements of this Investment Policy. The City Council will manage these loans directly. As assets of the city, individual loans will be reported by the City Treasurer and any changes will be explained. Collections and conformance with the requirements of each individual housing loan will be reported as an addendum to the City Treasurer's investment report each quarter.

## **9.0 Unauthorized Investments**

California Government Code Section 53601.6 disallows the following investments acquired after January 1, 1996:

- Inverse floaters
- Range notes
- Interest-only strips that are derived from a pool of mortgages

In addition, and more generally, investments are further restricted as follows:

- No investment will be made in any security that could result in zero interest accrual if held to maturity
- No investment will be made that could cause the portfolio to be leveraged
- Purchases of investments on margin will not be made

## **10.0 Review of Investment Portfolio**



An Investment Review Committee is hereby established to conduct reviews of the city's investment portfolio, the strategy being utilized for the investment of city funds, and the city's Investment Policy. This committee will be composed of the City Treasurer (acting as the chair), the City Manager, the City Attorney, the Deputy City Manager of Administrative Services, ~~assistant to the city treasurer~~ the Finance Director or delegate from each such department. Additionally, the City Treasurer may appoint other city residents as advisors to the committee. The committee will convene periodically as necessary or desirable but, not less frequently than once each quarter.

### **10.1 Exceptions**

The securities held must be in compliance with Section 8.0 Authorized Investments at the time of purchase. Occasionally, exceptions to some of the requirements specified in this Investment Policy may occur for pooled investments because of events subsequent to the purchase of investment instruments, e.g., the rating of a corporate note held in the portfolio has been downgraded by an NRSRO or the total value of the portfolio has declined causing the percentage invested in corporate notes to rise above 30%, or an unforeseen expenditure causes investments maturing within one year to fall below two-thirds of the approved operating budget of the current fiscal year. California Government Code Section 53601 specifies a percentage limitation for a particular category of investment. That percentage is applicable only at the date of purchase. Exceptions may be temporary or more lasting; they may be self-correcting or require specific action. If specific action is required, the City Treasurer will determine the course of action that will correct exceptions to move the portfolio into compliance with state and city requirements. Decisions to correct exceptions will not expose the assets of the portfolio to undue risk and will not impair the meeting of financial obligations as they fall due. Any subsequent investments will not extend existing exceptions. Exceptions, and the decisions to correct the exceptions, will be reviewed with the Investment Review Committee and reported on the monthly investment report presented to city council.

### **11.0 Investment Pools & Mutual Funds**

An investigation and due diligence will be conducted before investing in any investment pool or mutual fund. The City Treasurer shall review at a minimum:

- The investment policy and objectives
- Interest calculations and distributions
- Safeguard and settlement processes



- A description of the program including legal investors and the minimums and maximum transactions allowable
- Schedule for receiving statements
- How reserves and retained earnings are treated
- The fee schedule

## **12.0 Collateralization, Perfection, Security and Contracts**

When required by California statute or this Investment Policy, any investment capable of being collateralized, shall be collateralized by the required amounts imposed by law. To give greater security to the city's investments, when an investment is collateralized and not perfected under existing law, an attempt to perfect the collateralization should be made.

California Government Code [Section](#) 53652 requires that the depository secure active or inactive deposits with eligible securities having a fair market value of at least 10% more than the total amount of all deposits, and 50% in excess of the deposit when secured with mortgage pools. California Government Code [Section](#) 53649 specifies that the [City Treasurer](#) is responsible for entering into deposit contracts with each depository.

## **13.0 Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by the city shall be conducted on a delivery-vs.-payment basis. All securities owned by the city will be held by a third-party custodian designated by the [City Treasurer](#) and evidenced by a monthly statement from the custodian. All securities will be held in the nominee name of the custodian unless the counterparty bank's trust department is used for the delivery of the security, in which case the security will be held in the city's name. Collateral for time deposits in banks will be held in the city's name in the bank's Trust Department or in the Federal Reserve Bank.

## **14.0 Diversification**

The portfolio will be diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. In addition to the limitations on specific security types indicated in [Section](#) 8.0 Authorized Investments, and with the exception of authorized pools [and investments](#), no more than 5% of the city's portfolio will be placed with any single issuer.

## **[15.0](#) Maximum Maturities and Maximum Modified Duration**



Maximum maturity and maximum modified duration evaluation supports the principal of liquidity by ensuring that adequate cash is available to meet anticipated cash flow requirements of the city.

#### **14.1.15.1 Maximum Maturities for Pooled Investments**

A policy of laddered maturities will generally be followed for pooled investments. The following maturity requirements will apply as of the month end of each reporting period.

##### **14.1.15.1.1 Two-Thirds Within One Year**

Investments maturing within one year, measured at par value, must be no less than two-thirds of the approved operating budget of the current year. This requirement should be met within three months following adoption of the current operating budget. Remaining investments of the portfolio shall not have a maturity greater than five years from the date of investment except as provided in Section 15.1.3 Five Year Exception.

##### **14.1.15.1.2 Three Years Average**

The average portfolio investment maturity shall be three years or less. A dollar-weighted average will be used in computing the average maturity of the portfolio.

##### **14.1.15.1.3 Five-Year Exception**

Before an investment, which is allowed by California statute, is made in securities that mature more than five years from the date of purchase, the City Treasurer and the deputy city manager of administrative services will review the city's long-term cash needs. Both must concur before such an investment is made. A resolution authorizing such investment must first be approved by the City Council. Investments beyond five years will not be greater than 10% of the portfolio and will be counted in the percentage of the portfolio that may mature beyond one year.

##### **14.1.15.1.4 Ten-Year Limit**

No investments will be made that mature beyond 10 years from the date of investment.

##### **14.1.15.1.5 Callable Investments**

Callable investments will be recorded at their maturity dates.

#### **14.2.15.2 Maximum Modified Duration**

The investment restrictions identified in paragraphs of Section 8.0 Authorized Investments and Section 9.0 Unauthorized Investments, and the maturity



requirements identified in Section 15.1 Maximum Maturities for Pooled Investments, imply that the value of city investments should not change more than 2.2% for every 1% change in market interest rates. To ensure that this is the case, a maximum modified duration is established at 2.2. This states that the unrealized gains and losses of the portfolio are not expected to exceed 2.2% for every 1% change in market interest rates. A modified duration in excess of 2.2 would indicate that the portfolio is exposed to more market risk than is desired by this policy. If the modified duration of 2.2 is exceeded, an explanation will be made in the first monthly report following the occurrence.

#### **14.315.3 Investments Held Separately**

Maturities for investments held separately will conform to the trust indenture for each issue.

#### **15.016.0 Internal Controls**

~~This policy and the strategy for and conduct of the investment of city funds will be reviewed by an Investment Review Committee as set forth below and by the city's auditors in the conduct of their annual audit of the city.~~ The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft, fraud or misuse. The treasurer shall present all monthly and annual reports to the City Council, internal auditor, deputy city manager, finance manager, and by the city's external auditors in the conduct of their annual audit of the city.

#### **16.017.0 Performance Standard for Pooled Investments**

Laddered maturities and a buy and hold strategy for pooled investments will cause the investment portfolio to attain a market-average rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the city's cash flow needs. Since the amount maturing within one year must be at least equal to two-thirds of the currently approved operating budget, the rate of return will be more closely related to, but lag behind, changes in short-term market rates. The rate of return of the investment portfolio will be based on the maturity value of the investments. A dollar-weighted average of yields to maturity will be used in calculating the rate of return of the entire portfolio. The city's performance benchmarks may change from year to year but should strive to mirror the assets held in the city's portfolio.

#### **17.018.0 Short-term Borrowing**

The city is permitted by law to borrow money to meet current short-term cash flow needs. These needs may arise either because projected cash disbursements



exceed projected cash receipts, or because the city's cash accounts may be temporarily overdrawn due to the efforts to invest 100% of inactive funds at all times. To provide for these contingencies the City Treasurer is authorized to take the following actions:

#### ~~17.1~~18.1 **Short-term Loan**

When there is a shortfall between projected cash revenues and projected cash disbursements, the City Treasurer may secure a loan in the amount that would equal the cash deficit plus projected cash disbursements for one month. Any such loan will be repaid within one year.

#### ~~17.2~~18.2 **Line of Credit**

The City Treasurer may maintain a line of credit with the city's bank in an amount to cover sums temporarily overdrawn because of efforts to invest all inactive funds at all times.

### ~~18.0~~19.0 **Investment Strategy**

#### ~~18.1~~19.1 **Pooled Investments**

A buy and hold strategy will be followed; that is, investments once made will be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the city.

#### ~~18.2~~19.2 **Investments Held Separately**

Investments held separately for bond proceeds will follow the trust indenture for each issue.

### ~~19.0~~20.0 **Reporting**

California Government Code Section 53600 require reports meeting the standards set forth in these sections to be presented to City Council, as well as any additional information desired. Therefore, it is the policy of the city that the investments and transactions described in these sections, and as outlined in 20.1 below be given to the City Council, city manager, and internal auditor (or the deputy city manager of administrative services in the absence of an internal auditor).



#### **19.120.1 Pooled Investments**

The investment report will be submitted monthly by the [City Treasurer](#) within 60 days following the end of the month covered by the report. The monthly report will be published to the [City Treasurer](#) webpage after reporting to City Council. Each report will include the following elements:

- Itemized listing of portfolio investments by type, yield to maturity, and issuer
- Par value, dollar amount invested, amortized cost, and current market value as of the date of the report will be given for the total of all securities, investments, and moneys held by the city and its component units. The source of the market values will be cited
- Credit ratings of corporate notes
- Accrued income
- Weighted average yield of the portfolio
- Weighted average days to maturity of the portfolio from the date of the report
- Weighted average modified duration of the portfolio
- Dollar amount and percentage of portfolio maturing within one year
- Dollar amount and percentage of portfolio maturing between one and 5 years
- Percent that each type of investment represents in the portfolio
- Investment transactions for the reporting period excluding due dates
- Fund source of investments when available
- Statement that the investment portfolio has the ability to meet the city's cash flow demands for the next six (6) months
- Statement of compliance of the portfolio with the city's Investment Policy. When applicable, any material exceptions will be noted

An annual report for pooled investments will also be made to the City Council following the close of the fiscal year. Among other items, the annual report will include an analysis of the composition of the portfolio with regard to fund source; a review of trends regarding the size of the fund, portfolio yields, and cash income; and a statement regarding anticipated fund activity in the next fiscal year.

#### **19.220.2 Investments Held Separately**

A report of investments held separately will be made quarterly. Within 30 days following the end of the quarter the report will be submitted as an exhibit in the [City Treasurer](#)'s monthly report. The quarterly report will contain the information required by California Government Code [Section 53646](#) when available.

#### **20.021.0 Investment Policy Adoption**



California Government Code [Section 53646\(a\)\(2\)](#) allows the [City Treasurer](#) to render to the City Council and the Investment Review Committee a statement of Investment Policy and recommends that one be presented each year. Therefore, the city's Investment Policy and any modifications to it shall be considered no less often than annually at a public meeting. Adoption of the Investment Policy and any changes must be made by resolution of the City Council.

## **21.022.0 Glossary**

### **Amortized Cost**

The cost of investments adjusted for amortized premiums and discounts. Amortized cost is used to maintain comparability with market value.

### **Arbitrage Regulation**

Laws to control the use of profit making by purchasing securities on one market for immediate resale on another to profit from a price difference.

### **Bankers Acceptances**

An investment vehicle created to facilitate international commercial trade transactions. The bank accepts responsibility to repay a loan to the holder of the investment vehicle created in a commercial transaction. The credit worthiness of Bankers Acceptances are enhanced because they are secured by the issuing bank, the goods themselves, and the importer. Bankers Acceptances are sold on a discounted basis.

### **Bond Indenture**

A written agreement specifying the terms and conditions for issuing bonds, stating the form of the bond being offered for sale, interest to be paid, the maturity date, call provisions and protective covenants, if any, collateral pledged, the repayment schedule, and other terms. It describes the legal obligations of a bond issuer and the powers of the bond trustee, who has the responsibility for ensuring that interest payments are made to registered bondholders.

### **Book Value**

A term synonymous with amortized cost.

### **Buy and Hold Strategy**

Investments in which management has the positive intent and ability to hold each issue until maturity.

### **California Asset Management Program (CAMP)**



A California Joint Powers Authority (JPA) established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code [Section 53601\(p\)](#). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

**Certificate of Deposit**

A deposit account paying interest for a fixed term, with the understanding that funds cannot be withdrawn before maturity without giving notice.

**Collateralization**

An asset used to secure a debt in part or in full by pledge of collateral. The collateral is used as security to help ensure payment or performance of an obligation.

**Commercial Paper**

A short-term IOU, or unsecured money market obligation, issued by prime rated commercial firms and financial companies, with maturities from 2 days up to 270 days. A promissory note of the issuer used to finance current obligations and is a negotiable instrument.

**Delivery Versus Payment**

A securities industry term indicating payment is due when the buyer has securities in hand or a book entry receipt.

**Embedded Option**

A statement within the bond structure that would alter the interest rate earned by the bond.

**Interest-Only Strips**

Mortgage backed instrument where investor receives only the interest, no principal, from a pool of mortgages. Issues are highly interest rate sensitive. Cash flows vary between interest periods. As well, the maturity date may occur earlier than that stated if all loans within the pool are pre-paid. High prepayments on underlying mortgages can return less to the holder than the dollar amount invested.

**Inverse Floater**

A bond or note that does not earn a fixed rate of interest. Rather, the interest rate that is earned is tied to a specific interest-rate index identified in the bond/note structure. The interest rate earned by the bond/note will move in the opposite



direction of the index, e.g., if market interest rates as measured by the selected index rises, the interest rate earned by the bond/note will decline. An inverse floater increases the market rate risk and modified duration of the investment.

#### **Laddered Portfolio**

A bond investment portfolio with securities in each maturity range (e.g. monthly) over a specified period (e.g. five years).

#### **Leverage**

Investing with borrowed money with the expectation that the interest earned on the investment will exceed the interest paid on the borrowed money.

#### **Local Agency Investment Fund (LAIF)**

A voluntary investment program offering participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. Investment in LAIF, considered a short-term investment, is readily available for cash withdrawal daily.

#### **Market Risk**

The risk that market interest rates will rise causing a loss of value in investments held. All investments made by the city involve a degree of market risk. See also Unrealized Gains (Losses).

#### **Modified Duration**

A measure of the sensitivity that the value of a fixed-income security has to changes in market rates of interest. Modified duration is the best single measure of a portfolio's or security's exposure to market risk. Modified duration identifies the potential gain/loss in value before the gain/loss actually occurs. It is a prospective measurement, e.g., a modified duration of 1.5 indicates that when and if a 1% change in market interest rates occurs, a 1.5% change in the value of a security will result. Investments with modified durations of one to three are considered to be relatively conservative.

#### **Negotiable Certificates of Deposit**

A large denomination (\$100,000 or more) interest bearing time deposits, paying the holder a fixed amount of interest at maturity. Issues can be sold to a new owner before maturity.

#### **Municipal Bonds**



Municipal bonds are debt securities issued by states, cities, counties and other governmental entities to fund day-to-day obligations and to finance capital projects such as building schools, highways or sewer systems.

**Nominee Name**

The registered owner of a stock or bond if different from the beneficial owner, who acts as holder of record for securities and other assets. Typically, this arrangement is done to facilitate the transfer of securities when it is inconvenient to obtain the signature of the real owner, or the actual owner may not wish to be identified. Nominee ownership simplifies the registration and transfer of securities.

**Nationally Recognized Statistical Rating Organization (NRSRO)**

A Nationally Recognized Statistical Rating Organization (NRSRO) is a credit rating agency that issues credit ratings that the U.S. Securities and Exchange Commission permits other financial firms to use for certain regulatory purposes. Three of the primary recognized rating agencies are Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc.

**Pooled Investment**

A grouping of resources for the common advantage of the participants.

**Range Note**

An investment whose coupon payment varies (e.g. either 7% or 3%) and is dependent on whether the current benchmark (e.g. 30-year Treasury) falls within a pre-determined range (e.g. between 6.75% and 7.25%).

**Repurchase Agreement**

A contract to purchase and subsequently sell securities at a specified date and price.

**Supranational Organization**

A supranational organization is formed by a group of countries through an international treaty. Member states transcend national boundaries or interests to share in the decision-making process to promote economic development in the member countries.

**Supranational Securities**

Supranational securities are United States dollar denominated senior unsecured, unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD or World Bank),



International Finance Corporation (IFC), or Inter-American Development Bank (IADB). These organizations were established by international treaties, are headquartered in Washington D.C and incorporated into U.S. Federal Law by Congressional Acts. The California Government Code [Section 53601\(q\)](#) permits the securities of these three organizations to be incorporated into local agency investment portfolios.

**Sweep Account**

A short-term income fund into which all uninvested cash balances from the non-interest-bearing checking account are automatically transferred daily.

**Third-Party Custodian**

A corporate agent, usually a commercial bank, who, acting as trustee, holds securities under a written agreement for a corporate client and buys and sells securities when instructed. Custody services include securities safekeeping, and collection of dividends and interest. The bank acts only as a transfer agent and makes no buy-sell recommendations.

**Unrealized Gains (Losses)**

An increase (decrease) in the value of investments representing the difference between the amortized cost of the investments and their current market value. Increases (decreases) in value are caused primarily by changes in market interest rates subsequent to purchasing the investments. Increases (decreases) in value indicate two things: 1. The portfolio has a potential gain (loss) in principal if the securities are sold, and 2. The portfolio is over performing (underperforming) the current market for similar investments. An increase in value indicates the portfolio is earning relatively more interest than current market conditions, and a decrease in value indicates that the portfolio is earning relatively less interest than current market conditions.

**Zero Accrual Periods**

A period in which an investment accumulates no interest.



## **23.024.0 Summary of Authorized Investments**

<b>Investment Type</b>	<b>Maximum Maturity<sup>1</sup></b>	<b>Maximum % Portfolio</b>	<b>Maximum % Issuer</b>	<b>NRSRO Minimum<sup>2</sup></b>
Obligations of the US Government	5 years	-	-	-
Certificates of Deposit	5 years	30%	10%	-
Negotiable Certificates of Deposit	5 years	30%	10%	-
Corporate Notes	5 years	30%	5%	AA/A
Municipal Bonds	5 years	15%	5%	AA/A
Supranational Securities	5 years	10%	5%	AA/AA
Agency Backed Mortgage Passthrough Securities	5 years	-	-	-
Non-agency Backed Mortgage Passthrough Securities	5 years	5%	5%	AA
Repurchase Agreements	1 year	5%	5%	-
Commercial Paper	270 days	10%	(3)	AA/AA
Bankers Acceptances	180 days	25%	10%	-
Money Market Funds	N/A	-	-	-
LAIF	N/A	-	-	-
CAMP	N/A	-	-	-
Sweep Accounts	N/A	-	-	-

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<sup>1</sup> Exceptions are addressed in §15.0 Maximum Maturities and Maximum Modified Duration. Total portfolio Modified Duration shall be 2.2 or less.

<sup>2</sup> NSRSOs used by the city are limited to Moody's Investors Service, Inc., S&P Global Ratings., and Fitch Ratings, Inc. If two ratings are listed for an investment type, then at least two of the three agencies must have ratings compliant with this Investment Policy. Credit rating minimums include rating modifiers (+/-).

<sup>3</sup> Commercial Paper shall not represent more than 5% of the outstanding paper of an issuing company.





## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Mike Strong, Assistant Director of Community Development  
mike.strong@carlsbadca.gov, 442-339-2721

**Subject:** Amendment No. 2 to the Professional Services Agreement with Willdan Engineering Inc. for Building and Safety Services

**Districts:** All

### Recommended Action

Adopt a resolution approving Amendment No. 2 to the professional services agreement with Willdan Engineering Inc. to increase the total not-to-exceed compensation amount to \$140,000 in years one and two of the contract to provide continued temporary staffing and building and safety services.

### Executive Summary

The city awarded a three-year contract to Willdan Engineering Inc. on April 17, 2023, to provide as-needed professional building and safety services such as building permit plan check reviews, building inspection functions and front counter customer services. Over the past year, there have been unexpected staff vacancies in these areas. To maintain building permit review and processing timelines for its customers during this period, the department used the Willdan contract to the extent that the allocated contract funding for the first year of the contract has been nearly exhausted.

Staff are asking the City Council to increase the total maximum not-to-exceed compensation amount in the first year of the contract from \$100,000 to \$140,000, and in the second year of the contract from \$40,000 to \$140,000. The maximum compensation amount in the third year would remain at \$40,000.

These contracted services will only be used as needed, and only until staff vacancies are filled. Salary savings from the staff vacancies will be used to cover the contract costs, so no additional appropriation of funds is being requested.

The request is being brought to the City Council because the procurement of professional services that cost the city more than \$100,000 per agreement year requires the City Council's approval under Carlsbad Municipal Code Section 3.28.060(D)(5).



### Explanation & Analysis

The Community Development Department's Building Division is responsible for processing and reviewing building permit applications for new development, additions, tenant improvements, and remodels, as well as conducting building inspections to ensure new development is built consistent with approved plans and in compliance with state and local building codes. The division maintains targeted turnaround times to ensure the timely review of plans and conducts inspections to avoid unnecessary delays in the construction process. For example, the turnaround times for most plan check reviews is within 10 working days, and the division tries to conduct building inspections within 24-hours from the time they are requested, at least 80% of the time<sup>1</sup>.

To ensure timely service delivery, the city awarded a three-year contract to Willdan on April 17, 2023, for temporary staffing services to the Building Division. Under this contract, Willdan employees provide professional building and safety services such as building permit plan check review, building inspection functions and front counter customer services.

Most recently, Willdan has assisted the Building Division by providing temporary staffing services for technician and clerical work, digital permit processing and plan checking and building official services. Billing under the contract is based on the actual hours worked to meet the demand. The original compensation amount of the contract was not to exceed \$40,000 per contract year.

Because of unanticipated vacancies in the Building Division, staff needed to augment the payable compensation amount in the first of the contract. The City Manager, acting under the authority of Carlsbad Municipal Code Section 3.28.060(D)(4), amended the contract on May 25, 2023, and increased the compensation amount in year one of the contract by \$60,000, from \$40,000 to \$100,000 (Amendment No. 1).

The amended contract with Willdan has a maximum not-to-exceed compensation amount of \$100,000 in year one, \$40,000 in year two, and \$40,000 in year three. However, temporary staffing needs have continued to exceed what staff anticipated in the amended contract. Accordingly, the maximum compensation for year one of the contract term has nearly been expended, with about two months remaining in year one of the contract.

Staff are requesting a \$40,000 increase in the total fee paid in year one of the contract and a \$100,000 increase in year two of the contract. This recommendation would increase the total maximum not-to-exceed compensation amount to \$140,000 in years one and two of the contract. The proposed maximum compensation amounts were calculated based on the average monthly compensation over the course of the past year. As noted above, salary savings from the staff vacancies will be used to cover contract costs, so no additional appropriation of funds is being requested.

The city's Purchasing Officer has determined that the solicitation of bids for the goods, services, and/or professional services would be impractical, unavailing, impossible or not in the best interest of the city, consistent with Carlsbad Municipal Code Section 3.28.110 (N). Willdan Engineering Inc. has been providing services since April 17, 2023, and is currently engaged

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<sup>1</sup> The 80% target is used to account for temporary reductions in staffing levels due to unavoidable and unforeseen circumstances, such as staff training, vacations and sick leave.



through April 17, 2026. To provide continuity of public service and the flexibility to use Willdan temporary staffing to fill in for future vacancies, staff are recommending an amendment to the current contract's annual maximum to \$140,000 in years one and two of the contract. The Purchasing Officer's memo authorizing these exemptions is attached as Exhibit 2.

### **Fiscal Analysis**

The proposed amended contract with Willdan Engineering Inc. (Amendment No. 2) recommends a maximum not-to-exceed compensation amount of \$140,000 in year one, \$140,000 in year two, and \$40,000 in year three. The contractor would be paid based on the actual work it performs. The funding for this amendment comes from savings from employee vacancies. Any expenditures in future years of the contract will also be covered by employee vacancy savings. No additional appropriations are needed to fund the costs associated with this agreement.

### **Next Steps**

Staff will execute the contract amendment and Willdan Engineering Inc. will continue to provide building and safety temporary staffing services.

### **Environmental Evaluation**

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change or a reasonably foreseeable indirect physical change in the environment.

### **Exhibits**

1. City Council resolution
2. City Purchasing Officer's memorandum



**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH WILLDAN ENGINEERING INC. TO INCREASE THE TOTAL NOT-TO-EXCEED COMPENSATION AMOUNT TO \$140,000 IN YEARS ONE AND TWO OF THE CONTRACT TO PROVIDE CONTINUED TEMPORARY STAFFING AND BUILDING AND SAFETY SERVICES.

WHEREAS, the City Council of the City of Carlsbad, California has determined that it is necessary, desirable and in the public interest to acquire temporary staffing and building and safety services to maintain targeted customer service levels; and

WHEREAS, on April 17, 2023, the city awarded a three-year contract to Willdan Engineering Inc. to provide professional temporary staffing services in the Building Division; and

WHEREAS, on May 25, 2023, under the authority of Carlsbad Municipal Code Section 3.28.060(D)(4), the City Manager amended the agreement (Amendment No. 1) and increased the total maximum not-to-exceed compensation amount by \$60,000, from \$40,000 to \$100,000, in year one of the contract; and

WHEREAS, funds are not encumbered until services are provided under the agreement; and

WHEREAS, the maximum compensation amount for each year of the contract was based on workload forecasts and demand for temporary staffing services. The contract has been prematurely exhausted and will need to be increased to support the Building Division's needs through the end of the contract period; and

WHEREAS, staff recommend the City Council approve Amendment No. 2 to the Professional Services Agreement with Willdan Engineering Inc. (Attachment A) to increase the total payable fee in years one and two of the contract.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the City Manager is authorized to execute Amendment No. 2 to the Professional Services Agreement (Attachment A) with Willdan Engineering Inc. which increases the total maximum not-to-exceed annual compensation amount to \$140,000 in years one and two of the agreement.



PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

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KEITH BLACKBURN, Mayor

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SHERRY FREISINGER, City Clerk  
(SEAL)



**AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT BETWEEN  
THE CITY OF CARLSBAD AND WILL DAN ENGINEERING, INC.**

This Amendment No. 2 is entered into and effective as of the \_\_\_\_ day of \_\_\_\_\_ 2024, amending the agreement dated April 17, 2023 (the "Agreement") by and between the City of Carlsbad, California, a municipal corporation ("City"), and Willdan Engineering, Inc., a Corporation ("Contractor") (collectively, the "Parties").

**RECITALS**

- A. On April 17, 2023, the Parties entered into the Agreement for the Contractor to provided temporary staffing services; and
- B. On May 25, 2023, the Parties executed Amendment No. 1 to the Agreement to increase the not-to-exceed amount to \$100,000, in year 1 of the Agreement ("Amendment No. 1"); and
- C. The Parties now desire to increase the not-to-exceed amount to \$140,000 per year in Year 1 and Year 2 of the Agreement; and
- D. The Parties have negotiated and agreed to an amended compensation amount.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1. Compensation. The total fee payable for the Services to be performed during Year 1 and Year 2 of the Agreement will be an amount not to exceed one hundred and forty thousand dollars (\$140,000) per Agreement year. The total fee payable for Services to be performed during Year 3 of the Agreement will be an amount not to exceed forty thousand dollars (\$40,000) per Agreement year. No other compensation for the Services will be allowed except for items covered by subsequent amendments to this Agreement. The City reserves the right to withhold a ten percent (10%) retention until City has accepted the work and/or Services. Incremental payments, if applicable, should be made as outlined in Exhibit "A" to the Agreement.
2. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.
3. All requisite insurance policies to be maintained by Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.
4. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Amendment.



CONTRACTOR

CITY OF CARLSBAD, a municipal  
corporation of the State of California

By:

*Vanessa Munoz*

(sign here)

Vanessa Munoz, President

vmunoz@willdan.com

(print name/title)

By:

Mayor

ATTEST:

By:

*Kate Nguyen*

(sign here)

Kate Nguyen, Secretary

knguyen@willdan.com

(print name/title)

SHERRY FREISINGER

City Clerk

If required by City, proper notarial acknowledgment of execution by Contractor must be attached.  
If a corporation, Agreement must be signed by one corporate officer from each of the following two groups:

Group A

Chairman,  
President, **or**  
Vice-President

Group B

Secretary,  
Assistant Secretary,  
CFO **or** Assistant Treasurer

**Otherwise**, the corporation must attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

CINDIE K. McMAHON, City Attorney

BY:

*Allegra Frost*

Deputy City Attorney





## Memorandum

January 26, 2024

**To:** Roxanne Muhlmeister, Assistant Finance Director/Purchasing Officer  
**From:** Debbie Porter, Sr. Management Analyst  
**Re:** **Request for Exemption to Bidding for Temporary Engineering Staffing Services from Willdan Engineering, Inc.**

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The purpose of this memo is to request authorization for an exemption to the bidding process (CMC 3.28.070) per Purchasing Code 3.28.110 (N) situations where solicitations of bids or proposals for goods, services and/or professional services would be, in the discretion of the awarding authority, impractical, unavailing, impossible, or not in the best interests of the city. This code provides a bidding exemption for professional services when solicitations of bids are not in the best interests of the city.

The Building Division of the Community Development Department has three Building Technician positions that examine applications, plans, and specifications for construction or alteration of dwellings and assist the public at the front counter with processing building plan checks, permits and development processing. For several months in 2023, all three of these positions were vacant.

In addition, in Sept. 2023, the Building Official position became vacant and has not yet been filled. Per Title 18 Building Codes and Regulations of the Carlsbad, California Municipal Code (CCMC), the Building Official is the only position in the city authorized and directed to enforce certain provisions of this section of the CCMC.

The city contracted with Willdan Engineering, Inc. on April 17, 2023 to provide temporary staff in order to perform the work in the Building Department while recruitments are being conducted to fill the vacant positions and to help transition the duties to new staff as they are hired. The current service agreement has a 3-year term (expires on April 17, 2026) with a not-to-exceed annual maximum of \$100,000 in year 1 and \$40,000 in years 2 and 3.

Based on the number of hours of work per week being performed by two temporary staff at billing rates of \$155 per hour and \$75 per hour, we expect to spend \$140,000 in Years 1 and 2 of the contract.

In order to provide continuity of public service and allow for flexibility to use Willdan temporary staffing to fill in for future vacancies, we are asking to amend the current contract annual maximum for years 1 and 2 to \$140,000.



If we see a trend in year 3 that requires use of these services in excess of \$40,000 we will do an RFP.

Approval for Bidding Exemption

*Roxanne Muhlmeister*

1/29/2024

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Roxanne Muhlmeister,  
Assistant Finance Director/Purchasing Officer

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Date

Attachment: Services Agreement with Willdan Engineering, Inc.

CC:   Shea Sainz, Senior Contract Administrator  
      Judy Von Kalinowski, Human Resources Director  
      Mike Strong, Asst. Director of Community Development





## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Nicole Piano-Jones, Senior Program Manager  
nicole.pianojones@carlsbadca.gov, 442-339-2194

**Subject:** Agricultural Conversion Mitigation Fee Funds for Batiquitos Lagoon Foundation Projects

**District:** 4

### Recommended Action

Adopt a resolution approving a \$35,287 transfer of agricultural conversion mitigation fee funds from Batiquitos Lagoon Foundation project AGP 06-12 to Batiquitos Lagoon Foundation project AGP 09-03, a \$120,236 appropriation for upcoming costs associated with the projects, and an additional appropriation of \$5,000 for AGP 06-12 to align the current FY 2023-24 Agricultural Conversion Mitigation Fee Program budget, and authorizing the City Manager to execute funding agreements with the Batiquitos Lagoon Foundation.

### Executive Summary

The City of Carlsbad's Agricultural Mitigation Fee Grant Program supports certain agricultural, coastal or wetland restoration projects that enhance quality of life in Carlsbad.<sup>1</sup>

Funding for the grants come from fees that are paid by developers when agricultural land in the city's Coastal Zone is used for development.

Over time, the mitigation fees accumulate and are then made available as grants to organizations proposing coastal-focused improvement and restoration projects.

The Batiquitos Lagoon Foundation has two projects that were awarded agricultural conversion mitigation fee funds in prior years: creating a lagoon resiliency plan, which was awarded funding in 2006; and developing the North Shore Trail, which was awarded funding in 2009. These projects have yet to be completed for several reasons.

The Agricultural Conversion Mitigation Fee Citizens Advisory Committee reviewed a request made by the Batiquitos Lagoon Foundation to transfer \$35,287 from the Batiquitos Lagoon Foundation's lagoon resiliency plan project to its North Shore Trail project. The committee

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<sup>1</sup> Carlsbad Municipal Code Section 21.202.060 regulates the development of coastal agricultural property and allows the conversion of specific parcels located within the Coastal Zone only upon payment of a mitigation fee.



approved the requests and adopted a resolution recommending that the City Council approve the funding transfer and related appropriation needs for these projects (Exhibit 2).

The City Council makes the final decisions regarding the use of agricultural conversion mitigation fee funds after review and recommendation by the committee under the rules established by City Council Resolution 2005-242.

### Explanation & Analysis

#### **Lagoon Resiliency Plan - (AGP 06-12)**

The Batiquitos Lagoon Resiliency Plan was envisioned to be a long-term plan to identify gaps in the water quality and bathymetric data about the health of the lagoon and potential impacts upon it and develop climate change adaptation strategies. The project was to be completed in four phases:

- Phase 1 - Scenario planning and data needs
- Phase II - Data collection as needed
- Phase III - Adaptation strategies
- Phase IV - Final report
  - Original anticipated completion date 2019

#### Funding timeline

**2006** - The Agricultural Conversion Mitigation Fee Citizens Advisory Committee approved the project, recommending that the City Council approve an award for the project of \$780,589, of which \$74,995 would be appropriated and made available to the foundation.

**2007** - The City Council approved the grant award and appropriation. (Resolution No. 2008-0500)

**2016** - The Advisory Committee approved an additional appropriation of \$100,000 for the project.

**2017** - The City Council approved the additional appropriation. (Resolution No. 2017-061)

**2017** - The committee recommended that the total grant award for the project be reduced by \$50,000 to make additional funds available for other eligible projects.

**2018** - The City Council approved the funding reduction. (Resolution No. 2018-025)

**Jan. 31, 2024** - The Committee adopted a resolution recommending that the grant award for AGP 06-12 be reduced by \$35,287 and transferred to another Batiquitos Lagoon Foundation project, resulting in a total award balance of \$695,302. The request for an appropriation of \$84,949 for upcoming project costs was also approved, bringing the total appropriation to \$209,994. The remaining grant amount will be drawn upon for annual costs through 2030.

#### Current status

- \$111,284 expended; remaining appropriated balance of \$13,711
- Phase I completed as of February 2020
- Established water quality management program
  - First sampling collected in January 2022



#### Next step

- Contracting with consulting firm for routine environmental sampling:
  - Expected cost \$84,949, anticipated completion November 2024
  - Remaining award balance reserved for ongoing sampling expected to cost \$89,000 annually and to be completed from January 2025-January 2030

#### **North Shore Trail (AGP 09-03)**

The Batiquitos Lagoon North Shore Trail project is intended to fill in missing trail segments on the north side of the lagoon. The multi-phased project is to include planning and design, property acquisition, wetland restoration and invasive species removal, and trail building. The project was expected to begin in December 2009 and be fully completed in June 2012.

#### Funding timeline

**2009** - The advisory committee approved the project and recommended that the City Council approve a \$98,572 award and appropriation to the Batiquitos Lagoon Foundation. The City Council then approved the grant award and appropriation. (Resolution No. 2009-199)

**Jan. 31, 2024** - The Advisory Committee adopted a resolution recommending that the grant award and appropriation amount for the project be increased by \$35,284, resulting in a total award and appropriation balance of \$133,859.

#### Current status

- \$59,754 has been expended, leaving an appropriated balance of \$38,818.
- Invasive species removal and erosion control of trail are ongoing.
- Efforts to acquire the property required to complete the trail segment have stalled, so a new trail segment is being proposed:
  - The new trail – noted as Trail Segment 12C in the city’s Trails Master Plan – will connect the public trail system east of Interstate 5 with the public trail system west of I-5. Caltrans has completed the design and the plans are in the permitting process.

#### Next step

The Batiquitos Lagoon Foundation is coordinating the implementation of a 225-foot trail that would connect the new I-5 trail and the existing San Pacifico Trail trail head. The next step is for the foundation to engage a design firm to complete a “shovel ready” design for the trail connection. The design work is expected to cost \$74,105 and anticipated to be complete 10 months after the contract is executed. The estimated cost and timeframe to complete the construction of the trail segment is unknown at this time.

The foundation is not requesting an additional mitigation fee fund award for trail construction at this time but may request additional funds later.

#### Fiscal Analysis

The agricultural conversion mitigation fee grant program is fully funded through mitigation fees and there is no fiscal impact to the city's General Fund. The program operates on a reimbursement basis, meaning grant recipients expend funds first and then submit reimbursement requests to the city.



As of Jan. 31, 2024, there was \$1,140,442 in the agricultural mitigation fee fund. Of this amount, \$371,077 is appropriated for disbursement of previously awarded projects and an additional \$768,469 is committed to projects, of which \$605,594 is committed to the Batiquitos Lagoon Foundation's Lagoon Resiliency Plan and North Shore Trail projects. After considering all committed and appropriated award amounts, the agricultural mitigation fee fund has an available balance of \$896.

The requested actions are to:

- Transfer \$35,287 of committed funding from Batiquitos Lagoon Foundation project AGP 06-12 to Batiquitos Lagoon Foundation project AGP 09-03
- Appropriate a total of \$125,236 of previously committed funds for both projects for actual use.

**Batiquitos Lagoon Foundation - Award Amount**

<b>Award</b>	<b>Prior Amount Awarded</b>	<b>Requested Adjustment</b>	<b>Revised Amount Awarded</b>
AGP 06-12	\$730,589	-\$35,287	\$695,302
AGP 09-03	98,572	35,287	133,859
<b>Total</b>	<b>829,161</b>	<b>0</b>	<b>829,161</b>

**Batiquitos Lagoon Foundation - Appropriation**

<b>Award</b>	<b>Prior Appropriations</b>	<b>Requested Appropriation</b>	<b>Total Appropriations</b>
AGP 06-12	\$124,995	\$89,949	\$214,944
AGP 09-03	98,572	35,287	133,859
<b>Total</b>	<b>223,567</b>	<b>125,236</b>	<b>348,803</b>

**Next Steps**

Housing & Homeless Services staff will enter into service agreements with the Batiquitos Lagoon Foundation for the use of Agricultural Conversion Mitigation Fee funds. The Batiquitos Lagoon Foundation may then proceed with the projects as described in this report. Progress reports will be provided to Housing & Homeless Services staff and periodically presented to the Agricultural Conversion Mitigation Fee Advisory Committee.

**Environmental Evaluation**

The City Planner finds that adoption of a resolution modifying the funding for Batiquitos Lagoon Foundation Agricultural Conversion Mitigation Fee - funded projects is exempt from environmental review under the California Environmental Quality Act under CEQA Guidelines section 15061(b)(3), because it can be seen with certainty that the project will have no significant negative impact on the environment.

**Exhibits**

1. City Council resolution
2. Agricultural Conversion Mitigation Fee Citizens Advisory Committee resolution



**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING A \$35,287 TRANSFER OF AGRICULTURAL CONVERSION MITIGATION FEE FUNDS FROM BATIQUITOS LAGOON FOUNDATION PROJECT AGP 06-12 TO BATIQUITOS LAGOON FOUNDATION PROJECT AGP 09-03, A \$120,236 APPROPRIATION FOR UPCOMING COSTS ASSOCIATED WITH THE PROJECTS, AND AN ADDITIONAL APPROPRIATION OF \$5,000 FOR AGP 06-12 TO ALIGN THE CURRENT FY 2023-24 AGRICULTURAL CONVERSION MITIGATION FEE PROGRAM BUDGET AND AUTHORIZING THE CITY MANAGER TO EXECUTE FUNDING AGREEMENTS WITH THE BATIQUITOS LAGOON FOUNDATION

WHEREAS, the Carlsbad Municipal Code Section 21.202.060 establishes an Agricultural Conversion Mitigation Fee and the allowable uses; and

WHEREAS, on August 2, 2005, the Carlsbad City Council created the Agricultural Conversion Mitigation Fee Ad Hoc Citizens Advisory Committee (Committee); and

WHEREAS, the principal charge of the Committee is to make recommendations to the City Council for proposed expenditure from the Agricultural Conversion Mitigation Fee (ACMF) Fund in keeping with the directives approved by the City Council; and

WHEREAS, on November 13, 2007, the City Council approved Resolution No. 2008-050 which approved the grant award of \$780,589 and appropriation of \$74,995 for AGP 06-12; and

WHEREAS, on June 28, 2009, the City Council approved Resolution No. 2009-03 which approved the grant award and appropriation of \$98,571 to project AGP 09-03; and

WHEREAS, on April 11, 2017, the City Council approved Resolution No. 2017-061 which approved a funding appropriation of \$100,000 for AGP 06-12; and

WHEREAS, on February 27, 2018, the City Council approved Resolution No. 2018-025 to reduce the grant award by \$50,000 for AGP 06-12; and

WHEREAS, on January 31, 2024, the ACMF Committee met and recommended that the City Council approve the request of Batiquitos Lagoon Foundation for funding appropriation of \$84,949 to project AGP 06-12, and \$35,287 to project AGP 09-03, and a grant award reduction of \$35,287 for AGP 06-12; and

WHEREAS, an additional \$5,000 of committed funds is being requested to align the FY 2023-24 Agricultural Conversion Mitigation Fee budget; and



NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct. That the above recitations are true and correct.
2. That the City Council hereby approves the award transfer of Agricultural Conversion Mitigation Fee funds in the amount of \$35,287 from Batiquitos Lagoon Foundation Project AGP 06-12 to Batiquitos Lagoon Foundation Project AGP 09-03.
3. That the City Manager, or designee, is hereby authorized to execute funding agreements with Batiquitos Lagoon Foundation, approved as to form by the City Attorney, itemizing the agreed upon milestones and timing of the release of funds.
4. That the City Manager, or designee, is hereby authorized to appropriate \$125,236 of ACMF funds according to the terms of the approved funding agreements.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

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KEITH BLACKBURN, Mayor

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SHERRY FREISINGER, City Clerk  
(SEAL)



**RESOLUTION NO. 2024-001**

A RESOLUTION OF THE AGRICULTURAL CONVERSION MITIGATION FEE CITIZENS ADVISORY COMMITTEE OF THE CITY OF CARLSBAD, CALIFORNIA, RECOMMENDING THAT THE CITY COUNCIL APPROVE PROJECT CHANGES AS DESCRIBED HEREIN

WHEREAS, the Agricultural Conversion Mitigation Fee Citizens Advisory Committee of the City of Carlsbad, California held a noticed public meeting to obtain public input and review and consider projects funded with Agricultural Conversion Mitigation Fee funds; and

WHEREAS, on Nov. 18, 2006, the Agricultural Conversion Mitigation Fee Citizens Advisory Committee recommended that the City Council approve an award of \$780,589, of which \$74,995 appropriated to the Batiquitos Lagoon Foundation for AGP 06-12; and

WHEREAS, on Nov. 13, 2007, the City Council approved Resolution No. 2008-050, approving the award of \$780,589, of which \$74,995 appropriated to the Batiquitos Lagoon Foundation for AGP 06-12; and

WHEREAS, on Nov. 29, 2016, the Agricultural Conversion Mitigation Fee Citizens Advisory Committee recommended that the City Council approve an appropriation of \$100,000 to the Batiquitos Lagoon Foundation for AGP 06-12; and

WHEREAS, on April 11, 2017, the City Council approved Resolution No. 2017-061, approving an appropriation of \$100,000 to the Batiquitos Lagoon Foundation for AGP 06-12; and

WHEREAS, on Oct. 26, 2017, the Agricultural Conversion Mitigation Fee Citizens Advisory Committee recommended that the City Council approve a grant award reduction of \$50,000 to the Batiquitos Lagoon Foundation for AGP 06-12; and

WHEREAS, on Feb. 27, 2018, the City Council approved Resolution No. 2018-025, approving the reduction of \$50,000 to the Batiquitos Lagoon Foundation for AGP 06-12; and

WHEREAS, on June 15, 2009, the Agricultural Conversion Mitigation Fee Citizens Advisory Committee recommended that the City Council approve a grant award and appropriation of \$98,572 to the Batiquitos Lagoon Foundation for AGP 09-03; and

WHEREAS, on June 28, 2009, the City Council approved Resolution No. 2009-199, approving the grant award and appropriation of \$98,572 to Batiquitos Lagoon Foundation for AGP 09-03; and



WHEREAS, the Batiquitos Lagoon Foundation has requested that the Committee consider an additional award and appropriation request of \$35,287 for AGP 09-03 – reducing the award balance of AGP 06-12 by \$35,287; and

WHEREAS, the Batiquitos Lagoon Foundation has requested that \$84,949 be appropriated to project 06-12, and that the remaining award balance be reserved for future AGP 06-12; and

WHEREAS, the Agricultural Conversion Mitigation Fee Citizens Advisory Committee of the City of Carlsbad on Jan. 31, 2024, held a noticed public meeting to consider these requests; and

NOW, THEREFORE, BE IT RESOLVED by the Agricultural Conversion Mitigation Fee Citizens Advisory Committee of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. The Agricultural Conversion Mitigation Fee Citizens Advisory Committee recommends that the City Council approve the project changes provided in Attachment A.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the Agricultural Conversion Mitigation Fee Citizens Advisory Committee of the City of Carlsbad on the 31st day of January, 2024, by the following vote, to wit:

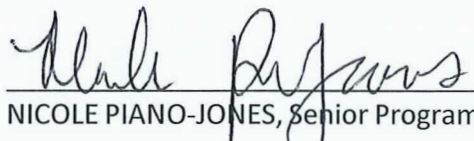
AYES: Merz, Householder, Brisbois, Alkire.

NAYS: None.

ABSTAIN: None.

ABSENT: Lichten.

  
CAROLYN ALKIRE, Chair

  
NICOLE PIANO-JONES, Senior Program Manager



**AGRICULTURAL CONVERSION MITIGATION FEE CITIZENS ADVISORY COMMITTEE RECOMMENDATIONS  
FOR PROJECTS AGP 06-12 AND AGP 09-03**

Project Current Status		Batiquitos Lagoon Foundation Requests		ACMF Committee Recommendation
		Requested Change	Requested Total	
AGP 06-12 Approved 2006	ACMF Award: \$730,589	Award Reduction: <b>(- \$35,287)</b>	ACMF Award: \$695,302	ACMF Award: \$695,302
Expended: \$111,284	Appropriated: \$124,995	Current Appropriation: (+ \$84,949)	Appropriation: \$209,994	Appropriation: \$209,994
AGP 09-03 Approved 2009	ACMF Award: \$98,572	Award Increase: (+ \$35,287)	ACMF Award: \$133,859	ACMF Award: \$133,859
Expended: \$59,754	Appropriated: \$98,572	Current Appropriation: (+\$35,287)	Appropriation: \$133,859	Appropriation: \$133,859





## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Majka Penner, Senior Program Manager  
majka.penner@carlsbadca.gov, 442-339-2855

**Subject:** Accepting a \$10,310 donation from the Friends of Carrillo Ranch, Inc.

**District:** 2

### Recommended Action

Adopt a resolution accepting a \$10,310 donation from the Friends of Carrillo Ranch, Inc. to the City of Carlsbad Parks & Recreation Department in support of the California History & Art Field Trip Program at Leo Carrillo Ranch Historic Park.

### Executive Summary

The Friends of Carrillo Ranch, Inc. has generously offered a \$10,310 donation in direct support of the California History & Art Field Trip Program at Leo Carrillo Ranch Historic Park. Carlsbad Municipal Code Section 2.08.100 requires the City Council's acceptance of donations that exceed \$5,000.

### Explanation & Analysis

The Friends of Carrillo Ranch Inc. is a nonprofit chartered California Educational Corporation. Its mission is to partner with the City of Carlsbad to increase community awareness of Leo Carrillo, the man, and Leo Carrillo Ranch, the resource made available to the public and to educators. The Friends organization raises funds through membership, events, a silent auction and private donations.

The Friends organization's \$10,310 donation to the City of Carlsbad will directly support the California History & Art Field Trip Program at the Leo Carrillo Ranch Historic Park. The donation aligns with two of the Carlsbad Community Values of (a) History, the arts and cultural resources, and (b) High-quality education and community services.

Thanks to the Friends organization's outstanding generosity, coupled with its dedicated silent auction fundraising efforts at the annual Fiesta at the Rancho event, more than 1,200 fourth grade students in the City of Carlsbad will be able to attend and enjoy the educational field trip program completely free of charge.



### **Fiscal Analysis**

The donation from the Friends of Carrillo Ranch, Inc. will augment the Parks & Recreation special revenue fund, providing support for the California History & Art Field Trip Program at Leo Carrillo Ranch Historic Park.

### **Next Steps**

A letter of appreciation will be sent on behalf of the City of Carlsbad, acknowledging the ongoing partnership and support of the Friends of Carrillo Ranch, Inc. in advocating for Leo Carrillo Ranch Historic Park's educational and interpretive programming.

### **Environmental Evaluation**

This action does not constitute a project within the meaning of the California Environmental Quality Act under Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

### **Exhibits**

1. City Council resolution



**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, ACCEPTING A \$10,310 DONATION FROM THE FRIENDS OF CARRILLO RANCH, INC. TO THE CITY OF CARLSBAD PARKS & RECREATION DEPARTMENT IN SUPPORT OF THE CALIFORNIA HISTORY & ART FIELD TRIP PROGRAM AT LEO CARRILLO RANCH HISTORIC PARK

WHEREAS, the City of Carlsbad has determined that the Friends of Carrillo Ranch, Inc. has generously offered a \$10,310 donation to the City of Carlsbad Parks & Recreation Department; and

WHEREAS, acceptance of this donation from the Friends of Carrillo Ranch, Inc. will directly support the California History & Art Field Trip Program at Leo Carrillo Ranch Historic Park; and

WHEREAS, acceptance of this donation is consistent with the Friends of Carrillo Ranch's mission of partnership with the City of Carlsbad and the development and implementation of educational and interpretive programs at Leo Carrillo Ranch Historic Park.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the City Council accepts the \$10,310 donation from the Friends of Carrillo Ranch, Inc., which will be directed to a Parks & Recreation Department special revenue fund for Leo Carrillo Ranch Historic Park, in support of the California History & Art Field Trip Program.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
KEITH BLACKBURN, Mayor

\_\_\_\_\_  
SHERRY FREISINGER, City Clerk  
(SEAL)





## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Steven Stewart, Municipal Projects Manager  
 steven.stewart@carlsbadca.gov, 442-339-2938  
 Mickey Williams, Police Chief  
 mickey.williams@carlsbadca.gov, 442-339-2130

**Subject:** Agreement with Spacesaver Intermountain, LLC for additional lockers and revising the men's locker room layout at the Police & Fire Headquarters

**District:** 2

### Recommended Action

Adopt a resolution authorizing execution of an agreement with Spacesaver Intermountain, LLC to provide additional lockers for the Police and Fire Headquarters Renovation Project and revise the men's locker room layout and authorizing an additional appropriation in the amount of \$157,160 from the General Capital Construction fund for the project.

### Executive Summary

New lockers were installed in the Police Department's men's and women's locker rooms as part of the renovation of the Police & Fire Headquarters, at 2560 Orion Way. However, due to an oversight by the vendor and its employee turnover, the vendor installed an incorrect number of lockers in the men's locker room, 92 instead of 144, too few to meet the department's needs.

Staff have worked with the vendor, Spacesaver Intermountain, LLC, to revise the locker room layout, modifying or replacing some larger lockers with smaller ones and ordering additional lockers, to get the most use out of the lockers the city has purchased and limit the cost of the additional lockers that are now needed.

The cost of providing the 52 additional lockers needed and to revise the men's locker room layout has been negotiated to an amount not to exceed \$157,160. This includes the not-to-exceed amount of \$133,085 for the purchase of the additional lockers and a not-to-exceed amount of \$24,075 for the installation labor. (The proposed agreement covers the \$133,085 material cost of the lockers. The labor will be covered by a separate public works contract that staff will issue when the lockers are scheduled to be delivered.)

Staff are requesting City Council approval of an agreement with Spacesaver Intermountain, LLC to incorporate this work into the Police and Fire Headquarters Renovation Project and of an



additional appropriation in the amount of \$157,160 from the General Capital Construction fund to the Police and Fire Headquarters Renovation Project for the materials and labor needed to correct the locker installation at the Police Department men's locker room.

The City Council's approval is required under Carlsbad Municipal Code Section 3.28.070(D) because these goods and services will cost more than \$100,000.

#### Explanation & Analysis

- The City Council authorized the construction of the Police and Fire Headquarters Renovation Project, Capital Improvement Program Project No. 4715, on Oct. 19, 2021, (Resolution No. 2021-236) with construction beginning the following December.
- Subsequently, GoForth & Marti, d.b.a. G/M Business Interiors, provided a quote from Spacesaver for the purchase of 92 lockers for the men's locker room.
- The City Council approved purchasing these lockers along with some additional furnishings for the project on May 23, 2023 (Resolution No. 2023-134).

In October 2023, during the installation of the lockers, staff became aware that the number of lockers in the men's locker room was inadequate to meet the needs of the Police Department. Staff recently discovered that the vendor changed the locker count for the men's locker room during the design process due to space constraints in the locker room but failed to inform the city. Staff have reviewed this oversight with GoForth & Marti and Spacesaver and have negotiated a price for the additional lockers and their reconfiguration in the men's locker room.

Staff have obtained a quote from Spacesaver to provide the remaining lockers needed and to install them for a total amount not to exceed \$157,160. (Exhibit 2). The cost of the lockers is based on a cooperative purchasing agreement through Sourcewell Contract No. 010920 SPC, Exhibit 4, which guarantees government agencies low, competitive pricing.<sup>1</sup>

Carlsbad Municipal Code Section 3.28.100 allows the city's Purchasing Officer to join with other public or quasi-public agencies in cooperative purchasing plans or programs for the purchase of goods and/or services by agreement, as allowed by law and as determined by the Purchasing Officer to be in the city's best interest. The Purchasing Officer may buy directly from a vendor at a price established by another public agency when the other agency has established its agreement in a competitive manner.

The Purchasing Officer has determined that it is in the city's best interest to procure the lockers through a cooperative agreement and approved a bidding exemption on Feb. 28, 2024. (Exhibit 3)

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<sup>1</sup> Cooperative purchasing is when an agency uses an existing procurement contract from another agency as the justification and documentation to create its own contract to purchase the same or similar items or services directly from the vendor. Government agencies often use such cooperatives to reduce their costs of procurement.



### Fiscal Analysis

Though funding is available in the project budget to support the value of this agreement as shown in the table below, an additional appropriation of \$157,160 from the General Capital Construction fund is requested because the available project budget is anticipated to be used for remaining work, contingency and support and staff costs on the Police and Fire Headquarters Renovation Project.

<b>Police and Fire Headquarters Renovation Project Capital Improvement Program Project No. 4715</b>	
Total project appropriation to date	\$27,714,842
Total expenditures/encumbrances to date	-\$22,568,825
<b>Total available balance</b>	<b>\$5,146,017</b>
Construction budget for remaining work (estimated)	-\$3,972,000
Construction contingency (unencumbered)	-\$562,603
Agreement and contract total with Spacesaver	-\$157,160
Soft costs (inspection and testing, staff and consultant time)	-\$611,414
<b>Total remaining project costs</b>	<b>-\$5,303,177</b>
<b>Additional appropriation requested</b>	<b>\$157,160</b>

### Next Steps

Upon City Council authorization, the City Manager or designee will provide additional appropriation to Capital Improvement Program Project No. 4715 from the General Capital Construction Fund. Staff will then complete execution of an agreement with Spacesaver and place the locker order. Once a shipping date is confirmed for the lockers, staff will prepare a minor public works contract for the installation work.

Spacesaver has indicated that procuring the lockers is expected to take 14-16 weeks. Installation of the lockers in the men's locker room is expected to occur by the end of August 2024.

### Environmental Evaluation

The City Planner has determined the project is exempt from the California Environmental Quality Act, under Guidelines Section 15301(a), which applies to interior or exterior alterations in existing facilities, such as interior partitions, plumbing and electrical conveyances. No exception to the exemption in Guidelines section 15300.2 applies to this project.

### Exhibits

1. City Council resolution
2. Spacesaver installation quote
3. Purchasing Officer's cooperative purchase memorandum
4. Sourcwell Agreement with Spacesaver



**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING EXECUTION OF AN AGREEMENT WITH SPACESAVER INTERMOUNTAIN, LLC TO PROVIDE ADDITIONAL LOCKERS FOR THE POLICE AND FIRE HEADQUARTERS RENOVATION PROJECT AND REVISE THE MEN'S LOCKER ROOM LAYOUT AND AUTHORIZING AN ADDITIONAL APPROPRIATION IN THE AMOUNT OF \$157,160 FROM THE GENERAL CAPITAL CONSTRUCTION FUND FOR THE PROJECT

WHEREAS, staff have evaluated the current condition of existing fixtures and building furnishings and found them to be inadequate in quantity and functionality and has determined the need for additional lockers for the Police and Fire Headquarters Renovation Project, Capital Improvement Program Project No. 4715, and

WHEREAS, Carlsbad Municipal Code Section 3.28.100 allows for procurement of goods and/or services through cooperative purchase agreements established by another agency when that agency has made their purchase in a competitive manner and the city's Purchasing Officer has determined that the purchase is in the city's best interest; and

WHEREAS, CMC Section 3.28.100 also provides that the city's Purchasing Officer has the authority to join with other public agencies in the cooperative purchasing of such goods and/or services as long as the cost of services is at and below the contract price established by the other public agency; and

WHEREAS, Spacesaver Intermountain, LLC, or Spacesaver, is an authorized distributor of locker products and has an established cooperative purchasing agreement with Sourcewell Contract No. 010920 SPC, to provide and install lockers; and

WHEREAS, the city received a negotiated quote from Spacesaver to provide the city with additional lockers for the project for purchase through a cooperative purchase agreement competitively selected and priced, in an amount not to exceed \$133,085; and

WHEREAS, the city's Purchasing Officer has determined that it is in the city's best interest to procure the additional lockers for the men's locker room for the project using pricing established through a cooperative purchase agreement; and

WHEREAS, staff have also received a negotiated quote from Spacesaver to provide installation services for the new lockers to maintain product warranty for the new lockers, in an amount not to exceed \$24,075; and



WHEREAS, additional appropriation in the amount of \$157,160 from the General Capital Construction fund is requested for the additional work in the men's locker room; and

WHEREAS, the City Planner has determined that the Project is exempt from the California Environmental Quality Act, or CEQA, under Guidelines Section 15301(a), which applies to interior or exterior alterations in existing facilities, such as interior partitions, plumbing and electrical conveyances, and no exception to the exemption as set forth in CEQA Guidelines section 15300.2 applies to this Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the purchase of additional lockers from Spacesaver in an amount not to exceed \$133,085 is approved.
3. That the Mayor is authorized and directed to execute the agreement for locker procurement and delivery with Spacesaver Intermountain, LLC attached hereto as Attachment A.
4. That the City Manager or designee is authorized to appropriate \$157,160 from the General Capital Construction fund to CIP Project No. 4715 for the material cost of the lockers in an amount not to exceed \$133,085, and for a minor public works contract for the locker installation in an amount not to exceed \$24,075.



PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

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KEITH BLACKBURN, Mayor

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SHERRY FREISINGER, City Clerk  
(SEAL)



**AGREEMENT FOR GYM LOCKER PROCUREMENT AND DELIVERY  
SPACESAVER INTERMOUNTAIN, LLC**

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between the City of Carlsbad, California, a municipal corporation ("City") and Spacesaver Intermountain, LLC, a Utah limited liability company ("Contractor").

**RECITALS**

- A. City requires the services of a consultant that is experienced in locker procurement and delivery.
- B. Contractor has the necessary experience in providing services and advice related to locker procurement and delivery.
- C. Contractor has submitted a proposal to City and has affirmed its willingness and ability to perform such work.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

**1. SCOPE OF WORK**

City retains Contractor to perform, and Contractor agrees to render, those services (the "Services") that are defined in attached Exhibit "A," which is incorporated by this reference in accordance with this Agreement's terms and conditions.

**2. STANDARD OF PERFORMANCE**

While performing the Services, Contractor will exercise the reasonable professional care and skill customarily exercised by reputable members of Contractor's profession practicing in the Metropolitan Southern California area, and will use reasonable diligence and best judgment while exercising its professional skill and expertise.

**3. TERM**

The term of this Agreement will be effective for a period of one (1) year from the date first above written. Extensions will be based upon a satisfactory review of Contractor's performance, City needs, and appropriation of funds by the City Council. The parties will prepare a written amendment indicating the effective date and length of the extended Agreement.

**4. TIME IS OF THE ESSENCE**

Time is of the essence for each and every provision of this Agreement.

**5. COMPENSATION**

The total fee payable for the Services to be performed during the initial Agreement term shall not exceed one hundred thirty-three thousand eighty-four dollars and eleven cents (\$133,084.11). No other compensation for the Services will be allowed except for items covered by subsequent amendments to this Agreement. The City reserves the right to withhold a ten percent (10%) retention until City has accepted the work and/or Services specified in Exhibit "A."

Incremental payments, if applicable, should be made as outlined in attached Exhibit "A."



## 6. PUBLIC WORKS

6.1 Prevailing Wage Rates. Any construction, alteration, demolition, repair, and maintenance work, including work performed during design and preconstruction such as inspection and land surveying work, cumulatively exceeding \$1,000 and performed under this Agreement constitute "public works" under California Labor Code section 1720 et seq. and are subject to state prevailing wage laws. The general prevailing rate of wages, for each craft or type of worker needed to execute the contract, shall be those as determined by the Director of Industrial Relations pursuant to the Section 1770, 1773 and 1773.1 of the California Labor Code. Pursuant to Section 1773.2 of the California Labor code, a current copy of applicable wage rates is on file in the office of the City Engineer. Contractor shall not pay less than the said specified prevailing rates of wages to all such workers employed by him or her in the execution of the Agreement. Contractor and any subcontractors shall comply with Section 1776 of the California Labor Code, which generally requires keeping accurate payroll records, verifying and certifying payroll records, and making them available for inspection. Contractor shall require any subcontractors to comply with Section 1776.

6.2 DIR Registration. California Labor Code section 1725.5 requires the Contractor and any subcontractor or subconsultant performing any public work under this Agreement to be currently registered with the California Department of Industrial Relations (DIR), as specified in Labor Code section 1725.5. Labor Code section 1771.1 provides that a contractor or subcontractor/subconsultant shall not be qualified to engage in the performance of any contract for public work, unless currently registered and qualified to perform public work pursuant to Labor Code section 1725.5. Prior to the performance of public work by any subcontractor or subconsultant under this Agreement, Contractor must furnish City with the subcontractor or subconsultant's current DIR registration number.

## 7. CONSTRUCTION MANAGEMENT SOFTWARE

Procore Project Management and Collaboration System. This project may utilize the Owner's Procore ([www.procore.com](http://www.procore.com)) online project management and document control platform. The intent of utilizing Procore is to reduce cost and schedule risk, improve quality and safety, and maintain a healthy team dynamic by improving information flow, reducing non-productive activities, reducing rework and decreasing turnaround times. The Contractor is required to create a free web-based Procore user account(s) and utilize web-based training / tutorials (as needed) to become familiar with the system. Unless the Engineer approves otherwise, the Contractor shall process all project documents through Procore because this platform will be used to submit, track, distribute and collaborate on project. If unfamiliar or not otherwise trained with Procore, Contractor and applicable team members shall complete a free training certification course located at <http://learn.procore.com/procore-certification-subcontractor>. The Contractor is responsible for attaining their own Procore support, as needed, either through the online training or reaching out to the Procore support team. It will be the responsibility of the Contractor to regularly check Procore and review updated documents as they are added. There will be no cost to the Contractor for use of Procore.

It is recommended that the Contractor provide mobile access for Windows, iOS located at <https://apps.apple.com/us/app/procore-construction-management/id374930542> or Android devices located at <https://play.google.com/store/apps/details?id=com.procore.activities> with the Procore App installed to at least one on-site individual to provide real-time access to current posted drawings, specifications, RFIs, submittals, schedules, change orders, project documents, as well as any deficient observations or punch list items. Providing mobile access will improve communication, efficiency, and productivity for all parties. The use of Procore for project management does not relieve the contractor of any other requirements as may be specified in the contract documents.



**8. STATUS OF CONTRACTOR**

Contractor will perform the Services in Contractor's own way as an independent contractor and in pursuit of Contractor's independent calling, and not as an employee of City. Contractor will be under control of City only as to the result to be accomplished, but will consult with City as necessary. The persons used by Contractor to provide services under this Agreement will not be considered employees of City for any purposes.

The payment made to Contractor pursuant to the Agreement will be the full and complete compensation to which Contractor is entitled. City will not make any federal or state tax withholdings on behalf of Contractor or its agents, employees or subcontractors. City will not be required to pay any workers' compensation insurance or unemployment contributions on behalf of Contractor or its employees or subcontractors. Contractor agrees to indemnify City within thirty (30) days for any tax, retirement contribution, social security, overtime payment, unemployment payment or workers' compensation payment which City may be required to make on behalf of Contractor or any agent, employee, or subcontractor of Contractor for work done under this Agreement. At the City's election, City may deduct the indemnification amount from any balance owing to Contractor.

**9. SUBCONTRACTING**

Contractor will not subcontract any portion of the Services without prior written approval of City. If Contractor subcontracts any of the Services, Contractor will be fully responsible to City for the acts and omissions of Contractor's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Contractor is for the acts and omissions of persons directly employed by Contractor. Nothing contained in this Agreement will create any contractual relationship between any subcontractor of Contractor and City. Contractor will be responsible for payment of subcontractors. Contractor will bind every subcontractor and every subcontractor of a subcontractor by the terms of this Agreement applicable to Contractor's work unless specifically noted to the contrary in the subcontract and approved in writing by City.

**10. OTHER CONTRACTORS**

The City reserves the right to employ other Contractors in connection with the Services.

**11. INDEMNIFICATION**

Contractor agrees to defend (with counsel approved by the City), indemnify, and hold harmless the City and its officers, elected and appointed officials, employees and volunteers from and against all claims, damages, losses and expenses including attorney's fees arising out of the performance of the work described herein caused by any willful misconduct or negligent act or omission of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

The parties expressly agree that any payment, attorney's fee, costs or expense City incurs or makes to or on behalf of an injured employee under the City's self-administered workers' compensation is included as a loss, expense or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

**12. INSURANCE**

Contractor will obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Contractor or Contractor's agents, representatives,



employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. The insurance carrier is required to have a current Best's Key Rating of not less than "A-:VII"; **OR** with a surplus line insurer on the State of California's List of Approved Surplus Line Insurers (LASLI) with a rating in the latest Best's Key Rating Guide of at least "A:X"; **OR** an alien non-admitted insurer listed by the National Association of Insurance Commissioners (NAIC) latest quarterly listings report.

12.1 Coverage and Limits. Contractor will maintain the types of coverages and minimum limits indicated below, unless Risk Manager or City Manager approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Contractor's indemnification obligations under this Agreement. City, its officers, agents and employees make no representation that the limits of the insurance specified to be carried by Contractor pursuant to this Agreement are adequate to protect Contractor. If Contractor believes that any required insurance coverage is inadequate, Contractor will obtain such additional insurance coverage, as Contractor deems adequate, at Contractor's sole expense. The full limits available to the named insured shall also be available and applicable to the City as an additional insured.

12.1.1 Commercial General Liability (CGL) Insurance. Insurance written on an "occurrence" basis, including personal & advertising injury, with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

12.1.2 Automobile Liability. (If the use of an automobile is involved for Contractor's work for City). \$2,000,000 combined single-limit per accident for bodily injury and property damage.

12.1.3 Workers' Compensation and Employer's Liability. Workers' Compensation limits as required by the California Labor Code. Workers' Compensation will not be required if Contractor has no employees and provides, to City's satisfaction, a declaration stating this.

12.1.4 Professional Liability. Errors and omissions liability appropriate to Contractor's profession with limits of not less than \$1,000,000 per claim. Coverage must be maintained for a period of five years following the date of completion of the work.

12.2 Additional Provisions. Contractor will ensure that the policies of insurance required under this Agreement contain, or are endorsed to contain, the following provisions:

12.2.1 The City will be named as an additional insured on Commercial General Liability which shall provide primary coverage to the City.

12.2.2 Contractor will obtain occurrence coverage, excluding Professional Liability, which will be written as claims-made coverage.

12.2.3 This insurance will be in force during the life of the Agreement and any extensions of it and will not be canceled without thirty (30) days prior written notice to City sent by certified mail pursuant to the Notice provisions of this Agreement.

12.3 Providing Certificates of Insurance and Endorsements. Prior to City's execution of this Agreement, Contractor will furnish certificates of insurance and endorsements to City.



12.4 Failure to Maintain Coverage. If Contractor fails to maintain any of these insurance coverages, then City will have the option to declare Contractor in breach, or may purchase replacement insurance or pay the premiums that are due on existing policies in order to maintain the required coverages. Contractor is responsible for any payments made by City to obtain or maintain insurance and City may collect these payments from Contractor or deduct the amount paid from any sums due Contractor under this Agreement.

12.5 Submission of Insurance Policies. City reserves the right to require, at any time, complete and certified copies of any or all required insurance policies and endorsements.

**13. BUSINESS LICENSE**

Contractor will obtain and maintain a City of Carlsbad Business License for the term of the Agreement, as may be amended from time-to-time.

**14. ACCOUNTING RECORDS**

Contractor will maintain complete and accurate records with respect to costs incurred under this Agreement. All records will be clearly identifiable. Contractor will allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of records and any other documents created pursuant to this Agreement. Contractor will allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

**15. OWNERSHIP OF DOCUMENTS**

All work product produced by Contractor or its agents, employees, and subcontractors pursuant to this Agreement is the property of City. In the event this Agreement is terminated, all work product produced by Contractor or its agents, employees and subcontractors pursuant to this Agreement will be delivered at once to City. Contractor will have the right to make one (1) copy of the work product for Contractor's records.

**16. COPYRIGHTS**

Contractor agrees that all copyrights that arise from the services will be vested in City and Contractor relinquishes all claims to the copyrights in favor of City.

///

///

///

///

///

///



**17. NOTICES**

The name of the persons who are authorized to give written notice or to receive written notice on behalf of City and on behalf of Contractor under this Agreement are:

For City

Name Steven Stewart  
 Title Municipal Projects Manager  
 Department Public Works  
City of Carlsbad  
 Address 1635 Faraday Ave.  
Carlsbad, CA 92008  
 Phone No. 442-339-2938

For Contractor

Name Sunday Pearl  
 Title Project Manager  
 Address 8969 Kenamar Drive, Ste. 101  
San Diego, CA 92121  
 Phone No. 844-800-6014  
 Email spearl@SpacesaverIM.com

Each party will notify the other immediately of any changes of address that would require any notice or delivery to be directed to another address.

**18. CONFLICT OF INTEREST**

Contractor shall file a Conflict of Interest Statement with the City Clerk in accordance with the requirements of the City of Carlsbad Conflict of Interest Code. The Contractor shall report investments or interests as required in the City of Carlsbad Conflict of Interest Code.

Yes ☐ No ☒

If yes, list the contact information below for all individuals required to file:

Name	Email	Phone Number

**19. GENERAL COMPLIANCE WITH LAWS**

Contractor will keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Contractor, or in any way affect the performance of the Services by Contractor. Contractor will at all times observe and comply with these laws, ordinances, and regulations and will be responsible for the compliance of Contractor's services with all applicable laws, ordinances and regulations.

Contractor will be aware of the requirements of the Immigration Reform and Control Act of 1986 and will comply with those requirements, including, but not limited to, verifying the eligibility for employment of all agents, employees, subcontractors and consultants whose services are required by this Agreement.



**20. CALIFORNIA AIR RESOURCES BOARD (CARB) ADVANCED CLEAN FLEETS REGULATIONS**

Contractor's vehicles with a gross vehicle weight rating greater than 8,500 lbs. and light-duty package delivery vehicles operated in California may be subject to the California Air Resources Board (CARB) Advanced Clean Fleets regulations. Such vehicles may therefore be subject to requirements to reduce emissions of air pollutants. For more information, please visit the CARB Advanced Clean Fleets webpage at <https://ww2.arb.ca.gov/our-work/programs/advanced-clean-fleets>.

**21. DISCRIMINATION AND HARASSMENT PROHIBITED**

Contractor will comply with all applicable local, state and federal laws and regulations prohibiting discrimination and harassment.

**22. DISPUTE RESOLUTION**

If a dispute should arise regarding the performance of the Services the following procedure will be used to resolve any questions of fact or interpretation not otherwise settled by agreement between the parties. Representatives of Contractor or City will reduce such questions, and their respective views, to writing. A copy of such documented dispute will be forwarded to both parties involved along with recommended methods of resolution, which would be of benefit to both parties. The representative receiving the letter will reply to the letter along with a recommended method of resolution within ten (10) business days. If the resolution thus obtained is unsatisfactory to the aggrieved party, a letter outlining the disputes will be forwarded to the City Manager. The City Manager will consider the facts and solutions recommended by each party and may then opt to direct a solution to the problem. In such cases, the action of the City Manager will be binding upon the parties involved, although nothing in this procedure will prohibit the parties from seeking remedies available to them at law.

**23. TERMINATION**

In the event of the Contractor's failure to prosecute, deliver, or perform the Services, City may terminate this Agreement for nonperformance by notifying Contractor by certified mail of the termination. If City decides to abandon or indefinitely postpone the work or services contemplated by this Agreement, City may terminate this Agreement upon written notice to Contractor. Upon notification of termination, Contractor has five (5) business days to deliver any documents owned by City and all work in progress to City address contained in this Agreement. City will make a determination of fact based upon the work product delivered to City and of the percentage of work that Contractor has performed which is usable and of worth to City in having the Agreement completed. Based upon that finding City will determine the final payment of the Agreement.

City may terminate this Agreement by tendering thirty (30) days written notice to Contractor. Contractor may terminate this Agreement by tendering thirty (30) days written notice to City. In the event of termination of this Agreement by either party and upon request of City, Contractor will assemble the work product and put it in order for proper filing and closing and deliver it to City. Contractor will be paid for work performed to the termination date; however, the total will not exceed the lump sum fee payable under this Agreement. City will make the final determination as to the portions of tasks completed and the compensation to be made.

**24. COVENANTS AGAINST CONTINGENT FEES**

Contractor warrants that Contractor has not employed or retained any company or person, other than a bona fide employee working for Contractor, to solicit or secure this Agreement, and that Contractor has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award

City Attorney Approved Version 12/22/2023



or making of this Agreement. For breach or violation of this warranty, City will have the right to annul this Agreement without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of the fee, commission, percentage, brokerage fees, gift, or contingent fee.

**25. CLAIMS AND LAWSUITS**

By signing this Agreement, Contractor agrees that any Agreement claim submitted to City must be asserted as part of the Agreement process as set forth in this Agreement and not in anticipation of litigation or in conjunction with litigation. Contractor acknowledges that if a false claim is submitted to City, it may be considered fraud and Contractor may be subject to criminal prosecution. Contractor acknowledges that California Government Code sections 12650 *et seq.*, the False Claims Act applies to this Agreement and, provides for civil penalties where a person knowingly submits a false claim to a public entity. These provisions include false claims made with deliberate ignorance of the false information or in reckless disregard of the truth or falsity of information. If City seeks to recover penalties pursuant to the False Claims Act, it is entitled to recover its litigation costs, including attorney's fees. Contractor acknowledges that the filing of a false claim may subject Contractor to an administrative debarment proceeding as the result of which Contractor may be prevented to act as a Contractor on any public work or improvement for a period of up to five (5) years. Contractor acknowledges debarment by another jurisdiction is grounds for City to terminate this Agreement.

**26. JURISDICTION AND VENUE**

Any action at law or in equity brought by either of the parties for the purpose of enforcing a right or rights provided for by this Agreement will be tried in a court of competent jurisdiction in the County of San Diego, State of California, and the parties waive all provisions of law providing for a change of venue in these proceedings to any other county.

**27. SUCCESSORS AND ASSIGNS**

It is mutually understood and agreed that this Agreement will be binding upon City and Contractor and their respective successors. Neither this Agreement nor any part of it nor any monies due or to become due under it may be assigned by Contractor without the prior consent of City, which shall not be unreasonably withheld.

**28. ENTIRE AGREEMENT**

This Agreement, together with any other written document referred to or contemplated by it, along with the purchase order for this Agreement and its provisions, embody the entire Agreement and understanding between the parties relating to the subject matter of it. In case of conflict, the terms of the Agreement supersede the purchase order. Neither this Agreement nor any of its provisions may be amended, modified, waived or discharged except in a writing signed by both parties. This Agreement may be executed in counterparts.

**29. AUTHORITY**

The individuals executing this Agreement and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Agreement.

[signatures on following page]



Executed by Contractor this 23 day of February, 2024.

CONTRACTOR  
SPACESAVER INTERMOUNTAIN,  
LLC, a Utah limited liability company

By:

Russell Rowberry  
(sign here)

Russ Rowberry, Controller  
(print name/title)

By:

Sunday Pearl  
(sign here)

Sunday Pearl,  
Vice President of Sales, Principal  
(print name/title)

CITY OF CARLSBAD, a municipal corporation of  
the State of California

By:

Keith Blackburn, Mayor

ATTEST:

SHERRY FREISINGER, City Clerk

By:

Deputy City Clerk

If required by City, proper notarial acknowledgment of execution by contractor must be attached. If a corporation, Agreement must be signed by one corporate officer from each of the following two groups.

**Group A**

Chairman,  
President, **or**  
Vice-President

**Group B**

Secretary,  
Assistant Secretary,  
CFO **or** Assistant Treasurer

**Otherwise**, the corporation must attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

CINDIE K. McMAHON, City Attorney

By: Gina Herrera  
Assistant City Attorney



**EXHIBIT A**  
**SCOPE OF SERVICES AND FEE**

Spacesaver Intermountain, LLC shall fabricate and deliver new drawers for 5 existing lockers and 88 new lockers with drawers such that upon completion of the installation work there will be 144 lockers in the Police and Fire Headquarters mens' locker room. The materials to be procured and delivered are identified on Exhibit "A," dated February 12, 2024.





**Proposal**  
Spacesaver Intermountain, LLC  
8969 Kenamar Drive  
Suite 101  
San Diego, CA 92121

Quote/Order No	124419
Date	02/12/2024
Customer PO No	
Customer Account	CARLSBAD POLICE DEPARTMEN
Sales Associate	CASEY COLE
Project Number	
Page	1

T CARLSBAD POLICE DEPARTMENT  
O 2560 ORION WAY  
CARLSBAD, CA 92010  
  
ATTN: ACCOUNTS PAYABLE

S CARLSBAD POLICE DEPARTMENT  
H 2560 ORION WAY  
I CARLSBAD, CA 92010  
P  
  
T ATTN: STEVEN STEWART  
O Phone: 760-317-3508

Prepared for : CASEY COLE

Group	Quantity	Description	Unit Price	Extended Amount
1. Men's Locker Rm	1.0	Revise men's locker room to accommodate (144) lockers per drawings 124419, dated 01/18/24. Revised layout is composed of existing and new lockers per the following: (88) New 18"W x24"Dx84"H single-tier lockers with locking drawer. (50) Existing 24"Wx 37"Dx84"H single-tier locker with bench drawer.(01) Existing 18"Wx24"Dx84"H with locking drawer. (05) Convert existing 24"Wx37"Dx84"H bench drawer lockers to 24"Wx24"Dx84"H locking drawer. Pricing per Sourcewell Contract No. 010920 SPC.  Each locker will have sloped tops, hanger shelf, and electrical duplex.	110,347.73	110,347.73
2. Men's Locker Rm	1.0	Freight and Delivery	14,184.43	14,184.43

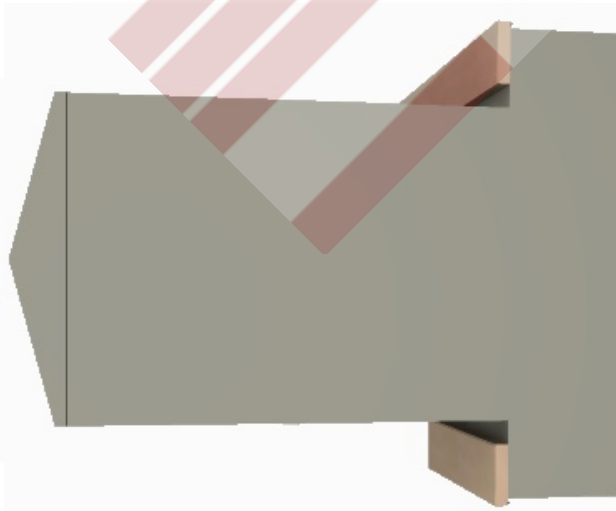
Bank Details: Wells Fargo Bank 420 Montgomery St. San Franscisco CA 94104 Bank Account:.....5762873718 Routing Number....124002971 SWIFT Code.....WFBUIUS6S Please send remittance statement to: AR@HBWorkplaces.com	SUB TOTAL: \$124,532.16 SALES TAX: 8,551.95 GRAND TOTAL: 133,084.11
--	---



March 12, 2024

Item #6

Page 18 of 34



Option 6 Renderings

**SPACESAVER**  
INTERMOUNTAIN LLC  
249 South 400 East  
Salt Lake City, UT 84111  
(801) 363-5882 main  
(801) 359-4326 fax  
www.spacesaverIM.com

Project Name:

**Carlsbad Police Dept.**

Project #:

124419

Drawn by:

A. Moreno

Date Printed:

01/24/2024

Scale

1/2" = 1'

Rev level:

opt6

APPROVAL

This drawing Approved By:

Dated:





DocuSign Envelope ID: E5AF9EB9-8FEE-4CEE-93FC-D99E45A5FEC4

PSA24-2379FAC  
Exhibit "A" (Cont.)

March 12, 2024

#3

124  
294 SF

108  
42 SF

125  
1502 SF

100"

50"

37 5/8"

39 7/8"

120"

24"

40"

48"

24"

24"

24"

48"

30"

37 1/8"

24"

37 1/8"

48"

30"

37 1/8"

24"

37 1/8"

45"

24"

30"

37 1/8"

41"

24"

558 1/8"

OPTION 6

Existing Lockers w/New Internal Drawers

(05) 24"x24" Existing Lockers w/New Drawer, F3  
(50) 24"x37" Existing Bench Lockers, F5  
(88) 24"x18" New Lockers w/Drawer, F4  
(01) 24"x18" Existing Lockers w/Drawer, F4  
(144) TOTAL LOCKERS

Tag Sequence Instructions

001-111

**SPACESAVER**  
INTERMOUNTAIN LLC

249 South 400 East  
Salt Lake City, UT 84111

(801) 363-5882 main  
(801) 359-4326 fax

www.spacesaverIM.com

Project Name:

**Carlsbad Police Dept.**

Project #:

124419

Drawn by:

A. Moreno

Date Printed:

01/24/2024

Scale

1:76

Rev level:

opt6

APPROVAL

This drawing Approved By: \_\_\_\_\_

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

Item #6

Page 19 of 34

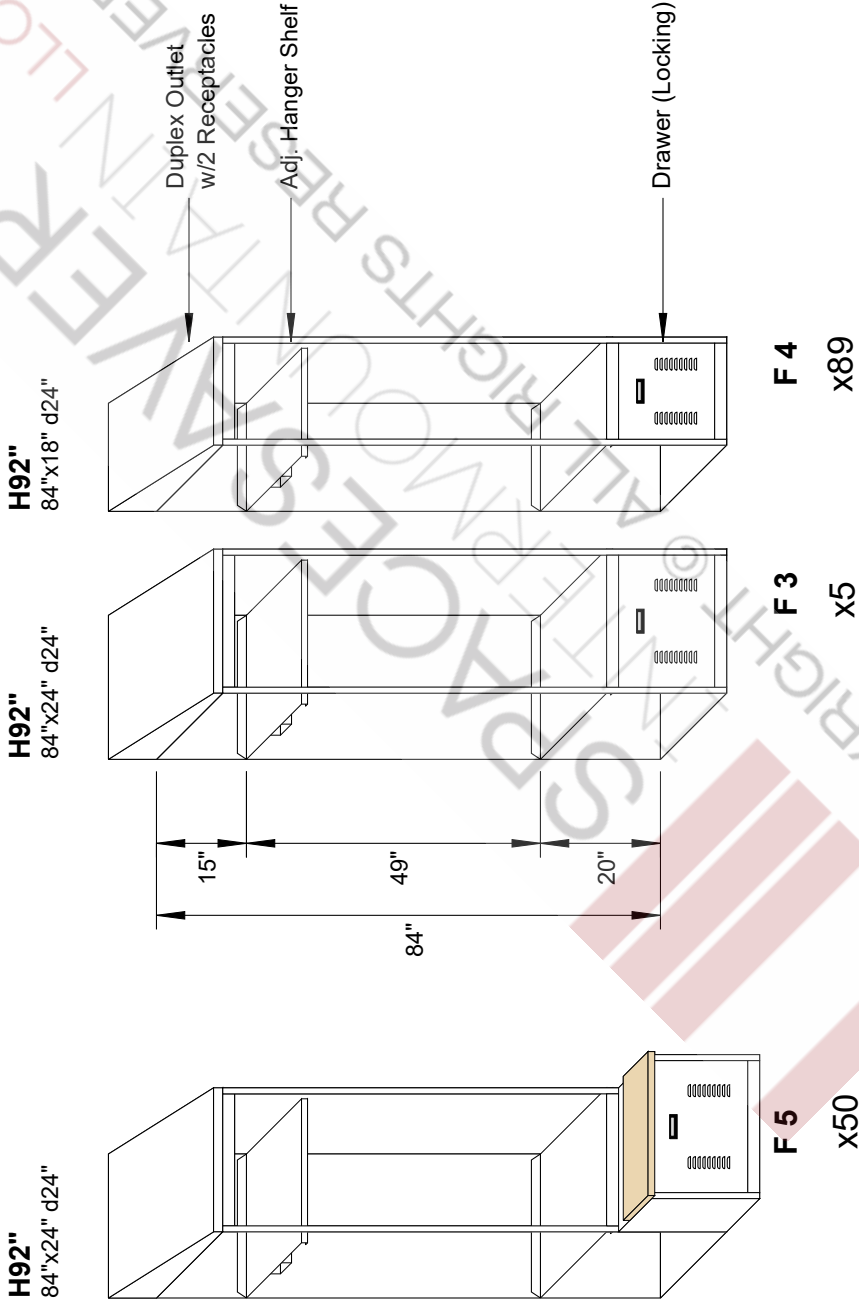
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March 12, 2024

Item #6

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## Option 6 Elevations

**SPACESAVER**  
INTERMOUNTAIN LLC  
249 South 400 East  
Salt Lake City, UT 84111  
(801) 363-5882 main  
(801) 359-4326 fax  
www.spacesaverIM.com

Project Name:  
**Carlsbad Police Dept.**

Project #: 1244 19	Scale 3/8" = 1'	Rev level: opt6
Drawn by: A. Moreno	Date Printed: 01/24/2024	

APPROVAL  
This drawing Approved By: \_\_\_\_\_  
Dated: \_\_\_\_\_





**Proposal**  
Spacesaver Intermountain, LLC  
8969 Kenamar Drive  
Suite 101  
San Diego, CA 92121

Exhibit 2

Quote/Order No	124419
Date	02/12/2024
Customer PO No	
Customer Account	CARLSBAD POLICE DEPARTMENT
Sales Associate	CASEY COLE
Project Number	
Page	1 of 4

T CARLSBAD POLICE DEPARTMENT  
O 2560 ORION WAY  
CARLSBAD, CA 92010  
  
ATTN: ACCOUNTS PAYABLE

S CARLSBAD POLICE DEPARTMENT  
H 2560 ORION WAY  
I CARLSBAD, CA 92010  
P  
  
T ATTN: STEVEN STEWART  
O Phone: 760-317-3508

Prepared for : CASEY COLE

Group	Quantity	Description	Unit Price	Extended Amount
3. Men's Locker Rm	1.0	Installation and Reconfiguration. Installation to be performed using prevailing wages and assumes standard install hours of M-F 7am - 5pm.  Does not include electrical connections which will need to be made by a licensed electrician.	22,343.75	22,343.75

Bank Details: Wells Fargo Bank 420 Montgomery St. San Franscisco CA 94104 Bank Account:.....5762873718 Routing Number....124002971 SWIFT Code.....WFBIUS6S Please send remittance statement to: AR@HBWorkplaces.com	SUB TOTAL: \$22,343.75 SALES TAX: 1,731.64 GRAND TOTAL: 24,075.39
---	---





Option 6 Renderings



**SPACESAVER**  
INTERMOUNTAIN LLC

249 South 400 East  
Salt Lake City, UT 84111

(801) 363-5882 main  
(801) 359-4326 fax

[www.spacesaverIM.com](http://www.spacesaverIM.com)

Project Name:  
**Carlsbad Police Dept.**

Project #: 124419	Drawn by: A. Moreno	Date Printed: 01/24/2024	Scale 1/2" = 1'	Rev level: opt6
----------------------	------------------------	-----------------------------	--------------------	--------------------

APPROVAL  
This drawing Approved By: \_\_\_\_\_  
Dated: \_\_\_\_\_





PWM24-2382FAC  
Exhibit "C" (Cont.)

March 12, 2024

Item #6

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Option 6

Existing Lockers w/New Internal Drawers

(05) 24"x24" Existing Lockers w/New Drawer, F3  
(50) 24"x37" Existing Bench Lockers, F5  
(88) 24"x18" New Lockers w/Drawer, F4  
(01) 24"x18" Existing Lockers w/Drawer, F4

(144) TOTAL LOCKERS

Tag Sequence Instructions

www.spacesaverllc.com

SPACESAVER  
INTERMOUNTAIN LLC

249 South 400 East  
Salt Lake City, UT 84111  
(801) 363-5882 main  
(801) 359-4326 fax

Project Name:  
Carlsbad Police Dept.

Project #:  
124419

Drawn by:  
A. Moreno

Date Printed:  
01/24/2024

Scale  
1:76

Rev level:  
opt6

APPROVAL  
This drawing Approved By:

Dated:

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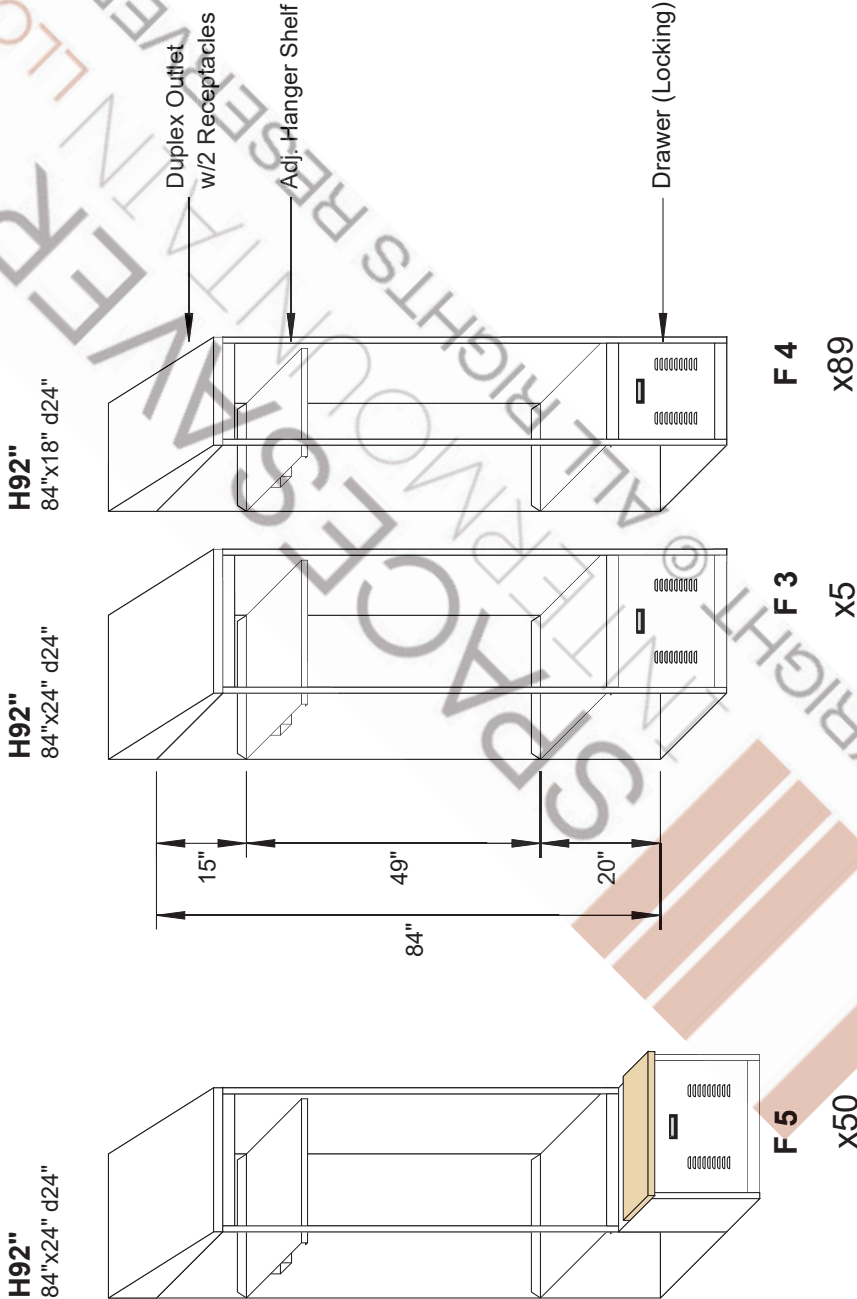
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March 12, 2024

Item #6

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Option 6 Elevations

**SPACESAVER**  
INTERMOUNTAIN LLC  
249 South 400 East  
Salt Lake City, UT 84111  
(801) 363-5882 main  
(801) 359-4326 fax  
www.spacesaverIM.com

Project Name:  
**Carlsbad Police Dept.**

Project #: 124419	
Drawn by: A. Moreno	
Date Printed: 01/24/2024	Rev level: opt6
Scale 3/8" = 1'	

APPROVAL  
This drawing Approved By: \_\_\_\_\_  
Dated: \_\_\_\_\_





## Proposal

Spacesaver Intermountain, LLC  
8969 Kenamar Drive  
Suite 101  
San Diego, CA 92121

Quote/Order No	124419
Date	02/12/2024
Customer PO No	
Customer Account	CARLSBAD POLICE DEPARTMEN
Sales Associate	CASEY COLE
Project Number	
Page	1 of 3

T CARLSBAD POLICE DEPARTMENT  
O 2560 ORION WAY  
CARLSBAD, CA 92010

ATTN: ACCOUNTS PAYABLE

S CARLSBAD POLICE DEPARTMENT  
H 2560 ORION WAY  
I CARLSBAD, CA 92010  
P

T ATTN: STEVEN STEWART  
O Phone: 760-317-3508

Prepared for : CASEY COLE

Group	Quantity	Description	Unit Price	Extended Amount
1. Men's Locker Rm	1.0	Revise men's locker room to accommodate (144) lockers per drawings 124419, dated 01/18/24. Revised layout is composed of existing and new lockers per the following: (88) New 18"W x24"Dx84"H single-tier lockers with locking drawer. (50) Existing 24"Wx 37"Dx84"H single-tier locker with bench drawer.(01) Existing 18"Wx24"Dx84"H with locking drawer. (05) Convert existing 24"Wx37"Dx84"H bench drawer lockers to 24"Wx24"Dx84"H locking drawer. Pricing per Sourcewell Contract No. 010920 SPC.  Each locker will have sloped tops, hanger shelf, and electrical duplex.	110,347.73	110,347.73
2. Men's Locker Rm	1.0	Freight and Delivery	14,184.43	14,184.43

Bank Details: Wells Fargo Bank  
420 Montgomery St. San Franscisco CA 94104  
Bank Account:.....5762873718  
Routing Number....124002971  
SWIFT Code.....WFBUS6S  
Please send remittance statement to:  
AR@HBWorkplaces.com

SUB TOTAL: \$124,532.16  
SALES TAX: 8,551.95  
GRAND TOTAL: 133,084.11

Buyer agrees to purchase the goods and services described on this and all preceding pages, in accordance with the TERMS AND CONDITIONS on the following page, including but not limited to the "Payment" and "Default, Interest and Fees" provisions. This proposal is only an offer to purchase and is not binding upon the SELLER until accepted by the SELLER in writing. This proposal is valid for 30 days unless noted otherwise. SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES.

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_





## Proposal

Spacesaver Intermountain, LLC  
8969 Kenamar Drive  
Suite 101  
San Diego, CA 92121

Quote/Order No	124419
Date	02/12/2024
Customer PO No	
Customer Account	CARLSBAD POLICE DEPARTMEN
Sales Associate	CASEY COLE
Project Number	
Page	2 of 3

### SPACESAVER INTERMOUNTAIN, LLC TERMS AND CONDITIONS

#### PAYMENT

Merchandise will be invoiced upon delivery. If there is to be more than one delivery of merchandise, an invoice will be issued upon the first delivery. Buyer agrees to pay each invoice within ten days of the invoice date. No payment shall be withheld on any invoice because partial delivery of the entire order. In the event of a project delay, merchandise will be invoiced upon delivery of product into storage. Any security deposit is non-refundable. If payments are in default, Spacesaver Intermountain, LLC (SI) shall have the option of declaring the remaining unpaid purchase price due and payable and may elect to recover merchandise and take judgment for deficiency after public or private sale including interest, collection costs and attorney fees.

#### SECURITY INTEREST

Buyer hereby grants Spacesaver Intermountain, LLC a security interest in all merchandise sold under this order to secure full payment of the purchase price and all other obligations of Buyer under this agreement. A copy of this agreement may be filed as a financing statement. Buyer's signature hereon authorizes **SI** to execute such financing statements on Buyer's behalf as may be required by the State.

#### INSTALLATION DATE

- (a) The installation date is agreed upon for the purpose of specifying delivery dates of merchandise ordered from manufacturers. Although SI will use its best efforts to expedite timely delivery, it cannot guarantee that merchandise will arrive from manufacturers as specified, and **SI** shall not be liable for ordered merchandise not arriving timely.
- (b) Buyer shall provide or pay for all storage of ordered merchandise necessary after the Installation Date, and for all costs of moving such merchandise to and from storage after the Installation Date.

#### INSTALLATION TERMS

Delivery and Installation shall be made by **SI** personnel, or its subcontractor, during normal working hours or at other hours by special arrangement. Buyer shall pay additional labor costs resulting from off-hour or overtime work performed at Buyer's request or from required use of labor other than **SI** personnel or its authorized subcontractor. Buyer shall provide, at Buyer's cost, electricity, heat, hoisting and elevator service and adequate facilities for off-loading, staging, moving and handling of merchandise. The job site shall be clean and free of obstruction for installation. Finished floor coverings (ie. carpet, tile, etc.) must be removed and subfloor clear and free for grouted mobile rail installation. Buyer shall pay any special packaging or handling costs not contained in the specifications.

#### INSURANCE AND RISK OF LOSS

All risk of loss shall pass from **SI** to Buyer upon delivery of merchandise to Buyer or upon delivery of merchandise into storage for the account of Buyer after the installation date, whichever comes first. For the purposes of this paragraph five only, the term "merchandise" shall include any property owned by or under control of **SI** delivered to or for the benefit of Buyer, whether purchased by Buyer or delivered to Buyer on approval. Buyer shall carry fire and casualty insurance in an amount sufficient to insure the value of the merchandise at the delivery site or at the storage site.

#### TAXES AND FREIGHT

Prices do not include any applicable sales, use, excise, or other taxes which, if applicable, Buyer shall pay and which shall be added to the sales price at time of invoicing. Buyers exempt from taxes shall furnish certificates of exemption upon execution of this agreement. Freight charges are F.O.B. job site unless otherwise indicated.

#### CANCELLATION AND CHANGES

This agreement, once executed by **SI** and Buyer, cannot be cancelled or modified except by a writing signed by both parties. Changes made in the agreement which result in increased charges shall be for the account of the Buyer. Specialty storage products are built to order and in many cases are either non-cancellable or require significant cancellation charges after an order is placed. The minimum cancellation fee will be equal to 30% of product cost plus any additional costs associated with each manufacturer. No storage products or other specially ordered items can be cancelled or returned after the manufacturer begins production. Prices and quantities of storage products and other items measured from blueprints or otherwise estimated are subject to change upon field measurement at the expense of the Buyer.

#### FLOORS

BUYER is responsible for the load bearing capacity of the floor upon which the proposed installation shall be constructed. Finished floor coverings are not included unless otherwise noted.

#### SURVEYS, PERMITS, AND REGULATIONS

BUYER shall procure and pay for all permits, inspections, and/or structural calculations required by any governmental authority for any part of the work performed by Spacesaver Intermountain, LLC, except if stated otherwise.

#### WARRANTIES AND CLAIMS

- (a) **SI** warrants for a period of one year from delivery that the manufacturer is free from defects in workmanship and materials, and that it will repair or replace defective merchandise, at its cost, within a reasonable time, subject to availability of replacement merchandise. No other warranties, expressed or implied, are granted hereunder. No warranty in addition to the foregoing expressed warranties, whether expressed or implied, made by any employee or agent of **SI** shall be valid unless reduced to writing and signed by an officer of **SI**. TO THE EXTENT ALLOWED BY LAW, ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, IS LIMITED TO THE PERIOD OF ONE YEAR FROM THE DATE OF DELIVERY.
- (b) Buyer shall inspect the merchandise upon delivery. Acceptance of delivery constitutes acceptance of the merchandise as delivered. Any warranty claims for latent defects not discoverable upon reasonable inspection must be made in writing within the warranty period.

#### DEFAULT, INTEREST AND FEES

Buyer shall pay interest at the rate of 18% per annum on all payments in default, and shall pay all reasonable costs, expenses and attorneys' fees incurred by SI in enforcing the terms of this agreement.

#### ENTIRE AGREEMENT; CONTROLLING LAW

This agreement constitutes the entire agreement between the parties. Buyer is relying solely upon the terms of this agreement, and not upon any oral or written statements, whether of **SI**, its officers, employees or agents, of any manufacturer, or any other person whatsoever on entering into this agreement. This agreement shall be interpreted and enforced under the laws of the State of Utah.





**Proposal**

Spacesaver Intermountain, LLC  
8969 Kenamar Drive  
Suite 101  
San Diego, CA 92121

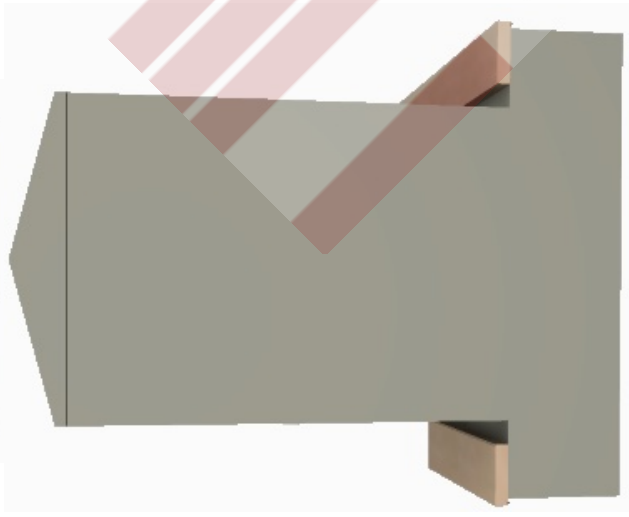
Quote/Order No	124419
Date	02/12/2024
Customer PO No	
Customer Account	CARLSBAD POLICE DEPARTMEN
Sales Associate	CASEY COLE
Project Number	
Page	3 of 3

I have read and understand these terms and conditions:\_\_\_\_\_





Option 6 Renderings



March 12, 2024

Item #6

Page 28 of 34



SPACESAVER

INTERMOUNTAIN LLC

249 South 400 East  
Salt Lake City, UT 84111

(801) 363-5882 main  
(801) 359-4326 fax

[www.spacesaverIM.com](http://www.spacesaverIM.com)

Project Name:  
**Carlsbad Police Dept.**

Project #: 124419	Drawn by: A. Moreno	Date Printed: 01/24/2024	Scale 1/2" = 1'	Rev level: opt6
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APPROVAL  
This drawing Approved By: \_\_\_\_\_  
Dated: \_\_\_\_\_



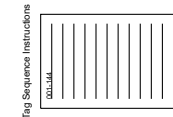


MEN  
124  
294 SF  
March 12, 2024

#3

Item #6

Page 29 of 34



Existing Lockers w/New Internal Drawers

OPTION 6

- (05) 24"x24" Existing Lockers w/New Drawer, F3
  - (50) 24"x37" Existing Bench Lockers, F5
  - (88) 24"x18" New Lockers w/Drawer, F4
  - (01) 24"x18" Existing Lockers w/Drawer, F4
- (144) TOTAL LOCKERS



**SPACESAVER**  
INTERMOUNTAIN LLC

249 South 400 East  
Salt Lake City, UT 84111

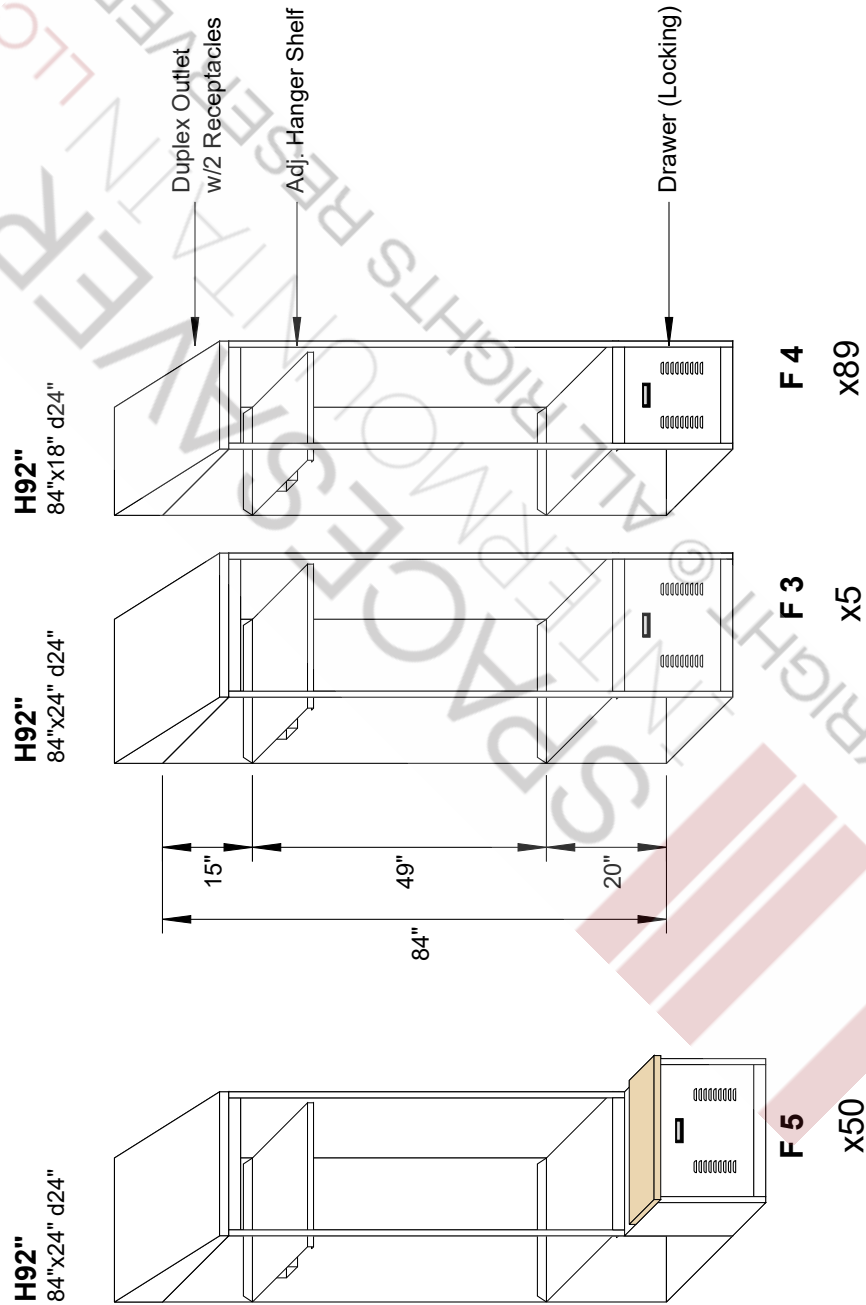
(801) 363-5882 main  
(801) 359-4326 fax

www.spacesaverIM.com

Project Name:  
**Carlsbad Police Dept.**

Project #: 124419	Drawn by: A. Moreno	Date Printed: 01/24/2024	Rev level: opt6
APPROVAL This drawing Approved By: _____		Dated: _____	





Option 6 Elevations

**SPACESAVER**  
INTERMOUNTAIN LLC  
249 South 400 East  
Salt Lake City, UT 84111  
(801) 363-5882 main  
(801) 359-4326 fax  
www.spacesaverIM.com

Project Name:  
**Carlsbad Police Dept.**

Project #: 124419	Scale 3/8" = 1'	Rev level: opt6
Drawn by: A. Moreno	Date Printed: 01/24/2024	

APPROVAL  
This drawing Approved By: \_\_\_\_\_  
Dated: \_\_\_\_\_





## *Memorandum*

February 12, 2024

**To:** Roxanne Muhlmeister, Assistant Finance Director/Purchasing Officer  
**From:** Steven Stewart, Municipal Projects Manager, Public Works  
**Re:** **Request to Participate in Cooperative Purchasing Agreements with Spacesaver Intermountain, Inc.**

---

The purpose of this memorandum is to request approval from the Finance Department to participate in Cooperative Purchasing Agreements for the procurement and installation of additional lockers for the Police and Fire Headquarters Renovation, Capital Improvement Program Project No. 4715 (Project).

### **Rationale:**

Carlsbad Municipal Code Section 3.28.100 allows for the city's purchasing officer to join with other public or quasi-public agencies in cooperative purchasing plans or programs for the purchase of goods and/or services by contract, arrangement or agreement as allowed by law and as determined by the purchasing officer to be in the city's best interest. The additional building furnishings selected for the Project are available for purchase through Cooperative Purchase Agreements that were competitively sourced through the service cooperative known as Sourcewell under Contract 010920 SPC.

Spacesaver is an authorized vendor in San Diego County for the lockers selected and has provided other lockers for this project also, so the procurement of additional products through them will benefit product warranties and is therefore in the best interest of the city. Staff recently completed a thorough fee negotiation with Spacesaver for the additional lockers and now seek approval from the Finance Department to proceed with this procurement.

### **Next Steps:**

With Finance Department approval, staff will seek City Council authorization on March 12, 2024 to purchase additional lockers from Spacesaver for the Project. The value of the purchase order for the lockers will be \$133,084.11. The labor portion of the work will be done under a separate Minor Public Works Contract for \$24,075.39.

**Public Works Branch**

**Fleet & Facilities Department**

1635 Faraday Avenue | Carlsbad, CA 92008 | 442-339-2730 t  
March 12, 2024



Roxanne Muhlmeister

February 12, 2024

Page 2

Approval to Participate in Cooperative Purchasing Agreement

*Roxanne Muhlmeister*

2/28/2024

---

Roxanne Muhlmeister,  
Assistant Finance Director/Purchasing Officer

---

Date

CC: Shea Sainz, Senior Contract Administrator  
Eleida Felix Yackel, Senior Contract Administrator





# INFO SHEET

## SOURCEWELL

Spacesaver Corporation proudly partners with Sourcewell, a government agency serving the United States and Canada, to offer Sourcewell members a competitively bid contract. Sourcewell is a “cooperative contract” for state and local agencies, K-12, universities and colleges, non-profits, and tribal government to purchase from awarded vendors. As a cooperative contract Sourcewell is working for both buyers (members) and vendors.

Spacesaver is the innovator in storage solutions from high-density mobile, to secure storage for government and public safety, to new ideas that can streamline library and museum operations to campus solutions. Join Sourcewell at no cost and access Spacesaver’s competitively-priced storage solutions to start saving time, money, and resources today.

To learn more about Spacesaver or to find a local authorized dealer, visit [www.spacesaver.com](http://www.spacesaver.com).

To learn more about Sourcewell or to become a member, visit [www.sourcewell-mn.gov](http://www.sourcewell-mn.gov).

## SPACESAVER’S SOURCEWELL CONTRACT INFORMATION

**CONTRACT NUMBER:** 010920-SPC

**EFFECTIVE DATE:** 03/25/2020 - 03/25/2024

**PRODUCTS:** All Spacesaver Manufactured Products; excluding ActivRAC® Stainless Steel

### SOURCEWELL MEMBERSHIP OPEN TO:

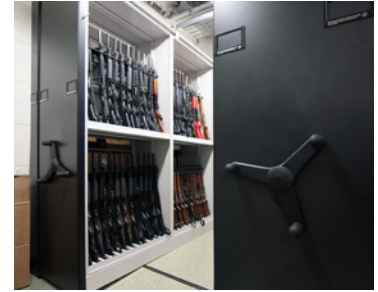
- State & Local Government Entities
- All Education: Private & Public
- Non Profits (Tax Exempt Organization)
- Tribal Government
- Canadian Provinces
- Canadian Healthcare Entities

### VALUE OF BEING A SOURCEWELL MEMBER

- The formal contracting process is satisfied on your behalf—proven process eliminates low bid, low quality results.
- No cost, obligation, or liability to be a member
- A legal and easier purchasing process—ensuring best use of time and money.
- Contracts are requested, awarded, and regulated by a municipal agency and governed by a publicly elected board of directors
- Sourcewell maintains all procurement documentation for you, a complete procurement file is posted on the website.
- Sourcewell is a government entity committed to helping their members succeed in fulfilling their own public service missions.
- The opportunity to purchase the very best products, equipment, and services through nationally solicited contacts.







*Spacesaver has storage solutions for U.S. and Canadian Sourcewell members in a variety of markets from high-density mobile storage, to secure storage for military applications, government and public-sector safety, to new ideas that can streamline education, libraries, museums, and non-profit organization operations.*



March 12, 2024

Spacesaver Corporation  
1450 Janesville Avenue  
Fort Atkinson, WI 53538-2798  
800.492.3434  
[www.spacesaver.com](http://www.spacesaver.com)

Item #6

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## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Tom Frank, Transportation Director/City Engineer  
tom.frank@carlsbadca.gov, 442-339-2766

**Subject:** Continuation of Proclamation of a Storm-Related Local Emergency for Removal of Sediment and Vegetation on the Buena Vista Creek Concrete Channel Near El Camino Real and Authorization of Additional Appropriations for this Emergency

**District:** 1

### Recommended Action

Adopt a resolution continuing the proclamation of a storm-related local emergency for removal of sediment and vegetation in the Buena Vista Creek Concrete Channel near El Camino Real and authorizing additional appropriations in the amount of \$474,000 for the Storm Drain System Rehabilitation and Repair Program.

### Executive Summary

Rainfall from the atmospheric river that hit California in early February and the prior one in January 2024, increased sediment and vegetation in the Buena Vista Creek, diminishing its capacity and risking significant damage to nearby property and infrastructure. Emergency removal of sediment and vegetation was necessary to ameliorate the risk. Exhibit 3 shows the area of the channel requiring emergency sediment and vegetation removal.

The Acting City Manager, in his role as Acting Director of Emergency Services, proclaimed a local emergency on Feb. 8, 2024, as shown in Exhibit 2, so that the removal can continue to be exempted from the city's normal bidding procedures and the necessary repairs can be completed as swiftly as possible. The City Council ratified the emergency proclamation on Feb. 13, 2024, and continued the emergency proclamation on Feb. 27, 2024. Staff are now requesting the City Council continue the emergency proclamation.

Construction projects that cost less than \$200,000 may be awarded by the City Manager using informal bidding procedures under Carlsbad Municipal Code, or CMC, Section 3.28.080 Construction Projects, subsections (B) and (H), which implement California Public Contract Code Section 22032.

This emergency project will likely cost more than \$200,000. California Public Contract Code Sections 22035 and 22050 and Carlsbad Municipal Code Sections 3.28.110(A) and 3.28.120



provide for an exemption from formal bidding procedures for emergency construction procurements. The emergency proclamation allows the city to utilize these exemptions. However, Public Contracting Code Section 22050 requires the City Council to review the emergency at each regularly scheduled meeting, to determine, by a four-fifths vote of the City Council, the need to continue the emergency action.

### **Explanation & Analysis**

Buena Vista Creek is situated at the northern border of the City of Carlsbad, adjacent to the City of Oceanside. The creek is located within both the City of Carlsbad and the City of Oceanside, outside the Coastal Zone, until it reaches Jefferson Street and the Buena Vista Lagoon. The creek comprises natural stream bed sections and some man-made concrete drainage channels designed to convey runoff from a large eastern watershed to the Pacific Ocean.

One segment of the Buena Vista Creek near El Camino Real, outside the Coastal Zone, was previously constructed as a concrete trapezoidal channel, starting at South Vista Way and ending approximately 230 feet east of El Camino Real, a total of approximately 900 feet. This man-made concrete segment of the creek is entirely within the City of Carlsbad.

Over time, sediment and vegetation accumulate in the creek. The city has a Capital Improvement Program project to remove the sediment and vegetation and make other repairs to the channel. The project is currently in the environmental review stage. However, the recent severe storm events have created debris flows that occur during short-duration, high-intensity rainfalls.

More specifically, the atmospheric river in early February, brought an influx of heavy rain that inundated the Buena Vista Creek with material, including vegetation, debris and sediment-dominated slurry from the Buena Vista Creek Watershed, which is about 10 miles long. These rapid debris flows have significantly diminished the capacity of the channel, which is very close to the outfall of the watershed, resulting in a significant risk of the channel overflowing, with the potential to cause significant damage to nearby property and infrastructure during severe storms.

To mitigate the emergency conditions, the City Engineer recommended expedited, or emergency, removal of some of the sediment and vegetation to increase the channel's capacity while the larger maintenance project proceeds through the environmental review and permitting process.

The emergency proclamation enabled the city to procure a contractor to perform the necessary emergency removal work and would be limited to the immediate action(s) to prevent or mitigate loss of, or damage to, life, health, property, or essential public services. The near-term scope of work – the immediate measure – is the minimum necessary to alleviate the immediate emergency.

- Staff submitted a permit application to the U.S. Army Corps of Engineers on Feb. 15, 2024, and sent a notification to the San Diego Regional Water Quality Control Board the same day that the notice of intent was included in the permit application.
- The Corps of Engineers' District Engineer coordinated review of the project with affected agencies, including the California Department of Fish and Wildlife and the Regional Water Quality Control Board, and issued a permit on Feb. 27, 2024.



- The San Diego Regional Water Quality Control Board informed staff on Feb. 28, 2024, that the notice of intent for the project complies with federal water quality regulations and is complete and has been recorded as required.
- On March 5, 2024, the U.S. Army Corps of Engineers sent a verification letter on the permit which superseded its Feb. 27, 2024, letter. The March 5 letter stated that work authorized by the permit must be underway no later than 14 calendar days from date of issuance of the letter of verification, or by March 19, 2024, and that all work must be completed no later than April 22, 2024. If the city is unable to complete the authorized work by this date, the city must request, in writing, an extension from the Corps Regulatory Division prior to the deadline.

Upon the City Council's ratification of the emergency proclamation, staff met with contractors to determine their availability to perform the work. Staff issued a notice to proceed to the contractor, Hazard Construction, on March 4, 2024. Work started the week of March 11, 2024, and is expected to be completed in May 2024.

Staff recommend that the City Council continue the emergency proclamation to complete the emergency work at the Buena Vista Creek concrete channel near El Camino Real as swiftly as possible to prevent damage to nearby infrastructure and property.

#### Fiscal Analysis

Funding for the entire project is estimated to be approximately \$1,548,500, which will be funded from the fiscal year 2023-24 capital budget through the Storm Drain System Rehabilitation and Repair Program. Since the updated cost estimate from the contractor increased to \$999,700 and staff received estimates from consultants for biological monitoring and construction management and inspection services, additional appropriations of \$474,000 will be needed to include funding for additional storm drain system rehabilitation and repair anticipated for the rest of the fiscal year.

<b>Storm Drain System Rehabilitation and Repair Program</b>	
Total appropriated funds to date	\$5,461,360
Total expenditures and encumbrances to date	\$4,286,442
<b>Total available funding</b>	<b>\$1,174,918</b>
<b>Buena Vista Creek Concrete Channel emergency work</b>	
Emergency work (sediment, vegetation removal, estimated) – Hazard Construction	-\$999,700
Design and administrative costs (approximately 5%)	-\$50,000
Construction management and inspection – Kleinfelder Construction Services	-\$108,300
Biological monitoring – Environmental Science Associates	-\$140,500
Construction contingency (25%)	-\$250,000
<b>Total estimated emergency project costs</b>	<b>-\$1,548,500</b>
<b>Additional appropriations needed for the emergency work</b>	<b>\$373,582</b>



Additional storm drain system rehabilitation and repair anticipated in FY 2023-24	\$100,000
<b>Additional appropriations needed</b>	<b>\$473,582</b>
<b>Additional appropriations requested (rounded)</b>	<b>\$474,000</b>

There may be outside funding that could cover some or all of these emergency costs. On Feb. 22, 2024, the City Manager sent a letter to the California Governor's Office of Emergency Services requesting any and all state and federal resources including, but not limited to, state assistance through the California Disaster Assistance Act. The state replied and subsequently requested supplemental information on the city's budget and how recent storms impacted it. On Feb. 26, 2024, staff provided the requested supplemental information and the initial damage estimate of \$771,000, which has now increased to over \$1.5 million.

### Next Steps

The contractor is expected to complete the emergency work in May 2024. Staff have begun preparing the emergency contracts, which will be presented for ratification to the City Council at a future date.

Staff will return to the City Council again on March 19, 2024, to review the emergency action and ask the City Council to determine by a four-fifths vote whether there is a need to continue the emergency proclamation.

### Environmental Evaluation

The project has been determined to be exempt from the California Environmental Quality Act, or CEQA, under Public Resources Code Section 21080(b)(3) and CEQA Guidelines Section 15269(a), which apply to projects undertaken, carried out or approved by a public agency to maintain, repair, restore, demolish or replace property or facilities damaged or destroyed as a result of a disaster in a disaster-stricken area in which a state of emergency has been proclaimed by the Governor.

### Exhibits

1. City Council resolution
2. Acting City Manager/Acting Director of Emergency Services's Proclamation of a Storm-related Local Emergency, dated Feb. 8, 2024
3. Location map



**RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, CONTINUING THE PROCLAMATION OF A STORM-RELATED LOCAL EMERGENCY FOR REMOVAL OF SEDIMENT AND VEGETATION IN THE BUENA VISTA CREEK CONCRETE CHANNEL NEAR EL CAMINO REAL AND AUTHORIZING ADDITIONAL APPROPRIATIONS IN THE AMOUNT OF \$474,000 FOR THE STORM DRAIN SYSTEM REHABILITATION AND REPAIR PROGRAM

WHEREAS, on Feb. 4, 2024, the Governor of the State of California found that conditions of extreme peril exist in San Diego County and other counties due to the early February 2024 storms caused by an atmospheric river and proclaimed a state of emergency to make additional resources available to local governments, formalize emergency actions, and help the state prepare for the impact of the storms; and

WHEREAS, the City Council empowers the City Manager, as Director of Emergency Services or, in the City Manager's absence, the Assistant City Manager, as Acting City Manager and Acting Director of Emergency Services, to proclaim the existence of a local emergency when the city is affected by a public calamity and the City Council is not in session; and

WHEREAS, conditions or threatened conditions of extreme peril to the safety of persons and property arose within the City of Carlsbad caused by a powerful, slow moving, atmospheric river in early February that resulted in debris flows, or a "sediment-dominated slurry", which inundated the Buena Vista Creek and significantly diminished capacity in the Buena Vista Creek concrete channel (begins approximately 600 feet west/downstream of the El Camino Real bridge and extends upstream of the bridge approximately 230 feet); and

WHEREAS, on Feb. 8, 2024, the Acting City Manager/Acting Director of Emergency Services proclaimed a storm-related local emergency for removal of sediment and vegetation on the Buena Vista Creek concrete channel near El Camino Real; and

WHEREAS, on Feb. 13, 2024, the City Council ratified the proclamation of a storm-related local emergency for removal of sediment and vegetation on the Buena Vista Creek concrete channel near El Camino Real; and

WHEREAS, on Feb. 27, 2024, the City Council confirmed continuation of the proclamation of a storm-related local emergency for removal of sediment and vegetation on the Buena Vista Creek concrete channel near El Camino Real; and



WHEREAS, Carlsbad Municipal Code, or CMC, Section 3.28.110(A) implements Public Contract Code Section 22035 and provides for an exemption from formal bidding procedures for emergency construction procurements; and

WHEREAS, Public Contract Code Section 22050(c)(1) requires the City Council to review the emergency action at every subsequent City Council meeting to determine, by a four-fifths vote, whether this is a need to continue the emergency action; and

WHEREAS, on Feb. 27, 2024, the U.S. Army Corps of Engineers issued a Regional General Permit (RGP) 63 – Repair and Protection Activities in Emergency Situations; and

WHEREAS, on Feb. 28, 2024, the San Diego Regional Water Quality Control Board informed staff that in accordance with Water Quality Order No. 2023-0095-DWQ, or Order, Clean Water Act Section 401 Water Quality Certification for U.S. Army Corps of Engineers Reauthorization of Regional General Permit 63 (RGP 63) for Emergency Repair and Protection Activities Project, the Notice of Intent is complete, and the Project is enrolled under the Order; and

WHEREAS, on March 5, 2024, the U.S. Army Corps of Engineers sent a verification letter on the permit which superseded its Feb. 27, 2024, letter, which stated that work authorized by the permit must be underway no later than 14 calendar days from date of issuance of the letter of verification, or by March 19, 2024, and that all work must be completed no later than April 22, 2024, and if it is not then the city must request, in writing, an extension from the Corps Regulatory Division prior to the deadline; and

WHEREAS, the contractor started emergency work the week of March 11, 2024, and is expected to complete the work in May 2024; and

WHEREAS, staff request the City Council continue the proclamation of a local emergency to complete the work; and

WHEREAS, with the contractor's updated cost estimate, updated biological monitoring in compliance with RPG 63, and construction management and inspection costs, anticipated costs for the emergency work and other storm drain system rehabilitation and repair for the rest of fiscal year 2023-24, staff are requesting an additional appropriation of \$474,000 for the Storm Drain System Rehabilitation and Repair Program; and



WHEREAS, under California Public Resources Code Section 21080(b)(3) and Title 14, Section 15269 of the California Code of Regulations, the requirements of the California Environmental Quality Act do not apply to projects undertaken, carried out, or approved by a public agency to maintain, repair, restore, demolish, or replace property or facilities damaged or destroyed as a result of a disaster in a disaster-stricken area in which the Governor of the State of California has proclaimed a state of emergency, and on Feb. 4, 2024, the Governor found that conditions of extreme peril exist in San Diego County and proclaimed a state of emergency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the storm-related Proclamation for a Local Emergency for removal of sediment and vegetation in the Buena Vista Creek concrete channel near El Camino Real is continued.
3. That the City Manager or designee is authorized to appropriate an additional \$474,000 to the Storm Drain System Rehabilitation and Repair Program.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

---

KEITH BLACKBURN, Mayor

---

SHERRY FREISINGER, City Clerk  
(SEAL)





# Proclamation of Local Emergency

City Hall  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

## **FOR STORM-RELATED EMERGENCY PROTECTION ACTIVITIES TO REDUCE SEDIMENT AND VEGETATION IN THE BUENA VISTA CREEK CHANNEL NEAR EL CAMINO REAL**

WHEREAS, on February 4, 2024, the Governor of the State of California found that conditions of extreme peril exist in San Diego County and other counties due to the early February 2024 storms caused by a powerful, slow-moving atmospheric river and proclaimed a state of emergency to make additional resources available to local governments, formalize emergency actions and help the state prepare for the impact of the storms.

WHEREAS, California Government Code Section 8630 allows the City Council or an official designated by ordinance adopted by the City Council, to proclaim a local emergency; and

WHEREAS, the City of Carlsbad's Emergency Services Ordinance, including Carlsbad Municipal Code Section 6.04.100(A)(1), empowers the City Manager, as the City of Carlsbad's Director of Emergency Services, or, in the City Manager's absence, the Assistant City Manager, as Acting City Manager and Acting Director of Emergency Services, to proclaim the existence of a local emergency, subject to ratification by the City Council, when there exists, or there is threatened to exist, conditions of extreme peril to the safety of persons and property within the City of Carlsbad; and

WHEREAS, in the case of an emergency, California Public Contract Code Section 22050 allows the City Council, or a person delegated the authority by the City Council, to repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services and supplies for those purposes without giving notice for bids to let contract; and

WHEREAS, under California Public Resources Code Section 21080(b)(3) and Title 14, Section 15269 of the California Code of Regulations, the requirements of the California Environmental Quality Act do not apply to projects undertaken, carried out, or approved by a public agency to maintain, repair, restore, demolish or replace property or facilities damaged or destroyed as a result of a disaster in a disaster-stricken area in which the government has proclaimed a state of emergency; and

WHEREAS, the Acting Director of Emergency Services finds:

1. The National Weather Service has issued multiple winter storm warnings, high wind warnings, wind advisories, and flood and flash flood watches throughout the State of California in anticipation of a powerful, slow-moving, atmospheric river.
2. Existing conditions and threatened conditions of extreme peril to the safety of persons and property have arisen within the City of Carlsbad caused this powerful, slow-moving atmospheric river, and that the unexpected occurrence poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property and essential public services.



Local Emergency – Reduction of Sediment and Vegetation in the Buena Vista Creek Channel  
Page 2

3. Prior to the early February 2024 storms, powerful winter storms that occurred less than a month ago had amplified the impact of local flooding due to the record-breaking amount of rainfall including a severe rainstorm which began on January 22, 2024 ("January Storm"), in all dropping 2 to 3 inches of rain in a three-hour period, a total that exceeds that of an average wet month and rivals the rainfall needed to spur a 100-year flood event.

4. On January 22, 2024, the County of San Diego proclaimed an emergency due to the January Storm, which the county characterized as a thousand-year storm, and which caused drastic flooding and flash flooding in the county.

5. The existing conditions of the current atmospheric river causing local flooding, in addition to the impacts of the January Storm, have created conditions of extreme peril in the Buena Vista Creek Channel, in part, because the inundation of sedimentation and debris flows from the multiple, powerful winter storms, which have diminished the channel's capacity.

6. That the City Council of the City of Carlsbad was not in session and could not be immediately called into session.

NOW, THEREFORE, IT IS PROCLAIMED that, subject to review and ratification by the City Council at its next regular meeting, a local emergency now exists in the City of Carlsbad, California, in the area of the Buena Vista Creek Channel near El Camino Real.

IT IS FURTHER PROCLAIMED AND ORDERED that, under California Public Contract Code Section 22050 and Carlsbad Municipal Code Sections 3.28.110(A) and 3.28.120, city staff may proceed at once to obtain the necessary permits, equipment, services, and supplies to reduce the sediment and vegetation in the Buena Vista Creek Channel without giving notice for bids to let contracts.

Dated: 2/8/24

By: 

GEOFF PATNOE

Acting City Manager/Acting Director of  
Emergency Services



# LOCATION MAP

Exhibit 3



PROJECT NAME  
*BUENA VISTA CREEK CHANNEL*

EXHIBIT  
**3**





# CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Paz Gomez, Deputy City Manager, Public Works<sup>1</sup>  
paz.gomez@carlsbadca.gov, 442-339-2751

Gina Herrera, Assistant City Attorney  
gina.herrera@carlsbadca.gov, 442-339-2891

**Subject:** Public Hearing to Consider an Appeal of the City Engineer's Decision to Approve the Grading Final Punch List, Release Securities and Approve the Notice of Completion and Acceptance of Public Improvements for Grading Permit No. GR2021-0016

**District:** 1

## Recommended Action

Hold a public hearing and adopt a resolution denying the appeal and affirming the City Engineer designee's approval of the grading final punch list, release of grading securities and approval of the notice of completion and acceptance of public improvements for Grading Permit No. GR2021-0016.

## Executive Summary

The City Council is being asked to consider an appeal of decisions made on behalf of the City Engineer to approve the final punch list, approve the notice of completion and accept public improvements and release the bond and a cash deposit required to secure the grading and erosion control work being done for the construction of a single-family home on Skyline Road.

The appeal was filed by the owners of a downhill neighboring property. The appeal applies only to the decisions of the City Engineer designee to approve the final punch list, release the cash security and grading bond, and approve the notice of completion and acceptance of public improvements for the project, not to any other aspects of the project or its approval by the city.

Staff recommend the City Council deny the appeal and uphold the decision for the reasons explained below. Only the City Council has the authority to decide such appeals under Carlsbad Municipal Code Section 15.16.160(A).

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<sup>1</sup> Ms. Gomez served on an interim basis as the Engineering Manager of the Construction Management & Inspection Department, the City's Engineers designee for the decisions subject to the Appeal, and in this capacity was involved in the decision being appealed, though in the city's organizational chart, the City Engineer reports to Ms. Gomez.



### Explanation & Analysis

Scott Sarem and Kyra Sarem, owners of the property at 4005 Skyline Road, sought and obtained development approvals from the city for a new single-family residence on the property. The Planning Commission approved the Coastal Development Permit for the residential development with Resolution No. 7383, and the property owners then sought a grading permit for the grading and erosion control work related to the project.

In 2021, the owners entered into a grading and erosion control agreement with the city that included a requirement to secure the grading and erosion control work with a bond and a cash deposit, in the total amount of \$651,279.90. Soon after that, Grading Permit No. GR2021-0016 was issued.

After almost two years of construction, and upon completion, inspection and acceptance of the work by the city, a designee of the City Engineer sent the owners a completed grading final punch list on Sept. 6, 2023. (A punch list is a document that lists the final work items remaining before a construction project is considered complete. When the work on the punch list has been finished, then the project is deemed complete.)

The owners then requested release of the securities. The cash deposit was refunded and the bond was released on Sept. 14, 2023. Around the same time the grading securities were released, city staff filed a notice of completion and accepted the required public improvements for abandoning an existing water service meter and installing a new water service meter (for the Carlsbad Municipal Water District) and installing a concrete driveway and street paving (for the city).

On Sept. 25, 2023, Aannestad Andelin & Corn LLP, on behalf of clients Josh and Terri Edwards, the owners of a downhill neighboring property, filed an appeal objecting to the decisions of the City Engineer designee to release the cash security and grading bond and approve the notice of completion and acceptance of public improvements. The appeal is attached as Exhibit 2.

Carlsbad Municipal Code Chapter 15.16 is the city's Grading and Erosion Control Ordinance. Section 15.16.160 allows an individual to "appeal the decision of the city engineer in regard to the administration of this chapter to the city council within 10 calendar days following the decision."

While the final punch list was not initially a decision that was included in the Edwardses appeal – and is outside of the 10-day window for appeals – the Edwardses' attorneys represented that communications with city staff in mid-September 2023 had been unclear and they had not been told that the final punch list was the document that deemed the project complete, or that it had been approved and sent to the Sarems on Sept. 6, 2023. Had the attorneys known the purpose and timing of the final punch list, the Edwardses would have been able to file a timely appeal of it. To avoid a distracting procedural dispute, the City Attorney's Office recommended including the final punch list in the decisions subject to the appeal.

The Coastal Development Permit to allow the demolition and construction of the project, attached as Exhibit 3, was approved on Oct. 7, 2020, so it is no longer appealable. Additionally, the grading permit itself was issued on Sept. 29, 2021, well beyond the 10-day period to appeal.



## **Grading ordinance**

The city's Grading and Erosion Control Ordinance, governs the process and requirements for the issuance of grading permits. Before a grading permit is issued to an applicant, a grading plan must be submitted to the city for approval, and then the City Engineer or a designee approves or denies the grading plan.

Once the grading plan is approved, a grading permit application may be submitted to the city. Again, the City Engineer or designee decides to either issue or deny the grading permit. The builder may begin performing the grading work once the city issues the grading permit.<sup>2</sup>

When the applicant completes the grading work, the applicable is required to submit final reports to the city. These reports document the findings of state-licensed professionals, attesting to the completion of the work. Once the final reports have been received by the city and the project is complete, the city must release the grading securities under Carlsbad Municipal Code Section 15.16.140.

Specifically, Section 15.16.140 states that the "City engineer shall release the security held by the city to secure the grading work upon completion of the work in substantial compliance with the terms and conditions of the permit and the provisions of [Chapter 15.16 – Grading and Erosion Control]." (Emphasis added.)

## **Project background**

The owners entered into a grading and erosion control agreement with the city on Sept. 22, 2021, before the issuance of the grading permit to, in part, secure the grading work with a bond and a deposit totaling \$651,279.90. The agreement is provided as Exhibit 4. Soon after, Grading Permit No. GR2021-0016 was issued on Sept. 29, 2021. The grading permit is provided as Exhibit 5.

Construction of the new residence took about two years to complete. The grading and erosion work included the installation of a biofiltration basin, pervious pavers and a storm water detention vault, costing the owners approximately \$250,000.

Once the owners notified the city that the grading work was done, city staff did a final walk-through of the property on Sept. 5, 2023, and issued a completed final punch list on Sept. 6, 2023, provided as Exhibit 6. The final punch list required the owners to submit a final soils report,<sup>3</sup> as-built drawings,<sup>4</sup> and a best management practice certification report with photos.<sup>5</sup>

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<sup>2</sup> Once a grading permit is issued, the developer can acquire a "vested right" to complete the grading described in the permit, but not to construct additional improvements or structures not included in the actual permit.

<sup>3</sup> The soils report, the revised final geotechnical report, concluded that the geotechnical elements observed and tested were completed in accordance with the Grading Ordinance and were compliant. The soils report was signed by a certified engineer geologist and a registered professional geotechnical engineer, both licensed by the State of California.

<sup>4</sup> The final as-built drawings, showing what the completed project, included certain project revisions and were signed by a registered professional civil engineer licensed by the State of California.

<sup>5</sup> The final best management practices (BMP) certification report determined that the "permanent BMPs associated with this project are functional" and that they were "installed, inspected and are in full conformance with the approved grading plans and City standards." The best management practices certification report was signed by a registered professional civil engineer licensed by the State of California.



These three reports were reviewed by city staff and determined to be complete on Aug. 10, 2023, Sept. 5, 2023, and Aug. 23, 2023, respectively, and are provided as Exhibits 7, 8 and 9.

In reliance on the representations made by the four state-licensed professional engineers in the three required reports, the City Engineer designee determined that the grading and erosion control work had been completed in substantial compliance with the grading permit and the final punch list was deemed completed on Sept. 6, 2023.

As noted above, the \$586,151.90 grading bond and \$65,128 cash deposit were released on Sept. 14, 2023, in accordance with the process provided in the Grading Ordinance. The security releases are provided as Exhibits 10 and 11.

Additionally, the notice of completion and acceptance of public improvements were approved by the City Engineer designee on Sept. 13, 2023. The notice is provided as Exhibit 12.

### **City's communications with the Edwards**

At the same time that the property owners were seeking the project approvals from the city, the Edwardses reached out to city staff about the residential development project. On June 17, 2020, or a year before the grading permit was issued, Mr. Edwards sent an email to city staff asking "to discuss the Sarem residence construction project. Specifically, the storm runoff remediation." Soon after Mr. Edwards's initial email, city staff began meeting and exchanging emails with the Edwardses to discuss the residential development project.

City staff's communications with the Edwardses about the project continued for the next three years and included several in-person meetings, virtual meetings and numerous email exchanges. The communications with the Edwardses included detailed explanations by city staff about the grading plan associated with the grading permit and reviews of photos and video footage as the project progressed. City staff clarified city requirements, and at one point, explained why functional performance tests on the drainage system would not be performed, as the Edwardses had requested.

### **Appeal**

The appeal requests the City Council's review of the entire project under Carlsbad Municipal Code Section 1.20.310, which governs only "when no specific appeals procedure is established by the code." However, since the city's Grading Ordinance provides an appeal procedure in Section 15.16.160, this code section applies rather than Section 1.20.310.

Because the grading and erosion control agreement and the grading permit were issued in 2021, more than 10 days from when the appeal was filed, the grading permit and the agreement can no longer be appealed. Instead, the appeal is limited to the final punch list, release of the securities and approval of the notice of completion and acceptance of the public improvements.

### **Administration of the Grading Ordinance**

Carlsbad Municipal Code Section 15.16.160(A) provides that, "An individual may appeal the decision of the city engineer made in regard to the administration of [the Grading and Erosion Control] chapter to the city council within 10 calendar days following the decision." (Emphasis added.)



Although “administration” is not defined in Chapter 15.16, the plain meaning of the word reflects process management activities rather than activities involving the exercise of professional engineering judgment. This is consistent with the legislative history of Chapter 15.16, specifically, the staff reports and other documents submitted to the City Council when the ordinance was substantially revised in 2008, which stated that the ordinance’s purposes included streamlining the permit process and providing:

“[C]lear identification that grading permits are ministerial and not discretionary approvals. The existing ordinance is ambiguous as to whether a grading permit is a discretionary or ministerial action. The revised ordinance clearly identifies the process as ministerial similar to a building permit. This eliminates much of the City Engineer’s ability to exercise discretion in the issuance of grading permits; however, it provides greater flexibility to establish reasonable time frames for the processing of grading permit applications. Staff believe that the revised ordinance in combination with the new grading and erosion control standards will adequately compensate for any loss in discretion.”

A “ministerial” approval does not involve the exercise of discretion or judgment. Instead, the person providing the approval simply adheres to applicable law, in this case the Grading Ordinance.

When reviewing ministerial decisions on appeal, the City Council is to consider whether the decision-maker followed the applicable law and whether there is substantial evidence to support the facts on which the decision-maker relied. Substantial evidence means more than a mere scintilla but less than a preponderance.

Consistent with the legislative history of the Grading Ordinance, the decisions of the City Engineer, or designee, to approve the final punch list, release the securities and approve the notice of completion and acceptance of public improvements were ministerial decisions.

That means that to grant the appeal and overturn the City Engineer designee’s decision, the City Council would need to find that the City Engineer designee did not follow the Grading Ordinance or that there was not substantial evidence to support the facts the City Engineer designee relied on for the decision.

### **Analysis of the appeal**

The decision by the City Engineer designee on Sept. 6, 2023, to complete and send the final punch list to the Sarems, deeming the project complete, was a ministerial decision made in reliance on the three required reports, all signed by California licensed professional engineers, described in greater detail above, which were reviewed and approved prior to the completion of the final punch list. Taken together, the three reports provide substantial evidence (i.e., more than a mere scintilla) that the grading and erosion control work had been completed in conformance with the Grading Permit, the city’s Grading Ordinance, and city standards.

The decisions of the City Engineers designee to release the securities and approve the notice of completion and acceptance of public improvements were ministerial decisions that are procedural in nature. As cited above, Carlsbad Municipal Code Section 15.16.140 provides that the “city engineer shall release the security held by the city to secure the grading work upon



completion of the work in substantial compliance with the terms and conditions of the permit and the provisions of this chapter.” (Emphasis added.)

The appealable decisions of the City Engineer designee were whether to approve the final punch list, release the securities, file the notice of completion, and accept the public improvements related to the grading permit. The three required reports that were authored by four state-licensed professionals provide ample support for the ministerial decisions of the City Engineer designee to approve the final punch list and determine that the project was complete. Additionally, the Grading Ordinance required the City Engineer to release the securities because the project had already been determined to be complete.

Because the City Engineer designee followed the requirements of the Grading Ordinance and made decisions supported by substantial evidence, specifically the three required reports, the City Council should deny the appeal and affirm the decisions of the City Engineer designee.

#### **Public notification**

Consistent with the requirements of Carlsbad Municipal Code Section 15.16.160(B), Assistant City Attorney Gina Herrera sent the required notice of the public hearing to the attorneys representing the Edwardses and to the Sarems via email and certified mail. Those notices are attached as Exhibits 13 and 14. Both the appellants and the applicants submitted agenda materials on March 6, 2024, attached as Exhibits 15 and 16.

#### **Fiscal Analysis**

There is no direct fiscal impact from this item.

#### **Environmental Evaluation**

The recommended action to deny the appeal does not constitute a project within the meaning of the California Environmental Quality Act, or CEQA, under California Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and therefore does not require environmental review.

The approval of the single-family residence under Coastal Development Permit 2020-0017 was determined to be categorically exempt from CEQA under Section 15303 (a) (Class 3) for new construction of single-family residences in urbanized areas.

#### **Next Steps**

If the City Council denies the appeal and affirms the decisions of the City Engineer, the decision of the City Council is final.

#### **Exhibits**

1. City Council resolution
2. Edwards appeal received Sept. 25, 2023
3. Coastal Development Permit 2020-10-07, Planning Commission Resolution No. 7383
4. Grading erosion control agreement dated Sept. 22, 2021
5. Grading Permit No. GR2021-0016 for 4005 Skyline Drive dated Sept. 29, 2021
6. Final completed punch list dated Sept. 6, 2023
7. Revised final geotechnical report dated Aug. 10, 2023
8. Final as-built drawings approved on Sept. 5, 2023
9. Final best management practices certification report with photos dated Aug. 23, 2023



10. Grading bond release approval dated Sept. 14, 2023
11. Grading cash release approval dated Sept. 14, 2023
12. Notice of completion and acceptance of public improvements dated Sept. 13, 2023
13. Notice of Hearing sent to attorneys representing Mr. & Mrs. Edwards dated March 1, 2024
14. Notice of Hearing sent to Mr. & Mrs. Sarem dated March 1, 2024
15. Edwards Submission dated March 6, 2024
16. Sarems Submission dated March 6, 2024



**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, DENYING THE APPEAL AND AFFIRMING THE CITY ENGINEER DESIGNEE'S APPROVAL OF THE GRADING FINAL PUNCH LIST, RELEASE OF GRADING SECURITIES AND APPROVAL OF THE NOTICE OF COMPLETION AND ACCEPTANCE OF PUBLIC IMPROVEMENTS FOR GRADING PERMIT NO. GR2021-0016

WHEREAS, the Planning Commission approved Resolution No. 7383 to issue a Coastal Development Permit to allow the demolition of an existing single-family residence and the construction of a new single-family residence located at 4005 Skyline Road; and

WHEREAS, Scott Alexander Sarem and Kyra Bush Sarem, as trustees under the Sarem Family Trust Dated July 17, 2008, or Owners, entered into a Grading and Erosion Contract Agreement with the city on Sept. 22, 2021, to perform grading and erosion control work; and

WHEREAS, Grading Permit No. GR2021-0016 was issued on Sept. 29, 2021; and

WHEREAS, after the grading and erosion control work was completed, the Owners submitted the following three reports to substantiate that the grading and erosion control work was completed in compliance with the Grading Permit: Revised Final Geotechnical Report dated Aug. 10, 2023, Final As-Built Drawings approved on Sept. 5, 2023, and the Final Best Management Practice, or BMP, Certification Report dated Aug. 23, 2023, or Three Reports; and

WHEREAS, in reliance on the certifications and attestations provided in the Three Reports, city staff determined that the project was complete and sent a Grading Final Punch List letter to the Owners on Sept. 6, 2023; and

WHEREAS, on Sept. 14, 2023, the city authorized the release of the grading bond in the amount of \$586,151.90; and

WHEREAS, on Sept. 14, 2023, the city authorized the release of the cash deposit for the grading work in the amount of \$65,128; and

WHEREAS, on Sept. 25, 2023, Aannestad Andelin & Corn LLP, on behalf of their clients, Josh and Terri Edwards, the owners of a downhill neighboring property, filed an appeal challenging the release of the grading securities and the Notice of Completion and Acceptance of Public Improvements, or Appeal; and



WHEREAS, the attorneys for Josh and Terri Edwards represented that they were unaware of the completion of the Grading Final Punch List on Sept. 6, 2023, when they inquired of staff about the project status on Sept. 14, 2023, otherwise they would have timely appealed that decision; and

WHEREAS, to avoid a distracting procedure issue, the City Attorney's Office recommended including the Grading Final Punch List in the decisions being appealed by Josh and Terri Edwards; and

WHEREAS, on March 12, 2024, the City Council conducted a duly notice public hearing to hear the Appeal; and

WHEREAS, the findings and conclusions made by the City Council in this Resolution are based upon the oral and written evidence presented as well as the entirety of the administrative record for the project, which is incorporated herein by this reference; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the appeal is untimely except as to the following decisions of the City Engineer's designee: completion of the Grading Final Punch List, release of the grading securities and approval of the Notice of Completion and Acceptance of Public Improvements.
3. That based on the oral and written evidence presented during the public hearing, as well as the entirety of the administrative record for Grading Permit No. GR2021-0016, the decisions of the City Engineer designee to approve the Grading Final Punch List, release the grading securities and approve the Notice of Completion and the Acceptance of Public Improvements complied with the Grading Ordinance and are supported by substantial evidence.
4. That the appeal is denied and the decisions of the City Engineer designee are affirmed.
5. That this action is final the date this resolution is adopted by the City Council. The provisions of Chapter 1.16 of the Carlsbad Municipal Code, "Time Limits for Judicial Review" shall apply:

**"NOTICE"**

The time within which judicial review of this decision must be sought is governed by Code of Civil Procedure Section 1094.6, which has been made applicable in the City of



Carlsbad by Carlsbad Municipal Code Chapter 1.16. Any petition or other paper seeking judicial review must be filed in the appropriate court not later than the 90th day following the date on which this decision becomes final; however, if within 10 days after the decision becomes final a request for the record of the proceedings accompanied by the required deposit in an amount sufficient to cover the estimated cost of preparation of such record, the time within which such petition may be filed in court is extended to not later than the 30th day following the date on which the record is either personally delivered or mailed to the party, or the party's attorney of record, if the party has one. A written request for the preparation of the record of the proceedings shall be filed with the City Clerk, City of Carlsbad, 1200 Carlsbad Village Drive, Carlsbad, CA 92008.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

---

KEITH BLACKBURN, Mayor

---

SHERRY FREISINGER, City Clerk  
(SEAL)





# CITY ENGINEER DECISION APPEAL FORM E-38

*Development Services*  
**Land Development Engineering**  
 1635 Faraday Avenue  
 442-339-4610  
 www.carlsbadca.gov

RECEIVED

SEP 25 2023

CITY OF CARLSBAD  
CITY CLERK'S OFFICE

Date of Decision you are appealing: September 13, 2023; September 14, 2023

**Subject of the Appeal:**

Please specifically describe the subject of the decision that is under appeal. For example, indicate if the appeal is related to a right-of-way permit, grading permit, tract map, parcel map, certificate of compliance or an encroachment.

Final sign-off for/closure of grading permit, release of cash deposit and bond, notice of completion, completion of public improvements, and certification of completion of improvements applicable to the Sarem Residence, 4005 Skyline Road, Carlsbad, CA; APN 207-072-21-00, CDP 2020-0017, SEC2149, DWG 531-1A, ROW2021-0729.

**Reason(s) for the Appeal: PLEASE NOTE: The appeal shall specifically state the reason(s) for the appeal. Failure to specify a reason may result in denial of the appeal, and you will be limited to the grounds stated here when presenting your appeal.**

**BE SPECIFIC** How did the decision-maker err? What about the decision is inconsistent with local laws, plans, or policy? Please attach additional sheets or exhibits if necessary.

Please see attachment.

NAME (Print): Lee Andelin and Arie Spangler, attorneys for Josh and Terri Edwards

MAILING ADDRESS: 160 Chesterfield Dr., Ste. 201

CITY, STATE, ZIP: Cardiff by the Sea, CA 92007

TELEPHONE: (760) 944-9006

EMAIL ADDRESS: lee@aac.law; arie@aac.law

SIGNATURE: 

DATE: September 25, 2023



**ATTACHMENT TO CITY ENGINEER DECISION  
APPEAL FORM  
E-38**

**Project:** Sarem Residence, 4005 Skyline Road, Carlsbad, CA; APN 207-072-21-00, CDP 2020-0017 (and/or CDP 2021-0016), SEC2149, DWG 531-1A, ROW2021-0729

**Permittees:** Scott Alexander Sarem and Kyra Bush Sarem, trustees or their successor trustee(s) under the Sarem Family Trust Dated July 17, 2008

**Reasons for Appeal:**

The final sign off and closure of the grading permit and release of the cash deposit and bond applicable to the Sarem Residence, owned by Scott Alexander Sarem and Kyra Bush Sarem, trustees or their successor trustee(s) under the Sarem Family Trust Dated July 17, 2008, for the project located at 4005 Skyline Road in Carlsbad; APN 207-072-21-00, permit Nos. CDP 2020-0017, SEC2149, DWG 531-1A, ROW2021-0729, is inconsistent with and violates Carlsbad Municipal Code sections 15.16.110, 15.16.130, 15.16.140, and 15.16.170, along with the City of Carlsbad BMP Design Manual and standard engineering practices.

The Sarem Residence is located directly adjacent to and uphill, to the east, of the property located at 4020 Sunnyhill Drive, which is owned by appellants Josh and Terri Edwards. The redevelopment of the Sarem property to build the new Sarem Residence necessitated significant grading and alterations to the drainage pattern on the Sarem property, causing a massive amount of stormwater to be directed from the uphill Sarem property directly on to the downhill Edwards property, causing severe erosion and flooding on the Edwards property. The Edwards attempted to address these issues with the City Engineer prior to final approval of the Sarem grading permit, to no avail. The Edwards expect additional flooding and erosion will continue to occur on their property every time there is moderate precipitation.

Grading for the Sarem project was performed in violation of Carlsbad Municipal Code section 15.16.130(A), subdivisions (3), (5) and (6).

The Sarem Residence grading operation damaged and continues to cause damage to adjacent private property (namely, the Edwards property, located at 4020 Sunnyhill Drive in Carlsbad), in violation of Carlsbad Municipal Code section 15.16.130(A)(3).

The permittee did not install and has not installed or maintained required drainage and erosion control measures to protect downstream properties from flooding, sedimentation, other adverse impacts caused, or the increase in surface water runoff resulting from the grading operation, in violation of Carlsbad Mun. Code § 15.16.130(A)(5).

Further, the permittee failed to perform, and the City Engineer failed to require, sufficient inspection and testing of the grading work to ensure conformance with the plans and specifications, the recommendations of the soils and geotechnical engineers, city standards, the



landscape manual and the applicable provisions of the Municipal Code, in violation of Carlsbad Municipal Code section 15.16.130(A)(6).

The post-project runoff conditions (flow rates and durations) exceed pre-development run-off conditions by more than 10 percent, in violation of City of Carlsbad BMP Design Manual § 2.3.2(a), Jan. 11, 2023.

The release of the security/bond violates Carlsbad Municipal Code section 15.16.140 because the work is not in substantial compliance with the terms and conditions of the permit or the applicable code provisions.

The grading work also violates Carlsbad Municipal Code section 15.16.170 because it endangered and continues to endanger adjacent property (i.e., the Edwards property) and was performed without application of BMPs.

Pursuant to section 1.20.310 of the Carlsbad Municipal Code, appellants respectfully request that the City Council approve their appeal and invalidate, rescind, and void the City Engineer's decision to issue final approval for the Sarem grading permit, in accordance with Section 15.16.110(B), which provides, in relevant portion: "The issuance or granting of a grading permit or approval of grading plans, specifications and computations shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this chapter or any other chapter of this code. Permits presuming to give authority to violate or cancel the provisions of this chapter or any other chapter of this code shall not be valid." (Carlsbad Mun. Code § 15.16.110(B).)



**AANNESTAD ANDELIN & CORN LLP**  
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1023

90-4340/1222

CHECK ARMOR  
TRAID PROTECTION

9/25/2023

PAY TO THE  
ORDER OF

City of Carlsbad

\$122.00

One hundred twenty-two <sup>00</sup>/<sub>100</sub>

DOLLARS

MEMO

City Engineer Appeal Decision (Edwards)

*[Signature]*  
AUTHORIZED SIGNATURE

Photo Safe Deposit®

Details on Back.



**PLANNING COMMISSION RESOLUTION NO. 7383**

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING A COASTAL DEVELOPMENT PERMIT TO ALLOW THE DEMOLITION OF AN EXISTING SINGLE-FAMILY RESIDENCE AND THE CONSTRUCTION OF A 6,702-SQUARE-FOOT SINGLE-FAMILY RESIDENCE WITH 896 SQUARE FEET OF GARAGE SPACE, SECOND FLOOR TERRACE, COVERED OUTDOOR ROOM, AND A POOL LOCATED AT 4005 SKYLINE ROAD WITHIN THE MELLO II SEGMENT OF THE CITY'S LOCAL COASTAL PROGRAM AND LOCAL FACILITIES MANAGEMENT ZONE 1.

CASE NAME: SAREM RESIDENCE

CASE NO: CDP 2020-0017 (DEV20120-0110)

WHEREAS, **Scott & Kyra Sarem**, "Developer/Owner," has filed a verified application with the City of Carlsbad regarding property described as

**All of Lot 24 and the southerly 7.74 feet of Lot 25 of Carlsbad Highlands, in the City of Carlsbad, County of San Diego, State of California, according to Map No. 2647, filed in the Office of the County Recorder of San Diego County, April 18, 1950, the said 7.74 feet being measured along the easterly line of said lot and the northerly line of said 7.74 feet being parallel with the southerly line of said lot.**

**Excepting from said Lot 24, the southerly 100.66 feet being parallel with and distant 100.66 northerly measured at right angles from the southerly line of said Lot 24**

("the Property"); and

WHEREAS, said verified application constitutes a request for a **Coastal Development Permit** as shown on Exhibit(s) **"A" – "O"** dated **October 7, 2020**, attached hereto and on file in the Carlsbad Planning Division, **CDP 2020-0017 – SAREM RESIDENCE**, as provided in **Chapter 21.201** of the Carlsbad Municipal Code; and

WHEREAS, the Planning Commission did, on **October 7, 2020**, hold a duly noticed public hearing as prescribed by law to consider said request;

WHEREAS, at said public hearing, upon hearing and considering all testimony and arguments, if any, of all persons desiring to be heard, said Commission considered all factors relating to the Coastal Development Permit.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Planning Commission of the City of Carlsbad,

as follows:  
March 12, 2024



- A) That the above recitations are true and correct.
- B) That based on the evidence presented at the public hearing, the Commission **APPROVES CDP 2020-0017 – SAREM RESIDENCE**, based on the following findings and subject to the following conditions:

**Findings:**

**Coastal Development, CDP 2020-0017**

1. That the proposed development is in conformance with the Certified Local Coastal Program and all applicable policies in that **the project is located within the Mello II Segment of the Local Coastal Program. The subject site has a Local Coastal Program (LCP) Land Use designation of R-4 Residential (0-4 du/ace), which allows for a density of 0-4 du/ac and 3.2 du/ac at the Growth Management Control Point (GMCP). The project density of 1.75 du/ac is consistent with the R-4 LCP Land Use designation. Therefore, the project is consistent with the Mello II Segment of the LCP. The project consists of the construction of a new 6,702-square-foot single family residence with an attached two-car garage in addition to an attached one-car garage in an area designated for residential development. The proposed two-story, single-family residence is compatible with the surrounding development of one and two-story single-family structures. The two-story residence will not obstruct views of the coastline as seen from public lands or the public right-of-way, nor otherwise damage the visual beauty of the coastal zone. No agricultural uses currently exist on the previously graded site, nor are there any sensitive resources located on the developable portion of the site. The proposed single-family residence is not located in an area of known geologic instability or flood hazard. Since the site does not have frontage along the coastline, no public opportunities for coastal shoreline access are available from the subject site. Furthermore, the residentially designated site is not suited for water-oriented recreation activities.**
2. The proposal is in conformity with the public access and recreation policies of Chapter 3 of the Coastal Act in that **the property is not located adjacent to the coastal shore and, therefore, will not interfere with the public's right to physical access or water-oriented recreational activities.**
3. The project is consistent with the provisions of the Coastal Resource Protection Overlay Zone (Chapter 21.203 of the Zoning Ordinance) in that **the project will adhere to the City's Master Drainage Plan, Grading Ordinance, Storm Water Ordinance, BMP Design Manual and Jurisdictional Runoff Management Program (JRMP) to avoid increased urban run-off, pollutants and soil erosion. The subject property does not include steep slopes (equal to or greater than 25% gradient) nor native vegetation. In addition, the site is not located in an area prone to landslides, or susceptible to accelerated erosion, floods or liquefaction.**

**California Environmental Quality Act (CEQA)**

4. The City Planner has determined that the project belongs to a class of projects that the State Secretary for Resources has found do not have a significant impact on the environment, and it is therefore categorically exempt from the requirement for preparation of environmental documents pursuant to **Sections 15303(a) of the State CEQA Guidelines. More specifically, CEQA Section 15303(a) – New Construction or Conversion of Small Structures, is a Class 3 exemption that includes the construction of one single-family residence in a residential zone. Consistent with the section, the project is proposing to replace an existing single-family residence with a new single-family residence, which is located on a residentially zoned property.** In making this



determination, the City Planner has found that the exceptions listed in Section 15300.2 of the State CEQA Guidelines do not apply to this project.

#### **General**

5. The project is consistent with the City-Wide Facilities and Improvements Plan, the Local Facilities Management Plan for Zone 1 and all City public policies and ordinances. The project includes elements or has been conditioned to construct or provide funding to ensure that all facilities and improvements regarding: sewer collection and treatment; water; drainage; circulation; fire; schools; parks and other recreational facilities; libraries; government administrative facilities; and open space, related to the project will be installed to serve new development prior to or concurrent with need. Specifically,
  - a. The project has been conditioned to provide proof from the **Carlsbad Unified** School District that the project has satisfied its obligation for school facilities.
  - b. The Public Facility fee is required to be paid by Council Policy No. 17 and will be collected prior to the issuance of building permit.
  - c. The Local Facilities Management fee for Zone 1 is required by Carlsbad Municipal Code Section 21.90.050 and will be collected prior to issuance of building permit.
6. That the project is consistent with the City's Landscape Manual and Water Efficient Landscape Ordinance (Carlsbad Municipal Code Chapter 18.50).
7. The Planning Commission has reviewed each of the exactions imposed on the Developer contained in this resolution, and hereby finds, in this case, that the exactions are imposed to mitigate impacts caused by or reasonably related to the project, and the extent and the degree of the exaction is in rough proportionality to the impact caused by the project.

#### **Conditions:**

Note: Unless otherwise specified herein, all conditions shall be satisfied prior to the **approval of a grading permit or building permit, whichever occurs first.**

1. If any of the following conditions fail to occur, or if they are, by their terms, to be implemented and maintained over time, if any of such conditions fail to be so implemented and maintained according to their terms, the City shall have the right to revoke or modify all approvals herein granted; deny or further condition issuance of all future building permits; deny, revoke, or further condition all certificates of occupancy issued under the authority of approvals herein granted; record a notice of violation on the property title; institute and prosecute litigation to compel their compliance with said conditions or seek damages for their violation. No vested rights are gained by Developer or a successor in interest by the City's approval of this **Coastal Development Permit**.
2. Staff is authorized and directed to make, or require the Developer to make, all corrections and modifications to the **Coastal Development Permit** documents, as necessary to make them internally consistent and in conformity with the final action on the project. Development shall occur substantially as shown on the approved Exhibits. Any proposed development, different from this approval, shall require an amendment to this approval.



3. Developer shall comply with all applicable provisions of federal, state, and local laws and regulations in effect at the time of building permit issuance.
4. If any condition for construction of any public improvements or facilities, or the payment of any fees in-lieu thereof, imposed by this approval or imposed by law on this Project are challenged, this approval shall be suspended as provided in Government Code Section 66020. If any such condition is determined to be invalid, this approval shall be invalid unless the City Council determines that the project without the condition complies with all requirements of law.
5. Developer/Operator shall and does hereby agree to indemnify, protect, defend, and hold harmless the City of Carlsbad, its Council members, officers, employees, agents, and representatives, from and against any and all liabilities, losses, damages, demands, claims and costs, including court costs and attorney's fees incurred by the City arising, directly or indirectly, from (a) City's approval and issuance of this **Coastal Development Permit** (b) City's approval or issuance of any permit or action, whether discretionary or nondiscretionary, in connection with the use contemplated herein, and (c) Developer/Operator's installation and operation of the facility permitted hereby, including without limitation, any and all liabilities arising from the emission by the facility of electromagnetic fields or other energy waves or emissions. This obligation survives until all legal proceedings have been concluded and continues even if the City's approval is not validated.
6. Prior to the issuance of a building permit, the Developer shall provide proof to the Building Division from the **Carlsbad Unified School District** that this project has satisfied its obligation to provide school facilities.
7. This project shall comply with all conditions and mitigation measures which are required as part of the Zone 1 Local Facilities Management Plan and any amendments made to that Plan prior to the issuance of building permits.
8. This approval shall become null and void if building permits are not issued for this project within 24 months from the date of project approval.
9. Developer shall submit to the City a Notice of Restriction executed by the owner of the real property to be developed. Said notice is to be filed in the office of the County Recorder, subject to the satisfaction of the City Planner, notifying all interested parties and successors in interest that the City of Carlsbad has issued a **Coastal Development Permit** by Resolution No. 7383 on the property. Said Notice of Restriction shall note the property description, location of the file containing complete project details and all conditions of approval as well as any conditions or restrictions specified for inclusion in the Notice of Restriction. The City Planner has the authority to execute and record an amendment to the notice which modifies or terminates said notice upon a showing of good cause by the Developer or successor in interest.
10. Building permits will not be issued for this project unless the local agency providing water and sewer services to the project provides written certification to the City that adequate water service and sewer facilities, respectively, are available to the project at the time of the application for the building permit, and that water and sewer capacity and facilities will continue to be available until the time of occupancy.
11. Developer shall pay the citywide Public Facilities Fee imposed by City Council Policy #17, the License Tax on new construction imposed by Carlsbad Municipal Code Section 5.09.030, and CFD #1 special tax (if applicable), subject to any credits authorized by Carlsbad Municipal Code Section



5.09.040. Developer shall also pay any applicable Local Facilities Management Plan fee for Zone 1, pursuant to Chapter 21.90. All such taxes/fees shall be paid at issuance of building permit. If the taxes/fees are not paid, this approval will not be consistent with the General Plan and shall become void.

12. A project may be exempt from the inclusionary housing requirement if the construction of new residential structures replace residential structures that were demolished within two years prior to the application for a building permit for the new residential structures. The exemption is contingent upon the number of residential units (**one**) not being increased from the number of residential units in the previously demolished residential structure. Since there will not be an increase in the number of units on the property, the project will be exempt from the inclusionary housing requirement if building permits are issued within two years of the demolition of the existing residential structure. **If building permits are not applied for within two years of demolishing the existing single-family home, then the applicant/developer shall pay the inclusionary housing in lieu fee for one (1) unit.**
13. Developer shall submit and obtain City Planner approval of a Final Landscape and Irrigation Plan showing conformance with the approved Preliminary Landscape Plan and the City's Landscape Manual. Developer shall construct and install all landscaping as shown on the approved Final Plans, and maintain all landscaping in a healthy and thriving condition, free from weeds, trash, and debris.
14. The first submittal of Final Landscape and Irrigation Plans shall be pursuant to the landscape plan check process on file in the Planning Division and accompanied by the project's building, improvement, and grading plans.
15. Approval is granted for **CDP 2020-0017** as shown on **Exhibits "A" – "O"**, dated **October 7, 2020**, on file in the Planning Division and incorporated herein by reference. Development shall occur substantially as shown unless otherwise noted in these conditions.

#### **Engineering:**

##### **General**

16. Prior to hauling dirt or construction materials to or from any proposed construction site within this project, developer shall apply for and obtain approval from, the city engineer for the proposed haul route.
17. This project is approved upon the express condition that building permits will not be issued for the development of the subject property, unless the district engineer has determined that adequate water and sewer facilities are available at the time of permit issuance and will continue to be available until time of occupancy.
18. Developer shall include rain gutters on the building plans subject to the city engineer's review and approval. Developer shall install rain gutters in accordance with said plans.
19. Developer shall install sight distance corridors at all street intersections and driveways in accordance with City Engineering Standards. The property owner shall maintain this condition.
20. Property owner shall maintain all landscaping (shrubs, groundcover, etc.) and irrigation along the parkway frontage with Skyline Road as shown on the Site Plan.



## Fees/Agreements

21. Developer shall cause property owner to execute and submit to the city engineer for recordation, the city's standard form Geologic Failure Hold Harmless Agreement.
22. Developer shall cause property owner to execute and submit to the city engineer for recordation the city's standard form Drainage Hold Harmless Agreement.
23. Developer shall cause property owner to submit an executed copy to the city engineer for recordation a city standard Permanent Stormwater Quality Best Management Practice Maintenance Agreement.
24. Developer shall cause property owner to apply for, execute, and submit, to the city engineer for recordation, an Encroachment Agreement covering private **decorative pavement** located over existing public right-of-way or easements as shown on the **preliminary landscape** plan or **remove said decorative pavement from the final landscape/construction plans**. Developer shall pay processing fees per the city's latest fee schedule.
25. Developer shall cause property owner to enter into a Neighborhood Improvement Agreement with the city on a city standard form for the future public improvement of **Skyline Road** along the property frontage for a half street width of **thirty-feet**. Public improvements shall include but are not limited to paving, base, sidewalks, curbs and gutters, grading, clearing and grubbing, relocation of utilities, fire hydrants, street lights, and driveway approach.

## Grading

26. Based upon a review of the proposed grading and the grading quantities shown on the site plan, a **precise** grading permit for this project is required. Developer shall prepare and submit plans and technical studies/reports as required by city engineer, post security and pay all applicable grading plan review and permit fees per the city's latest fee schedule.

## Storm Water Quality

27. Developer shall comply with the city's Stormwater Regulations, latest version, and shall implement best management practices at all times. Best management practices include but are not limited to pollution control practices or devices, erosion control to prevent silt runoff during construction, general housekeeping practices, pollution prevention and educational practices, maintenance procedures, and other management practices or devices to prevent or reduce the discharge of pollutants to stormwater, receiving water or stormwater conveyance system to the maximum extent practicable. Developer shall notify prospective owners and tenants of the above requirements.
28. Developer shall complete and submit to the city engineer a Determination of Project's SWPPP Tier Level and Construction Threat Level Form pursuant to City Engineering Standards. Developer shall also submit the appropriate Tier level Storm Water Compliance form and appropriate Tier level Storm Water Pollution Prevention Plan (SWPPP) to the satisfaction of the city engineer. Developer shall pay all applicable SWPPP plan review and inspection fees per the city's latest fee schedule.
29. This project is subject to 'Priority Development Project' requirements. Developer shall prepare and process a Storm Water Quality Management Plan (SWQMP), subject to city engineer



approval, to comply with the Carlsbad BMP Design Manual latest version. The final SWQMP required by this condition shall be reviewed and approved by the city engineer with final grading plans. Developer shall pay all applicable SWQMP plan review and inspection fees per the city's latest fee schedule.

30. Developer is responsible to ensure that all final design plans (grading plans, improvement plans, landscape plans, building plans, etc) incorporate all source control, site design, pollutant control BMP and applicable hydromodification measures.

#### **Dedication/Improvements**

31. Developer shall design the private drainage systems, as shown on the site plan to the satisfaction of the city engineer. All private drainage systems (12" diameter storm drain and larger) shall be inspected by the city. Developer shall pay the standard improvement plan check and inspection fees for private drainage systems.
32. Prior to any work in city right-of-way or public easements, Developer shall apply for and obtain a right-of-way permit to the satisfaction of the city engineer.
33. Developer shall design all proposed public improvements including but not limited to water services/meters as shown on the site plan. These improvements shall be shown on one of the following, subject to city engineer approval:
  - A. Grading plans processed in conjunction with this project; or
  - B. Construction Revision to an existing record public improvement drawingDeveloper shall pay plan check and inspection fees using improvement valuations in accordance with the city's current fee schedule. Developer shall apply for and obtain a right-of-way permit prior to performing work in the city right-of-way.

#### **Utilities**

34. Developer shall install potable water and/or recycled water services and meters at locations approved by the district engineer. The locations of said services shall be reflected on public improvement plans **or grading plans**.
35. The developer shall design and agree to construct public water, sewer, and recycled water facilities substantially as shown on the site plan to the satisfaction of the district engineer and city engineer.

#### **Code Reminders:**

The project is subject to all applicable provisions of local ordinances, including but not limited to the following:

36. Prior to the issuance of a building permit, Developer shall pay the Local Facilities Management fee for Zone 1 as required by Carlsbad Municipal Code Section 21.90.050.
37. Developer shall pay a landscape plan check and inspection fee as required by Section 20.08.050 of the Carlsbad Municipal Code.
38. Developer shall pay planned local area drainage fees in accordance with Section 15.08.020 of the City of Carlsbad Municipal Code to the satisfaction of the city engineer.



39. Approval of this request shall not excuse compliance with all applicable sections of the Zoning Ordinance and all other applicable City ordinances in effect at time of building permit issuance, except as otherwise specifically provided herein.

### **NOTICE TO APPLICANT**

An appeal of this decision to the City Council must be filed with the City Clerk at 1200 Carlsbad Village Drive, Carlsbad, California, 92008, within ten (10) calendar days of the date of the Planning Commission's decision. Pursuant to Carlsbad Municipal Code Chapter 21.54, section 21.54.150, the appeal must be in writing and state the reason(s) for the appeal. The City Council must make a determination on the appeal prior to any judicial review.



## NOTICE

Please take **NOTICE** that approval of your project includes the "imposition" of fees, dedications, reservations, or other exactions hereafter collectively referred to for convenience as "fees/exactions."

You have 90 days from date of final approval to protest imposition of these fees/exactions. If you protest them, you must follow the protest procedure set forth in Government Code Section 66020(a), and file the protest and any other required information with the City Manager for processing in accordance with Carlsbad Municipal Code Section 3.32.030. Failure to timely follow that procedure will bar any subsequent legal action to attack, review, set aside, void, or annul their imposition.

You are hereby FURTHER NOTIFIED that your right to protest the specified fees/exactions DOES NOT APPLY to water and sewer connection fees and capacity charges, nor planning, zoning, grading, or other similar application processing or service fees in connection with this project; NOR DOES IT APPLY to any fees/exactions of which you have previously been given a NOTICE similar to this, or as to which the statute of limitations has previously otherwise expired.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Planning Commission of the City of Carlsbad, California, held on **October 7, 2020**, by the following vote, to wit:

AYES: Chair Anderson, Commissioners Geldner, Lafferty, Luna, Merz, Meenes, and Stine

NOES:

ABSENT:

ABSTAIN:



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VELYN ANDERSON, Chair  
CARLSBAD PLANNING COMMISSION

ATTEST:



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DON NEU  
City Planner



**GRADING AND EROSION CONTROL AGREEMENT**

Project ID: CDP 2020-0017

**NAME OF APPLICANT:** Scott Alexander Sarem and Kyra Bush Sarem, trustees or their successor trustee(s) under the Sarem Family Trust Dated July 17, 2008  
(referred to as "Applicant")

**DATE OF AGREEMENT:** September 22, 2021

**GRADING PERMIT NO.:** 2021-0016  
(referred to as "Grading Permit")

**LOCATION:** 4005 Skyline Road, Carlsbad, CA 92008  
(referred to as "Grading Site")

**OFFSITE LOCATION (IF ANY):** n/a  
(referred to as "Offsite Grading Location")

**NAME OF DEVELOPMENT:** Sarem Residence  
(referred to as "Development")

**GRADING PLAN NUMBER:** 531-1A  
(referred to as "Grading Plans and Specifications")

**SURETY/FINANCIAL INSTITUTION:** American Contractors Indemnity Company

**ADDRESS:** 625 The City Drive So., Ste. 205, Orange, CA 92868

**TOTAL AMOUNT OF SECURITY:** \$651,279.90

**TAXPAYER I.D. NO:** \_\_\_\_\_

**AMOUNT OF SECURITY POSTED AS CASH** \$65,128 **RECEIPT NO.** 89766  
**DEPOSIT:** \_\_\_\_\_

**AMOUNT OF SECURITY POSTED OTHER THAN CASH:** \$586,151.90

**SECURITY FORM FOR AMOUNT OTHER THAN CASH:** Surety Bond  
(Surety Bond, Letter of Credit)

This agreement is made and entered into by and between the City of Carlsbad, California, a Municipal Corporation of the State of California, hereinafter referred to as City, and the Applicant.

**RECITALS**

A. The Applicant has applied for a Grading Permit, pursuant to Chapter 15.16 of the Carlsbad Municipal Code (hereinafter referred to as "Code"), to perform grading work including excavation, fill, installation of drainage facilities, installation of desiltation/retention basins, landscaping, erosion control or any combination thereof and storm damage protection, within the City of Carlsbad, State of California, more specifically described in the application for Grading Permit referred to above and incorporated by reference herein.



B. Complete Grading Plans and Specifications for the grading work to be performed under the Grading Permit, incorporated by reference herein, have been prepared by or at the request of the Applicant, approved by the City Engineer, and filed in the office of the City Engineer.

C. Grading work shall be performed in accordance with the Code, all City Standards, Landscape Manual, and the Grading Plans and Specifications as identified on Page 1 hereof. All grading work shall occur in the general location of the Grading Site and may include work at the Offsite Grading Location, as specified on Page 1.

D. An estimate of the cost of performing the grading work in connection with City requirements according to the Grading Plans and Specifications has been submitted by the Applicant and approved by the City Engineer and is attached as Exhibit "A".

E. Section 15.16.140 of the Code requires the Applicant to post with the City a type of security authorized by Code Section 20.16.070 in an amount sufficient to cover the cost of the grading work prior to issuance of the Grading Permit.

F. The City Engineer may require, pursuant to Section 15.16.140 D.4 of the Code, that up to ten percent (10%) of the estimated cost to perform the grading work be posted as cash to ensure the cleaning, repair and rehabilitation of public or private facilities that are damaged by sedimentation, erosion or construction activities, and to ensure that adequate safeguards for the prevention of erosion are in place when needed. The applicant has the right to submit a cash deposit greater than ten percent.

G. The applicant has submitted cash in the amount stated on Page 1.

NOW, THEREFORE, in consideration of the issuance of the Grading Permit by the City, the Applicant and the City agree as follows:

1. Applicant's Obligation to Perform Grading Work

Applicant shall:

a. Complete at Applicant's expense all grading, drainage, landscape, storm damage and erosion control work required by the Grading Permit within the time limits specified in the Grading Permit, and in accordance with the Grading Plans and Specifications, City Standards, Landscape Manual and the Code.

b. Maintain any and all desiltation basins and other erosion control devices in a manner acceptable to the City Engineer. If the City Engineer determines that erosion control measures or devices are not adequate or are not being maintained in an acceptable manner, or that a hazardous



condition exists due to erosion, or to work being done, applicant shall take immediate action to construct or install additional erosion control devices or repair the existing erosion control devices or correct the hazardous condition upon notification by the City Engineer. Notification will be made by telephone to the 24 hour emergency telephone number shown on the plans. If there is no answer at the emergency phone number or the contact person fails to initiate corrective action within the time specified by the City Engineer, then the City Engineer may cause corrective action to be taken and the costs of said corrective action shall be deducted from the cash deposit posted by the applicant. Funds withdrawn by the City Engineer from the cash deposit required under the terms of this agreement shall be replaced by the applicant within five working days of notice from the City Engineer to do so. The City Engineer may order all work on the project stopped until such time as the cash deposit is restored to its original balance. This provision shall also apply to any existing offsite desiltation basins which in the opinion of the City Engineer are impacted by siltation originating from the Applicant's development site.

c. Make an inspection of the desiltation basin(s) and other erosion control devices after each runoff producing rainfall and repair or restore the basin or device when the accumulation of silt reduces the design performance below acceptable levels in the opinion of the City Engineer.

d. Give good and adequate warning to the public of each and every dangerous condition present in or adjacent to the grading work and take all reasonable actions to protect the public from such dangerous conditions.

e. Pay any investigation fee imposed by the City Engineer pursuant to Code Section 15.16.180.

2. Securing of Property Rights. The applicant shall not commence any off-site grading until proof of all necessary and proper written legal permission or title is furnished to the City Engineer.

3. Security. Applicant shall at all times guarantee Applicant's performance of this agreement by furnishing to City and by maintaining good and sufficient security as required by Code on forms approved by City, in the types and amounts set forth on page 1.

In accordance with Section 15.16.140 of the Code, the Applicant shall submit one or more forms of security in an amount up to 100 percent (100%) of the estimated cost of the grading work.

The securities required by this agreement shall be kept on file with the City Clerk. The terms and conditions of the security posted with this agreement are incorporated into this agreement by this reference.



If any security is replaced by another security approved by the City Engineer, the replacement shall be filed with the City Clerk and, upon filing, shall be deemed to have been made a part of and incorporated into this agreement. Upon filing of a replacement security with the City Clerk, the former security may be released by the City Engineer.

4. Inspection and Acceptance. Applicant shall at all times maintain proper facilities and safe access for inspection of the grading work by City inspectors. Upon completion of the work the Applicant shall request a final inspection by the City Engineer. The City Engineer shall certify the completion of the work upon determining that the work has been completed in accordance with this agreement. Applicant shall bear all costs of inspection and certification.

5. Release of Security. The Security required by this agreement shall be released as follows:

a. Security given to guarantee performance of the grading and erosion control work as authorized pursuant to the Grading Permit shall be released upon acceptance of the work by the City Engineer subject to the provisions in Subsections b, c and d of this section.

b. Upon written application for release by Applicant, the City Engineer may release a portion of the security as grading is satisfactorily completed and accepted. The City Engineer shall not authorize a release of the grading and erosion control security to an amount, in his or her opinion, below that required to guarantee the completion of any work or any other obligation imposed by Code, conditions of approval for the development, or this agreement.

c. All or any portion of the cash security deemed necessary by the City Engineer, shall be retained to guarantee maintenance and repair of desiltation basins and other erosion control devices. The remaining cash security shall be released upon determination of the City Engineer that the development site has been adequately and permanently safeguarded against erosion and all temporary desiltation basin and erosion control devices have been removed to the satisfaction of the City Engineer.

d. The City may retain from the security released an amount sufficient to cover City costs, reasonable expenses and fees, including unpaid investigation fees imposed pursuant to Code Section 15.16.180, and reasonable attorney's fees.

6. Injury to Public or Private Improvements and Property. Applicant shall indemnify the City pursuant to Paragraph 10 and replace, or repair, or pay to the owner, the entire cost of replacement or repairs of any property damaged or destroyed by reason of any work done hereunder, whether such



property is owned by the United States or any agency thereof, or the State of California or any agency or district or political subdivision thereof, or any public or private corporation, or by any person, or by any combination of such owners. Any such repair or replacement shall be to the satisfaction and subject to the approval of the City Engineer.

7. Permits. At Applicant's expense, Applicant shall obtain all necessary permits and licenses for the construction and installation of the improvements, give all necessary notices and pay all fees and taxes required by law.

8. Default of Applicant. In the event Applicant fails to perform any work required by this agreement, City may perform work twenty (20) days after mailing written Notice of Default to Applicant and to Applicant's Surety. Applicant agrees to pay the entire cost of such performance by City.

The sums provided by this security agreement may be used by City to complete the work in accordance with the Grading Plans and Specifications referenced herein.

If Applicant does not perform the work in a timely manner as determined by the City Engineer, City may take over the work and prosecute the same to completion by contract or by any other method City deems advisable, for the account and at the expense of Applicant. Applicant's Surety shall be liable to City for any excess cost or damages occasioned by City. In such event, City, without liability for so doing, may take possession of and utilize in completing the work such materials, appliances, plant and other property belonging to Applicant as may be on the site of the work and necessary therefor. Applicant agrees not to remove such property from the site.

In the event Applicant fails to perform any obligation hereunder, Applicant agrees to pay all costs and expenses incurred by City in securing performance of such obligations, including cost of suit and reasonable attorney's fee.

9. Applicant Not Agent of City. Neither Applicant nor any of Applicant's agents or contractors are or shall be considered to be agents of the City in connection with the performance of Applicant's obligations under this agreement.

10. Indemnity/Hold Harmless. Neither the City nor any officer, agent or employee thereof shall be liable for any injury to persons or property occasioned by reason of the acts or omissions of Applicant, or their agents or employees, in the performance of this agreement. Applicant further agrees to defend and hold harmless City, its officials and employees from any and all claims, demands, causes of action, liability or loss of any sort, because of, or arising out of, acts or omissions of Applicant, its



agents or employees in the performance of this agreement, including all claims, demands, causes of action, liability, or loss because of or arising out of, in whole or in part, the design or construction of the grading and erosion control work; provided however, that the approved grading and erosion control security shall not be required to cover the provisions of this paragraph. Said indemnification and agreement to defend and hold harmless shall extend to injuries to persons and damages to or taking of property resulting from the design, construction or grading as provided herein, and in addition, to adjacent properties and improvements located thereon as a consequence of the diversion of waters from the design or construction of drainage systems, private streets, grading and other development improvements. Acceptance by the City of the grading work shall not constitute an assumption by the City of any responsibility for any damage or taking covered by this paragraph. City shall not be responsible for the design or construction of the development or the grading work pursuant to the approved Grading Plans and Specifications regardless of any action or inaction taken by the City in approving the plans and specifications, unless the particular grading and erosion control design was specifically required by City over written objection by Applicant submitted to the City Engineer before approval of the particular grading and erosion control design, which objection indicated that the particular grading and erosion control design was dangerous or defective and suggested an alternative safe and feasible design. After acceptance of the grading work, the Applicant shall remain obligated to eliminate any defect in design or any dangerous condition caused by the design or grading but, if not in ownership of the property, shall not be responsible for routine maintenance. Provisions of this paragraph shall remain in full force and effect for ten years following the acceptance by the City of grading work. It is the intent of this section that Applicant shall be responsible for all liability for design and construction of the grading and erosion control work done pursuant to this agreement and that City shall not be liable for any act or omission in approving, reviewing, checking, or correcting any plans or specifications or in approving, reviewing or inspecting any work or grading.

11. Sale or Disposition of Development. Sale or other disposition of this property will not relieve Applicant from the obligations set forth herein. If owner sells the property or any portion of the property within the development to any other person, the Applicant may request a novation of this agreement and a substitution of security. Upon approval of the novation and substitution of securities, the Applicant may request a release or reduction of the securities required by this agreement. Nothing in the



novation shall relieve the Applicant of the obligations under Paragraph 10 for the work or improvement done by Applicant.

12. Time is of the Essence. Time is of the essence in this agreement.

13. Time for Commencement of Work; Time Extensions. Applicant shall commence substantial construction of the grading and erosion control work not later than three months prior to expiration of the Grading Permit. In the event good cause exists as determined by the City Engineer, the time of commencement of construction may be extended. The expiration of the Grading Permit may also be extended by the City Engineer upon a showing of good cause and payment of a Grading Permit Extension Fee in the amount established by City Council Resolution. Neither extension shall be effective unless and until provided to Applicant in writing by the City Engineer. Any such extension may be granted without notice to the Applicant's Surety and shall in no way affect the validity of this agreement or release the surety on any bond given for the guarantee of performance of this agreement. As a condition of such extension, the City Engineer may require Applicant to furnish new security guaranteeing performance of this agreement as extended in an increased amount as necessary to compensate for any increase in construction cost as determined by the City Engineer.

14. No Vesting of Rights. Performance by Applicant of this agreement shall not be construed to vest Applicant's right with respect to any change in any zoning or building law or ordinance.

15. Notices. All notices required or provided for under this agreement shall be in writing and delivered in person or sent by mail, postage prepaid and addressed as provided in this paragraph. Notice shall be effective on the date it is delivered in person, or, if mailed, on the date of deposit in the United States Mail. Notices, security releases and refunds shall be addressed as follows unless a written change of address is filed with the City:

**Notice to City:** City Engineer  
1635 Faraday Avenue  
Carlsbad, CA 92008

**Notice to Applicant:** Scott Alexander Sarem  
6684 Lemon Leaf Dr  
Carlsbad, CA 92011

760-533-2470  
(Print Phone Number Here)

(Print Name and Address Here)

scott@everydayenergy.us  
(Print Email Address Here)

**Notice to Surety:**

Freddy Anvari  
American Contractors Indemnity Company  
625 The City Drive So., Ste. 205, Orange, CA 92868

(714) 740-7000  
(Print Phone Number Here)

(Print Name and Address Here)

fanvari@tmhcc.com  
(Print Email Address Here)



16. Severability. The provisions of this agreement are severable. If any portion of this agreement is held invalid by a court of competent jurisdiction, the remainder of the agreement shall remain in full force and effect unless amended or modified by the mutual consent of the parties.

17. Captions. The captions of this agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction or meaning of any provision of this agreement.

18. Litigation or Arbitration. This agreement may be enforced by litigation or arbitration at City's election and in that event, the prevailing party shall be entitled to costs and reasonable attorney's fees in enforcing the terms of this agreement.

19. Incorporation of Recitals. The Recitals to this agreement are hereby incorporated into the terms of this agreement.

20. Entire Agreement. This agreement constitutes the entire agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the parties. In the case of the City, the appropriate party shall be the City Manager.

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Executed by Applicant this 10<sup>th</sup> day of September, 2021.

Applicant:  
Scott Alexander Sarem and Kyra Bush  
Sarem, trustees or their successor trustee(s)  
under the Sarem Family Trust Dated July 17,  
2008

CITY OF CARLSBAD, a municipal  
corporation of the State of California

(Name of Applicant)  
By: [Signature]  
(sign here)

Scott Sarem  
(print name here)

Owner  
(title and organization of signatory)

By: [Signature]  
(sign here)

Kyra Sarem  
(print name here)

Owner  
(title and organization of signatory)

By: [Signature]  
JASON S. GELDERT, P.E.  
Engineering Manager

(Proper notarial acknowledgment of execution by APPLICANT must be attached)

(Chairman of the Board, President, or any Vice-President and secretary, any assistant secretary, the Chief Financial Officer, or any assistant treasurer must sign for corporations. If only one officer signs, the corporation must attach a resolution certified by the secretary or assistant secretary under corporate seal empowering that officer to bind the corporation.)

APPROVED AS TO FORM:

CELIA BREWER  
City Attorney

By: [Signature]  
RON KEMP  
Assistant City Attorney



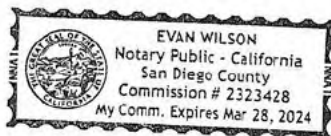
**CALIFORNIA ACKNOWLEDGMENT**

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 San Diego  
 On 09/10/2021 before me, Evan Wilson Notary Public  
Date Here Insert Name and Title of the Officer  
 personally appeared Scott Sarem / Kyr Sarem  
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

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: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**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: \_\_\_\_\_



## "EXHIBIT A"

TOAL ENGINEERING, INC.  
CIVIL ENGINEERS, LAND PLANNERS AND LAND SURVEYORS  
139 AVENIDA NAVARRO · SAN CLEMENTE, CA 92672  
(949) 492-8586 · FAX (949) 498-8625

Construction Cost Estimate for  
Sarem Residence - 4005 Skyline Road  
CDP 2020-0017 / GR 2021-0016 / DWG 531-1A

<u>Item</u>	<u>Description</u>	<u>Est. Quantity</u>	<u>Unit Price</u>	<u>Amount</u>
<b>Grading</b>				
1	Excavation & Embankment	150 cy	\$ 32.20	\$ 4,830.00
2	Overexcavation & Recomaction (Renedial)	1000 cy	\$ 32.20	\$ 32,200.00
3	Import & Fill	1,545 cy	\$ 35.42	\$ 54,723.90
<b>Subtotal</b>				<b>\$ 91,753.90</b>
CONTINGENCY (15%)				<b>\$ 13,800.00</b>
ESTIMATED GRADING COST				<b>\$ 105,553.90</b>
EARTHWORK BOND AMOUNT				<b>\$ 55,276.95</b>

### On-Site Improvements

1	Concrete driveway/hardscape	4,915 sf	\$ 7.00	\$ 34,405.00
2	Turf block driveway	2,240 sf	\$ 12.00	\$ 26,880.00
3	4" dia. sch 80 pipe	720 lf	\$ 20.00	\$ 14,400.00
4	6" dia. sch 40 pipe	320 lf	\$ 25.00	\$ 8,000.00
5	8" dia. sch 40 pipe	300 lf	\$ 30.00	\$ 9,000.00
6	6" deck drain	8 ea	\$ 125.00	\$ 1,000.00
7	6" atrium drain	28 ea	\$ 125.00	\$ 3,500.00
8	12" atrium drain	33 ea	\$ 150.00	\$ 4,950.00
9	24" concrete catch basin	1 ea	\$ 500.00	\$ 500.00
10	Biofiltration System	1 ea	\$ 10,000.00	\$ 10,000.00
11	Stormwater Detention Vault	1 ea	\$ 8,000.00	\$ 8,000.00
12	Drainage spreader	42 lf	\$ 50.00	\$ 2,100.00
13	5" channel drain	54 lf	\$ 40.00	\$ 2,160.00
14	12" wide concrete v-ditch	45 lf	\$ 24.00	\$ 1,080.00
15	Pervious paving	2,540 sf	\$ 12.00	\$ 30,480.00
16	4" subdrain system	810 lf	\$ 45.08	\$ 36,514.80
17	Downspout connection to drain system	11 ea	\$ 200.00	\$ 2,200.00
18	Screen wall	100 sf	\$ 49.00	\$ 4,900.00
19	Retaining wall	3,400 sf	\$ 49.00	\$ 166,600.00
<b>Subtotal</b>				<b>\$ 366,669.80</b>
CONTINGENCY (15%)				<b>\$ 55,000.00</b>
ESTIMATED ON-SITE IMPROVEMENT COST				<b>\$ 421,669.80</b>



<u>Item</u>	<u>Description</u>	<u>Est. Quantity</u>		<u>Unit Price</u>	<u>Amount</u>
<b>Erosion Control Items</b>					
1	Silt fence	480	lf	\$ 2.64	\$ 1,267.20
2	Material Storage Area	1	ea	\$ 300.00	\$ 300.00
3	Concrete Washout Area	1	ea	\$ 825.00	\$ 825.00
4	Waste Storage Area	1	ea	\$ 500.00	\$ 500.00
5	Stabilized Construction Entrance	400	sf	\$ 8.66	\$ 3,464.00
6	Street Sweeping	1	ls	\$ 1,500.00	\$ 1,500.00
7	Solid Waste Management	1	ea	\$ 3,500.00	\$ 3,500.00
8	Gravelbags	1200	ea	\$ 1.82	\$ 2,184.00
9	Fiber Rolls	200	lf	\$ 3.38	\$ 676.00
10	Inlet Protection	70	ea	\$ 8.00	\$ 560.00
11	Geotextiles/Mats	5,000	sf	\$ 0.40	\$ 2,000.00
12	Hydroseeding	3,000	sf	\$ 0.36	\$ 1,080.00
<b>Subtotal</b>					\$ 17,856.20
CONTINGENCY (15%)					\$ 2,700.00
ESTIMATED ON-SITE IMPROVEMENT COST					\$ 20,556.20
<b>Landscape &amp; Irrigation Items</b>					
1	Landscape & Irrigation	lump sum			\$ 90,000.00
<b>Subtotal</b>					\$ 90,000.00
CONTINGENCY (15%)					\$ 13,500.00
ESTIMATED LANDSCAPE & IRRIGATION COST					\$ 103,500.00
<b>TOTAL ESTIMATED CONSTRUCTION COST</b>					<b>\$ 651,279.90</b>







# Grading Permit

Engineering Inspection Request Line (760) 438-3891

**PERMIT #:** GR2021-0016

**DATE:** September 29, 2021

**PERMIT TYPE:** LDE-Grading

**SUB TYPE:** Major

**STATUS:** Issued - Active

**PARCEL #:** 2070721700

**ROW TYPE:**

**APPLIED:** 04/15/2021

**LOT #:** 1

**PROJECT #:** DEV2020-0110

**ISSUED:** 09/29/2021

**DWG #:** DWG 531-1A

**EXPIRATION:** 09/30/2024

**PLAN #:** CDP2020-0017

**INSPECTOR:** Nick DeLetto

**SITE ADDRESS** 4005 SKYLINE RD

**LOCATION:**

**PROJECT:** Sarem Residence

**DESCRIPTION:** SAREM RESIDENCE: 6,702 SQFT 2 STORY HOME WITH 3 CAR GARAGE, AND ADU OVER GARAGE

**APPLICANT:**

**CONTRACTOR:**

JC GRADING INC  
PO BOX 2202  
VALLEY CENTER, CA 92082-2202  
(760) 749-2246

**PROPERTY OWNER:**

SCOTT AND KYRA SAREM  
6684 LEMON LEAF DR  
CARLSBAD, CA 92011  
(760) 533-2470

FEE DESCRIPTION	TOTAL FEES	PAID AMOUNT	BALANCE DUE
IMPROVEMENT INSPECTION	\$451.72	\$451.72	\$0.00
ADDITIONAL IMPROVEMENT PLAN CHECK FEE	\$1,893.65	\$1,893.65	\$0.00
GRADING CASH DEPOSIT	\$65,128.00	\$65,128.00	\$0.00
LDE THIRD PARTY REVIEW- DEV FUNDED	\$1,200.00	\$1,200.00	\$0.00
SWPPP PLAN REVIEW TIER 2 - High	\$383.00	\$383.00	\$0.00
SWPPP INSPECTION FEE TIER 2 - High CMI	\$1,358.00	\$1,358.00	\$0.00
SWQMP PLAN REVIEW (subsequent acre >than .5 acres)	\$495.00	\$495.00	\$0.00
SWQMP INSPECTION (subsequent acre >than .5 acres)	\$428.00	\$428.00	\$0.00
GRADING PLANCHHECK (ENG) Initial 1,001-10,000cy	\$3,017.00	\$3,017.00	\$0.00
GRADING PERMIT (ENG) 1,001-10,000 cy	\$1,449.00	\$1,449.00	\$0.00
<b>TOTAL PERMIT FEE</b>	<b>\$75,803.37</b>	<b>\$75,803.37</b>	<b>\$0.00</b>

This fee statement is subject to change as outlined in the Carlsbad Municipal Code.

The issuance of this permit by the City of Carlsbad does not authorize the applicant for said permit to violate any federal, state, or city laws, ordinances, regulations or policies, including, but not limited to, the Federal Endangered Species Act of 1973 and any amendments thereto.

**Permit Release:** \_\_\_\_\_

**Date Released:** \_\_\_\_\_





Sept. 6, 2023

Scott Alexander Sarem and Kyra Bush Sarem,  
Trustees under the Sarem Family Trust Dated July 17, 2008  
6684 Lemon Leaf Dr.  
Carlsbad, CA 92011

**CDP 2020-0017 SAREM RESIDENCE | GR2021-0016 | DWG 531-1A – GRADING FINAL PUNCH LIST**

Attached please find the Grading Final Punch List for the subject project, SEC2148. It represents a compilation of items of work which are necessary to complete the project.

You are directed to complete all punch list work within 60 days after mailing of this letter. Per the terms of the agreement, the City is holding the \$65,128 cash deposit and \$586,151.90 bond until the punch list items are completed. Failure to complete this work within this time period will be cause for the City to exercise its rights under the agreement to complete the work. If all items are already marked as complete on the attached, the city will begin proceedings for the formal project acceptance and applicable security releases.

Please contact your Project Inspector, Nick De Letto, at 760-331-8018 at your earliest convenience in order to review the list and your work schedule to complete same. Thank you for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Valerie Airey', written over the printed name.

**Valerie Airey**  
Municipal Projects Manager

c: American Contractors Indemnity Company  
625 The City Drive South, Suite 205  
Orange, CA 92868  
**BOND # 1001143774**  
Project Inspector, Nick De Letto  
Senior Contract Administrator, Jennifer Chapman  
File

**Public Works**

**Construction Management & Inspection**

1635 Faraday Avenue | Carlsbad, CA 92008 | 442-339-2780 t | CMI@carlsbadca.gov

March 12, 2024

Item #8 Page 37 of 135



**GRADING FINAL PUNCH LIST**  
**CDP 2020-0017 SAREM RESIDENCE, DWG 531-1A**

1. Submit final soils report.  
☒ Date complete: 8/10/23
2. Submit final as-built drawings and complete as-built process.  
☒ Date complete: 9/5/23
3. Submit BMP Certification Report with photos.  
☒ Date complete: 8/23/23

Note: You are reminded that you are responsible for any damages caused by your forces in prosecuting the remedial work.

In-progress inspection is required during all work.

A right-of-way permit will be required prior to starting work.

Grading Final Punch List Complete: 9/6/2023  
(Date)

Approved by: Nick DeLetto  
(Project Inspector)

Approved by: Dan Ariz  
(Municipal Projects Manager)





SOLID AS A ROCK

ENGINEERS + GEOLOGISTS + ENVIRONMENTAL SCIENTISTS

August 10, 2023

J.N. 20-155

Revision 4

**MR. SCOTT SAREM**

5796 Armada Drive, Suite 375  
 Carlsbad, California 92008

**Subject: Revised Final Geotechnical Report, Proposed Two-Story Residence, 4005 Skyline Road, City of Carlsbad, San Diego County, California**

References: See Attached List

Dear Mr. Sarem:

In accordance with the request of Mr. Jeff Piva, project superintendent, **Petra Geosciences, Inc. (Petra)** has prepared this revised final geotechnical report of grading for 4005 Skyline Road, Permit #GR2021-0016, located on the west side of Skyline Road and northerly of Tamarack Avenue in the city of Carlsbad, San Diego County, California.

The purpose of this report is to document that the grading for the Sarem property has been completed in conformance with the recommendations of the project geotechnical reports (references) and that the fill materials have been properly placed and compacted in accordance with the project geotechnical reports (referenced) and the City of Carlsbad Grading Ordinance.

### **GEOLOGIC CONDITIONS**

Upon completion of the grading, representative samples were taken from the building areas prior to construction of the foundations for expansion testing and chemical analysis. Subsurface geologic conditions were consistent with those reports listed in the attached References.

### **SUMMARY OF OBSERVATIONS AND TESTING**

#### **Rough Grading**

The rough grading and post grading was performed between October 2021 and September 2022 with geotechnical observation and testing provided by Petra Geosciences, Inc. Prior to fill placement, the existing building and site vegetation were stripped and removed from the site. In areas to receive engineered fill, low-density surficial soils, which generally consisted of undocumented artificial fill, residual topsoil, and the upper portions of the paralic deposits were removed to expose competent paralic deposits, as determined



by representatives from Petra, including periodic observations by a Petra geologist. The removal depths of native site soils were on the order of 1 to 3 feet below the original ground surface. Building pad was over-excavated a minimum of 3 feet below pad grade. The elevations of removal and over-excavation bottoms were obtained during grading with the grading contractor's GPS system.

Following removals and over- excavation, the exposed bottom surfaces were scarified approximately 1 foot in depth, moisture-conditioned, as needed to achieve above optimum moisture conditions, and then re-compacted in-place to no less than 95 percent relative compaction below the building pad and 90 percent relative compaction in other areas by track walking with a D-6 dozer and wheel-rolling with other heavy construction equipment. Field density and moisture content tests were performed in accordance with ASTM D 6938 (nuclear gauge method). The limits of site grading, grading bottom cleanout elevations, and field density test locations are shown on the attached, Figure 1. The results of the field density tests are included in Table I. We tested laboratory samples used for fill to evaluate moisture-density relationships, optimum moisture content and maximum dry density (ASTM D 1557). In addition, we obtained soil samples at finish grade to evaluate expansion potential (ASTM D 4829), water soluble sulfate content (California Test No. 417), water soluble chloride (California Test No. 422), and pH/resistivity (California Test No. 643). The laboratory test results are included in Appendix A.

### **Fill Slopes**

The interior fill slopes were constructed at an inclination of 2:1 (h:v) to heights of approximately 8 feet or less. The fill slopes were built a few feet thick and trimmed back to the compacted core. The fill slopes are considered to be both grossly and surficially stable to the heights and inclinations at which they are constructed.

### **Foundation Excavations**

Foundation excavations for the site retaining walls and the residence were observed by this office at the time that they were excavated. Site retaining wall foundations were per County of San Diego standard details and are called out on the Grading Plans by Toal Engineering (Toal, 2022). The residence foundation were designed by NS Structural Engineering (NSSE, 2020). All foundations were observed to be embedded in compacted fill soils placed during site grading and retaining wall backfilling operations, as recommended.



### **Retaining Wall Backdrains/Backfill**

Limited observation and testing of retaining wall backfill and observation of backdrains were performed by this office on a part time basis, as requested by the general contractor. Retaining walls were generally provided with a MiraDRAIN and J-drain type back drainage systems. We were not requested and did not observe ultimate drainage connections. A back drain was not installed behind the pickleball court retaining wall at contractors' convenience. The retaining walls were backfilled with onsite granular soils. Field density testing and representative probing was performed in the retaining wall backfill to document that 90 percent or more relative compaction was achieved and that the backfill was firm and unyielding. During the course of backfilling, when field density tests indicated a relative compaction of less than the required density or low moisture conditions, the soil was reworked in-place and then retested until the appropriate results were achieved. The field density test locations are plotted on Figure 1. The results of the density tests are included in Table I. Maximum Density/Optimum moisture determinations are included in Figure 1 and Appendix A.

### **Utility Trench Backfill**

Limited observation and testing of utility trench backfill was performed on a part time basis as requested by the general contractor. Field density testing was performed to document that the building pad area and surrounding areas/wall backfill soils exhibited 90 percent or more relative compaction. During the course of backfilling where field density tests indicated a relative compaction of less than the required density or low moisture conditions, the soil was reworked in-place and then retested until the appropriate results were achieved. The field density tests are included as Table I and the test locations are plotted on Figure 1. Based on Petra's field observations and in-situ density testing, the subject building pad is deemed suitable for the intended use.

### **Hardscape Subgrades**

Limited observation and testing of hardscape subgrade was performed on a part time basis as requested by the general contractor. Field density testing was performed to document that the areas of proposed hardscape improvements soils exhibited 90 percent or more relative compaction. During the course of backfilling when field density tests indicated a relative compaction of less than the required density or low moisture conditions, the soil was reworked in-place and then retested until the appropriate results were achieved. The field density tests are included as Table I and the test locations are plotted on Figure 1. Based



on Petra's field observations and in-situ density testing, the subject building pad is deemed suitable for the intended use.

### **Swimming Pool**

Petra was not requested and did not observe or test the swimming pool excavation or any additional grading that was performed as a part of its construction. Consequently, Petra cannot provide any comment on its suitability from a geotechnical standpoint.

### **CONCLUSIONS**

The geotechnical elements observed and tested by this office have been completed in compliance with the grading codes of the City of Carlsbad and with the recommendations presented in the referenced geotechnical reports prepared by Petra.

A representative of Petra was present on-site on an on-call basis for the purpose of providing the owner's representative with professional opinions and recommendations. These opinions and recommendations were developed based on field observations and selective testing of the contractor's work. Our scope of services during this project did not include supervision or direction of the contractor, his personnel, or his subcontractors. Our observations and testing did not reveal any obvious deviations from the recommendations provided in the referenced geotechnical reports by our firm; however, Petra does not in any way guarantee the contractor's work, nor do our services relieve the contractor (or any subcontractors) of their liability should any defects subsequently be discovered in their work product.

Based on our findings, the conclusions and recommendations presented herein and within the referenced report by our firm were prepared in conformance with generally accepted professional engineering practices. No warranty is expressed or implied.



It has been a pleasure to be of service to you on this project. Should you have questions regarding the contents of this report or should you require additional information, please contact this office.

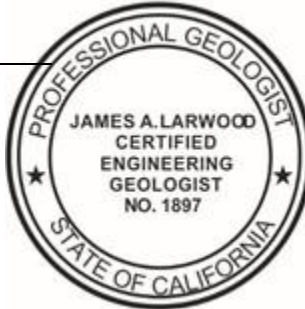
Respectfully submitted,

**PETRA GEOSCIENCES, INC.**



Jim Larwood  
Principal Geologist  
CEG 1897

JL/GRW/lv

  
8/10/23

Grayson R. Walker  
Principal Engineer  
GE 871



Attachments:   References  
                    Table I – Field Density Test Results  
                    Figure 1 – Density Test Location Map  
                    Appendix A – Laboratory Test Data

Distribution:   (1) Addressee  
                    (1) Mr. Nick Deletto (City of Carlsbad)  
                    (1) Mr. Jeff Piva  
                    (1) Mr. Mark Browe  
                    (1) Mr. Caleb Rios

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**REFERENCES**

NS Structural Engineering, Inc., 2020, Foundation Plan for Sarem Residence, 4005 Skyline Road, Carlsbad, dated October 8.

Petra Geosciences, Inc., 2020a, Preliminary Geotechnical Evaluation, Proposed Two-Story Residence, 4005 Skyline Road, APN 207-072-17-00, City of Carlsbad, San Diego County, California, J.N. 18-308, dated May 11.

\_\_\_\_\_, 2020b, Geotechnical Commentary on Soil Infiltration Characteristics, Proposed Two-Story Residence, 4005 Skyline Road, City of Carlsbad, San Diego County, California, J.N. 20-155, dated May 28.

\_\_\_\_\_, 2020c, Geotechnical Review of Grading and Foundation Plans, Proposed Two-Story Residence, 4005 Skyline Road, City of Carlsbad, San Diego County, California, J.N. 20-155, dated October 20.

Toal Engineering, Inc., 2022, Grading Plans for Sarem Residence (4005 Skyline Road) GR2021-0016, Sheets 2, 4 and 5, dated February 3.



TABLE 1  
Field Density Test Results

Test Date	Test No.	Test Location	Elev. (ft)	Soil Type	Moisture (%)		Dry Density (pcf)		Test Type*	Rel. Comp. (%)	Proj. Spec. (%)	Pass/Fail (P/F)
					Opt.	Field	Max.	Field				
Grading												
10/27/2021	1	Sports CourtSouthwest corner	273.0	1	10.0	9.6	124.0	115.5	N	93	90.0	P
10/27/2021	2	Sport CourtSouthwest corner	273.0	1	10.0	9.3	124.0	117.6	N	94	90.0	P
10/28/2021	3	Sport CourtCenter	274.0	1	10.0	8.0	124.0	114.9	N	92	90.0	P
10/28/2021	4	Retest # 3	274.0	1	10.0	9.9	124.0	119.5	N	96	90.0	P
10/29/2021	5	Northwest corner 20' east of the center of the biofiltration area	277.0	1	10.0	8.6	124.0	115.9	N	93	90.0	P
10/29/2021	6	North side center of sport court	275.0	1	10.0	10.4	124.0	112.2	N	90	90.0	P
10/29/2021	7	Retest # 5	277.0	1	10.0	10.5	124.0	115.3	N	92	90.0	P
10/29/2021	8	Proposed pool center	278.0	1	10.0	10.7	124.0	116.1	N	93	90.0	P
11/01/2021	9	South west side of proposed pool area	280.0	1	10.0	10.9	124.0	114.1	N	92	90.0	P
11/02/2021	10	South east side of proposed pool area	282.0	1	10.0	10.8	124.0	116.8	N	94	90.0	P
11/03/2021	11	Northeast side of proposed pool area	282.0	1	10.0	11.5	124.0	118.1	N	95	90.0	P
11/04/2021	12	East of pool area	285.0	1	10.0	6.1	124.0	111.7	N	90	90.0	P
11/04/2021	13	South side east of pool area	285.0	1	10.0	9.1	124.0	116.6	N	94	90.0	P
11/04/2021	14	Retest # 13	285.0	1	10.0	9.8	124.0	120.6	N	97	90.0	P
11/04/2021	15	Retest # 12	285.0	1	10.0	8.7	124.0	113.9	N	91	90.0	P
11/04/2021	16	Retest # 15	285.0	1	10.0	10.3	124.0	121.2	N	97	90.0	P
11/05/2021	17	Northeast side center centerline of pool area	287.0	1	10.0	12.3	124.0	119.2	N	96	90.0	P
11/05/2021	18	Pool west side slope face center of pool	282.0	1	10.0	11.3	124.0	108.5	N	87	90.0	F
11/09/2021	19	North side of pool area slope	283.0	1	10.0	9.8	124.0	118.1	N	95	90.0	P
11/09/2021	20	South side of pool area slope	286.0	1	10.0	10.9	124.0	116.6	N	94	90.0	P
11/09/2021	21	East of pool area proposed pervious paving area	290.0	1	10.0	10.8	124.0	121.1	N	97	90.0	P
11/09/2021	22	East of pool area proposed pervious paving area	290.0	1	10.0	10.7	124.0	123.2	N	99	90.0	P
11/10/2021	23	Northeast side pool area slope over build	288.0	1	10.0	10.4	124.0	123.9	N	99	90.0	P
11/10/2021	24	Southeast side pool area over build	288.0	1	10.0	10.4	124.0	119.2	N	96	90.0	P
11/10/2021	25	North side center pool area slope face	285.0	1	10.0	10.5	124.0	117.4	N	94	90.0	P
11/10/2021	26	South side center pool area slope face	285.0	1	10.0	10.2	124.0	115.6	N	93	90.0	P
11/15/2021	27	South side center of the property between grading stakes #6077 to #6074	290.0	1	10.0	10.4	124.0	123.1	N	99	95.0	P
11/15/2021	28	North side center of property between grading stakes #6076 to #6075	288.0	1	10.0	14.2	124.0	116.0	N	93	90.0	P
11/16/2021	29	North side center of property grading stake #6075	291.0	1	10.0	11.6	124.0	119.0	N	95	95.0	P
11/16/2021	30	Northeast corner#2-Car Garage	296.0	1	10.0	12.4	124.0	119.5	N	96	90.0	P
11/16/2021	31	North east side between grading stakes #6085 to #6075	289.0	1	10.0	12.4	124.0	115.5	N	93	90.0	P
11/17/21	32	2 Car Garage Area	291.0	1	10.0	11.4	124.0	123.2	N	99	95	P
12/20/2021	33	Proposed gym area	295.0	3	9.0	10.1	125.0	119.7	N	95	95.0	P
12/20/2021	34	Main level	290.0	3	9.0	10.6	125.0	120.2	N	96	95.0	P
12/20/2021	35	Main level	290.0	3	9.0	11.3	125.0	121.1	N	96	95.0	P
12/21/2021	36	Gym area	296.0	3	9.0	10.6	125.0	119.9	N	95	95.0	P
12/22/2021	37	Main house pad	292.0	3	9.0	10.7	125.0	120.9	N	96	95.0	P



TABLE 1  
Field Density Test Results

12/22/2021	38	1 car garage area	298.0	3	9.0	11.2	125.0	119.4	N	95	95.0	P
12/22/2021	39	2 car garage area	298.0	3	9.0	10.8	125.0	121.1	N	96	95.0	P
12/22/2021	40	Gym area	299.0	3	9.0	10.7	125.0	120.2	N	96	95.0	P
12/22/2021	41	Main house pad	292.0	3	9.0	10.6	125.0	119.1	N	95	95.0	P
12/22/2021	42	Main house pad	294.0	3	9.0	10.3	125.0	120.5	N	96	95.0	P
02/24/2022	43	Southwest corner of main house pad	296.0	1	10.0	9.4	124.0	119.9	N	96	95.0	P
02/24/2022	44	Southeast corner of pad south of the garage #1	297.0	1	10.0	9.4	125.0	121.6	N	97	95.0	P
02/25/2022	45	Southeast corner of pad east of garage #1	302.0	1	10.0	9.0	125.0	123.9	N	99	95.0	P
05/13/2022	46	SWC SPORTS COURT	277.0	1	10.0	11.9	124.0	119.3	N	96	95.0	P
07/15/2022	47	SOUTHEAST PAD CORNER GARAGE	297.0	1	10.0	6.9	124.0	113.9	N	91	95.0	F
07/15/2022	48	RETEST 47	297.0	1	10.0	9.8	124.0	118.4	N	95	95.0	P

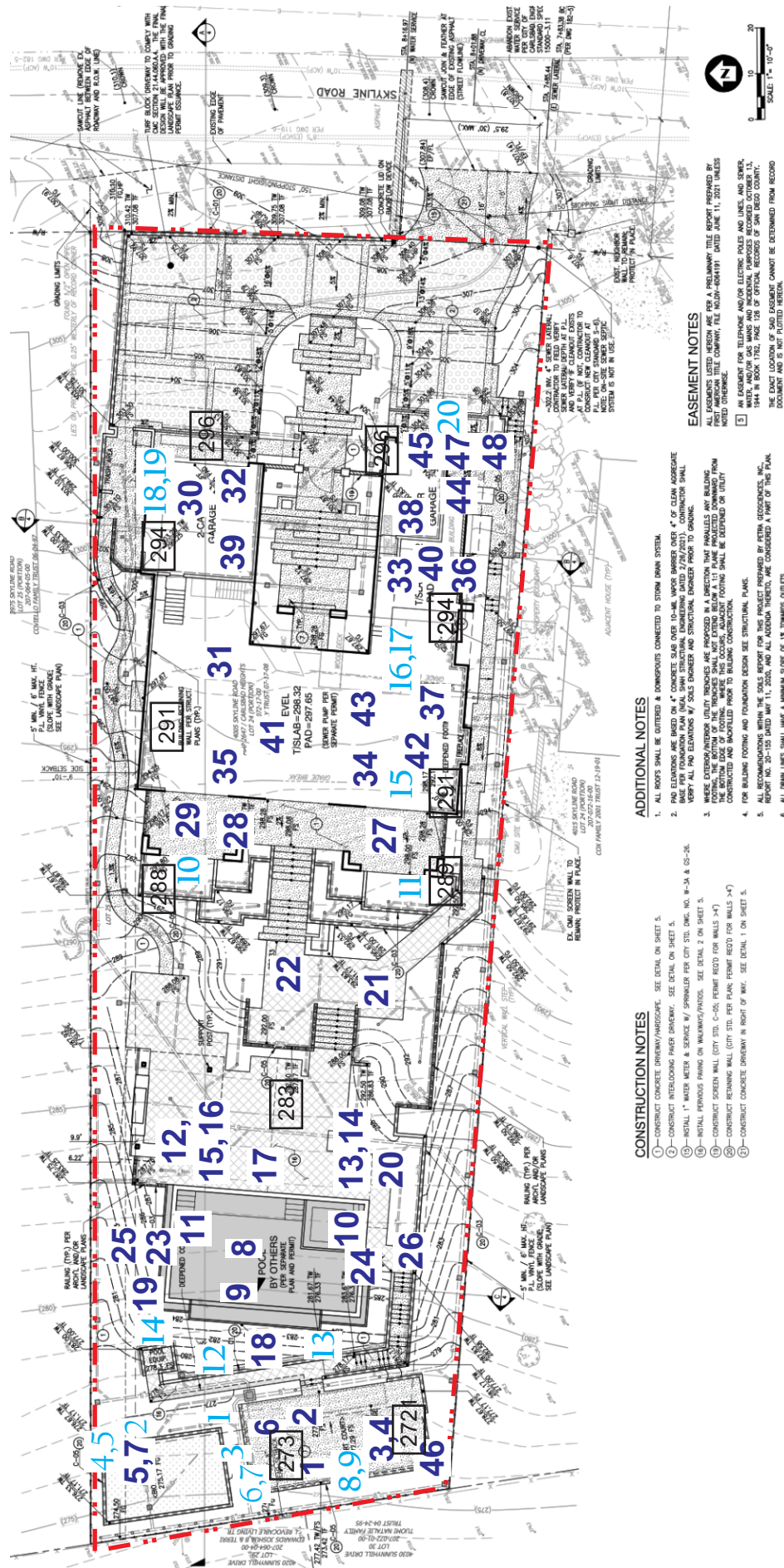
**Retaining Walls**

01/31/2022	1	Southeast side of Bio-filtration basin	271.8	1	10.0	13.2	124.0	119.6	N	96	90.0	P
01/31/2022	2	Northeast side of basin	273.6	1	10.0	10.9	124.0	113.1	N	91	90.0	P
02/01/2022	3	South side of bio filtration	272.0	1	10.0	11.7	124.0	116.0	N	93	90.0	P
02/01/2022	4	Northeast side center of the bio filtration basin	276.0	1	10.0	10.6	124.0	107.3	N	86	90.0	F
02/01/2022	5	Retest # 4	276.0	1	10.0	9.6	124.0	113.4	N	91	90.0	P
05/13/2022	6	NWC SPORTS COURT	276.0	1	10.0	7.6	124.0	110.6	N	89	90.0	F
05/13/2022	7	RETEST # 6	276.0	1	10.0	9.0	124.0	119.3	N	96	90.0	P
05/18/2022	8	SPORTS COURT	278.0	1	10.0	8.3	124.0	115.5	N	93	90.0	P
05/18/2022	9	RETEST 8	278.0	1	10.0	11.0	124.0	118.5	N	95	90.0	P
05/20/2022	10	EAST SIDE RETAINING WALL NORTH	296.0	1	10.0	11.7	124.0	114.5	N	92	90.0	P
05/20/2022	11	EAST SIDE RETAINING WALL SOUTH	295.0	1	10.0	10.0	124.0	114.4	N	92	90.0	P
06/22/2022	12	PICKLE BALL COURT N. SIDE	278.0	1	10.0	10.9	124.0	116.6	N	94	90.0	P
06/22/2022	13	PICKLE BALL COURT N. SIDE	278.0	1	10.0	10.4	124.0	116.0	N	93	90.0	P
06/30/2022	14	WEST SIDE RETAINING WALL	283.0	1	10.0	9.7	124.0	121.6	N	98	95.0	P
07/15/2022	15	SOUTHWEST CORNER PAD FOUNDATION WALL	297.0	1	10.0	9.3	124.0	118.1	N	95	95.0	P
07/15/2022	16	SOUTHWEST SIDE PAD FOUNDATION WALL CENTER	297.0	1	10.0	9.7	124.0	115.6	N	93	95.0	F
07/15/2022	17	RETEST 16	297.0	1	10.0	9.8	124.0	119.3	N	96	95.0	P
09/07/2022	18	NORTHEASTS SIDE WALL	294.0	1	10.0	10.5	124.0	121.0	N	97	95.0	P
09/07/2022	19	NORTHEASTS SIDE WALL	295.0	1	10.0	9.4	124.0	123.2	N	99	95.0	P
09/07/2022	20	NORTHEASTS GARAGE WALL	300.0	1	10.0	11.1	124.0	119.9	N	96	95.0	P

\* Test Type - N = Nuclear Gauge; DT= Drive Tube; SC = Sand Cone

Laboratory Maximum Dry Density			
No.	Description	Max. Dry Density (pcf)	Optimum Moisture (%)
1	Reddish Brown Silty fine to coarse grained Sand with clay	124.0	10.0
Import 2	Reddish Brown fine to medium grained Sand with silt	125.0	9.0
3	Reddish Brown fine to medium grained Sand with clay	125.0	9.0





### EXPLANATION

- Approximate Limits of this Report
- Approximate Removal Bottom Elevation, Above Mean Sea Level
- Approximate Location of Field Density Test, Grading
- Approximate Location of Field Density Test, Retaining Wall

**PETRA GEOSCIENCES, INC.**

500 La Terraza Blvd., Suite 150  
Escondido, California 92025  
PHONE: (858) 649-3707

## DENSITY TEST LOCATION MAP

4005 Skyline Drive  
Carlsbad, California



**PETRA**  
GEOSCIENCES INC.

## Figure 1



# ***APPENDIX A***

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## ***LABORATORY TEST PROCEDURES***

## ***LABORATORY DATA SUMMARY***



## **LABORATORY TEST PROCEDURES**

### **Laboratory Maximum Dry Density**

Maximum dry density and optimum moisture content were determined for selected samples of soil in accordance with ASTM D 1557. Pertinent test values are given on Plate A-1.

### **Expansion Index**

Expansion index tests were performed on selected samples of finish pad grade soil materials in accordance with ASTM D 4829. Expansion potential classifications were determined from the 2019 CBC Section 1803.5.3 on the basis of the expansion index values. Test results and expansion potentials are presented on Plates A-1.

### **Corrosivity**

Chemical analyses were performed on selected samples of finish pad grade soil to determine concentrations of soluble sulfate and chloride, as well as pH and resistivity. These tests were performed in accordance with California Test Method Nos. 417 (sulfate), 422 (chloride) and 643 (pH and resistivity). Test results are included on Plate A-1.



### Laboratory Maximum Dry Density

Sample No.	Soil Type	Optimum Moisture <sup>1</sup> (%)	Maximum Dry Density <sup>1</sup> (pcf)
1	Reddish Brown, Silty fine to coarse grained Sand with clay	10.0	124.0
Import 2	Reddish Brown, fine to medium grained Sand with silt	9.0	125.0
3	Reddish Brown, fine to medium grained Sand with clay	9.0	125.0

(1) PER ASTM D 1557

### Expansion Index

Sample Location	Mass Grade Lot Number and Representative Lots	Expansion <sup>1</sup> Index	Expansion <sup>2</sup> Potential
Pad-South	South side of lot	0	Very Low
Pad-North	North side of lot	0	Very Low

(1) PER ASTM D 4829

(2) PER 2019 CBC Section 1803.5.3

### Corrosivity

Sample Location	Sulfate <sup>1</sup> (%)	Chloride <sup>2</sup> (ppm)	pH <sup>3</sup>	Resistivity <sup>3</sup> (ohm-cm)	Corrosivity Potential
Pad	0.0102	118	7.83	3,700	Concrete = Moderate Steel = Moderately Corrosive

(1) PER CALIFORNIA TEST METHOD NO. 417

(2) PER CALIFORNIA TEST METHOD NO. 422

(3) PER CALIFORNIA TEST METHOD NO. 643

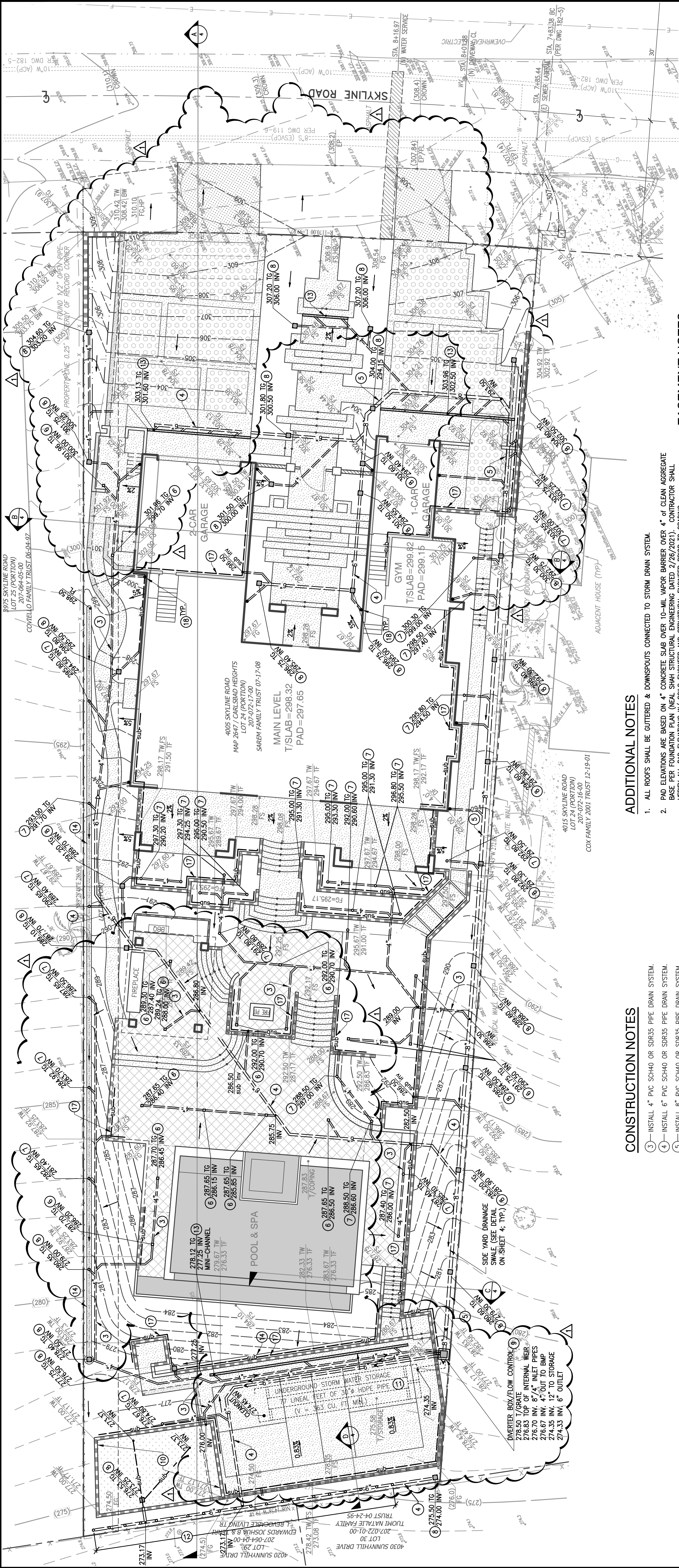












STRUCTURAL (POST-CONSTRUCTION) BMP TABLE		
TYPE	SIZE	OWNERSHIP
PERMEABLE PAVEMENT	2,540 S.F. 4,310 S.F.	SCOTT AND KYRA SAREM
BIOFILTRATION W/ PARTIAL RETENTION	423 S.F.	SCOTT AND KYRA SAREM
STORM WATER DETENTION VAULT	363 C.F.	SCOTT AND KYRA SAREM

CONSTRUCTION NOTES

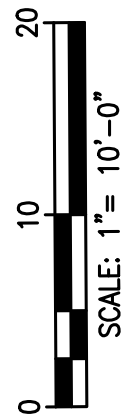
- 3—INSTALL 4" PVC SCH40 OR SDR35 PIPE DRAIN SYSTEM.
- 4—INSTALL 6" PVC SCH40 OR SDR35 PIPE DRAIN SYSTEM.
- 5—INSTALL 8" PVC SCH40 OR SDR35 PIPE DRAIN SYSTEM.
- 6—INSTALL 6" DECK DRAIN NOS 918B W/ RISER & ADAPTOR, OR EQUAL.
- 7—INSTALL 6" ATRIUM DRAIN NOS 90 W/ RISER & ADAPTOR, OR EQUAL.
- 8—INSTALL 12" ATRIUM DRAIN NOS 1280 W/ RISER & ADAPTOR OR EQUAL.
- 9—INSTALL 24" CONC. CATCH BASIN (BROOKS CB-2424 OR EQUAL).
- 10—INSTALL BIOFILTRATION SYSTEM (423 S.F. MIN. AREA). SEE DETAIL ON SHEET 5.
- 11—CONSTRUCT STORM WATER STORAGE VAULT. SEE DETAIL ON SHEET 4.
- 12—CONSTRUCT DRAINAGE SPREADER. SEE DETAIL ON SHEET 5.
- 13—INSTALL 5" CHANNEL DRAIN W/ LIGHT TRAFFIC GRATE (NDS 864GM/L OR EQUAL).
- 14—CONSTRUCT 12" WIDE CONCRETE V-DITCH. SEE DETAIL ON SHEET 5.
- 17—INSTALL SUBDRAIN PER SOILS REPORT. SEE DETAIL ON SHEET 5.
- 18—DOWNSPOUT (PER ROOFING CONTRACTOR). SEE DETAIL ON SHEET 5.

ADDITIONAL NOTES

- 1. ALL ROOFS SHALL BE GUTTERED & DOWNSPOUTS CONNECTED TO STORM DRAIN SYSTEM.
- 2. PAD ELEVATIONS ARE BASED ON 4" CONCRETE SLAB OVER 10-MIL VAPOR BARRIER OVER 4" OF CLEAN AGGREGATE BASE PER FOUNDATION PLAN (NEAL SHAH STRUCTURAL ENGINEERING DATED 2/26/2021). CONTRACTOR SHALL VERIFY ALL PAD ELEVATIONS W/ SOILS ENGINEER AND STRUCTURAL ENGINEER PRIOR TO GRADING.
- 3. WHERE EXTERIOR/INTERIOR UTILITY TRENCHES ARE PROPOSED IN A DIRECTION THAT PARALLELS ANY BUILDING FOOTING, THE BOTTOM OF THE TRENCHES SHALL NOT EXTEND BELOW A 1:1 PLANE PROJECTED DOWNWARD FROM THE BOTTOM EDGE OF FOOTING. WHERE THIS OCCURS, ADJACENT FOOTING SHALL BE DEEPENED OR UTILITY CONSTRUCTED AND BACKFILLED PRIOR TO BUILDING CONSTRUCTION.
- 4. FOR BUILDING FOOTING AND FOUNDATION DESIGN SEE STRUCTURAL PLANS.
- 5. ALL RECOMMENDATIONS WITHIN THE SOILS REPORT FOR THIS PROJECT PREPARED BY PETRA GEOSCIENCES, INC. REPORT NO. 20-155 DATED MAY 11, 2020, AND ALL ADDENDA THERETO, ARE CONSIDERED A PART OF THIS PLAN.
- 6. ALL DRAIN LINES SHALL HAVE A MINIMUM SLOPE OF 1% TOWARDS OUTLETS.

EASEMENT NOTES

- 5 AN EASEMENT FOR TELEPHONE AND/OR ELECTRIC POLES AND LINES, AND SEWER, WATER, AND/OR GAS MAINS AND INCIDENTAL PURPOSES RECORDED OCTOBER 13, 1944 IN BOOK 1782, PAGE 126 OF OFFICIAL RECORDS OF SAN DIEGO COUNTY.
- THE EXACT LOCATION OF SAID EASEMENT CANNOT BE DETERMINED FROM RECORD DOCUMENT AND IS NOT PLOTTED HEREON.



WALL NOTES

- 1. WALLS SHOWN HEREON FOR INFORMATION ONLY AND ARE TO BE CONSTRUCTED PER SEPARATE PLAN/PERMIT.
- 2. ALL PROPOSED WALLS ARE ANTICIPATED TO BE CMU UNLESS OTHERWISE NOTED; SEE SITE WALL PLANS FOR FINAL DESIGN INFORMATION.
- 3. NO WALLS OR FENCES ARE TO EXCEED 6' IN HEIGHT MEASURED FROM LOWEST ADJACENT GRADE AND NOT TO EXCEED 42" WITHIN THE REQUIRED FRONT YARD SETBACK. HEIGHT SHALL INCLUDE ANY REQUIRED SAFETY RAILINGS.

EXISTING UTILITY NOTE

THE LOCATION OF UTILITY LINES SHOWN HEREON PER IMPROVEMENT PLANS FOR SEWER (DWG 119-6) AND WATER (DWG 182-5), AS WELL AS USA MARKINGS OBSERVED IN THE FIELD BY PETRA GEOSCIENCES (PROJECT GEOLOGICAL ENGINEER) AND FIELD SHOT TOPOGRAPHIC SURVEY (PROJECT METROLOGICAL ENGINEER) BY THE SURVEYOR, ARE SHOWN FOR INFORMATION ONLY. ACTUAL SIZES, LOCATIONS, AND DEPTHS MAY VARY AND SHALL BE FIELD VERIFIED PRIOR TO ANY CONNECTIONS TO, OR OTHER USE OF, THESE UTILITIES.

NOTICE TO CONTRACTOR  
REQUIRED CERTIFICATIONS / APPROVALS

- In addition to any certifications required by the agencies having jurisdiction over this project, the following approvals from the Civil engineer of record are required:
- 1. Foundation forms for improvements on or abutting property lines is required prior to concrete pour.
  - 2. Location, size, and depth of all drain lines prior to backfill.

CIVIL ENGINEERING  
LAND SURVEYING  
STORMWATER QUALITY

189 Avenida Navarro  
San Clemente, CA 92672  
949.492.8586  
www.toalengineering.com

7/26/23  
CALEB RIOS P.E. 57587 DATE:

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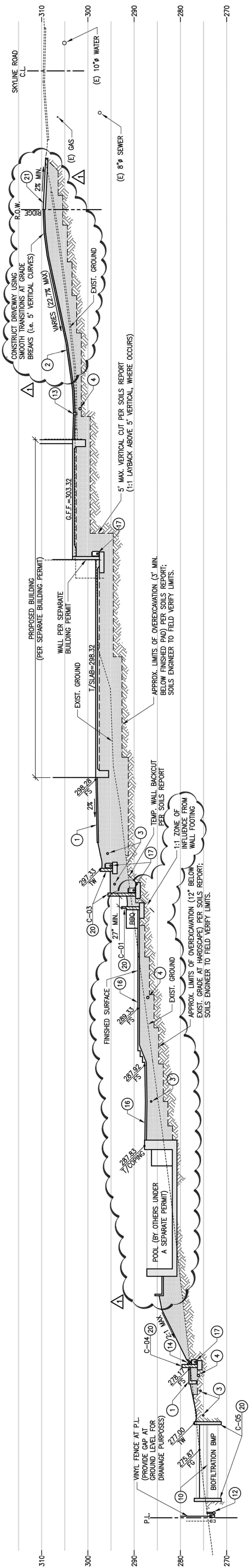
RCE *Caleb Rios* EXP *8/31/23* DATE  
RCE 57587

REVIEWED BY: *[Signature]* DATE  
INSPECTOR: 9.5.2023 DATE

SHEET	3	CITY OF CARLSBAD ENGINEERING DEPARTMENT	SHEETS	8
GRADING PLANS FOR:		SAREM RESIDENCE (4006 SKYLINE ROAD) CD2021-0018 DRAINAGE PLAN CD2021-0011		
APPROVED:		JASON S. GELBERT 8/3/2023		
ENGINEERING MANAGER		RCE 63912 EXPIRES 9/30/24 DATE		
DWN BY: M.E.B.		PROJECT NO. CDP 2020-0017		
CHKD BY: M.E.B.		DRAWING NO. 531-1A		
RWD BY:				

REVISION DESCRIPTION	ENGINEER OF WORK	DATE	INITIAL	OTHER APPROVAL	DATE	INITIAL
6/16/23 M.F.B. Δ REVISIONS FOR 2nd DRIVEWAY, GARAGE SIDE YARD, PICKLEBALL COURT, STORMWATER STORAGE SYSTEM, POOL, POOL DECK, COVERED GAZEBO AREA, AND ADD RET. W. S.		8/3/23				
REPLACES SHEET SIGNED 9/28/21.						

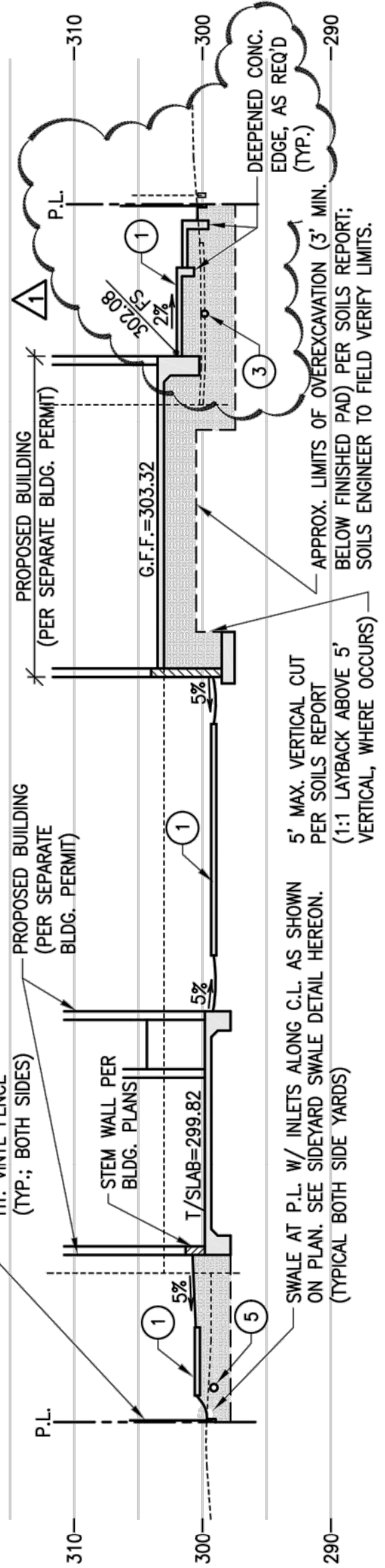
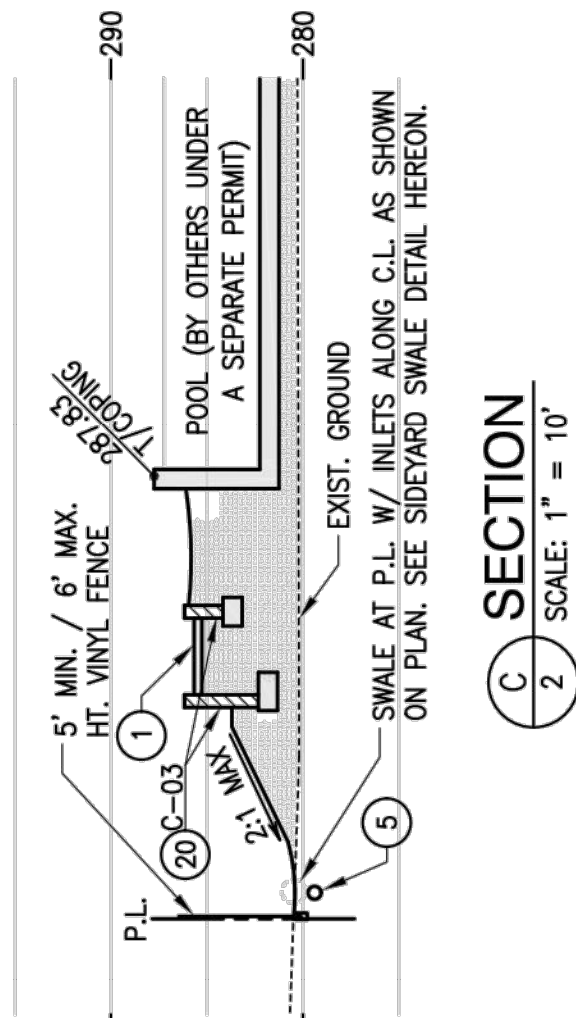




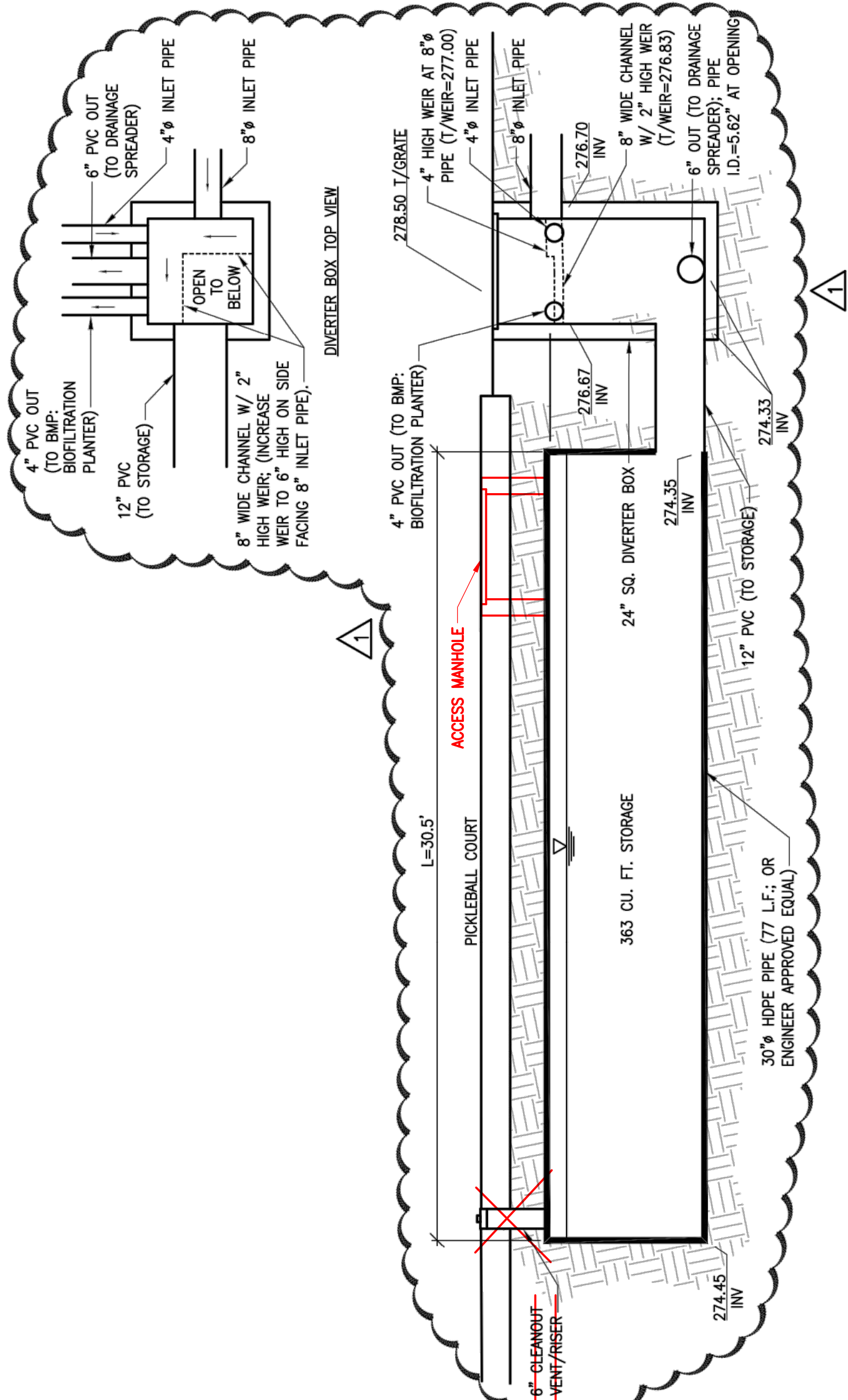
STRUCTURAL (POST-CONSTRUCTION)		BMP TABLE
TYPE	SIZE	OWNERSHIP
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BIORETENTION W/ PARTIAL RETENTION	423 S.F.	SCOTT AND KYRA SAREM
STORM WATER DETENTION VAULT	363 C.F.	SCOTT AND KYRA SAREM

SECTION NOTES:

1. ACTUAL LIMITS OF EXCAVATION TO BE DETERMINED IN THE FIELD BY THE SOILS ENGINEER.
2. FOR FOOTING AND FOUNDATION PLANS, SEE STRUCTURAL DRAWINGS.
3. RETAINING WALL BACKFILL SHALL CONFORM TO THE SOILS REPORT AND THE STRUCTURAL DRAWINGS.



SECTION  
2 SCALE: 1" = 10'

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## "AS BUT T"

RCE 57587 EXP. DATE 8-31-25

REVIEWED BY:  DATE: 9.5.2023

INSPECTOR \_\_\_\_\_

**SHEET**  
4

**CITY OF CARLSBAD**  
ENGINEERING DEPARTMENT

**SHEETS**  
8

**GRADING PLANS FOR:**

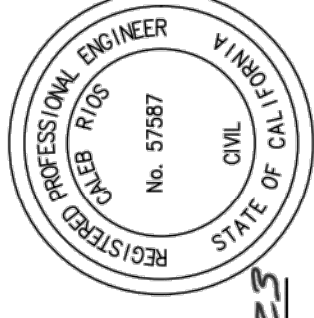
**SAREM RESIDENCE**  
**(4005 SKYLINE ROAD)**

APPROVED:	JASON S. GELBERT	DRAWING NO.	531-1A
<i>Tom Carroll for</i>	8/9/2023		
ENGINEERING MANAGER	RCE 63912	PROJECT NO.	CDP 2020-0017
	EXPIRES 9/30/24	DOWN BY:	CHKD BY:
		BY:	BY:
		RWD BY:	RWD BY:

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CALLER 800S 726 DATE: 5/7/87



CIVIL ENGINEERING  
LAND SURVEYING  
STORMWATER QUALITY

139 Avenida Navarro  
San Clemente, CA 92672  
949.492.8586  
[www.toalengineering.com](http://www.toalengineering.com)



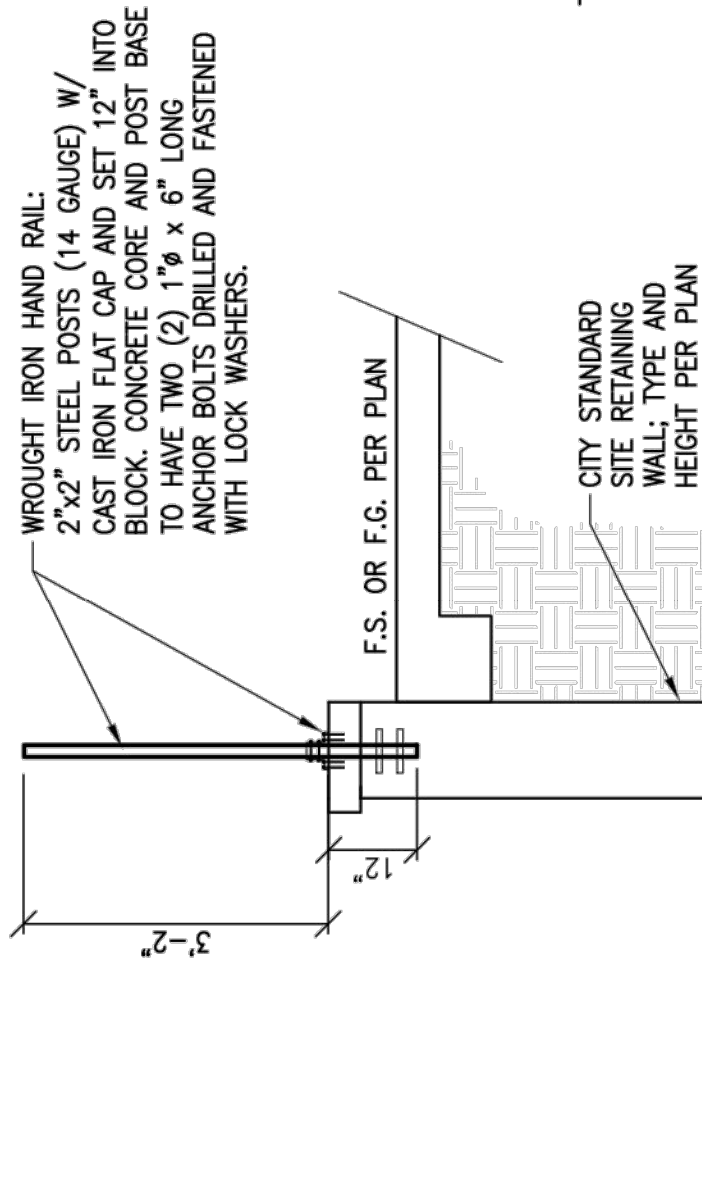
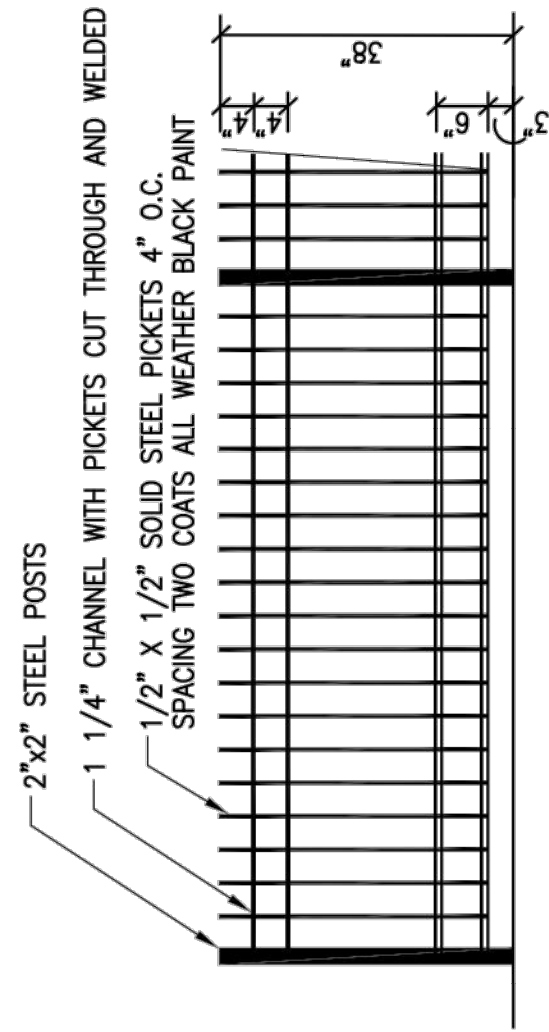
**TOAL**  
ENGINEERING, INC.

**DETAIL**  
**TYPICAL SIDE YARD SWALE**  
**NOT TO SCALE**

**DETAIL**  
**FENCING FOR SITE WALLS**  
**NOT TO SCALE**

**NOTES:**

- ALL METAL TO BE DEGREASED, PHOSPHATIZED WITH RUST RETARDANT UNDERCOAT AND DIP COATED WITH TWO COATS OF INDUSTRIAL GRADE FLAT BLACK ENAMEL.
- CROSS REFERENCE INFORMATION WITH LANDSCAPE PLAN PRIOR TO CONSTRUCTION.



	LANDSCAPE	HARDSCAPE
A *	6" MIN.	4" MIN.
B	5% MIN.	2% MIN.
C	2% MIN.	1% MIN.

\* OTHER VALUES MAY APPLY  
DEPENDING UPON ARCHITECTURAL  
DETAILS

**DETAIL**  
**TYPICAL SIDE YARD SWALE**  
**NOT TO SCALE**







TIER 2 CITY STORM WATER POLLUTION PREVENTION PLAN (TIER 2 SWPPP)

STORM WATER POLLUTION PREVENTION NOTES

GENERAL SITE MANAGEMENT REQUIREMENTS

- THE FOLLOWING GENERAL SITE MANAGEMENT REQUIREMENTS SHALL BE ADHERED TO THROUGHOUT THE DURATION OF THE CONSTRUCTION WORK (YEAR ROUND).
- IN CASE EMERGENCY WORK IS REQUIRED, CONTACT: JEFF PWA (TELNO.) (760) 500-1276.
  - DEVICES SHOWN ON CITY APPROVED PLANS SHALL NOT BE MOVED OR MODIFIED WITHOUT THE APPROVAL OF THE ENGINEERING INSPECTOR.
  - THE CONTRACTOR SHALL RESTORE ALL EROSION CONTROL DEVICES TO WORKING ORDER TO THE SATISFACTION OF THE CITY ENGINEER AFTER EACH RUN-OFF PRODUCING RAINFALL.
  - THE CONTRACTOR SHALL INSTALL ADDITIONAL EROSION CONTROL MEASURES AS MAY BE REQUIRED BY THE CITY ENGINEER DUE TO UNCOMPLETED GRADING OPERATIONS OR UNFORESEEN CIRCUMSTANCES WHICH MAY ARISE.
  - THE CONTRACTOR SHALL BE RESPONSIBLE AND SHALL TAKE NECESSARY PRECAUTIONS TO PREVENT PUBLIC TRESPASS ONTO AREAS WHERE IMPOUNDED WATERS CREATE A HAZARDOUS CONDITION.
  - GRADING AREAS AROUND THE PROJECT PERIMETER MUST DRAIN AWAY FROM THE FACE OF SLOPE AT THE CONCLUSION OF EACH WORKING DAY.
  - ALL REMOVABLE PROTECTIVE DEVICES SHALL BE IN PLACE AT THE END OF EACH WORKING DAY WHEN FIVE (5) DAY RAIN PROBABILITY FORECAST EXCEEDS FORTY PERCENT (40%). SILT AND OTHER DEBRIS SHALL BE REMOVED AFTER EACH RAINFALL.
  - ALL GRAVEL BAGS SHALL CONTAIN 3/4 INCH MINIMUM AGGREGATE.
  - ALL EXPOSED DISTURBED AREAS MUST HAVE EROSION PROTECTION BMPs PROPERLY INSTALLED. THIS INCLUDES ALL BUILDING PADS, UNFINISHED ROADS, AND SLOPES.
  - ADEQUATE PERIMETER PROTECTION BMPs MUST BE INSTALLED AND MAINTAINED AND BE MAINTAINED IF NECESSARY, TO PROVIDE SUFFICIENT PROTECTION FROM RUNOFF DURING RAIN EVENTS.
  - ADEQUATE SEDIMENT CONTROL BMPs MUST BE INSTALLED AND MAINTAINED.
  - ADEQUATE BMPs TO CONTROL OFFSITE SEDIMENT TRACKING MUST BE INSTALLED AND MAINTAINED.
  - A MINIMUM OF 125% OF THE MATERIAL NEEDED TO INSTALL STANDBY BMPs TO PREVENT EROSION AND SEDIMENTATION FROM EXPOSED AREAS MUST BE STORED IN AREAS PROTECTED FROM EROSION USING PHYSICAL STABILIZATION OR ESTABLISHED VEGETATION. STABILIZATION BMPs ARE NOT CONSIDERED TO BE "EXPOSED" FOR PURPOSES OF THIS REQUIREMENT.
  - THE OWNER/DEVELOPER/CONTRACTOR MUST FOLLOW "WEATHER TRIGGERED" ACTION PLAN AND BE ABLE TO DEPLOY STANDBY BMPs TO PROTECT THE EXPOSED PORTIONS OF THE SITE WITHIN 48 HOURS OF PREDICTED STORM EVENT (A PREDICTED STORM EVENT IS DEFINED AS A PREDICTED STORM EVENT WITHIN 48 HOURS OF A PREDICTED STORM FORECAST). ON REQUEST, THE OWNER/DEVELOPER/CONTRACTOR MUST PROVIDE PROOF OF THIS CAPABILITY.
  - DEPLOYMENT OF PHYSICAL OR VEGETATION EROSION CONTROL BMPs MUST COMMENCE AS SOON AS SLOPES ARE COMPLETED. THE OWNER/DEVELOPER/CONTRACTOR MAY NOT RELY ON THE ABILITY TO DEPLOY STANDBY BMP MATERIALS TO PREVENT EROSION OF SLOPES THAT HAVE BEEN COMPLETED.
  - THE AREA THAT CAN BE CLEARED, GRADED, AND LEFT EXPOSED AT ONE TIME IS LIMITED TO THE AMOUNT OF ACREAGE THAT THE CONTRACTOR CAN ADEQUATELY PROTECT PRIOR TO A PREDICTED RAIN EVENT. FOR LARGER SITES, GRADING SHOULD BE PHASED. IT MAY BE NECESSARY TO DEPLOY EROSION AND SEDIMENT CONTROL BMPs IN AREAS THAT ARE NOT COMPLETED, BUT ARE NOT ACTIVELY BEING WORKED BEFORE ADDITIONAL GRADING IS ALLOWED TO PROCEED, AT THE DISCRETION OF THE CITY INSPECTOR.
  - ALL DISTURBED AREAS THAT ARE NOT COMPLETED AND/OR NOT BEING ACTIVELY GRADED MUST BE FULLY PROTECTED FROM EROSION IF LEFT FOR 14 OR MORE DAYS. THE ABILITY TO INSTALL BMP MATERIALS IN A PROMPT MANNER IS NOT SUFFICIENT. BMPs NEED TO BE INSTALLED IN THESE AREAS.
  - BMPs MUST BE STOCKPILED AT VARIOUS LOCATION THROUGHOUT THE PROJECT SITE THROUGHOUT THE YEAR. WHENEVER THERE IS A 40% CHANCE OR GREATER OF A RAIN WITHIN A THREE (3) DAY FORECAST, THE INSPECTOR WILL VERIFY THAT BMPs ARE ADEQUATELY STOCKPILED. BMPs MUST BE STOCKPILED AND READY FOR DEPLOYMENT WHEN THERE IS 50% CHANCE OF RAIN WITHIN A 48 HOUR FORECAST. FAILURE TO COMPLY WITH THIS REQUIREMENT COULD RESULT IN THE ISSUANCE OF A STOP WORK NOTICE OR OTHER ENFORCEMENT ACTION.
  - ALL TREATMENT AND EROSION CONTROL BMPs MUST BE INSPECTED WEEKLY AND PRIOR TO A FORECASTED RAIN EVENT OF GREATER THAN 50% AND AFTER A RAIN EVENT. IN ADDITION, TREATMENT CONTROL BMPs MUST BE SERVICED AS NEEDED THROUGHOUT THE YEAR.
  - IF SELECTED BMP FAILS DURING A RAIN EVENT, IT MUST BE REPAIRED OR IMPROVED OR REPLACED WITH AN ACCEPTABLE ALTERNATE AS SOON AS IT IS SAFE TO DO SO. THE FAILURE OF A BMP INDICATES IT WAS NOT ADEQUATE FOR THE CIRCUMSTANCES IN WHICH IT WAS USED. REPAIRS AND REPLACEMENT MUST THEREFORE PUT A MORE ROBUST BMP MEASURE IN PLACE.
  - ALL CONSTRUCTION EMPLOYEES MUST BE TRAINED ON THE IMPORTANCE OF STORM WATER POLLUTION PREVENTION AND BMP MAINTENANCE.

WEATHER TRIGGERED ACTION PLAN

THE DEVELOPER SHALL DEPLOY STANDBY BEST MANAGEMENT PRACTICE MEASURES TO COMPLETELY PROTECT THE EXPOSED PORTIONS OF THE SITE WITHIN 48 HOURS OF A PREDICTED STORM EVENT ( A PREDICTED STORM EVENT IS DEFINED AS A FORECASTED 40% CHANCE OF RAIN BY THE NATIONAL WEATHER SERVICE). IN ADDITION TO BMPs IMPLEMENTED YEAR-ROUND INCLUDING PERIMETER CONTROL, WIND EROSION CONTROL, TRACKING, NON-STORM WATER CONTROL, WASTE MANAGEMENT, AND MATERIALS POLLUTION CONTROL. THE NATIONAL WEATHER SERVICE FORECAST SHALL BE MONITORED AND USED BY THE DEVELOPER ON A DAILY BASIS. IF PRECIPITATION IS PREDICTED (40% CHANCE OF RAIN), THEN THE NECESSARY WATER POLLUTION CONTROL PRECAUTIONS SHALL BE DEPLOYED WITHIN 48 HOURS AND PRIOR TO THE ONSET OF THE PRECIPITATION.

THE DEPLOYMENT OF THE BMPs SHALL INCLUDE BUT NOT BE LIMITED TO GRAVEL BAGS AND SILT FENCES. A MINIMUM OF 125% OF THE MATERIAL NEEDED TO INSTALL STANDBY BEST MANAGEMENT PRACTICES MEASURES TO PROTECT THE EXPOSED AREAS FORM EROSION AND SEDIMENT DISCHARGES MUST BE STORED ON-SITE. AREAS THAT HAVE ALREADY BEEN PROTECTED FROM EROSION USING PHYSICAL STABILIZATION OR ESTABLISHED VEGETATION STABILIZATION BMPs AS DETERMINED BY THE CITY OF CARLSBAD ARE NOT CONSIDERED TO BE "EXPOSED" FOR THE PURPOSES OF "WEATHER TRIGGERED ACTION PLAN". AN ADEQUATE SOURCE OF EQUIPMENT AND WORKERS SHALL BE AVAILABLE FOR DEPLOYMENT OF "WEATHER TRIGGERED BMPs".

- EROSION CONTROL, HYDROSEEDING, PLANTING AND IRRIGATION
- ALL PERMANENT AND TEMPORARY EROSION CONTROL PLANTING AND IRRIGATION SHALL BE INSTALLED AND MAINTAINED AS REQUIRED IN SECTION 212 OF THE STANDARD SPECIFICATIONS AND THE FOLLOWING:
    - HYDROSEEDING SHALL BE APPLIED TO:
      - ALL SLOPES THAT ARE GRADED 6:1 (HORIZONTAL TO VERTICAL) OR STEEPER WHEN THEY ARE.
      - THREE FEET OR MORE IN HEIGHT AND ADJACENT TO PUBLIC WALL OR STREET.
      - ALL SLOPES 4 FEET OR MORE IN HEIGHT.
    - AREAS GRADED FLATTER THAN 6:1 WHEN ANY OF THE FOLLOWING CONDITIONS EXIST:
      - NOT SCHEDULED FOR IMPROVEMENTS (CONSTRUCTION OR GENERAL LANDSCAPING) WITHIN 60 DAYS OF ROUGH GRADING.
      - IDENTIFIED BY THE PARKS AND RECREATION DIRECTOR AS HIGHLY VISIBLE TO THE PUBLIC.
      - HAVE ANY SPECIAL CONDITION IDENTIFIED BY THE CITY ENGINEER THAT WARRANTS IMMEDIATE TREATMENT.
    - HYDROSEEDING AREAS SHALL BE IRRIGATED IN ACCORDANCE WITH THE FOLLOWING CRITERIA:
      - ALL SLOPES THAT ARE GRADED 6:1 OR STEEPER AND THAT ARE:
        - WATERING FROM QUICK COUPLERS/HOSE BIBS OR A CONVENTIONAL SYSTEM OF LOW PRECIPITATION SPRINKLER HEADS PROVIDING 100% COVERAGE.
        - GREATER THAN 8 FEET IN HEIGHT SHALL BE WATERED BY A CONVENTIONAL SYSTEM OF LOW PRECIPITATION SPRINKLER HEADS PROVIDING 100% COVERAGE.
      - AREAS SLOPED LESS THAN 6:1 SHALL BE IRRIGATED AS APPROVED BY THE CITY ENGINEER. PRIOR TO HYDROSEEDING, THE DEVELOPER SHALL SUBMIT A PROPOSED SCHEME TO PROVIDE IRRIGATION TO THE CITY ENGINEER. THE PROPOSAL SHALL BE SPECIFIC REGARDING THE NUMBERS, TYPE, AND COSTS OF THE ELEMENTS OF THE PROPOSED SYSTEM.
    - IRRIGATION SHALL MAINTAIN THE MOISTURE LEVEL OF THE SOIL AT THE OPTIMUM LEVEL FOR THE GRADING OF THE HYDROSEEDED GROWTH.
      - HYDROSEEDING MIX SHALL CONSIST OF NO LESS THAN:
        - 20 lbs. PER ACRE OF ROSE CLOVER
        - 20 lbs PER ACRE OF ZORRO FESCUE
        - 3lbs PER ACRE OF E SCHOOL CIA CALIFORNICA
        - 4 lbs PER ACRE OF ACHILLEA MALLEFOLIA
        - 3lbs PER ACRE OF ALYSSUM (CARPET OF SNOW)
        - 1/2 lb. PER ACRE IF DIMORPHOLECA
        - ITEMS c, d, e, and f OF THIS SUBSECTION MAY BE OMITTED ON REQUEST.
        - HYDROSEEDING SHALL BE APPLIED TO ALL EXPOSED AREAS VISIBLE FROM EITHER A PUBLIC STREET OR RESIDENTIAL LOT.
        - ITEM OF THIS SUBSECTION MUST BE INOCULATED WITH A NITROGEN FIXING BACTERIA AND APPLIED DRY EITHER BY DRILLING OR BROADCASTING BEFORE HYDROSEEDING.
        - ALL SEED MATERIALS SHALL BE TRANSPORTED TO THE JOBSITE IN UNDEPENDED CONTAINERS WITH THE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE CERTIFICATION TAG ATTACHED TO, OR PRINTED ON SAID CONTAINERS.
        - NON-PHYTO-TOXIC METING AGENTS MAY BE ADDED TO THE HYDROSEED SLURRY AT THE DISCRETION OF THE CONTRACTOR.
- AREAS GRADED FLATTER THAN 6:1 WHEN ANY OF THE FOLLOWING CONDITIONS EXIST:
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      - ITEM OF THIS SUBSECTION MUST BE INOCULATED WITH A NITROGEN FIXING BACTERIA AND APPLIED DRY EITHER BY DRILLING OR BROADCASTING BEFORE HYDROSEEDING.
      - ALL SEED MATERIALS SHALL BE TRANSPORTED TO THE JOBSITE IN UNDEPENDED CONTAINERS WITH THE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE CERTIFICATION TAG ATTACHED TO, OR PRINTED ON SAID CONTAINERS.
      - NON-PHYTO-TOXIC METING AGENTS MAY BE ADDED TO THE HYDROSEED SLURRY AT THE DISCRETION OF THE CONTRACTOR.



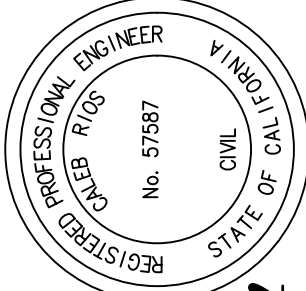
CIVIL ENGINEERING  
LAND SURVEYING  
STORMWATER QUALITY

139 Avenida Navarro  
San Clemente, CA 92672  
949.492.8586  
www.toalengineering.com

*Calderon*  
CALEB RIOS

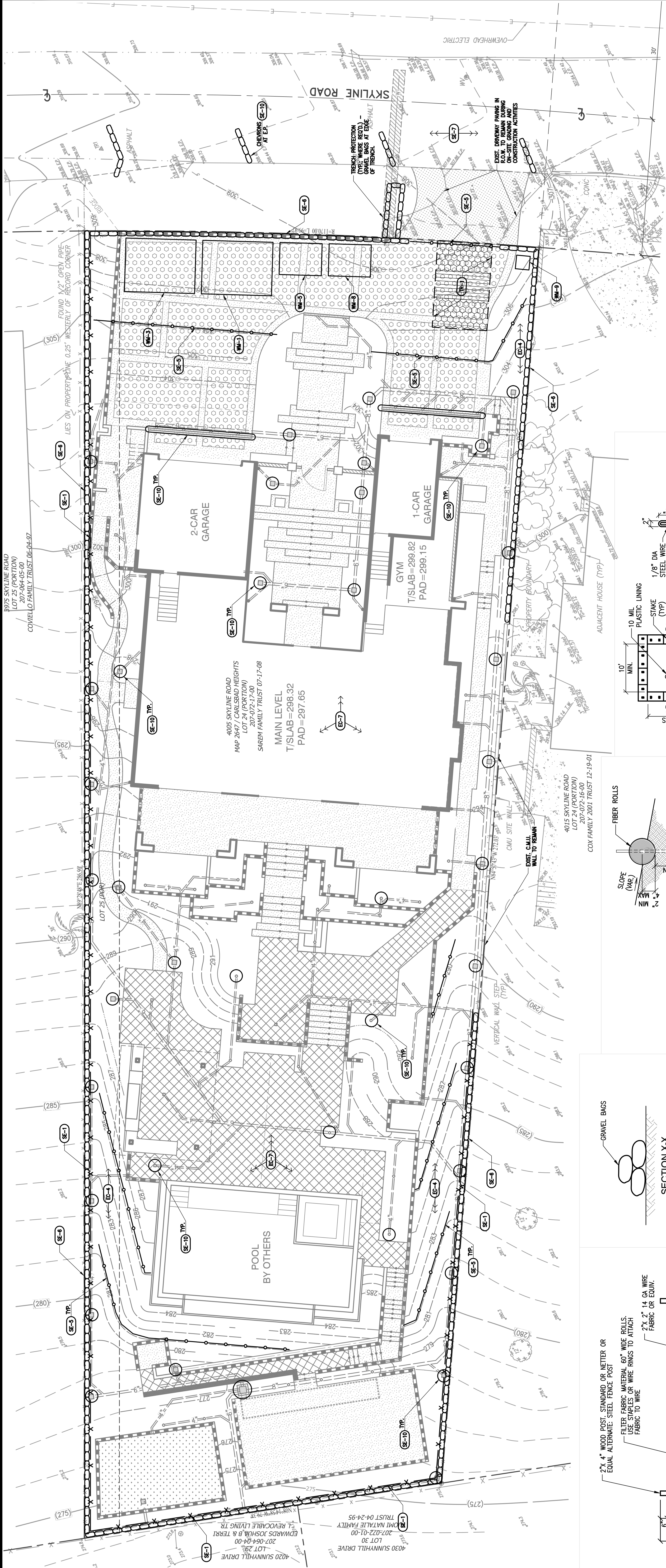
R.C.E. 57587

DATE:

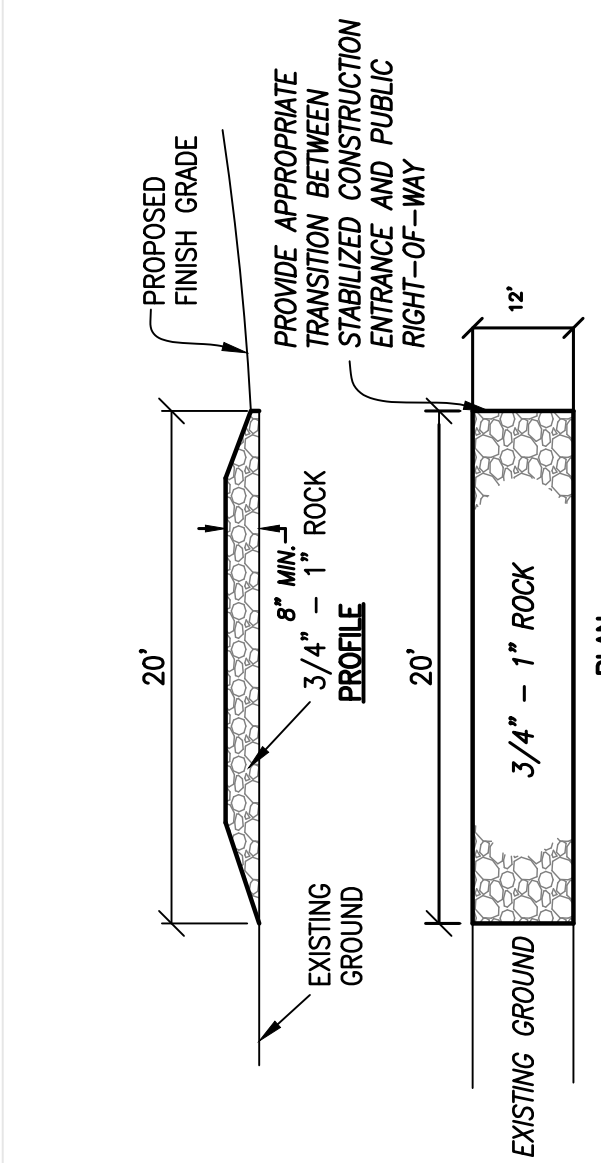


BEST MANAGEMENT PRACTICES (BMP) SELECTION TABLE																															
Erosion Control BMPs				Sediment Control BMPs				Tracking Control BMPs		Non-Storm Water Management BMPs		Waste Management and Materials Pollution Control BMPs																			
Best Management Practice* (BMP) Description →	Preservation of Existing Vegetation	EC-2	EC-4	EC-7	EC-8	EC-9	EC-11	Silt Fence	Sediment Trap	Check Dam	Fiber Rolls	Gravel Bag Berm	Street Sweeping and Vacuuming	Sandbag Barrier	Storm Drain Inlet Protection	Stabilized Construction Ingress/Egress	Stabilized Construction Roadway	NS-1	NS-3	NS-7	NS-8	Material Use	WM-1	WM-2	WM-3	WM-4	WM-5	WM-6	WM-8	WM-9	
↕																															
Construction Activity																															
Grading/Soil Disturbance																															
Trenching/Excavation																															
Stockpiling																															
Drilling/Boring																															
Concrete/Asphalt Sawcutting																															
Concrete Flatwork																															
Paving																															
Conduit/Pipe Installation																															
Stucco/Mortar Work																															
Waste Disposal																															
Staging/Lay Down Area																															
Equipment Maintenance and Fueling																															
Hazardous Substance Use/Storage																															
Dewatering																															
Site Access Across Dirt																															
Other (list):																															

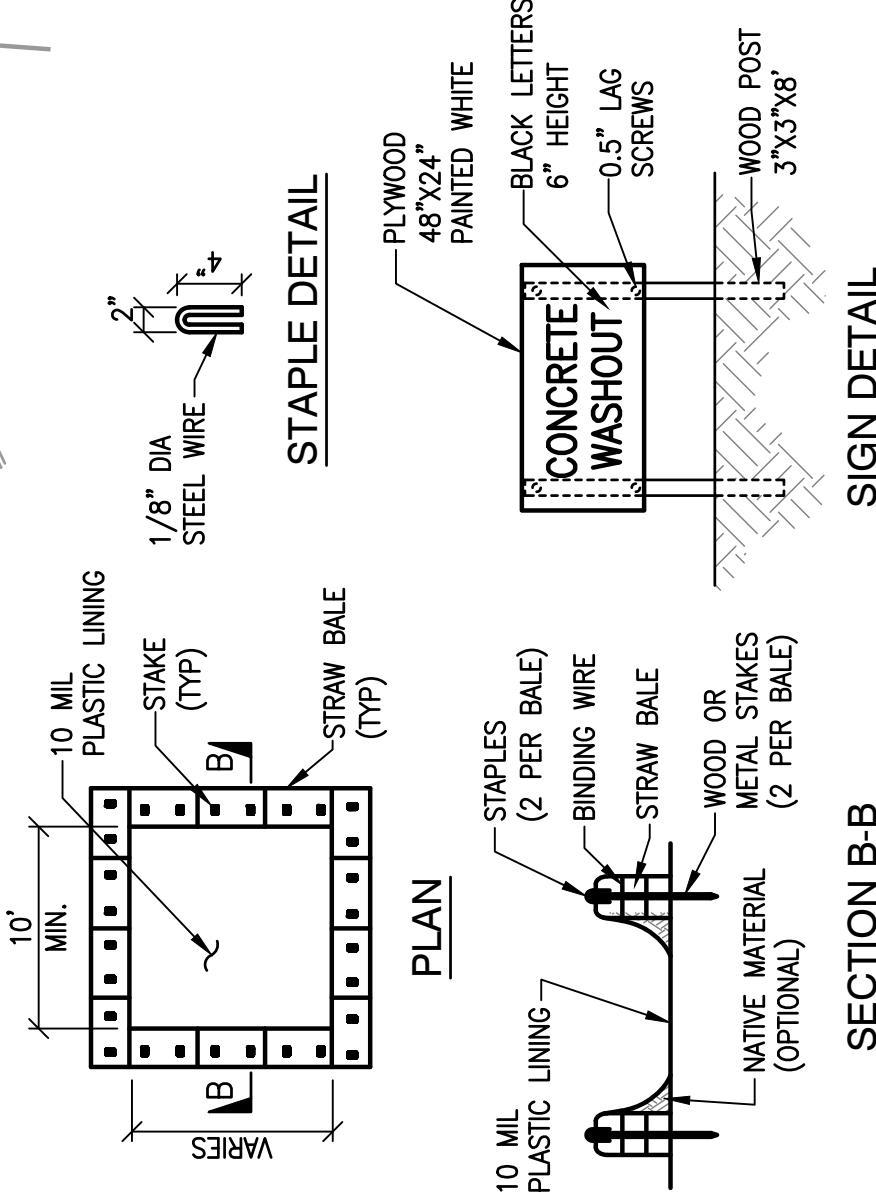




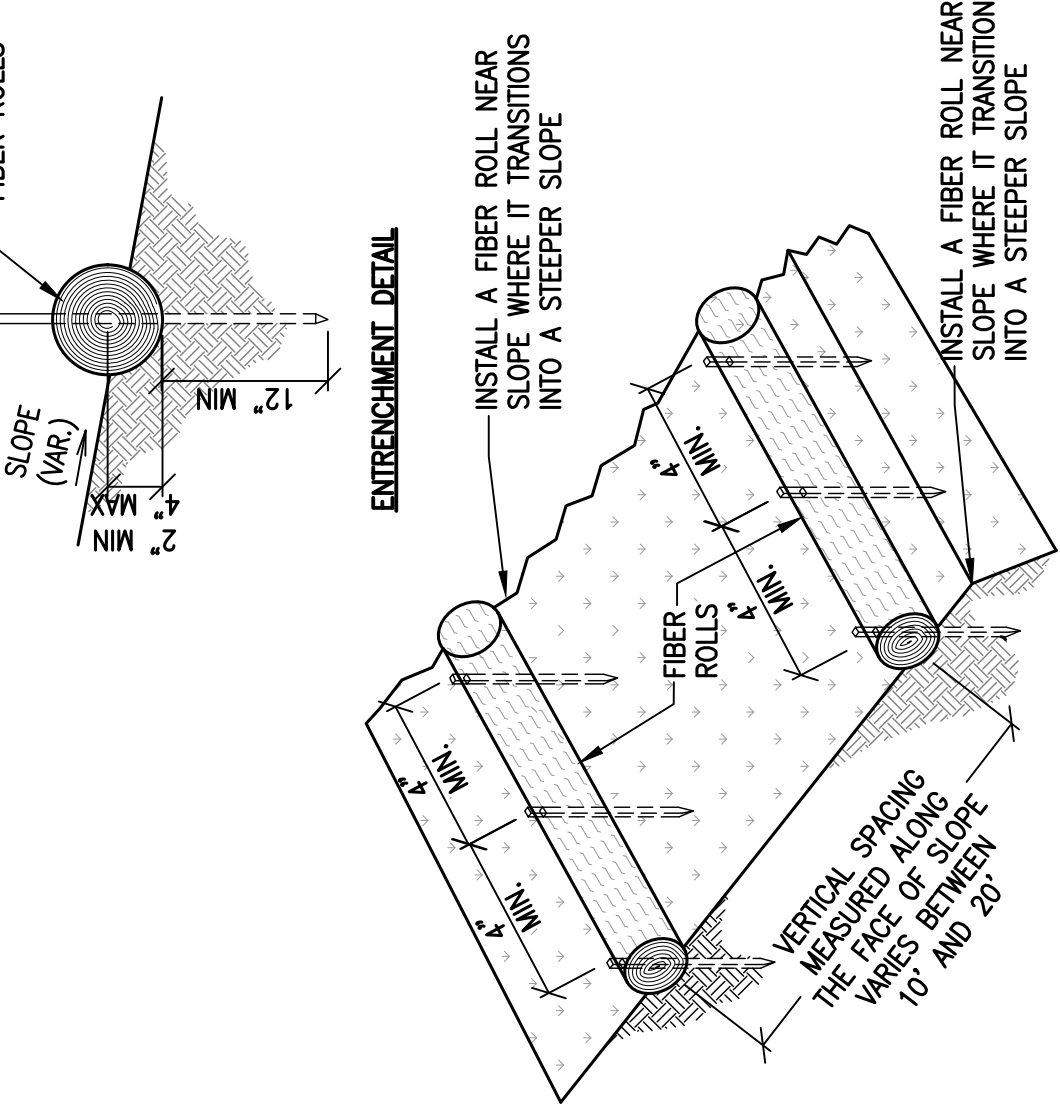
**NOTE**  
THE LOCATION AND TYPE OF EROSION AND SEDIMENT CONTROL MEASURES TO BE USED MAY CHANGE DURING THE COURSE OF CONSTRUCTION. THE CONTRACTOR SHALL IMPLEMENT THE CONTROLS NECESSARY TO PREVENT EROSION AND SEDIMENTATION FROM THE SITE AT ALL TIMES.



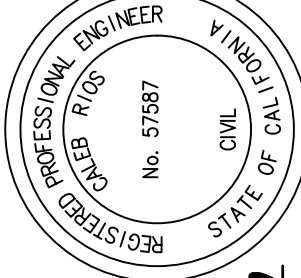
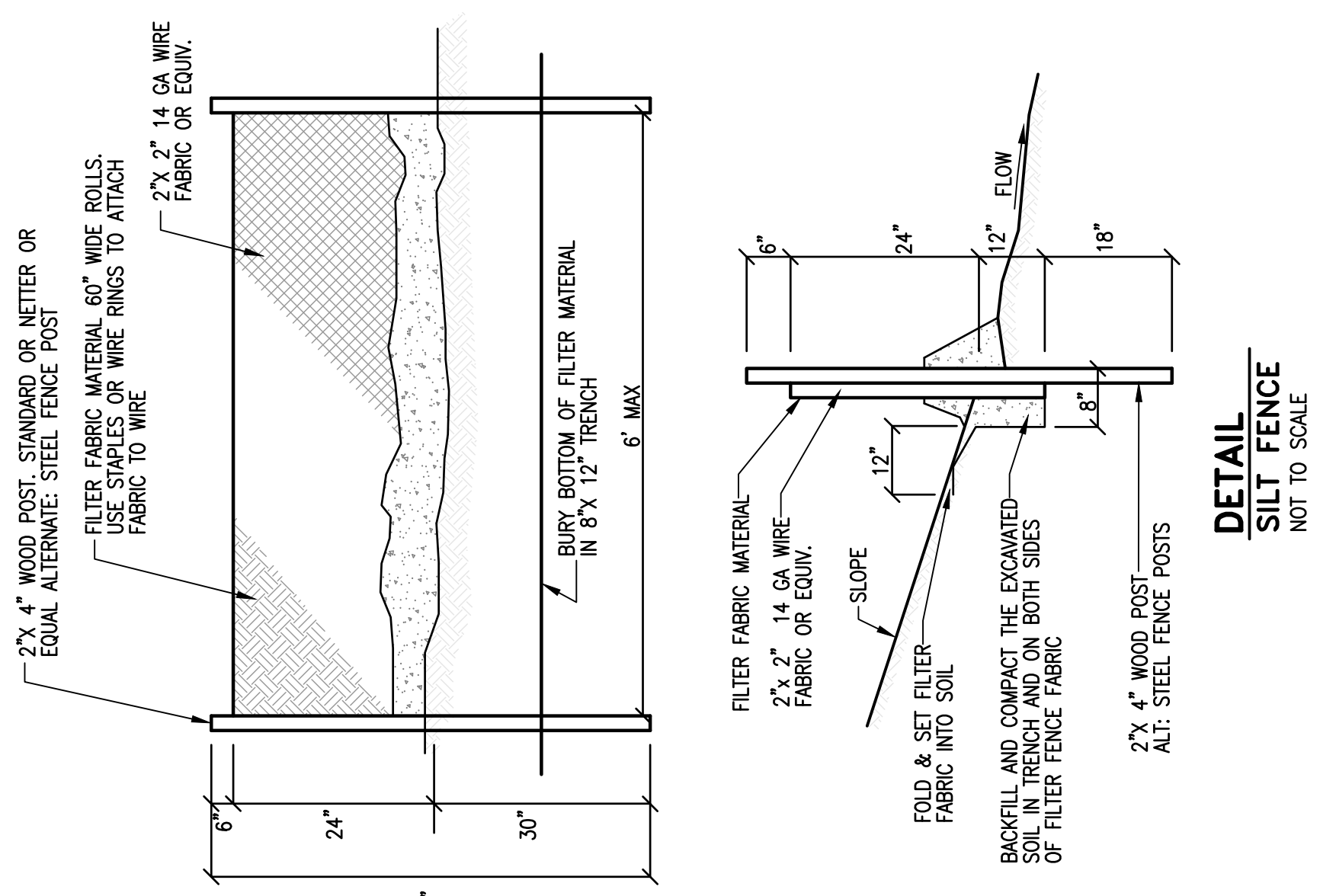
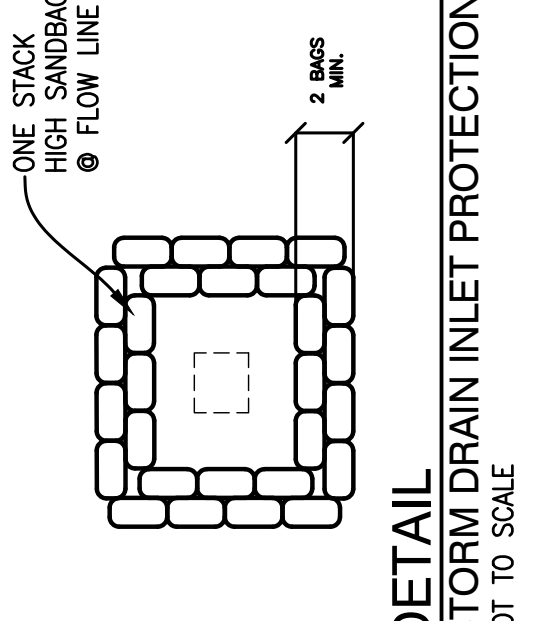
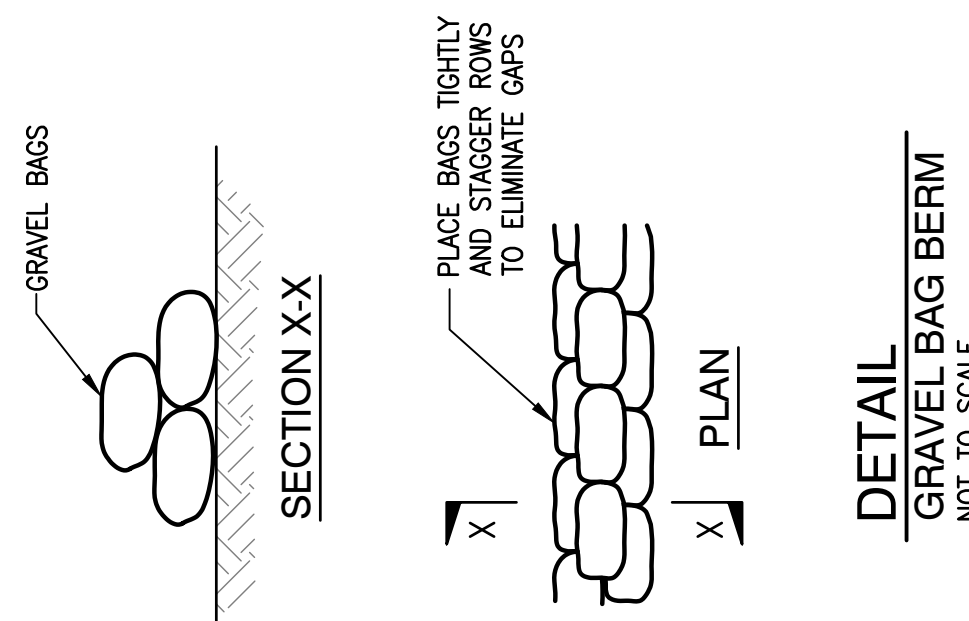
**DETAIL**  
**STABILIZED CONSTRUCTION ENTRANCE**  
NOT TO SCALE



**DETAIL**  
**WATERPROOFED CONCRETE WASHOUT AREA**  
PER C.A.S.Q.A. WM-8. NOT TO SCALE



**DETAIL**  
**FIBER ROLL**



**TOAL ENGINEERING, INC.**  
CIVIL ENGINEERING  
LAND SURVEYING  
STORMWATER QUALITY  
139 Avenida Navarero  
San Clemente, CA 92672  
949.492.8586  
www.toalengineering.com

*Caliber*  
CALEB RIOS R.C.E. 57587 DATE: 9-1-21

SHEET	7	CITY OF CARLSBAD	SHEETS	8
GRADING PLANS FOR:	SAREM RESIDENCE (4005 SKYLINE ROAD)			
APPROVED:	JASON S. GELBERT	PROJECT NO.	CDP 2020-0017	DRAWING NO.
ENGINEERING MANAGER	RCE 63912	EXPIRES	9/30/22	DATE
DWN BY:	M.E.B.	CHKD BY:	M.B.	
DATE		DATE		
OTHER APPROVAL		DATE		
REVISION DESCRIPTION		DATE		
ENGINEER OF WORK		DATE		







TOAL ENGINEERING, INC.  
CIVIL ENGINEERS AND LAND SURVEYORS  
139 Avenida Navarro, San Clemente, CA 92672  
Tel: (949) 492-8586 • [www.toalengineering.com](http://www.toalengineering.com)

08/23/23

City of Carlsbad  
Construction Management and Inspection  
Attn: Inspector  
1635 Faraday Avenue  
Carlsbad, CA 92008

Re: Permanent BMP Construction Certification for Sarem Residence

Project No. CDP 2020-0017; Drawing 531-1A  
4005 Skyline Road  
Portion of Lot 24 and 25, Map 2647 (Carlsbad Highlands)  
APN: 207-072-17

The permanent BMPs associate with this project are functional. They have been installed, inspected and are in full conformance with the approved grading plans and City standards. This Certification includes the following BMPs;

- PR-1 Biofiltration Basin (w/Partial Retention)
- SD-6B Pervious Pavers (Source Control)
- MP-50 Storm Water Detention Vault

The Party responsible for the long term inspection, Maintenance and annual verification:

Scott Sarem  
6684 Lemon Leaf Drive  
Carlsbad, CA 92011  
760-533-2470

Enclosed please find:

1. Single sheet BMP Plan for SWQMP prepared by Toal Engineering, Inc dated 8/31/21
2. Photographs of the installation of the BMPs prior to and during construction.
3. Photographs of the completed BMPs installed.



If you have any questions or need any additional information please contact me at your earliest convenience.



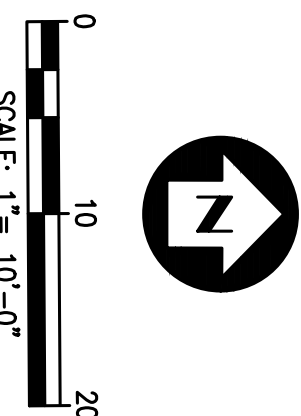
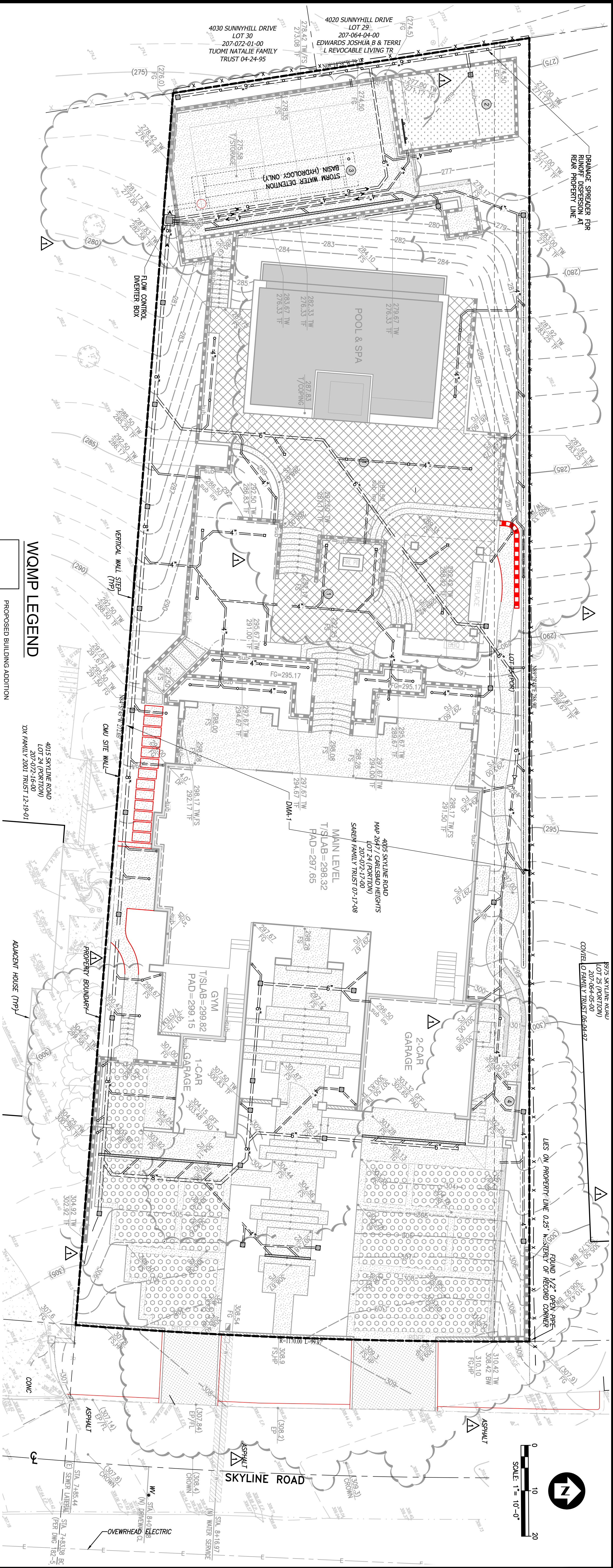
Respectfully Yours,

A handwritten signature in blue ink, appearing to read "Caleb O. Rios", written over the printed name.

Caleb O. Rios, RCE 57587

CR/sw  
20036FGC





### WQMP LEGEND

- PROPOSED BUILDING ADDITION
- PROPOSED IMPERVIOUS PAVEMENT
- PROPOSED PERVIOUS PAVING
- PROJECT AREA BOUNDARY
- PROPOSED BIOFILTRATION BMP
- WATER QUALITY SIGN - SEE DETAIL HEREON
- PROPOSED STORM DRAIN
- INLET

### BMP TABLE

BMP ID #	BMP TYPE	SYMBOL	BMP NO.	QUANTITY	INSPECTION FREQUENCY	MAINTENANCE FREQUENCY
TREATMENT CONTROL						
1	PERVIOUS PAVEMENT		SD-68	4,310 SF 2,288 S.F.	SEMI-ANNUALLY	ANNUALLY
2	BIOFILTRATION W/ PARTIAL RETENTION		PR-1	424 S.F.	MONTHLY	ANNUALLY
3	STORM WATER DETENTION WALL		MP-50	382 C.F.	MONTHLY	ANNUALLY

### LOW IMPACT DESIGN (L.I.D.)


### SOURCE CONTROL

4	TRASH ENCLOSURE		SC-5			
---	-----------------	--	------	--	--	--

- BMP CONSTRUCTION AND INSPECTION NOTES:**
- THE EOW WILL VERIFY THAT PERMANENT BMPs ARE CONSTRUCTED AND OPERATING IN COMPLIANCE WITH THE APPLICABLE REQUIREMENTS PRIOR TO OCCUPANCY. THE EOW MUST PROVIDE:
  - PHOTOGRAPHS OF THE INSTALLATION OF PERMANENT BMPs PRIOR TO CONSTRUCTION, DURING CONSTRUCTION, AND AT FINAL INSTALLATION.
  - A WEI STAMPED LETTER VERIFYING THAT PERMANENT BMPs ARE CONSTRUCTED AND OPERATING PER THE REQUIREMENTS OF THE EOW.
  - PHOTOGRAPHS TO VERIFY THAT PERMANENT WATER QUALITY TREATMENT SIGNAGE HAS BEEN INSTALLED.

PRIOR TO RELEASE OF SECURITIES, THE DEVELOPER IS RESPONSIBLE FOR ENSURING THE PERMANENT BMPs HAVE NOT BEEN REMOVED OR MODIFIED BY THE NEW HOMEOWNER OR HOA WITHOUT THE APPROVAL OF THE CITY ENGINEER.

### PARTY RESPONSIBLE FOR MAINTENANCE:

NAME: SCOTT SAREM  
ADDRESS: 4005 SKYLINE ROAD  
CARLSBAD, CA 92008

PHONE NO. (760) 333-2470

### PLAN PREPARED BY:

NAME: CALEB RIOS, P.E.  
COMPANY: TOAL ENGINEERING, INC.  
ADDRESS: 139 AVENIDA MAYABRO  
SAN CLEMENTE, CA 92672

PHONE NO. (949) 492-8586

### BMP NOTES:

- THESE BMPs ARE MANDATORY TO BE INSTALLED PER MANUFACTURERS' RECOMMENDATIONS OR THESE PLANS.
- NO CHANGES TO THE PROPOSED BMPs ON THIS SHEET WITHOUT PRIOR APPROVAL FROM THE CITY ENGINEER.
- NO SUBSTITUTIONS TO THE MATERIAL OR TYPES OR PLANTING TYPES WITHOUT PRIOR APPROVAL FROM THE CITY ENGINEER.
- NO OCCUPANCY WILL BE GRANTED UNTIL THE CITY INSPECTION STAFF HAS INSPECTED THIS PROJECT FOR APPROPRIATE BMP CONSTRUCTION AND INSTALLATION.
- REFER TO MAINTENANCE AGREEMENT DOCUMENT.
- SEE PROJECT SWMP FOR ADDITIONAL INFORMATION.

### PERMANENT WATER QUALITY TREATMENT FACILITY

KEEPING OUR WATERSHED CLEAN  
MAINTAIN WITH CARE - NO MODIFICATIONS WITHOUT AGENCY APPROVAL

NOTES:  
• POST SIGN IN BIOFILTRATION BASIN.  
• SIGN SHALL BE VISIBLE AT ALL TIMES

### DETAIL

### WATER QUALITY SIGN

NOT TO SCALE

### DMA-1 TABLE

SITE AREA	0.572 AC	24,904 S.F.
DISTURBED AREA	0.007 AC	26,435 S.F.
HYDROLOGIC SOIL GROUP	NRCS TYPE B	
DEPTH TO GROUNDWATER	>20 FT.	
POST-PROJECT PERVIOUS AREA	0.248 AC	10,804 S.F.
IMPERVIOUS AREA		
PRE-PROJECT	0.139 AC	6,043 S.F.
NEW OR REPLACEMENT	0.324 AC	**14,100 S.F.
POST-PROJECT	0.324 AC	14,100 S.F.

\*\* THE IMPERVIOUS SURFACE OF 14,100 S.F. IS FROM PROJECT CD PERMITS, AND USED FOR BASINIZING HEREON. S.F. = 11,720 S.F. (SEE IMPERVIOUS AREA NOTE ON GRADING PLAN SHEET 2)

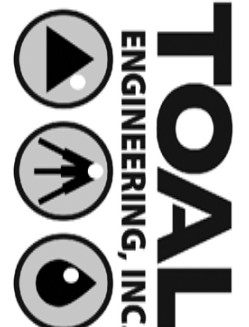
SHEET 8  
CITY OF CARLSBAD  
ENGINEERING DEPARTMENT  
SHEETS 8

### GRADING PLANS FOR:

**SAREM RESIDENCE**  
(4005 SKYLINE ROAD)

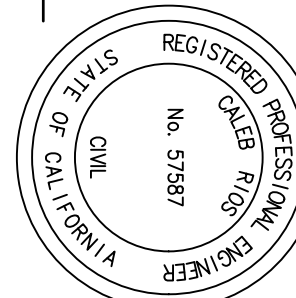
GR2021-0016 SINGLE SHEET BMP SITE PLAN CD2021-0011

APPROVED: JASON S. GELBERT  
ENGINEERING MANAGER RCE 63912 EXPIRES 9/30/24 DATE  
DOWN BY: M.F.B. PROJECT NO. DRAWING NO.  
CHKD BY: CDP 2020-0017 531-1A  
RWD BY:



CIVIL ENGINEERING  
LAND SURVEYING  
STORMWATER QUALITY  
139 Avenida Navarrio  
San Clemente, CA 92672  
949.492.8586  
www.toalengineering.com

CALEB RIOS R.C.E. 57587 DATE:



ENGINEER OF WORK

REVISION DESCRIPTION

DATE INITIAL DATE INITIAL DATE INITIAL

DATE INITIAL DATE INITIAL

DATE INITIAL DATE INITIAL

DATE INITIAL DATE INITIAL



































































































## Engineering Department Security Release/Reduction Authorization

**Project #:** CDP 2020-0017 (DEV2020-0110)**Permit #:** GR2021-0016**Project Name:** Sarem Residence**Date:** 13-Sep-2023
**Authorized by:** Paz Gomez 9/14/2023
**Agreement #:** SEC2148**Grading & Erosion Control Agreement****Drawing #:** DWG 531-1A**Completion Date:** Punch List Completed 9/6/23

Security Type	Reduce/Release	Bond #	Original Amt	Current Amt	New Amt
Grading- Bond	<u>X</u>	1001143774	\$586,151.90	\$586,151.90	<u>\$0.00</u>
Grading- Cash Security	<u></u>	89766	\$65,128.00	\$65,128.00	<u></u>

Surety:  
 AMERICAN CONTRACTORS INDEMNITY COMPANY  
 801 SOUTH FIGUEROA STREET, STE 700  
 LOS ANGELES, CA 90017

5/15/23: Rcvd address confirmation from John Yi  
 (jyi@tmhcc.com)

Developer:  
 SCOTT ALEXANDER SAREM & KYRA BUSH SAREM,  
 SAREM FAMILY TRUST DATED JULY 17, 2008  
 4005 SKYLINE ROAD  
 CARLSBAD, CA 92008

9/7/23: Rcvd address confirmation from Scott Sarem  
 (scott@everydayenergy.us)



# Request for Refund

Amount of Refund: \$65,128.00

Fee Paid For: GR2021-0016

GL Account	Fee Name	Date Paid	Paid Amt	Refund Amt
88613102751	GRADING CASH DEPOSIT	09/17/2021	\$65,128.00	<b>\$65,128.00</b>

## Facts Supporting Request:

Project Complete – Inspector Authorizing Release  
CDP 2020-0017, Sarem Residence, DWG 531-1A, SEC2148

**NAME OF APPLICANT:** Scott Alexander Sarem and Kyra Bush Sarem, trustees under the Sarem Family Trust Dated July 17, 2008

**STREET ADDRESS:** 4005 Skyline Road

**CITY, STATE & ZIP:** Carlsbad, CA 92008

\*Please issue one check to the applicant name as listed on the agreement

**PREPARED BY:** Kim McCary **DATE:** 9/13/2023

**APPROVING DEPARTMENT OFFICIAL:** Paz Gomez **DATE:** 9/14/2023



**GRADING AND EROSION CONTROL AGREEMENT**

Project ID: CDP 2020-0017

**NAME OF APPLICANT:** Scott Alexander Sarem and Kyra Bush Sarem, trustees or their successor trustee(s) under the Sarem Family Trust Dated July 17, 2008  
(referred to as "Applicant")

**DATE OF AGREEMENT:** September 22, 2021

**GRADING PERMIT NO.:** 2021-0016  
(referred to as "Grading Permit")

**LOCATION:** 4005 Skyline Road, Carlsbad, CA 92008  
(referred to as "Grading Site")

**OFFSITE LOCATION (IF ANY):** n/a  
(referred to as "Offsite Grading Location")

**NAME OF DEVELOPMENT:** Sarem Residence  
(referred to as "Development")

**GRADING PLAN NUMBER:** 531-1A  
(referred to as "Grading Plans and Specifications")

**SURETY/FINANCIAL INSTITUTION:** American Contractors Indemnity Company

**ADDRESS:** 625 The City Drive So., Ste. 205, Orange, CA 92868

**TOTAL AMOUNT OF SECURITY:** \$651,279.90

**TAXPAYER I.D. NO:** \_\_\_\_\_

**AMOUNT OF SECURITY POSTED AS CASH DEPOSIT:** \$65,128 **RECEIPT NO.** 89766

**AMOUNT OF SECURITY POSTED OTHER THAN CASH:** \$586,151.90

**SECURITY FORM FOR AMOUNT OTHER THAN CASH:** Surety Bond  
(Surety Bond, Letter of Credit)

This agreement is made and entered into by and between the City of Carlsbad, California, a Municipal Corporation of the State of California, hereinafter referred to as City, and the Applicant.

**RECITALS**

A. The Applicant has applied for a Grading Permit, pursuant to Chapter 15.16 of the Carlsbad Municipal Code (hereinafter referred to as "Code"), to perform grading work including excavation, fill, installation of drainage facilities, installation of desiltation/retention basins, landscaping, erosion control or any combination thereof and storm damage protection, within the City of Carlsbad, State of California, more specifically described in the application for Grading Permit referred to above and incorporated by reference herein.



novation shall relieve the Applicant of the obligations under Paragraph 10 for the work or improvement done by Applicant.

12. Time is of the Essence. Time is of the essence in this agreement.

13. Time for Commencement of Work; Time Extensions. Applicant shall commence substantial construction of the grading and erosion control work not later than three months prior to expiration of the Grading Permit. In the event good cause exists as determined by the City Engineer, the time of commencement of construction may be extended. The expiration of the Grading Permit may also be extended by the City Engineer upon a showing of good cause and payment of a Grading Permit Extension Fee in the amount established by City Council Resolution. Neither extension shall be effective unless and until provided to Applicant in writing by the City Engineer. Any such extension may be granted without notice to the Applicant's Surety and shall in no way affect the validity of this agreement or release the surety on any bond given for the guarantee of performance of this agreement. As a condition of such extension, the City Engineer may require Applicant to furnish new security guaranteeing performance of this agreement as extended in an increased amount as necessary to compensate for any increase in construction cost as determined by the City Engineer.

14. No Vesting of Rights. Performance by Applicant of this agreement shall not be construed to vest Applicant's right with respect to any change in any zoning or building law or ordinance.

15. Notices. All notices required or provided for under this agreement shall be in writing and delivered in person or sent by mail, postage prepaid and addressed as provided in this paragraph. Notice shall be effective on the date it is delivered in person, or, if mailed, on the date of deposit in the United States Mail. Notices, security releases and refunds shall be addressed as follows unless a written change of address is filed with the City:

**Notice to City:** City Engineer  
1635 Faraday Avenue  
Carlsbad, CA 92008

**Notice to Applicant:** Scott Alexander Sarem  
6684 Lemon Leaf Dr  
Carlsbad, CA 92011  
760-533-2470  
(Print Phone Number Here)

scott@everydayenergy.us  
(Print Email Address Here)

**Notice to Surety:** Freddy Anvari  
American Contractors Indemnity Company  
625 The City Drive So., Ste. 205, Orange, CA 92868  
(714) 740-7000  
(Print Phone Number Here)

fanvari@tmhcc.com  
(Print Email Address Here)



RECORDED REQUESTED BY

CITY OF CARLSBAD

AND WHEN RECORDED PLEASE  
MAIL TO:City Clerk  
City of Carlsbad  
1200 Carlsbad Village Drive  
Carlsbad, California 92008

DOC# 2023-0257426



Sep 21, 2023 03:01 PM

OFFICIAL RECORDS

JORDAN Z. MARKS,

SAN DIEGO COUNTY RECORDER  
FEES: \$0.00 (SB2 Atkins: \$0.00)

PAGES: 1

Space above this line for Recorder's use.

PARCEL NO: 207-072-21-00**NOTICE OF COMPLETION**

Notice is hereby given that:

1. The undersigned is owner of the interest or estate stated below in the property hereinafter described.
2. The full names of the undersigned are City of Carlsbad, a municipal corporation and Carlsbad Municipal Water District (CMWD), a public agency organized under the Municipal Water Act of 1911, and a subsidiary district of the City of Carlsbad.
3. The full address of the undersigned is 1200 Carlsbad Village Drive, Carlsbad, California 92008.
4. The nature of the title of the undersigned is: In fee.
5. A work or improvement on the property hereinafter described was completed on Sept. 6, 2023.
6. The name of the contractor for such work or improvement is Scott Alexander Sarem and Kyra Bush Sarem, trustees or their successor trustee(s) under the Sarem Family Trust Dated July 17, 2008.
7. The property on which said work or improvement was completed is in the City of Carlsbad, County of San Diego, State of California, and is described as follows: CDP 2020-0017, Sarem Residence, SEC2149, DWG 531-1A, ROW2021-0729.
8. The street address of said property is 4005 Skyline Road, in the City of Carlsbad.

CITY OF CARLSBAD/CARLSBAD MUNICIPAL WATER DISTRICT

Geoff Patnoe, Assistant City Manager/Assistant Executive Manager

**VERIFICATION OF CITY CLERK / SECRETARY**

I, the undersigned, say:

I am the City Clerk / Secretary of the City of Carlsbad / Carlsbad Municipal Water District, 1200 Carlsbad Village Drive, Carlsbad, California, 92008; the Assistant City Manager / Assistant Executive Manager of said City / Board on Sept. 14, 2023, accepted the above described work as completed and ordered that a Notice of Completion be filed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on Sept. 14, 2023 at Carlsbad, California.

CITY OF CARLSBAD/CARLSBAD MUNICIPAL WATER DISTRICT

ANA MARIE ALARCON

Deputy City Clerk / Deputy Secretary

March 12, 2024

Item #8 Page 90 of 135



# CITY OF CARLSBAD AND CARLSBAD MUNICIPAL WATER DISTRICT

## ACCEPTANCE OF PUBLIC IMPROVEMENTS

### COMPLETION OF PUBLIC IMPROVEMENTS

Scott Alexander Sarem and Kyra Bush Sarem, trustees or their successor trustee(s) under the Sarem Family Trust Dated July 17, 2008, have completed the contract work required for CDP 2020-0017, Sarem Residence, SEC2149, DWG 531-1A, and ROW2021-0729. City forces have inspected the work and found it to be satisfactory. The work consisted of:

<u>IMPROVEMENTS</u> (Specify if City or CMWD)	<u>VALUE</u>
Water (CMWD)	\$2,978
Streets (City)	\$4,135

### CERTIFICATION OF COMPLETION OF IMPROVEMENTS

Paz Gomez  
Paz Gomez, Deputy City Manager, Public Works

9/13/2023  
Date

### CITY MANAGER'S/EXECUTIVE MANAGER'S ACCEPTANCE OF PUBLIC IMPROVEMENTS

The construction of the above described contract is deemed complete and hereby accepted. The City Clerk or Secretary to the Board of Directors is hereby authorized to record the Notice of Completion and release the bonds in accordance with State Law and City Ordinances.

The City of Carlsbad and Carlsbad Municipal Water District are hereby directed to commence maintaining the above described improvements.

Geoff Patnoe  
Geoff Patnoe, Assistant City Manager / Assistant Executive Manager

9/14/23  
Date

APPROVED AS TO FORM:

CINDIE K. MCMAHON, City Attorney/General Counsel

By: Gina Herrera  
Deputy City Attorney/Deputy General Counsel





CITY OF  
**CARLSBAD**  
Office of the City Attorney

EXHIBIT 13

[www.carlsbadca.gov](http://www.carlsbadca.gov)

March 1, 2024

VIA EMAIL AND CERTIFIED MAIL

Aannestad Andelin & Corn  
Attn: Lee Andelin, Esq. and Arie Spangler, Esq.  
160 Chesterfield Drive, Suite 201  
Cardiff-by-the-Sea, CA 32007  
[lee@aac.law](mailto:lee@aac.law); [ariea@aac.law](mailto:ariea@aac.law)

RE: Josh and Terri Edwards Appeal of City Engineer Decisions - Sarem Residence (4005  
Skyline Road, Carlsbad, CA, 92008)

Dear Mr. Andelin and Mr. Spangler,

Notice is hereby given that the City Council of the City of Carlsbad will hold a public hearing on Tuesday, March 12, 2024, at 5:00 p.m., at the City Council Chamber at 1200 Carlsbad Village Drive, Carlsbad, California to hear the Grading Ordinance Appeal of Josh and Teri Edwards.

Copies of the staff report will be available on or after Friday, March 8, 2024. If you have any questions, please contact me at [gina.herrera@carlsbadca.gov](mailto:gina.herrera@carlsbadca.gov) or at 442.977.0057. If you would like to include written materials, please send those to me via email by 5:00 p.m. on Wednesday, March 6, 2024. Otherwise, you may submit correspondence directly to the City Clerk at [clerk@carlsbadca.gov](mailto:clerk@carlsbadca.gov) by no later than 2:00 p.m. on Tuesday, March 12, 2024, for distribution to the City Council.

If you challenge the results of the appeal in court, you may be limited to only raising issues presented at the public hearing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gina Herrera".

Gina Herrera  
Assistant City Attorney

City Attorney

1200 Carlsbad Village Drive | Carlsbad, CA 92008 | 442-339-2891 | 760-434-8367 fax

March 12, 2024

Item #8

Page 92 of 135





CITY OF  
**CARLSBAD**  
Office of the City Attorney

EXHIBIT 14

[www.carlsbadca.gov](http://www.carlsbadca.gov)

March 1, 2024

VIA EMAIL AND CERTIFIED MAIL

Scott Sarem and Kyra Sarem  
4005 Skyline Road  
Carlsbad, CA 92008  
[scott@everydayenergy.us](mailto:scott@everydayenergy.us)

RE: Josh and Terri Edwards Appeal of City Engineer Decisions - Sarem Residence (4005 Skyline Road, Carlsbad, CA, 92008)

Dear Mr. and Mrs. Sarem,

Notice is hereby given that the City Council of the City of Carlsbad will hold a public hearing on Tuesday, March 12, 2024, at 5:00 p.m., at the City Council Chamber at 1200 Carlsbad Village Drive, Carlsbad, California to hear the Grading Ordinance Appeal of Josh and Teri Edwards.

Copies of the staff report will be available on or after Friday, March 8, 2024. If you have any questions, please contact me at [gina.herrera@carlsbadca.gov](mailto:gina.herrera@carlsbadca.gov) or at 442.977.0057. If you would like to include written materials, please send those to me via email by 5:00 p.m. on Wednesday, March 6, 2024. Otherwise, you may submit correspondence directly to the City Clerk at [clerk@carlsbadca.gov](mailto:clerk@carlsbadca.gov) by no later than 2:00 p.m. on Tuesday, March 12, 2024, for distribution to the City Council.

If you challenge the results of the appeal in court, you may be limited to only raising issues presented at the public hearing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gina Herrera".

Gina Herrera  
Assistant City Attorney

City Attorney

1200 Carlsbad Village Drive | Carlsbad, CA 92008 | 442-339-2891 | 760-434-8367 fax

March 12, 2024

Item #8

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## THE JON CORN LAW FIRM

160 CHESTERFIELD DRIVE • SUITE 201  
CARDIFF BY THE SEA • CALIFORNIA 92007  
www.joncornlaw.com • 760-944-9006

EXHIBIT 15

*Coastal Property Rights, Land Use & Litigation*

March 6, 2024

*Via Email Only*

Ms. Gina Herrera  
Assistant City Attorney  
City of Carlsbad  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

**RE:** Appeal of Engineering Decision for Sarem Residence (4005 Skyline Road) – Supporting Materials

Dear Ms. Herrera,

We represent Josh and Terri Edwards, owners of the property located at 4020 Sunnyhill Drive in Carlsbad ("Edwards Property"). The Edwards Property is located adjacent to and directly to the west of the property owned by Scott and Kyra Sarem, located at 4005 Skyline Drive in Carlsbad ("Sarem Property"). The Sarem Property is the subject of an appeal of a City of Carlsbad Engineering Decision brought by the Edwards, which will be before the City Council on March 12, 2024.

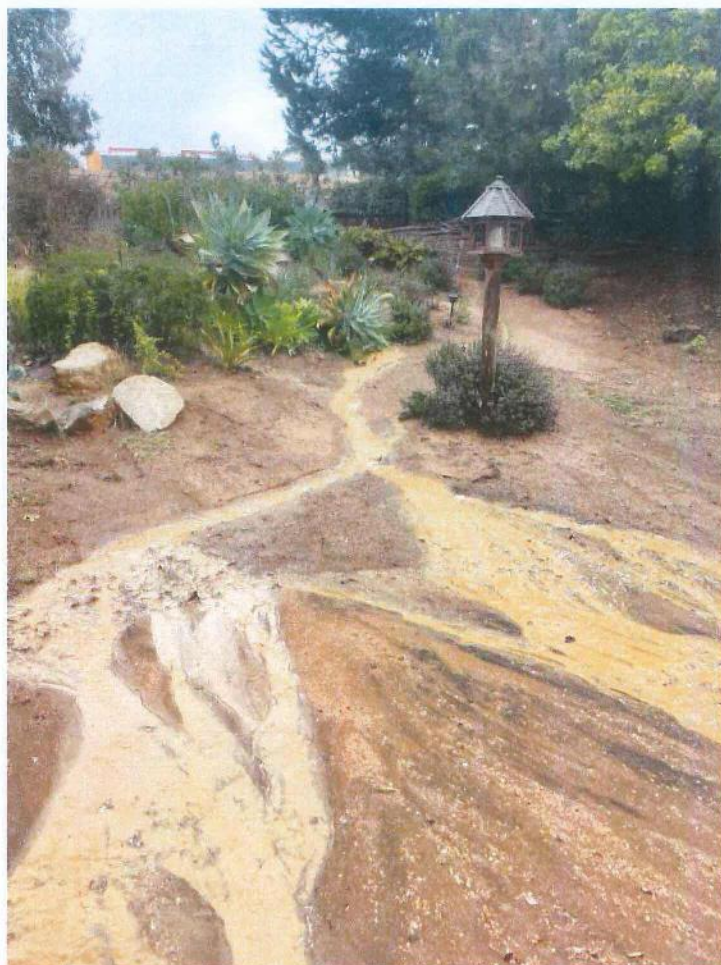
The Edwards are requesting that the City Council approve their appeal and invalidate, rescind, or void the City Engineer's decision to issue final approval for the Sarem grading permit, in accordance with Carlsbad Municipal Code, Section 15.16.110(B), which provides, in relevant portion: "The issuance or granting of a grading permit or approval of grading plans, specifications and computations shall not be construed to be a permit for, or an approval of, any violation of any of the provisions of this chapter or any other chapter of this code. **Permits presuming to give authority to violate or cancel the provisions of this chapter or any other chapter of this code shall not be valid.**" (Carlsbad Mun. Code, § 15.16.110(B) [emph. added].)

Since November 2022, after significant grading commenced on the Sarem Property, and on several occasions thereafter, the Edwards Property has been inundated by a substantial and abnormal amount of surface water that collects along the rear fence line of the Sarem Property primarily during rainstorms (but also during periods of dry weather). The surface water is released from the catch basin on the Sarem Property in a concentrated flow that travels directly onto the Edwards Property and has caused serious damage to our clients' backyard landscaping and improvements.

Moreover, the sudden and unexpected flow of water onto the Edwards Property has frequently occurred in the middle of the night. In an effort to mitigate damages to their property and avoid damages to their home, the Edwards have frequently been forced to take emergency measures in the middle of the night in an effort to redirect surface water that comes gushing into their backyard from their shared property line, away from the foundation of their house and landscaping improvements.



Below are photographs depicting the Edwards Property after the November 2022 storm:



*Edwards Property, November 8, 2022*



*Edwards Property, November 8, 2022*

See also, videos at the following links:

- [https://www.dropbox.com/scl/fi/5rz9lxc7lj8bvhhcc0zexm/IMG\\_6558.MOV?rlkey=j81dy3ovd456eg5akl5idnu4b&dl=0](https://www.dropbox.com/scl/fi/5rz9lxc7lj8bvhhcc0zexm/IMG_6558.MOV?rlkey=j81dy3ovd456eg5akl5idnu4b&dl=0) (January 16, 2023 Storm Event: concentrated storm water traveling from Sarem Property, through Edwards Property, causing damage and erosion to Edwards backyard.)
- [https://www.dropbox.com/scl/fi/ll9rj3nqtclcfqydbwzwf/IMG\\_6566.MOV?rlkey=der3rrvua0y3fr2b27ud1dyp7&dl=0](https://www.dropbox.com/scl/fi/ll9rj3nqtclcfqydbwzwf/IMG_6566.MOV?rlkey=der3rrvua0y3fr2b27ud1dyp7&dl=0) (January 16, 2023 Storm Event: concentrated storm water traveling from Sarem Property, through Edwards Property, causing damage and erosion to Edwards backyard.)
- [https://www.dropbox.com/scl/fi/14dommgrqck9x0920t5kl/IMG\\_1206.MOV?rlkey=iedeuvos6donjn9ayn2m3vpv4&dl=0](https://www.dropbox.com/scl/fi/14dommgrqck9x0920t5kl/IMG_1206.MOV?rlkey=iedeuvos6donjn9ayn2m3vpv4&dl=0) (February 25, 2023 Storm Event: concentrated storm water traveling from Sarem Property basin, under property line fence, and onto Edwards Property.)



- [https://www.dropbox.com/scl/fi/ccshd6vmlasy7e51ogqna/IMG\\_6783.MOV?rlkey=a2kh2823f0h3vplb5vii0g3r9&dl=0](https://www.dropbox.com/scl/fi/ccshd6vmlasy7e51ogqna/IMG_6783.MOV?rlkey=a2kh2823f0h3vplb5vii0g3r9&dl=0) (March 10, 2023 Storm Event: storm water basin and adjacent areas on Sarem Property.)
- [https://www.dropbox.com/scl/fi/96u8vv7p1heajuleninji/IMG\\_6782.MOV?rlkey=10a015fjmsb7gxmkipflwzflb5&dl=0](https://www.dropbox.com/scl/fi/96u8vv7p1heajuleninji/IMG_6782.MOV?rlkey=10a015fjmsb7gxmkipflwzflb5&dl=0) (March 10, 2023 Storm Event: concentrated storm water from Sarem Property flowing through Edwards Property.)
- <https://www.dropbox.com/scl/fo/1tvxb466dugl7hh8r66d3/h?dl=0&e=1&preview=Stormwater+Runoff+-+4020+Sunnyhill+-+1.22.24+Video+4.MOV&rlkey=vhs9zs95nkbcu33knnfhp4fn8> (January 22, 2024 Storm Event: concentrated storm water from Sarem Property flowing through Edwards Property.)
- <https://www.dropbox.com/scl/fo/1tvxb466dugl7hh8r66d3/h?dl=0&e=1&preview=Stormwater+Runoff+-+4020+Sunnyhill+-+1.22.24+Video+2.MOV&rlkey=vhs9zs95nkbcu33knnfhp4fn8> (January 22, 2024 Storm Event: concentrated storm water from Sarem Property flowing through Edwards Property.)

The following photographs show the dramatic difference in impervious surface area at the Sarem Property before and during construction:



*Sarem Property, prior to construction of new residence, pickleball court, retention basin and additional impervious surfaces.*





*Sarem Property, after construction of new residence and impervious surfaces including pickleball court and retention basin.*

Our clients have owned and resided at the Edwards Property since 2009. While the past year has been especially rainy, many storms have occurred during the past 25 years. The Edwards have never had issues with massive amounts of concentrated water flowing from the Sarem Property – or any other uphill neighbor's property – into their yard, prior to the commencement of the Sarems' construction activities.

The Edwards understand that construction activities often result in a temporary increase in noise and dirt that can be an inconvenience for neighbors. However, the severe flooding and erosion that the Edwards have experienced on their property is far beyond what any reasonable person could be expected to tolerate



from a neighbor's construction activities. Indeed, it has caused them a great deal of stress, anxiety and lost productivity at work, which equates to financial damages (as Mr. Edwards is forced to miss work to prepare their property every time a storm is on its way). Additionally, the Edwards believe that it will cost a significant amount of money to repair the damage that the erosion and flooding has caused to their backyard. Even after repairs are completed and the Sarem drainage issues are sufficiently addressed, the Edwards Property is likely to suffer stigma damages as a result of the storm water problems.

Based on the amount of water that collected along the fence line and flowed directly and repeatedly onto the Edwards Property during construction, it is obvious that the Sarems and their contractors did not implement a proper construction stormwater pollution prevention plan ("SWPPP") prior to the commencement of construction, as required by section 15.04.020 of the Carlsbad Municipal Code. Nor did they follow section 15.16.120 of the Carlsbad Municipal Code, which requires the installation of erosion and sedimentation control protective measures in advance of the start of the grading work. Finally, the project was not built in compliance with its design. All of these deficiencies have led to massive amounts of water inundating the Edwards Property.

The City of Carlsbad signed off on the grading permit, issued a notice of completion for the Sarem residence, and released the bond and deposit to the Sarems and/or their contractors without confirming that the drainage system was operating as designed and intended. In fact, at the time of final approval and sign off, the system was very obviously still deficient. In an effort to prevent the City from signing off on a deficient and improperly constructed drainage system, the Edwards frequently met with and communicated with multiple individuals at the City of Carlsbad starting in January 2023, to no avail. Based on the Edwards' multiple communications, the City knew that the project was not properly constructed, as it continued to cause damage to the Edwards' Property even after the Sarems' contractors indicated that their work was complete.

City staff should not have given final signoff on the grading permit, release of bond, and notice of completion because of the multiple violations identified, which appear to be indisputable, regardless of whether the violations were committed by the permittee in the course of completing construction or by the City itself. Specifically, these various signoffs by the City are improper because the construction does not comply with section 15.16.130(A)(3) prohibiting damage to adjacent property; the construction does not comply with section 15.16.130(A)(5) requiring protection of downstream property from adverse impacts and increased surface water runoff; because the city engineer failed to conduct, or require the permittee to conduct, adequate testing as mandated by section 15.16.130(A); the post-construction runoff exceeds pre-construction runoff by more than 10% in violation of the city's BMP Design Manual § 2.3.2(a); the work is not in substantial compliance with the terms and conditions of the permit and all applicable code provisions as required by section 15.16.140; and the construction endangers adjacent property and was performed without application of all BMPs and city standards as required by section 15.16.170.

Section 15.16.110(B) provides that "[t]he issuance of a grading permit based on approved grading plans, construction SWPPP, specifications and other data *shall not prevent the city engineer from thereafter requiring correction of errors in said plans, specifications and other data, or from preventing grading operations being carried on thereunder when in violation of this chapter or any other chapter of this*



Ms. Gina Herrera  
City of Carlsbad  
RE: Appeal of Engineering Decision for Sarem Residence  
March 6, 2024  
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code.” (Emphasis added.) City staff should not have provided final signoff without requiring correction of the violations identified in the notice of appeal.

The Edwards retained Civil Engineer Brooke Spruit and Geotechnical Engineer Josef Tootle of Engeo to investigate the possible cause of the inundation of storm water onto the Edwards Property. (See Hydrologic Summary, dated March 5, 2024, attached.) Engeo found evidence of significant flows discharging from 4005 Skyline Road onto 4020 Sunnyhill Drive in a concentrated manner. They have not yet completed a full investigation. Based on their initial investigation, they believe this may be indicative of improperly constructed stormwater controls, including the bioretention basin and the drainage spreader that are not functioning in the intention of the proposed design. Engeo believes this concentrated discharge may also be a result of limited capacity in the bioretention basin. It is also possible the drainage spreaders are not level or may be partially filled with sediment and may be causing an increased flow at the northern end of the spreader, resulting in a concentrated flow where the Edwards are experiencing elevated discharge. Engeo concluded that stormwater control measures were likely not constructed or installed to specification on the Sarem Property, resulting in elevated concentrated flow at one location rather than dispersed as intended.

Indeed, regardless of the specific cause of concentrated flow, the Sarems also believe their project was negligently constructed and/or that their contractors did not follow applicable codes. Enclosed please find copies of complaints filed in two separate lawsuits brought by the Sarems against their contractors: (1) *Sarem v. BMG Construction*, San Diego Superior Court Case No. 37-2023-00049569-CU-NC, filed on November 15, 2023, and (2) *Sarem v. Chicweed Design & Landscape LLC*, San Diego Superior Court Case No. 37-2023-00054534-CU-BC-NC, filed on December 18, 2023. The allegations in these pleadings may be relied upon as judicial admissions by the Sarems. (See *Dang v. Smith* (2010) 190 Cal.App.4th 646, 657 [“[A] pleaded fact is *conclusively deemed true* as against the pleader.”].)

We appreciate your consideration of this matter and look forward to presenting the Edwards appeal to the City Council on March 12, 2024.

Sincerely,



Arie L. Spangler

cc: Clients  
Lee M. Andelin, Esq.

Attachments:

1. Hydrologic Summary prepared by Brooke Spruit, PE, and Josef J. Tootle, GE, of Engeo, dated March 5, 2024;



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RE: Appeal of Engineering Decision for Sarem Residence  
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2. Complaint in *Sarem v. BMG Construction*, San Diego Superior Court Case No. 37-2023-00049569-CU-NC, filed on November 15, 2023; and
3. Complaint in *Sarem v. Chicweed Design & Landscape LLC*, San Diego Superior Court Case No. 37-2023-00054534-CU-BC-NC, filed on December 18, 2023.



Project No.  
**24409.000.001**

March 5, 2024

Josh & Terri Edwards  
4020 Sunnyhill Drive  
Carlsbad, CA 92008

Subject: 4005 Skyline Road  
Carlsbad, California

## HYDROLOGIC SUMMARY

- References:
1. Toal Engineering, Inc. 2021. Hydrology Study, 4005 Skyline Road, Carlsbad, California. May 26, 2021.
  2. Toal Engineering, Inc. 2021. Stormwater Quality Management Plan, 4005 Skyline Road, Carlsbad, California. April 14, 2021.

Dear Josh & Terri Edwards:

At your request and with your authorization, we performed a hydrologic review of the upgradient 4005 Skyline Road project based on the observed concentrated discharges you are experiencing on your property (4020 Sunnyhill Drive). We reviewed the referenced Hydrology Study and Stormwater Quality Management Plan in addition to publicly available documents provided by the City of Carlsbad for the 4005 Skyline Road project. We also reviewed photographs, videos, and correspondence provided by you which depict concentrated discharge onto your property from the recently reconstructed improvements at 4005 Skyline Road, located upgradient from you.

The Hydrology Study presented runoff calculations in conformance with the San Diego County Hydrology Manual for the pre- and post-project condition. The hydrologic analysis indicated a pre-project 100-year runoff of 1.31 cubic feet per second (cfs) and a post-project 100-year runoff of 2.52 cfs. To match the pre-project flow rate of 1.31 cfs, the project requires a minimum detention storage of 363 cubic feet during the 100-year peak event. Based on our review of the study, we concur with the results of the study.

We understand a detention and bioretention basin was constructed at 4005 Skyline Road that is intended to treat 363 cubic feet of water to match pre-development flow condition. The drainage was designed to convey runoff from roofs, drain inlets, and pipes to the rear of the site where an underground stormwater detention basin detains peak flows and flows are infiltrated through a bioretention unit and then dispersed through a 6-inch drainage spreader across the entire western end of the property. The intent of the spreader is to limit the concentration of post-development runoff from the property. Based on the design provided in Reference 2, this design is in conformance with the hydrologic requirements identified in the Hydrology Study to treat flows in conformance with San Diego County Low Impact Design (LID) requirements.

We performed a site reconnaissance of the Property on November 21 and December 8, 2023, and observed the concentrated flow path as shown in the provided photos/videos. Based on our review and observations, it is evident significant flows are discharging from 4005 Skyline Road



onto 4020 Sunnyhill Drive in a concentrated manner. This may be indicative of improperly constructed stormwater controls, including the bioretention basin and the drainage spreader that are not functioning in the intention of the proposed design.

Concentrated discharge may also be a result of limited capacity in the bioretention basin. Based on your correspondence with the City of Carlsbad and site inspection summaries, it appears construction stormwater pollution prevent program (SWPPP) best management practices (BMPs) may not have been fully implemented during construction activities after the bioretention unit and bioretention soil mix was in place. Elevated concentrations of sediment-laden flow were observed by City staff throughout the property due to lack of stormwater best management practices (BMPs) and may have impacted the percolation rate of the bioretention soil mix. This may result in a decrease in functionality and capacity of the bioretention system during high flows, and therefore, a decreased detention time and increased runoff during peak flows.

Further, it is possible the drainage spreaders are not level or may be partially filled with sediment and may be causing an increased flow at the northern end of the spreader, resulting in a concentrated flow on your property where you are experiencing elevated discharge. Based on our site reconnaissance, it appears that a high volume of runoff from the drainage spreader is concentrating on the northern end, adjacent to your property and not fully utilizing the length of the spreader.

In summary, it is our opinion that the stormwater control measures were likely not constructed or installed to specification resulting in elevated concentrated flow at one location rather than dispersed as intended. Further, the performance of the bioretention area may be resulting in less detention/infiltration capacity than designed.

If you have any questions, please do not hesitate to contact us.

Sincerely,

ENGEO Incorporated

*Brooke Spruit*  
Brooke Spruit, PE



*Josef J. Tootle*  
Josef J. Tootle, GE



bs/jjt/cjn



STEPHEN C. GREBING, State Bar No. 178046  
*sgrebing@wingertlaw.com*  
 WINGERT GREBING BRUBAKER & JUSKIE LLP  
 1230 Columbia Street, Suite 400  
 San Diego, CA 92101-3370  
 (619) 232-8151; Fax (619) 232-4665

Attorneys for Plaintiff  
 SCOTT SAREM

**ELECTRONICALLY FILED**  
 Superior Court of California,  
 County of San Diego  
**11/15/2023** at 09:13:32 AM  
 Clerk of the Superior Court  
 By Antonin Conti, Deputy Clerk

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF SAN DIEGO – NORTH COUNTY DIVISION**

SCOTT SAREM,

Plaintiff,

vs.

BMG CONSTRUCTION, a sole proprietorship;  
 JEFFREY PIVA, an individual; and DOES 1  
 through 20, inclusive,

Defendants.

Case No.: 37-2023-00049569-CU-BC-NC

**COMPLAINT FOR:**

- 1. BREACH OF CONTRACT; AND**
- 2. NEGLIGENCE**

COMES NOW PLAINTIFF SCOTT SAREM [hereinafter “SAREM”] by and through his attorneys, and alleges as follows:

**PARTIES**

1. Plaintiff SAREM is, and at all times herein mentioned was, an individual residing in San Diego County and the joint owner of real property located at 4005 Skyline Road, Carlsbad, California 92008 [hereinafter “Subject Property”].

2. Defendant BMG CONSTRUCTION is a sole proprietorship owned exclusively by Defendant JEFFREY PIVA [with BMG and PIVA hereinafter as “BMG”]. BMG is licensed to do business in San Diego County, California. BMG is a contractor licensed by the Contractor’s State License Board.

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4. Venue for this action is proper in that all of the actions of Defendants as alleged herein which serve as the basis for the damages alleged by SAREM occurred and were performed in the County of San Diego, State of California. The contract entered into by SAREM and BMG was for services to be performed in the County of San Diego, State of California. The Subject Property is located in the County of San Diego, State of California.

5. On or about January 15, 2021, in San Diego County, California, SAREM entered into a written contract with BMG for the furnishing of labor, supervision, materials and supplies for the construction of a new residence on the Subject Property. A true and correct copy of the contract is attached hereto as Exhibit “A” – the “Contract”). The Contract also included a schedule of values for the costs associated with the various trades and suppliers.

6. Prior to contracting with BMG, SAREM retained several design professionals to provide plans, designs and specification for the remodel of the Subject Property. The plans, designs and specifications were reviewed and approved by the City of Carlsbad and building and grading permits were issued. The structural engineering plans provided the specifications for the structure to be built in the manner of the architectural plans and building plan approved by the City. The civil engineering plans called out all of the grading requirements as well as water remediation and drainage.

7. BMG's estimated scope of work and the cost for the same as incorporated into the Contract were based upon the approved plans, designs and specifications for the Subject Property. BMG estimated the total construction cost to be \$2,300,000. BMG was to be paid a fee of \$259,000

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to act as the general contractor for the Subject Property remodel. BMG had sole responsibility for estimating the cost of the project.

8. In the Contract, BMG agreed to do the following:

- a. Construct a new custom home according to the plans and specifications as shown on the approved drawings provided by Sarem;
- b. Observe all building requirements of the City of Carlsbad;
- c. Handle all inspections;
- d. Manage/supervise all subcontractors and suppliers hiring and scheduling;
- e. Only contract with licensed and insured subcontractors; and
- f. Indemnify and defend SAREM harmless from and against all claims and damages arising from any "act or omission" in the performance of services by BMG pursuant to the contract.

9. Unfortunately, there were several issues with the services performed by BMG at the Subject Property. Those issues included:

- a. Failing to enter into written contracts with subcontractors;
- b. Approving payment to subcontractors when substandard work had been performed;
- c. Contracting with unlicensed subcontractors;
- d. Hiring PIVA's son (Bryant Piva Builders) without a contract and resulted in an increase in price from the estimate for framing to exceed over \$100,000 from the budget provided by Piva in the contract;
- e. Representing the subcontractors were competent and had adequate experience;
- f. Failing to obtain competitive bids from suppliers and subcontractors;
- g. Failing to properly schedule and manage the project keep it on time and within the agreed upon budget;
- h. Failing to inspect the work of the subcontractors to ensure compliance with the building codes enacted by the City of Carlsbad, industry standards and the building and engineering plans and specifications for the project. As an example, BMG ordered and installed the wrong sized sliding doors. These doors were supposed to



be 9 feet tall and installed using a flush beam according to both the architect's and structural engineering plans that has been approved by the City. The error was the result of BMG's failure to correctly read the plans and specifications and failing to consult with either the architect or the structural engineer as described in the attached letters from the architect and structural engineer. ; Another example was Piva's representation that drainage work performed by CW Landscape was done correctly and that they were "Rock Stars." In reality, Piva failed to check CW's work against the civil engineering plans, which was a requirement of the grading permit, and the drainage failure caused significant damage and delay from December 2, 2022 through August 10, 2023.

- i. Failing to adequately prepare the project for inclement weather to prevent damage to the project and adjacent properties; and

PIVA routinely failed to properly prepare the property for rain events. Many times PIVA would tell SAREM that it never rains and that concerns about the rain are overblown. When taken in the context of PIVA's failure to supervise CW Landscape's work, PIVA's representations that the work was done properly when he failed to confirm that the drains were installed per the specifications in the grading plans. When PIVA failed to properly prepare for rain and water and mud runoff flowed onto SAREM's neighbors below him. PIVA admitted that his actions caused the damage and he agreed to pay to fix the damage to the neighbors' property as a result of PIVA's negligence. The faulty drainage that was installed by CW Landscape, who was recommended by PIVA, caused significant damage to the property from December 2, 2022 to August 10, 2023. It is important to note that once the drainage was fixed and installed in accordance with the Civil Engineering grading plans, Carlsbad experienced a once in a lifetime tropical storm where 3 inches of rain fell in 24 hours on August 21, 2023. The result was that the system worked and the runoff to the neighbor's property as well as the runoff in the front of SAREM's home and front door was successfully diverted to the water retention system that was supposed to have been operational by



December 2, 2022. Had the water remediation plans been followed, the damage and delay incurred at the property would not have occurred.

10. The failure of BMG to properly manage and supervise the project resulted in damage to the Subject Property and an adjacent property. In December 2022, there were significant rain events at the Subject Property. As a result of the construction issues identified above, the Subject Property experienced significant flooding issues and resultant damage. The rear of the Subject Property flooded and there were mudslides. The flooding and mudslides extended to the neighbor's property and resulted in significant damage to the property.

11. The cause of the flooding and damage was the failure of BMG and the landscape to install the drainage components in compliance with the grading permit and plans and specifications. As a result, the drainage and water retention basin improvements did not function as intended. However, BMG had represented to SAREM the drainage improvements had been inspected and approved in accordance with the civil engineering plans and grading permit. This was false.

12. The City of Carlsbad was notified of the flooding/mudslide events. The project civil engineer, Toal Engineering, was advised of the flooding and mudslides. The City and Toal Engineering initiated an investigation. It was determined the cause of the flooding and mudslides was the defective work of the landscape contractor and BMG's failure to supervise the installation and secured the required testing of the drainage system.

13. As a result of the issues at the Subject Property, the City of Carlsbad required the installation of a much more stringent BMPs be instituted at the Subject Property to prevent further flooding and damage, including the installation of a concrete lined v-ditch. The original BMP budget in the Contract was \$18,000. As a result of the City's new requirements and heightened scrutiny, the BMPs cost was \$150,000.

14. PIVA admitted that his negligent behavior caused damage to the adjacent property and paid the neighbor in addition to fixing the damage to the neighbor's structure.

15. In April 2023, BMG left the project and did not complete its scope of work as provided in the Contract. BMG had been paid the entirety of its fees under the contract. SAREM was left with

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1 no alternative but to retain and other general contractor to complete the work at significant additional  
2 cost and expense to SAREM.

3 16. In total, SAREM paid \$275,000 to BMG for its services at the Subject Property under  
4 the Contract. Although the entire fee had been paid to BMG, the project was only half finished.  
5 BMG was overpaid by SAREM.

6 17. The construction was supposed to be finished and a final certificate of occupancy was  
7 supposed to be completed by March 2023. Delays caused by the drainage issues and an overall lack  
8 organization resulted in PIVA being paid in full and then moving on from the project before it was  
9 finished even though he had been paid for a completed project.

10 18. Upon the departure from the project, SAREM learned BMG had not entered into  
11 contracts with the framer (Bryant Piva Builders), grader (JC Grading) and concrete supplier/installer  
12 (Nolan Concrete).

13 19. Because no contracts had been secured, these subcontractors (including the plumbing  
14 subcontractor – Ironwood Plumbing) were not bound to the verbal estimates they had provided BMG.  
15 As a result, the budgets for grading, masonry walls/foundation, framing and plumbing as provided for  
16 the in Contract were grossly exceeded, resulting in additional cost and expense to SAREM. This  
17 could have been avoided had BMG entered in to contracts with these subcontractors as was required  
18 by the Contract. In fact, in subsequent conversations between PIVA and SAREM, PIVA stated that  
19 “time and material contracts are how homeowners get screwed,” as he was referencing work after he  
20 had left. PIVA knew that his price estimates were incorrect and proceeded to hire his friends and  
21 family to perform work as time and material, with no set price and not timeframe for finishing work.

## 22 **FIRST CAUSE OF ACTION**

### 23 **(Breach of Contract – Against All Defendants)**

24 20. SAREM re-alleges and incorporates, as though fully set forth herein, Paragraphs 1  
25 through 18, inclusive.

26 21. The Contract entered into by SAREMS and BMG specified general contracting  
27 services BMG was to perform at the Subject Property for the construction of a new residence. The  
28 obligations imposed upon BMG included:



- a. Constructing a new custom home according to the plans and specifications as shown on the approved drawings provided by Sarem;
- b. Observing all building requirements of the City of Carlsbad;
- c. Handling/scheduling/coordinating all inspections;
- d. Managing/supervising all subcontractors and suppliers hiring and scheduling;
- e. Contracting only with licensed and insured subcontractors; and
- f. Indemnifying and defending SAREM harmless from and against all claims and damages arising from any “act or omission” in the performance of services by BMG pursuant to the Contract.

22. SAREM performed all of the obligations imposed upon him under the Contract.

23. BMG failed to perform its obligations under the Contract by failing to complete the services as established in the Contract, both in time and cost, and in conformance with the standards set forth in the Contract.

24. BMG also failed to properly contract, supervise and manage the work of the subcontractors and material suppliers at the Subject Property as it was required to do so under the Contract. This resulted in the delays in the completion of the work and additional cost to finish or correct work to conform to the appropriate building standards and the plans and specifications, and budget overruns. The failure to adequately supervise and oversee the work of the subcontractors, and test the same upon “completion,” also resulted in damage to a property adjacent to the Subject Property. BMG failed to defend and indemnify SAREM against claims for damage made by third parties arising from services performed by BMG. Lastly, although BMG had been paid by SAREM all of the fees provided for the in the Contract, BMG did not complete its scope of work and left the project half finished.

25. As a direct and proximate result of the multiple breaches of Contract by BMG, SAREM has been harmed and damaged in an amount in excess of \$800,000.

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**SECOND CAUSE OF ACTION**

**(Negligence – Against All Defendants)**

26. SAREM re-alleges and incorporates, as though fully set forth herein, Paragraphs 1 through 24.

27. BMG owed certain duties to SAREM to exercise reasonable care in performing its services at the Subject Property, including, but not limited to, the performance of the work in accordance with the project plans and specifications, with local building codes and standards of the construction industry.

28. Notwithstanding these duties, BMG breached its duties to SAREM by negligently, carelessly and wrongfully failing to perform its services at the Subject Property in accordance with the plans and specifications, with local building codes and the standards imposed by the construction industry by generally failing to use reasonable care in connection with its performance of construction services at the Subject Property.

29. As a direct and proximate result of the negligence of BMG, SAREM has been harmed and damaged in an amount in excess of \$800,000.

**PRAYER FOR RELIEF**

SAREM requests judgment be entered in his favor and requests the following be awarded:

1. For compensatory, general and consequential damages according to proof in a sum in excess of \$800,000.00;
2. For interest and penalties as provided by statute and/or contract; and
3. Such other further relief as the Court deems just and proper.

Dated: November 15, 2023

WINGERT GREBING BRUBAKER & JUSKIE LLP

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

STEPHEN C. GREBING  
Attorneys for Plaintiff  
SCOTT SAREM



## INDEX OF EXHIBITS TO COMPLAINT

<u>EX</u>	<u>Description</u>	<u>Page No.</u>
1.	Construction Contract	10 - 14



## CONSTRUCTION AGREEMENT

This construction "Agreement" is entered into this 1st day of November, 2021, by and between **BMG Construction**, a sole proprietorship, hereinafter called "Contractor", License No #746131(active), and #455021(inactive), whose address is PO Box- 131433, Carlsbad, Ca 92013 and

**Scott Sarem**, a married man, hereinafter called "Owner", whose address is 3935 Skyline Drive, Carlsbad, Ca. 92008

The Construction Lender is **TBD**

The Architect/Designer is **Todd Brazzon, AIA, (619) 677-3224**

BMG Construction, "Contractor", is a General Contracting firm engaged in the business of residential and commercial construction. Contractor represents and warrants that it is duly licensed and bonded as required by law, and that said license and bond is current and in good standing as of the date of this Agreement.

Owner desires to enter into this Agreement with Contractor for the construction services set forth below:

1. **Services-** Contractor agrees to remove/demo the existing home and then construct a new Custom Home at the address of 4005 Skyline Rd, Carlsbad, Ca. 92008, according to the plans and specifications as shown on the approved drawings provided by the Owner, which were drawn by the above referenced architect. Contractor will observe all building requirements by the City of Carlsbad, California and enforce all safety practices standard to the industry, handle all inspections, manage/supervise all subcontractors and supplier hiring and scheduling, handle required lien releases, and issue project payments with the Owner's approval. The Owner's preferences and approval will be the first priority (within the means of the budget and the Owner's ability to pay) as the project proceeds. Contractor will also provide 2 million dollar (aggregate) liability policy. Contractor will only hire properly licensed and insured subcontractors. Contractor and Owner will agree on a project budget and Contractor will manage and adjust as needed during the construction.
2. **Fees-** Owner agrees to pay Contractor a fixed sum of 2,293,000.00 Dollars, over a period of 74 weeks or less, plus the pro-rated cost for liability insurance (approx. 3,877 +/-). The supervision (contractor's fee) is 259,000.
3. **Terms/Method of Payments-** The insurance premium is to be paid within 7 days prior to the start of construction. The Contractor's fee will be paid by the Owner according to the following schedule: Contractor to invoice Owner \$7,000. every other week, starting from the Owner's "Notice to Proceed" and will continue until final inspection is completed. Contractor will not bill for non performing work weeks (rain/etc). Final payment is due no later than 14 days after final inspection and punch list is completed. Payments to be made by check or fund control voucher payable to Contractor, subcontractors, or suppliers unless otherwise agreed upon



4. **Exclusions-** Contractor not responsible for any Labor, Materials, Services, Permits, or Costs pertaining to any work contracted or hired by the Owner outside of this contract. Owner also agrees to reimburse Contractor for any cost associated with this project.
5. **Indemnification-** Owner will defend, indemnify and hold Contractor and it's affiliates, and their respective officers, directors, employees, and agents harmless from and against any and all claims, actions, proceedings, judgments, expenses, damages, and liabilities (including without limitation, attorneys' fees and court costs) which may result from any action of this Agreement, **any act or omission by Owner**, its agents, representatives, officers, directors, and employees arising out of this Agreement. This section shall survive beyond the termination of the Agreement.
6. **Indemnification-** Contractor will defend, indemnify and hold Owner and it's affiliates, and their respective officers, directors, employees, and agents harmless from and against any and all claims, actions, proceedings, judgments, expenses, damages, and liabilities (including without limitation, attorneys' fees and court costs) which may result from any action of this Agreement, **any act or omission by Contractor**, its agents, representatives, officers, directors, and employees arising out of this Agreement. This section shall survive beyond the termination of the Agreement.
7. **Relationship of the Parties-** The relationship of the parties under this Agreement is that of independent contractors and **not** that of employer/employee, principal/agent, partnership, joint venture or representative.
8. **Termination for Convenience.** This Agreement, notwithstanding anything to the contrary herein above or set forth hereafter, may be terminated by Owner or by Contractor for any reason, with or without cause or legal excuse, at any time by providing Contractor or Owner with written notice no less than thirty (30) days before the termination is to be effective. Upon the date of termination, Owner shall have no further obligation to Contractor, and Contractor shall have no further obligation to Owner, under this Agreement with respect to the performance of future work. Owner shall pay to Contractor, subcontractors, or suppliers all services performed and materials supplied up to the date of termination. Contractor shall not have an entitled to the payment of overhead, fees, bonus, or profits Contractor would have earned had performance under this Agreement been completed.
9. **Notice-** Each notice, demand, **request for (change)**, or other communication required or permitted under this Agreement must be in writing, signed by a duly authorized representative of the party giving notice and delivered to the address shown below, as applicable. The notice will be deemed given, delivered and effective if by hand delivery, upon receipt; or by US Mail, on the 3<sup>rd</sup> business day after deposited; or by certified/registered mail; or by overnight courier such as FedEx; or by facsimile with written or oral confirmation of receipt; or by electronic transmission (e-mail) with confirmation of receipt or text.

**Notice to Contractor:**  
BMG Construction  
PO Box- 131433  
Carlsbad, Ca 92013  
Cell # (760) 500-1276  
E-Mail- <jeflpiva@icloud.com>

**Notice to Owner:**  
Scott Sarem  
6684 Lemon Leaf Dr.  
Carlsbad, Ca. 92011  
Cell # (760) 533-2470  
<scott@everydayenergy.us>



10. **Governing Law-** The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the parties under this Agreement will be construed in accordance with the laws of the state of California, without referenced to its conflict of laws principals. Each dispute arising from this Agreement will be subject to the exclusive jurisdiction and venue of the California state courts of San Diego County, California, or if Federal jurisdiction is applicable, in the United States District Court for the Southern District of California. The parties consent to the personal and exclusive jurisdiction of these courts.
11. **Arbitration-** In the event of a dispute arising from this Agreement, it is mutually agreed that both parties shall seek a settlement by arbitration in accordance with Construction Industry Rules of the American Arbitration Association in effect on the date of the Contract, and any Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. Owner and Contractor agree that, should Contractor or Owner be potentially or actually a party to a lawsuit or arbitration arising out of or connected to this Contract, Owner or Contractor shall appear in, and be bound by the decision in that lawsuit or arbitration. The prevailing party in any action or proceeding to enforce this Contract shall recover its reasonable attorneys' fees and costs (including expert witnesses) in that action or proceeding.
12. **Waiver-** Waiver of any breach or failure to enforce any term of this Agreement will not be deemed a waiver of any breach or right to enforce that which may later occur. No waiver will be valid against a party unless made in writing and signed by the party against whom enforcement of the waiver is sought and then only to the extent expressly specified in the written waiver.
13. **Severability-** If any one or more provisions of this Agreement are determined to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired; provided, however, that in such case, the parties will in good faith use their reasonable efforts to achieve the purpose of the invalid provision by agreeing on a substitute provision that is legally enforceable.
14. **Headings-** The section and paragraph headings appearing in this Agreement are inserted only as a matter of convenience and in no way define, govern, limit, modify, or construe the scope or extent of the provisions of this Agreement to which they may relate.
15. **Non Assignment-** Owner will not assign any right or duty under this Agreement without the written consent of the Contractor.



16. **Schedule-** Contractor has an estimated construction duration of 74 weeks. If Contractor is unable to complete the project in the estimated time due to subcontractor performance, or other delays caused by the lack of performance by the Contractor, Contractor will not be eligible for additional compensation. If completion is significantly delayed (4 weeks or more) due to changes made by the Owner, or the Owner's representative, or delayed by unforeseen conditions (such as weather, back orders, and/or delayed materials) Contractor will then be due fair and reasonable compensation in line with this agreement. Time is of the essence, a construction schedule should be agreed upon by both parties which will be jointly amended based on the progress, and/or changes, and/or differing site conditions as deemed necessary by both parties.
17. **Entire Agreement/Amendments-** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof as of the date hereof and supersedes all previous agreements, representatives, proposals, discussions, and understanding, whether written or oral, between the parties (unless otherwise noted within the body of this document).  
By law, there is a 3 day right of cancellation for the Owner in regards to this contract. This Agreement may be amended modified, or supplemented by mutual written consent executed by the parties and/or an attachment of the original agreed upon proposal.

Contractor sign & date.

BMG Construction

Jeffrey R. Piva



(760) 500-1276 cell

Owner sign & date.

Scott Sarem



(760) 533-2470 cell

Notes or Addendums, (may be attached).



## SOV #2004

## Sarem Residence

## BMG Construction

Cost Code	Description / Resource	Budget	Balance	Paid to date	Remarks
01000	General Conditions	1,000	0.00		electric, water
01010	Supervision	273,000			78 weeks @ 3.5k per
01020	Insurance, Fees	4,000			pro-rated cost of gen liability
01025	Staking	7,000	0.00		staking/certs
01420	Specialty Inspection	4,000	0.00		
01500	Temporary Facilities	4,000	0.00		trash, toilet, fence
01700	Rough/Final Cleaning	5,000			
01800	Contingency	?????			
02220	Demo	24,000			Ace/does not include haz mat
02270	Erosion control, BMPs, Ret Basins	18,000			
02300	Grading/Digging/Backfilling	35,000	0.00		Chris/does not include geo-tech
02511	Driveway Percable Pavers	40,000			
02900	Landscaping	95,000		0.00	
03300	Foundation	175,000	0.00		Cuz?
03315	Flatwork	30,000	0.00		
04400	Masonry- site walls, stack stone	60,000			
05120	Structural Steel	95,000			Jason?
05500	Metal Fab: Facia/Railings/Gates/Roof	50,000			
06100	Framing	120,000	0.00		Billy or Bryant
06130	Rough Lumber	98,000	0.00		Pine Tree?
06200	Finish Carpentry	60,000			
06400	Cabinetry	85,000	0.00		
06600	Solid Surfacing/ Granite/Silestone	30,000			
07200	Insulation	9,000	0.00		
07500	Waterproofing: Decks/Shower Pans/Below Grd	20,000	0.00		
07600	Flashing, Sheetmetal, Gutters	12,000	0.00		
07610	Roofing	70,000			
08110	Doors, Frames, Hardware	28,000	0.00		
08210	Entry Doors	3,000	0.00		
08360	Over-Head Doors/ Openers	10,000	0.00		
08630	Windows/ Sliding Doors + install	110,000	0.00		
08710	Finish Hardware	4,000	0.00		
09200	Lath and Plaster	65,000	0.00		
09250	Drywall	55,000	0.00		
09310	Ceramic Tile/Stone	70,000			
09680	Flooring - carpet, wood plank, stone	55,000			
09900	Painting	40,000	0.00		
10800	Bath Accessories	12,000		0.00	
11401	Kitchen Appliances	40,000	0.00		
10300	Fireplace	7,000			
13150	Pool plus equipment	90,000			
13220	Whole house water filtration	?	0.00		
13600	Solar	?			Scott
13930	Fire Sprinkler System	12,000			
14200	Elevator	0			
15011	HVAC, includes HERS test	30,000	0.00		
15400	Plumbing	78,000			
15440	Plumbing Fixtures	40,000	0.00		
16011	Electrical	70,000	0.00		
16300	Underground Utilities, backflow	20,000	0.00		Draves
16510	Lighting Fixtures	10,000	0.00		
16700	Communication, Security, Low Volt	20,000	0.00		
<b>Totals-</b>		<b>2,293,000</b>	<b>0.00</b>	<b>0.00</b>	

sign/date



STEPHEN C. GREBING, State Bar No. 178046  
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Attorneys for Plaintiffs  
 SCOTT SAREM and KYRA SAREM

**ELECTRONICALLY FILED**  
 Superior Court of California,  
 County of San Diego  
**12/18/2023** at 03:45:31 PM  
 Clerk of the Superior Court  
 By Antonin Conti, Deputy Clerk

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**FOR THE COUNTY OF SAN DIEGO – NORTH COUNTY DIVISION**

SCOTT SAREM and KYRA SAREM,

Plaintiff,

vs.

CHICWEED DESIGN & LANDSCAPE, LLC,  
 dba CW DESIGN, a California limited liability  
 company; and DOES 1 through 20, inclusive,

Defendants.

Case No.: 37-2023-00054534-CU-BC-NC

**COMPLAINT FOR:**

- 1. BREACH OF CONTRACT; AND**
- 2. NEGLIGENCE**

COMES NOW PLAINTIFFS SCOTT SAREM and KYRA SAREM (hereinafter “SAREMS”)  
 by and through their attorneys, and allege as follows:

**PARTIES**

1. Plaintiff SAREMS are, and at all times herein mentioned were, married persons  
 residing in San Diego County and the joint owner of all real property located at 4005 Skyline Road,  
 Carlsbad, California 92008 (hereinafter “Subject Property”).

2. Defendant, CHICWEED DESIGN & LANDSCAPE, LLC dba CW DESIGN  
 (hereinafter “CW DESIGN”) is, and at all times herein mentioned was, a limited liability company  
 registered in California and doing business in San Diego County, California.

3. SAREMS are ignorant of the true names and capacities of defendants sued as DOES 1-  
 20, inclusive, and therefore sues those defendants by fictitious names. SAREMS will amend this



1 Complaint to allege their true names and capacities when ascertained. SAREMS are informed and  
2 believe and thereon allege that each of these fictitiously named defendants is legally responsible in  
3 some manner for the actions herein alleged, and that SAREMS damages were proximately caused by  
4 their conduct.

#### 5 JURISDICTION AND VENUE

6 4. Venue for this action is proper in that all of the actions of Defendants as alleged herein  
7 which serve as the basis for the damages alleged by Plaintiffs occurred and were performed in the  
8 County of San Diego, State of California. The contract entered into by SAREMS and CW DESIGN  
9 was for services to be performed in the County of San Diego, State of California. The Subject  
10 Property is located in the County of San Diego, State of California.

#### 11 GENERAL ALLEGATIONS

12 5. On or about October 28, 2022, in San Diego County, California, SAREMS entered  
13 into a written contract and several change orders thereafter with CW DESIGN for the furnishing of  
14 labor, supervision, materials and supplies for remodeling work to be performed on the Subject  
15 Property, including in part the installation of irrigation, pavers, drainage, emitters and plant materials.  
16 Ultimately, CW DESIGN completed its work in August 2023. A true and correct copy of the contract  
17 is attached hereto as Exhibit "A".

18 6. Prior to contracting with CW DESIGN, the SAREMS retained Toal Engineering to  
19 provide civil engineering services for the Subject Property. The design included the installation of a  
20 water retention basin. The water retention basin required extensive drainage and emitter  
21 improvements in order to be operational. The design incorporated the use of emitters throughout the  
22 Subject Property with the intention to capture the water and deliver it to the retention basin. The civil  
23 engineering plans were reviewed and approved by the City of Carlsbad and a grading permit was  
24 issued.

25 7. CW DESIGN's estimate for the performance of its services at the Subject Property was  
26 based upon the civil engineering plans of Toal Engineering as approved by the City of Carlsbad.  
27 Pursuant to the express terms of the contract, CW DESIGN was obligated to provide all "materials  
28 and to perform agreed upon intended design concept as depicted in drawings and photos as agreed



1 upon with client.”

2 8. CW DESIGN began performing services at the Subject Property in November 2022. It  
3 installed the drainage line and emitters. However, there were major problems with the work  
4 performed by CW DESIGN.

5 9. First, the Toal Engineering plans called for the installation of a solid drain line from  
6 the water retention basin to the emitters. CW DESIGN supplied and supplied a perforated drain line.

7 10. Second, CW DESIGN installed the drain lines with negative slope such that any  
8 draining water captured by the emitters did not flow to the water retention basin but back towards the  
9 rear of the Subject Property and a neighbor’s property. The drain lines were also installed at improper  
10 heights and not in conformance with the Toal Engineering plans and the City of Carlsbad grading  
11 permit.

12 11. Third, CW DESIGN installed the emitters at the wrong height such that water intended  
13 to drain from the Subject Property could not do so.

14 12. Fourth, CW DESIGN installed the remainder of the drain lines on the Subject Property  
15 with negative slope such that water captured by the system flow back towards the residence on the  
16 Subject Property as opposed to the intend location.

17 13. Fifth, when CW DESIGN installed the drain lines, it failed to compact the soil to the  
18 specifications provided in the Toal Engineering plans and the City of Carlsbad grading permit.

19 14. Sixth, pursuant to the City of Carlsbad grading permit, CW DESIGN was required to  
20 have the drainage system it installed inspected and tested by Toal Engineering during construction.  
21 CW DESIGN failed to do so. This proved to be a monumental failure.

22 15. Finally, part of CW DESIGN’s scope of work was to dig trenching for the installation  
23 of low voltage wiring and irrigation. The grading permit required these trenches to be compacted to  
24 certain standards once compacted. CW DESIGN failed to do so.

25 16. In December 2022, there were significant rain events at the Subject Property. As a  
26 result of the construction issues identified above, the Subject Property experienced significant  
27 flooding issues and resultant damage. The rear of the Subject Property flooded and there were  
28 mudslides. The flooding and mudslides extended to the neighbor’s property and resulted in



1 significant damage to the property.

2 17. The City of Carlsbad was notified of the flooding/mudslide events. Toal Engineering  
3 was advised of the flooding and mudslides. The City and Toal Engineering initiated an investigation.  
4 It was determined the cause of the flooding and mudslides was the defective work of CW DESIGN.

5 18. As a result of the issues at the Subject Property, the City of Carlsbad required the  
6 installation of a much more stringent BMPs be instituted at the Subject Property to prevent further  
7 flooding and damage, including the installation of a concrete lined v-ditch. The original BMP budget  
8 was \$18,000. As a result of the City's new requirements, the BMPs cost \$150,000.

9 19. CW DESIGN was immediately made aware of the failures and resultant damage at the  
10 Subject Property as well as the damage to the neighbor's property. From December 2022 through  
11 July 2023, it attempted to repair and correct the drainage issues at the Subject Property. It was unable  
12 to do so. This prevented SAREMS from completing work at the Subject Property and moving into  
13 the residence as planned. This resulted in additional and unanticipated costs and expenses to  
14 SAREMS.

15 20. As a result of CW DESIGN's failure to repair and correct the drainage and related  
16 issues, SAREMS were left with no choice but to retain a new contractor to repair and correct the  
17 issues with the work of CW DESIGN. This resulted in additional and unanticipated costs and  
18 expenses to SAREMS.

19 21. There were other issues with the work of CW DESIGN at the Subject Property,  
20 including but not limited to:

- 21 a. Piling of dirt onto the pool coping which resulted in staining, discoloration and
- 22 scratches;
- 23 b. Piling of dirt against the residence which resulted in staining and discoloration of
- 24 the stucco;
- 25 c. Improper installation of the lighting in the masonry walls, including location and
- 26 exposure of live wiring;
- 27 d. Non-functioning pavilion lights;
- 28 e. Installation of substandard irrigation valves;



- f. Failure to follow the landscape plan for the installation of plant materials; and  
g. Improper installation of wall lights requiring four separate stucco repairs.

22. In total, SAREMS paid \$165,547.93 to CW DESIGN for its services at the Subject Property.

23. As a result of the defective and non-compliant services performed by CW DESIGN, the construction of the Subject Property was severely delayed. This resulted in the delay of the work of other trades. Further, SAREMS were required to retain a competent contractor to repair and complete the work of CW DESIGN, at additional cost and expense. The delay caused SAREMS to incur unanticipated additional costs and expenses associated with alternative housing. SAREMS also bore the cost and expense of repairing the damage to their neighbor's property as a result of the flooding and mudslide. There are additional damages SAREMS incurred which will be further identified in discovery.

24. Finally, CW DESIGN, aware of the issues identified above, caused to be filed a mechanic's lien on the Subject Property in the amount of approximately \$30,000 for monies it alleges are owed to it for work performed at the Subject Property. SAREMS believe and thereon allege this was done with a malicious intent and in bad faith as an effort to leverage SAREMS to pay the outstanding amount to CW DESIGN. The recording of the lien has caused SAREMS lender to declare a default of the construction loan for the Subject Property.

### FIRST CAUSE OF ACTION

#### (Breach of Contract – Against All Defendants)

25. SAREMS re-alleges and incorporates, as though fully set forth herein, Paragraphs 1 through 24, inclusive.

26. The contract entered into by SAREMS and CW DESIGN specified work CW DESIGN was to perform at the Subject Property.

27. Section 8 of the contract specifically provided "Contractor shall provide its services and meet its obligations under this contract in a timely and professional workmanlike manner."

28. SAREMS performed all of the obligations imposed upon them under the contract.

29. CW DESIGN failed to perform its obligations under the contract by failing to complete



1 the work as established in the contract, both in time and cost, and by failing to perform completed  
2 work in a “professional workmanlike manner.”

3 30. CW DESIGN also failed to properly supervise and manage the construction work at  
4 the Subject Property as it was required to do so under the contract. This resulted in the delays in the  
5 completion of the work under the contract and additional cost to correct its work to conform to the  
6 appropriate building standards.

7 31. As a direct and proximate result of the breach of contract by CW DESIGN, SAREMS  
8 have been harmed and damaged in an amount in excess of \$600,000.

## 9 SECOND CAUSE OF ACTION

### 10 (Negligence – Against All Defendants)

11 32. SAREMS re-alleges and incorporates, as though fully set forth herein, Paragraphs 1  
12 through 31.

13 33. CW DESIGN owed certain duties to SAREMS to exercise reasonable care in  
14 performing its respective work at the Subject Property, including, but not limited to, the performance  
15 of the work in accordance with the plans and specifications, in accord with local building codes, in a  
16 “professional workmanlike manner” and preventing cost overruns, delays and allowing the recording  
17 of mechanics liens.

18 34. Notwithstanding these duties, CW DESIGN breached its duties to SAREMS by  
19 negligently, carelessly, and wrongfully failing to perform its respective work at the Subject Property,  
20 in accordance with the plans and specifications, in accord with local building codes, in a professional  
21 workmanlike manner and preventing cost overruns, delays and allowing the recording of mechanics  
22 liens, and generally, in failing to use reasonable care in connection with its performance of  
23 construction services at the Subject Property.

24 35. As a direct and proximate result of the negligence of CW DESIGN, SAREMS has been  
25 harmed and damaged in an amount in excess of \$600,000.

26 ///

27 ///

28 ///



**PRAYER FOR RELIEF**

WHEREFORE, SAREMS pray for judgment against CW DESIGN and requests the following be awarded:

1. For compensatory, general and consequential damages according to proof in a sum in excess of \$600,000.00;
2. For interest and penalties as provided by statute and/or contract; and
3. Such other further relief as the Court deems just and proper.

Dated: December 18, 2023

WINGERT GREBING BRUBAKER & JUSKIE LLP

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

STEPHEN C. GREBING  
TAYLOR A. GETMAN  
Attorneys for Plaintiffs  
SCOTT SAREM and KYRA SAREM



## INDEX OF EXHIBITS TO COMPLAINT

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September 19, 2022

**CW Design and Landscaping**  
**1567 Mission Meadows Drive**  
**Oceanside Ca 92057**  
**Phone number 858-205-8083**  
**Email address: Cw.designlandscaping@yahoo.com**  
**Contractor's Lic # 1000675**

**RE: Jeff Piva**  
**Project: Sarem Residence**  
**4005 Skyline Road**  
**Carlsbad, CA 92008**

### **Updated Landscape Budget**

**General Description.** Landscape budget is per plan provided by Jeff Piva (drawn by Leo Dieckmeyer, landscape architect, renewal date 9/2022) and is for the backyard only.  
**Excluded items:** any grading, site preparation, drainage, etc.

- I. Pavers.** Approximately 2,140 square feet of pavers will be installed. Type of paver will be from Orco Block & Hardscape, 24" x 24", edge: Micro Chamfer Standard Slate; color: Tusk. Soil will be excavated where needed, and decomposed granite or class II base will be installed, followed by the installation of leveling sand and the pavers. After the pavers are installed, poly paver sand will be installed, which is vibrated into the joints between the pavers. No seal will be applied to pavers. **Total: \$32,100**
- II. Irrigation.**
  - A. Mainline.** A total of 600 linear feet of 1.25-inch schedule 40 mainline will be installed for all valves. Mainline will be installed from water meter to all valve locations. Trench for mainline will be excavated 18 inches deep and 6 inches of sand will be applied over mainline.
  - B. Controller.** A total of 1 - 48-station Rainbird model ESP-LX Basic Internet-capable irrigation controller will be installed.
  - C. Rain Sensor.** Install 1 Mini Klik wireless rain sensor. Manufacturer: Hunter; model: WR-CLIK.



- D. **Master Valve.** Install 1 - 2-inch master valve with flow control.  
Manufacturer: Superior; model: 950-3000.
- E. **Flow Sensor.** Install 1 - 3/4-inch flow sensor. Manufacturer: Hunter; model: HC-075-FLOW.
- F. **Ball Valve.** Install 1 - 2.5-inch bronze ball valve with screw in bonnet.  
Manufacturer: Nibco; model: T-585.

**Total: \$13,716**

- III. **Valves.** A total of 15 - 1-inch in-ground Rainbird valves with plastic box for the irrigation in the backyard will be installed, per plan. This is for 15 stations. **Total: \$27,000\***

*\*The cost of each valve is \$1,800*

- IV. **Plant Material – Palms.** A total of 12 palms with 12-foot trunks will be installed with location per plan. A crane will be used for palm installation. Contractor will provide all the labor & Plant mix and slow-release fertilizer. The homeowner will pay for the cost of the palms, delivery and crane fee, or any equipment needed for the installation of the palms. **Total: \$13,000**

*\*Unit price of each plant is \$1,084. Homeowner will only be charged for what is installed. The contractor will shop for all the palms and will coordinate delivery and crane.*

- V. **Plant Material – 36-Inch Box Trees.** A total of 2 - 36-inch box crape myrtle trees will be installed with location per plan. Plant mix and slow release fertilizer will be provided.

**Total: \$1,900**

*\*Unit price of each plant is \$950. Homeowner will only be charged for what is installed.*

- VI. **Plant Material – 24-Inch Box Trees.** A total of 16 - 24-inch box trees will be installed with location per plan. Plant mix and slow release fertilizer will be provided. **Total: \$8,800**

*\*Unit price of each plant is \$550. Homeowner will only be charged for what is installed.*

- VII. **Plant Material – 15 Gallon.** A total of 71 - 15-gallon plants will be installed with location per plan. Plant mix and slow release fertilizer will be provided for each plant. **Total: \$8,875**

*\*Unit price of each plant is \$125 Homeowner will only be charged for what is installed.*

- VIII. **Plant Material – 5 Gallon.** A total of 406 - 5-gallon plants will be installed with location per plan. Plant mix and slow release fertilizer will be provided for each plant. **Total: \$18,270**

*\*Unit price of each plant is \$45. Homeowner will only be charged for what is installed.*

- IX. **Plant Material – 1 Gallon.** A total of 65 - 1-gallon plants will be installed with location per plan. Plant mix and slow release fertilizer will be provided for each plant. **Total: \$1,300**

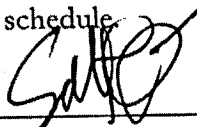


- X. **Jute Netting Installation.** Contractor will purchase and install jute netting in all slopes to meet city's requirements. **Total: \$2,330**
- XI. **Fuel Surcharge.** A fuel surcharge is being assessed due to the rising cost of fuel. Cost is based on the estimated length of the job, which is 3 months. **Total: \$900**

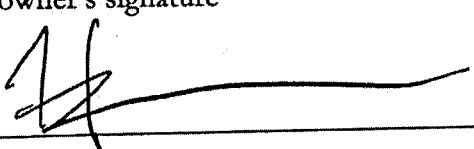
**Total \$128,191**

*(Total includes labor and materials.)*

I accept the above stated terms. The landscape work outlined above will be scheduled for beginning or middle of October 1, 2022. A deposit of \$1,000 is required to secure placement on the schedule.

  
\_\_\_\_\_  
Homeowner's signature

10-6-22  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Contractor's signature

10-5-2022  
\_\_\_\_\_  
Date



**CW Design & Landscape-Work Contract (License#1000675)**  
***Terms and Conditions relating to CW Design & Landscape and Client***

This contract for landscape services provided by CW Design & Landscape (Landscape Contractor) is made effective as of:

This contract is valid for 90 days from the date listed.

September 19, 2022

**1. Description of Services.**

Contractor agrees to provide all the materials and to perform agreed upon intended design concept as depicted in drawings and photos as agreed upon with client.

**2. Scope of Work.**

Contractor shall provide all labor and materials to complete agreed upon landscape services at specified location within specified timeframe.

**3. Timeline.**

Contractor will begin and complete scope of work on the agreed upon dates. Any delays or extension of work will be discussed with the client.

**4. Work Site.**

Client hereby authorizes contractor to commence and complete agreed upon scope of work as specified. All materials and in some instances, dumpsters will need to be delivered to work site.

**5. Subcontractors.**

Contractor may use subcontractors as needed and upon approval of client, any specific services would be discussed and included within the proposal.

**6. Authorized Extra Work (AEW) including Changes and Delays.**

Contractor will discuss any changes or delays in scope of work with the client and will not commence work until approval in changes or delays are confirmed. Any additional cost incurred as a result of the changes and or delays will be discussed with the client and approved in writing. Request by client beyond agreed scope of work will be considered extra work and requiring written authorization. An authorized extra work (AEW) form can be provided for client approval. Any additional materials needed beyond our best estimation will be purchased with clients approval and understanding and agreement of further costs.

**7. Completion of Services.**

Upon completion of the landscape services, contractor agrees remove all materials and debris from job site.



**8. Warranty.** Contractor shall provide its services and meet its obligations under this contract in a timely and professional workmanlike manner.

**9. Plant Material Warranty.**

1. Plant material is subject to availability. If an alternate plant is required a comparable selection will be made according to similar features, size and cost.
2. The contractor at no cost to the client will replace any plants that die within a two-week period of installation. Any dead loss after the two-week period will be considered past warranty and be the responsibility of the client. Plants will only be replaced one time, at CW's cost.
3. Plant replacement as a result of client dissatisfaction with mature growth of plant material will not be covered under warranty.
4. No warranty or guarantee is provided for transplanted materials.
5. Loss of plant material due to the following is not covered under warranty:
  - Acts of God including water restrictions, floods, freezes or droughts.
  - Improper care or maintenance provided by landscape service companies other than CW Design & Landscape
  - Damage or vandalism.

**10. Payment.** Payment by the client shall be made to CW Design & Landscape in the specified agreed amount upon completion of the landscaping services or in accordance to any other specified payment plan.

Failure to pay for Services provided by contractor when due by the client will be considered a breach of contract and work will halt. If payment is defaulted, CW Design & Landscape has the right to refer the account to an attorney or collection agency and the client agrees to pay any legal fees as allowed by California state law. The client also agrees to pay any other collection or court cost incurred as stated by California state law.

- No work of any kind will begin until contractor receives a signed contract or an agreement statement via email along with agreed upon deposit or specified payment plan.
- Contractor and client agree that this work contract is enforceable according to California state laws.
- Client's signature below indicates that it has been agreed to follow the above policies and procedures

CLIENT SIGNATURE

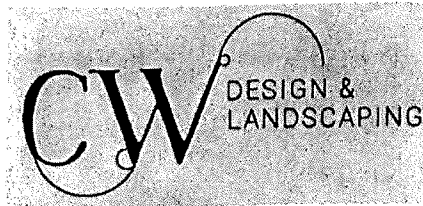
DATE

CLIENT NAME:

Sarem Residence  
4005 Skyline Road  
Carlsbad, Ca 92008

We appreciate your business, and we look forward to hearing from you!  
Call us at (858) 205-8083 or email [cw.designlandscaping@yahoo.com](mailto:cw.designlandscaping@yahoo.com) to schedule services.





October 26, 2022

**CW Design and Landscaping**  
**1567 Mission Meadows Drive**  
**Oceanside Ca 92057**  
**Phone number 858-205-8083**  
**Email address: Cw.designlandscaping@yahoo.com**  
**Contractor's Lic # 1000675**

RE: Jeff Piva  
Project: Sarem Residence  
4005 Skyline Road  
Carlsbad, CA 92008

**Vinyl Fence Budget**

**Vinyl Fence:** A total of 507' of 6' H vinyl fence will be installed in the perimeter of the property. The length and the height of the fence is per plans provided by Jeff Piva. Please note that the contractor is excluding the "VINYL FENCING AT PROPERTY LINE-DETAIL on sheet #8 from the construction plans drawn by Theodore Hannegan, Dated 1-3-2022. The contractor will install the fence per manufacturer recommendations. The fence will be a privacy style in Sandstone color from Ply-Gem products and it will follow the contour of the slope. All posts will be set 8"x20" deep concrete footing. The fence will be charged per linear foot at \$70, and the homeowner will only be billed for what is installed.

**Totals \$35,490\***

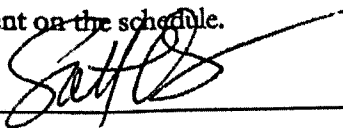
*It includes labor & Materials. Note if any section of the fence is installed on any hardscape surface such masonry walls or concrete, there will be an additional cost due that it will need a metal post.*

**Payments**

**Deposit \$10,647**  
**2<sup>nd</sup> payment when 150' of the fence is installed \$8,281**  
**3<sup>rd</sup> payment when 300' of the fence is installed \$8,281**



I accept the above-stated terms. The landscape work outlined above will be scheduled for the beginning or middle of October 1, 2022. A deposit of \$1,000 is required to secure placement on the schedule.

  
\_\_\_\_\_  
Homeowner's signature

10-27-22  
Date

  
\_\_\_\_\_  
Contractor's signature

10-28-22  
Date

**CW Design & Landscape-Work Contract (License#1000675)**  
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October 26, 2022

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**4. Work Site.**

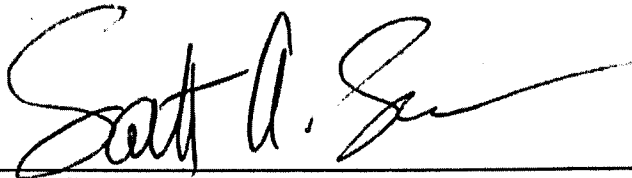
Client hereby authorizes contractor to commence and complete agreed upon scope of work as specified. All materials and in some instances, dumpsters will need to be delivered to work site.

**5. Subcontractors.**

Contractor may use subcontractors as needed and upon approval of client, any specific services would be discussed and included within the proposal.



- No work of any kind will begin until contractor receives a signed contract or an agreement statement via email along with agreed upon deposit or specified payment plan.
- Contractor and client agree that this work contract is enforceable according to California state laws.
- Client's signature below indicates that it has been agreed to follow the above policies and procedures.

  
CLIENT SIGNATURE

10-27-22  
DATE

CLIENT NAME:

Sareh Residence  
4005 Skyline Road  
Carlsbad, Ca 92008

We appreciate your business, and we look forward to hearing from you!  
Call us at (858) 205-8083 or email [cw.designlandscaping@yahoo.com](mailto:cw.designlandscaping@yahoo.com) to schedule services.



**From:** [Scott Sarem](#)  
**To:** [Gina Herrera](#)  
**Subject:** FW: Skyline Home Build Project  
**Date:** Wednesday, March 6, 2024 9:49:50 AM

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Ms. Herrera

Please put this in the city council package. It demonstrates the existing water issue with two feet of standing water based on his drainage system being inadequate. His solution is to pressure the city to fix his issue.

I worked with Mr. Edwards to implement his idea of a drainage system. After it was designed and discussed with the city, Mr. Edwards decided he did not want to grant an easement that would have been required to implement his suggested plan. We then went with the plan that was approved by the CDP and the grading permit.

Mr.. Edwards did not object to the plans at the CDP hearing on October 7, 2020. The grading permit was granted a year later and Mr. Edwards did not appeal it or object to it. Mr. Edwards routinely called the city during construction and never appealed any city decision. After I acted on my vested rights and relied on the permits and spent hundreds of thousands of dollars to implement the plans that were inspected by professional engineers, the city inspectors, and the city engineers, the Edwards decided to object to the plans. Their objection is not timely. They suffer from laches and unclean hands and should not be allowed to have equitable relief here because of his failure to timely raise his objections through the due process that was afforded to Edwards and every other neighbor throughout the CDP, Grading permit, the building process, and city final inspections. Plus, his neighbor who apparently suffered earlier flooding with the same pre-existing condition has never complained.

Now, the Edwards come to the city council and ask that a completed project that was executed under tremendous scrutiny and signed off of by licensed civil engineers and city inspectors and ask that the grading plans be changed. Not only is there no basis in fact or law to do this, it would erode confidence in the development process in the city of Carlsbad. Again laches and unclean hands preclude any equitable relief like an injunction in this case.

Finally, the final grading plans allowed for 14,100 square feet of impervious surface to keep the same conditions that existed before construction when coupled with a barrier to keep water from skyline from entering the property. We installed 11,700 square feet of impervious surface so the actual conditions are 17% better than when the original conditions.

Thank you

Scott Sarem  
760-607-2896

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**From:** Josh Edwards <josh.edwards@eurekacap.com>



**Date:** Friday, May 1, 2020 at 12:57 PM

**To:** Scott Sarem <scott@everydayenergy.us>

**Subject:** Skyline Home Build Project

Good Afternoon Scott-

I hope all is well with your family in light of this crazy pandemic. Thank you for sending out the personal letter to the Skyline/ Sunnyhill Neighbors in conjunction with your new home build construction project. It must be an exciting time. Congrats on purchasing the lot as it is a gem of a location in Olde Carlsbad.

We met briefly a few months ago while I was working in my yard to the west of you (4020 Sunnyhill). The purpose of my email is that I wanted to see if you and Kyra were around this weekend to meet.

One ongoing problem we've battled being on Sunnyhill is the storm runoff from the Skyline properties above us. Our adjacent neighbors have similar issues. Most recently, after that heavy storm system, our garage flooded because we had 2 feet of standing water in the flat area of our yard because our drainage system was overwhelmed and could not handle the volume of runoff – most of which was coming from the Coviellos next to you and your lot. Natalie, our elderly neighbor immediately to our south, also had flooding issues.

Compounding the challenge is that Skyline has a unique sub-ground aquifer that fills up after heavy rains and then drains onto the Sunnyhill properties. You'll see the residual effect on our street from the last storm wherein there is standing water still draining from our backyard and other Sunnyhill lots. The City of Carlsbad is intimately aware of the situation and has tested water samples to confirm its not coming from an irrigation system or broken plumbing.

Meanwhile, Skyline residents are not allowed to physically connect their drainage systems to the Sunnyhill lots below them (for good reason).

In addition to having your landscape contractor try to build a formidable draining system, my wife and I want to put pressure on the City of Carlsbad to construct a more permanent fix that could include a cement drainage conduit that we often seem with new planned communities. Not an insignificant undertaking, however, its in the best interest of all property owners up and down Sunnyhill and Skyline.

Pleased to talk further so we can build a broad consensus and support from all constituents.

Best,  
Josh Edwards

949-683-0657 (mobile)



**CAUTION:** Do not open attachments or click on links unless you recognize the sender and know the content is safe.





## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Mandy Mills, Housing & Homeless Services Director  
mandy.mills@carlsbadca.gov, 442-339-2907  
Mickey Williams, Chief of Police  
mickey.williams@carlsbadca.gov, 442-339-2130

**Subject:** Update on Affirmed Housing's Windsor Pointe Affordable Housing Project and Potential Actions to Address Concerns

**District:** 1

### Recommended Action

Receive an update on the city's efforts to address concerns about Affirmed Housing's Windsor Pointe Affordable Housing Project and direct designees to work with appropriate entities to resolve concerns.

### Executive Summary

Windsor Pointe is a 50-unit affordable housing project with half of the units offering a priority for lower-income military veterans and their families, including homeless veterans, and the other half serving people with severe mental illness who are experiencing homelessness. It has been in operation almost two years. Concerns have been raised about the project, principally regarding safety in the neighborhood. This report provides an overview of the project, community concerns and what has been accomplished to date to address those concerns.

Staff are also presenting some options to further address project-related concerns for the City Council's consideration. The City Council is being asked to provide direction on recommended actions and authorize the Mayor, the City Council Legislative Subcommittee, and the City Manager to affirmatively pursue and implement recommendations to address concerns related to Windsor Pointe.

### Explanation & Analysis

#### Background

In 2017 and 2020, the City Council approved a financing package for acquiring the land and constructing the Windsor Pointe affordable housing project. Exhibit 1 details the project's background and history.

The project, developed by Affirmed Housing, contains 50 units, including two manager units, located on two non-contiguous sites in the Barrio neighborhood, at 965 Oak Ave. and 3606



Harding St. Twenty-four of the units provide affordable housing for low-income households with a veteran and/or local affiliation preference. Another 24 units provide permanent supportive housing for homeless individuals with a severe mental illness diagnosis.

### **Understanding calls for service data**

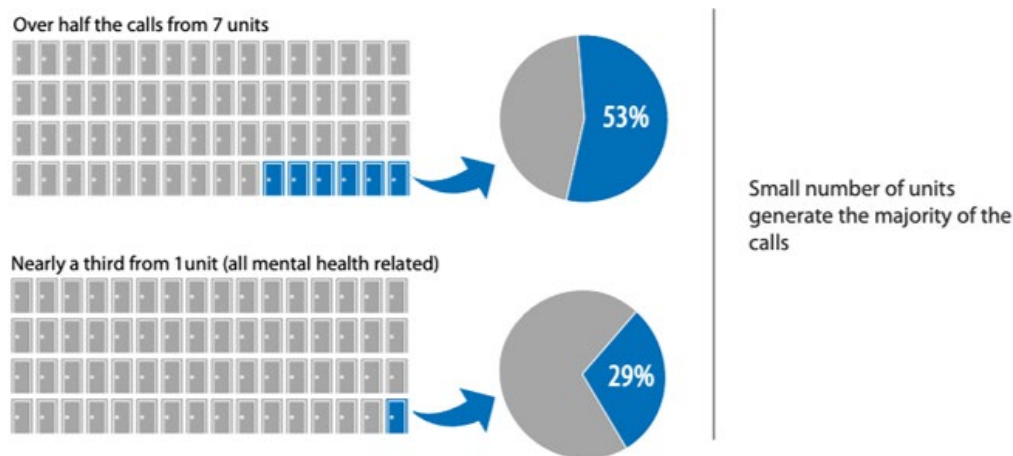
The Police Department has had a significant number of calls for service related to Windsor Pointe since its opening in spring 2022. City staff reviewed the department's calls for service related to Windsor Pointe since it opened and found:

- 14.5% of residents (seven of 48) account for over half the calls for service (53%, or 401).
- 44% of the calls for service related to individuals requesting mental health support or a welfare check. Of these, 3.6% required a referral to mandatory mental health evaluation, meaning most did not rise to that level of need.
- 2.5% of the calls for service resulted in arrests, and 42% of the people who were arrested (eight out of 19) were guests, not residents, of Windsor Pointe.
- 2.7% of calls related to domestic violence, including several involving the same units. Of the 21 calls, six resulted in an arrest.
- There have been four drug-related arrests.

There have been 762 calls for service total, which includes calls from Windsor Pointe residents, neighbors, proactive police patrols, follow-up visits and 911 hang-ups.



### **Calls for service**



### **Welfare**



A significant number of Police Department calls for service to the property have been related to the welfare of residents, rather than calls related to criminal activity. There are a few residents who regularly call 911 for assistance regarding their own mental state. Approximately 44% (335) of the calls for service to Windsor Pointe have been related to a mental health call or welfare check. Out of those 335 mental health related calls for service, only 12 (3.6%) resulted in a detention under California Welfare and Institutions Code Section 5150<sup>1</sup> for mental health evaluation and treatment. This indicates there is an opportunity to prevent many of these calls for service by diverting them to onsite services or other behavioral health resources.

The city has a memorandum of understanding with the County of San Diego's Mobile Crisis Response Team. This team offers support to people experiencing a behavioral health crisis as an alternative to a law enforcement response and the Police Department uses the team as appropriate under the terms of the memorandum. The team responded to about 4.5% (15) of the mental health related calls for service at Windsor Pointe. City staff will continue to request more onsite and remote behavioral health services from the County of San Diego to address the particular needs of Windsor Pointe's residents.

### **Domestic violence**

The Police Department has documented 21 domestic violence incidents at Windsor Pointe, with six resulting in an arrest. Many of these incidents involve repeat calls to the same residences.

### **Drugs**

There have been four drug-related arrests at Windsor Pointe since the opening of the project. There have also been two drug sales investigations at Windsor Pointe, resulting in two warrant-authorized searches of two units.

### **Residents and visitors**

About 42% of the suspects arrested (eight out of 19) at Windsor Pointe were guests, not residents. Residents are allowed to have guests in accordance with Windsor Pointe's guest policy and are responsible for their guests adhering to Windsor Pointe's rules. When a resident's guest violates a rule, the resident is counseled that violations could lead to eviction.

City staff recommend that Windsor Pointe record the names and associated residents for all visitors. City staff anticipate that enhanced visitor monitoring will prevent crimes committed by visitors and help the property management hold residents accountable when their visitors violate Windsor Pointe's rules.

### **Collaboration for targeted response**

City staff's review showed that most of the calls for service are related to seven residents at Windsor Pointe. Specifically, 401 of the calls, or 53%, related to 14.5% of the Windsor Pointe residents. City staff are using this data to help identify trends and potential solutions for targeted issues.

These calls are not always related to unlawful or disorderly conduct. They are often related to welfare checks and mental health issues. City staff believe these residents require a higher level

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<sup>1</sup> Under Welfare and Institutions Code Section 5150, a person may be involuntarily detained for psychiatric evaluation and treatment only if there is probable cause to believe that, as a result of a mental health disorder, the person is a danger to themselves or to others or is gravely disabled.



of service than they are being provided by the County of San Diego's contracted service providers.

In cases involving tenants with repeated violations within the apartment community or an egregious violation of the lease, Windsor Pointe's property manager, ConAm Management Corporation, or ConAm, has initiated eviction proceedings. One of the seven tenants mentioned above had been evicted and two more are in eviction proceedings.

### **Initial actions to address concerns**

City staff and community members have raised several concerns about the project. The Chief of Police and the Housing & Homeless Services Director provided written notice to Affirmed Housing of their concerns last September, requesting it make specific security enhancements to address them. (Exhibit 2).

City staff and Affirmed Housing have been actively working to address the concerns. City staff, Affirmed Housing; ConAm, the property's manager; and the county's Behavioral Health and Housing & Community Development departments have worked collaboratively to make the following changes to the project's operations:

- **Onsite security increased:** Onsite security has been increased from three onsite rounds per night to one guard who will remain onsite – splitting time between the two locations – 12 hours per night, creating a visible presence at both project sites.
- **Video surveillance increased:** Remote video surveillance has been increased from 12 hours Monday through Friday and 24 hours on weekends to 24 hours every day.
- **Onsite supportive services increased:** The County of San Diego has authorized an increase in onsite supportive services from 1.5 hours one day per week to four hours a day for five days per week.
- **Adequate client-based care:** The County of San Diego has referred specialized care to residents with higher needs.
- **Reducing the need for 911 response:**
  - Onsite staff are providing weekly reminders to residents about mental health crisis management services that can be accessed without calling 911.
  - Property management will follow a protocol to divert low-level issues, such as noise complaints and banned guests, to onsite personnel, reducing the need for the Police Department to be called to the property.
- **Lease violators held accountable:** The property owner and property management have taken appropriate actions within their legal rights to address residents who violate lease terms.
- **Active, ongoing collaboration:** The city has set up a series of regular meetings to actively monitor and address issues:
  - The Police Department meets weekly with property management staff to identify any recent issues that need to be addressed.
  - City staff meet monthly with service providers to identify concerns and help identify solutions.
  - The Police Department, Housing & Homeless Services, Affirmed Housing and property management meet monthly to check progress and identify next steps in addressing concerns.



- Property management and the Police Department are working to establish a line of communication between affected neighbors and onsite management.

### **Additional actions to consider**

Affirmed Housing, ConAm, the County of San Diego and its service providers have been responsive in making several immediate changes that will help address concerns. Staff have identified several additional actions that would allow Windsor Pointe to better serve the needs of its residents while being a good neighbor to the surrounding community.

#### **1. Further strengthen onsite security**

City staff believe additional onsite security is important to deter, identify and address unlawful onsite activity.

Recommended actions:

- A) Working with the City Council's Legislative Subcommittee, develop and implement a strategy to effectively advocate for the County of San Diego to release operating subsidy reserve funding for this project to cover the cost of additional onsite security at both locations.
- B) Urge the property managers to amend the guest policy to require visitors to sign in and sign out.
- C) Collaborate with the property manager to strengthen the protocol to divert low-level issues to onsite personnel.

#### **2. Ensure adequate client-based services are provided**

A critical component for persons to live successfully in permanent supportive housing is making the right level of client-based services available. When the County of San Diego committed funding from the No Place Like Home program<sup>2</sup> funding and companion supportive services for the residents with severe mental illness, the residents were expected to receive client-centered "wrap-around" services that comprehensively addressed their needs with a "do-whatever-it-takes" approach.

The County of San Diego contract for services for Windsor Pointe uses a tenant peer support services program to provide housing navigation and tenant support services. The increase of onsite services from one day per week to five days per week noted above is expected to help with the needs of many of the residents. However, the tenant peer support services level of service is not sufficient for some residents with more acute mental illness.

The issue is that there is a range of levels of service needed, depending on the severity of a person's mental illness. The county-contracted services initially offered to residents of Windsor Pointe provide a lower level of case management services and residents are only referred to more intensive services as they are determined necessary. The Windsor Pointe residents who need mental health services would be better served if they were started off with a higher level

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<sup>2</sup> California's No Place Like Home Program funds the development of permanent supportive housing for people who are in need of mental health services and are experiencing homelessness, chronic homelessness or who are at risk of chronic homelessness.



of service (either what is known as full-service partnership assertive community treatment or strength-based case management) with the option to be shifted to a lower level, if appropriate.

Starting with a lower level of service has proved to be inadequate for some residents and has been a reason for a significant amount of the mental health calls to police from Windsor Pointe.

Recommended actions:

- A) Develop and implement a plan within 45 days to urge the County of San Diego to allow new Windsor Pointe residents housed under the No Place Like Home funding to start with a higher level of service with the option to move to a lower level if appropriate, rather than starting with minimal services and adding as needed.
- B) Working with the city's Director of Intergovernmental Affairs and the city's contracted lobbyists, develop and implement a legislative advocacy strategy within 60 days to effectively lobby for supportive housing to be fully funded at the state and federal levels to provide adequate levels of service.

### **3. Pursue veteran and Carlsbad priority**

When the City Council approved funding for this project, it included a provision to provide a veteran preference and a local preference as allowed by law. For the No Place Like Home-funded units, the State of California stated that a local preference may only be approved after consultation with the state Housing and Community Development Department regarding lawful application consistent with federal and state fair housing laws and other applicable laws. Additionally, veterans have not been approved for No Place Like Home-units because veteran benefits often exceed the income limit allowed for these units or other factors.

Recommended actions:

- A) Examine participating in a regional fair housing legal analysis to determine if implementation of a local, or subregional (i.e. North County), priority would be consistent with federal and state fair housing laws and other applicable laws.
- B) Working with the city's Director of Intergovernmental Affairs and Legislative Subcommittee, advocate to the Regional Task Force on Homelessness and the region's Continuum of Care Board of Directors to make policy changes that could provide a subregional priority in the Coordinated Entry System referral process in certain situations, such as when cities provide a significant financial investment for a housing development.
- C) Working with the city's Director of Intergovernmental Affairs and Legislative Subcommittee, develop and implement a strategy for the state and federal governments to allow veteran benefits to exceed maximum income limits for permanent supportive housing units to remove barriers to ending veteran homelessness.

### **Fiscal Analysis**

There is no fiscal impact from receiving this report and no funding is being requested.



### **Next Steps**

City staff will pursue the implementation of the identified action items. The Police Department and Housing & Homeless Services will continue to track and monitor statistics and trends that affect Windsor Pointe and the surrounding neighborhood. City staff will continue to work closely with Windsor Pointe to identify solutions to address issues.

### **Environmental Evaluation**

This action does not require environmental review because it does not constitute a project within the meaning of the California Environmental Quality Act under Public Resources Code Section 21065 in that it has no potential to cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

### **Exhibits**

1. Windsor Pointe background
2. Letters to Affirmed Housing regarding security concerns
3. Community correspondence regarding Windsor Pointe



## **Windsor Pointe Project background and history**

### **Project history**

#### **2016 - Applications filed**

Affirmed Housing submitted applications for the construction of a 100% affordable housing project on two noncontiguous sites: 24 units at 965 Oak Ave. and 26 units at 3606 Harding St. The proposed units in both project sites were intended for very low and extremely low-income veterans and their families.

#### **Jan. 18, 2017 - Project approved by Planning Commission**

The Planning Commission unanimously approved the site development permit, approving Planning Commission Resolution Nos. 7222 and 7223. (There were no conditions that project require veterans only because this land use decision would not have changed based on the project's target population.)

#### **Feb. 14, 2017 - Housing Trust Fund funding approved**

The City Council approved by a vote of 3/1/1 (M. Packard – No; M. Schumacher – Absent) a commitment of \$4.25 million from the Housing Trust Fund to Affirmed Housing in City Council Resolution No. 2017-030 to assist with project financing to construct 50 affordable apartment homes for homeless and/or lower income military veterans and their families. The estimated total cost of the project at the time was \$21.4 million, with Affirmed Housing to seek additional funding from other sources.

#### **2017 – 2018 - Developer sought funding sources**

Affirmed Housing applied for various other funding sources for the project but was not successful due to the competitive nature of funding for affordable housing.

#### **August 2019 - No Place Like Home funding secured**

Affirmed Housing received a conditional commitment from the County Health and Human Services Agency of \$10.14 million in funding from the No Place Like Home program. This funding required that 24 of the project's units be set aside for residents experiencing severe mental illness. The program provides for mental health services to the No Place Like Home residents through services contracted by the County of San Diego.

#### **Jan. 28, 2020 - Additional city funding approved**

The Carlsbad City Council unanimously approved a request for an additional \$4.043 million in city funding, for a combined total financing package of \$8,293,392 in the form of a combination of land purchase/lease back and residual receipts loan, for the construction of 50 affordable apartment units via City Council Resolution No. 2020-032. Half of the units would offer a priority for lower income military veterans and their families, including homeless veterans, and the other half would serve people experiencing homelessness with severe mental illness.



## **April 21, 2020 – City Council presentation regarding Affirmed Housing’s Windsor Pointe Affordable Housing Project and the San Diego County No Place Like Home Program**

The Carlsbad City Council received informational presentations from Affirmed Housing on the company’s Windsor Pointe homeless and veterans affordable housing development and from the Corporation for Supportive Housing on the county’s No Place Like Home Program. A motion was made by Council Member Schumacher to place on a future agenda of the City Council the authorizing Resolution No. 2017-030 for the initial \$4.25 million dollars for discussion with action as necessary. The motion failed due to lack of a second.

### **Project financing**

The total development cost of the project was approximately \$28 million. Windsor Pointe was financed through a variety of sources. Over 46%, \$13,071,618 came from tax credit equity to the project. The City of Carlsbad, through a combination of Community Development Block Grant funds and Housing Trust Fund, contributed a total \$8,293,392. The City of Carlsbad purchased the land for the project and the balance of the financial assistance is in the form of a residual receipts loan secured by a note and deed of trust. The County of San Diego provided \$6,523,626 in No Place Like Home funds towards development costs and another \$6,523,626 in No Place Like Home funds toward cover operating subsidies over a twenty-year period. Operating subsidies are often necessary in permanent supportive housing because the rental revenue based on the income levels can be insufficient to cover operating costs.

### **Income and rent**

The project provides affordable housing to households at income levels between 25%-60% of median income levels. The affordable rent levels, including a utility allowance, are based on 30% of the respective income level.

### **Why these locations**

The sites were selected and purchased by Affirmed Housing based on land availability and zoning. The City of Carlsbad did not select the sites. Under California state law and the City of Carlsbad zoning ordinance, supportive housing that assists groups like veterans and disabled persons is a residential use, and not a business or commercial use. Such housing must be treated the same way as any housing under the city's land-use and zoning rules. Moreover, state and federal fair housing laws prohibit discrimination based on disability.

### **Who the project serves and how residents are selected**

To the extent consistent with applicable law, Affirmed Housing gives preference to veterans and Carlsbad residents and workers for the apartment units not assisted with No Place Like Home funding. The selection of tenants for 24 of the 48 units at Windsor Pointe prioritize eligible veterans and/or local affiliation. Carlsbad residents and veterans do receive priority order on the waiting list for these 24 units. This is a preference, and gives priority order for tenant selection, but there is no specific requirement that each occupant be a veteran and/or from Carlsbad. The property management company manages the waiting list and eligibility screening for these units.

The priority order for these units is:

1. Carlsbad veterans
2. Other veterans
3. Carlsbad residents
4. Other qualified households



Of these 24 units, half (12) were originally leased to veterans. There were 11 additional veterans who applied to the waitlist, but either canceled their application or were denied for various reasons.

Here is a summary of those initial tenant demographics:

- Veterans: 12 (three Carlsbad veterans and nine other veterans)
- Carlsbad Residents: six (the three Carlsbad veterans noted above plus three other Carlsbad residents)

The other half of the apartments are designated for No Place Like Home-eligible applicants. These are adults with serious mental illness, children with severe emotional disorders and their families and people who require or are at risk of requiring acute psychiatric inpatient care, residential treatment, or outpatient crisis intervention because of a mental disorder with symptoms of psychosis, suicidality or violence and who are homeless, chronically homeless, or at risk of chronic homelessness. Candidates awaiting permanent housing referrals through the regional Coordinate Entry System are identified by the Regional Task Force on Homelessness. The County of San Diego then verifies referrals meet the No Place Like Home guidelines through the County of San Diego's database for behavioral health services.

The city had expressed its desire to provide preference to local residents, to the extent consistent with applicable law. However, because the state has not determined this preference complies with fair housing laws, this preference is not currently being applied to the units covered by the No Place Like Home guidelines.

There is, nonetheless, a preference offered for veterans. Because there have been a number of resources provided for ending veteran homelessness, most veterans in San Diego county waiting for housing through the Coordinated Entry System are referred to units that require a veteran status. There have been a few referrals with a veteran status, but none have ended up living in the No Place Like Home units.

#### **How are residents screened for tenancy**

A criminal background check is conducted for all applicants by property management. To ensure compliance with housing laws, the property management company uses a third-party vendor to perform tenant background screening. Applicants with past convictions may still be eligible depending on the time and severity of their conviction and will be offered an individualized assessment of their background.

- No registered sex offenders. Sex-related felony convictions would trigger a denial in a criminal background finding. In compliance with fair housing laws, individuals with sex-related felony convictions within fifteen years would be allowed to file an appeal and receive an individualized assessment of their background to be considered. Lifetime registered sex offenders are not eligible for residency and will not receive an assessment.
- No one with a conviction of manufacturing or producing methamphetamines.
- Residents will be screened for any convictions of violent criminal history or drug-related crimes within the previous five years.



**What level of security is provided**

Windsor Pointe currently has a contract for one private security guard between the two locations onsite after business hours (6 p.m. to 6 a.m.). The properties have security camera systems with offsite monitoring 24 hours a day/seven days a week. During the weekdays, Windsor Pointe has onsite staff including trained health professionals and a property manager who work together to prevent loitering around the building, ensure the safety of residents and respond to community concerns. A property manager lives onsite at each property.

**What supportive services are provided**

Supportive services provided by County of San Diego Behavioral Health Services are contracted through Alpha Project to administer Tenant Peer Support Services. Tenant Peer Support Services serves No Place Like Home tenants and is onsite Monday to Friday from 11 a.m. to 3 p.m. The services provided by Tenant Peer Support Services are centered on housing supports for persons with behavioral health conditions who are connected to or will be connected to community services based on need. Ongoing care coordination is monitored in regularly scheduled “crosswalk” meetings which bring together developers, property management, service providers, and Behavioral Health Services staff to address problems as they arise with the aim to increase housing retention.

Affirmed Housing also contracts with Interfaith Community Services, or Interfaith, to provide case management services to all residents. Interfaith is onsite Monday to Friday from 8 a.m. to 4:30 p.m. Case management supports basic needs, physical and mental health, socialization needs, and employment. The case manager coordinates care by beginning with housing stability planning and maintenance. Strength-based supportive services provide ongoing interventions that focus on resolving problems through psycho-social rehabilitation and resource management.





September 5, 2023

VIA E-MAIL [heather@affirmedhousing.com](mailto:heather@affirmedhousing.com)  
AND U.S. FIRST CLASS MAIL

Heather Averick  
Director of Supportive Housing  
Affirmed Housing  
13520 Evening Creek Drive North, Ste. 160  
San Diego CA 92128

Dear Ms. Averick,

I am writing on behalf of the Carlsbad Police Department regarding the Windsor Pointe facilities located at 965 Oak Ave., and 3606/3618 Harding St., Carlsbad, California. This letter is intended to provide information regarding the ongoing criminal activity and safety concerns occurring at the Windsor Pointe facilities, along with a specific request for additional assistance and resources. The requested assistance and resources are intended to help prevent the facilities from continuing to be used for disorderly and unlawful purposes and to enhance the safety of residents, visitors, and the Carlsbad community.

Since the Windsor Point facilities opened in 2022, the Carlsbad Police Department has expended a significant amount of public resources responding to calls for service at Windsor Pointe facilities. These calls for service and associated investigations have been related to the actions of both residents and visitors of the facilities. To give you an idea of the frequency and severity of cases related to Windsor Pointe, I have provided a partial list of police activity related to Windsor Pointe facilities since January 1, 2023.

Windsor Pointe (965 Oak Avenue and 3606/3618 Harding Street, Carlsbad):

- **January 7;** Officers investigated a reported residential burglary by an unknown suspect. A resident reported that their apartment had been burglarized. CPD case 23-00142.
- **January 18;** Officers arrested a non-resident for attempted murder where a resident and a non-resident companion were attacked by the known suspect at the facility. CPD case 23-00367.



**Police Department**

**Police Administration** 2560 Orion Way | Carlsbad, CA 92010 | 760-931-2100 | [www.carlsbadca.gov](http://www.carlsbadca.gov)

March 12, 2024

Item #9

Page 12 of 25



- **January 23;** Officers investigated a reported violation of restraining order by the attempted murder suspect listed above, where the non-resident suspect was seen jumping the fence into the facility. CPD case 23-00481.
- **February 1;** Officers investigated a reported restraining order violation by the same attempted murder suspect listed above. CPD case 23-00692.
- **February 18;** Officers investigated a vandalism following an argument between residents. CPD case 23-01109.
- **February 24;** Officers investigated suspicious circumstances involving two persons in the parking lot of the facility. Officers arrested one subject for narcotics related offenses. Both subjects contacted during the investigation were not residents of the facility. CPD case 23-01241.
- **March 2;** Officers investigated a report of a restraining order violation involving a domestic dispute between residents. Ultimately officers served one resident with a restraining order. CPD case 23-01401.
- **March 12;** Officers investigated a report of child abuse at the facility. A non-resident of the facility reported he suspected a child was being abused at the facility by two facility residents. CPD case 23-01612.
- **April 18;** Officers investigated a theft from a residence where the suspect was believed to be a visitor. CPD case 23-02405.
- **May 9;** Officers arrested a resident for domestic violence involving another resident, that occurred at the facility. CPD case 23-02857.
- **May 14;** Officers arrested a resident for a battery causing serious bodily injury that occurred at the facility. The resident stated that God told him to commit the assault. The victim was not a resident and did not know the suspect. CPD case 23-02973.
- **July 13;** Officers arrested a non-resident after a resident called the police and reported that the non-resident, who had been invited into the facility, was heavily intoxicated and refused to leave. CPD case 23-04346.
- **July 17;** Officers arrested a non-resident, who had been invited into the facility, after receiving a report of that a child had been sexually abused at the facility. CPD case 23-04429.
- **July 20;** Officers investigated a report of a fight at the facility and ultimately arrested a non-resident for narcotics violations and an outstanding arrest warrant. CPD case 23-04514.
- **July 21;** Officers investigated a vandalism where a resident was recorded on security camera breaking a window with a rock. CPD case 23-04522.
- **July 28;** Officers investigated a domestic violence battery that occurred at the facility. CPD case 23-04689.



- **August 3;** Officers served a search warrant at a residence in furtherance of a drug sales investigation resulting in the arrest of a resident. CPD case 23-04826.
- **August 3;** Officers served a second search warrant at a different residence within the facility in furtherance of a drug sales investigation. CPD case 23-04827.
- **August 4;** Officers arrested a subject for two domestic violence incidents that had occurred at the facility involving cohabitating residents. CPD cases 23-04689 and 23-04851.

It should be noted that this is NOT a list of all police related calls for service at the respective facilities. In fact, there are many additional calls for service at the facilities. The above list of criminal investigations is only a snapshot of the police activity that has occurred since January 1, 2023.

#### **REQUEST FOR ASSISTANCE**

As a result of the significant disorderly and unlawful conduct which has occurred and is still ongoing at the Windsor Pointe facilities, I respectfully request the following security measures at both the Oak Avenue and Harding Street facilities to prevent unlawful entry and promote a safe, crime-free, and drug-free living environment.

1. Uniformed security, on-site at both locations, 24-hours a day, 7-days a week.
2. Policy change requiring all visitors to check-in and check-out of the facility, to include recording identification and vehicle information of visitors. (Uniformed security could be used to maintain the visitor log information.)
3. Maintain operational surveillance cameras covering all exterior locations of the facilities and parking areas.
4. Provide law enforcement 24/7 access to surveillance camera recordings through on-site personnel trained to access and review the surveillance recordings. (Uniformed security could be used for this function.)
5. Proactively engage the Police Department in a Neighborhood Watch Program.


These security enhancements are intended to improve the safety for Windsor Pointe residents, visitors, surrounding community members, and officers who respond to the facilities for calls for service. Additionally, these recommended security improvements will enhance police responses to the facilities because on-site security personnel will be able to help responding officers access the facility.



Heather Averick  
Director of Supporting Housing  
Affirmed Housing  
Page 4

I would appreciate a written response to this letter within two weeks and would be happy to engage in conversation regarding implementation of these security enhancements.

Sincerely,

  
Mickey Williams  
City of Carlsbad  
Chief of Police

cc: Mandy Mills, Director  
Housing & Homeless Service



Sept. 6, 2023

Heather Averick, Director of Supportive Housing  
Affirmed Housing  
13520 Evening Creek Dr N, Suite 160  
San Diego, CA 92128  
[heather@affirmedhousing.com](mailto:heather@affirmedhousing.com)

Dear Ms. Averick,

As we have discussed in the past, the City of Carlsbad is concerned about criminal activity and safety issues at Windsor Pointe. The Carlsbad Police Department sent a letter on Sept. 5, 2023, with similar concerns, along with a specific request for additional assistance and resources to enhance safety for residents, visitors, and the Carlsbad community. I hope the crime-related information provided by the Police Department was helpful in better understanding the scope of some of the issues. Since some of the Police activity may be at night, property management may be unaware of the magnitude of problems at the properties. We are working on obtaining ongoing information from the Police Department regarding the criminal activity at the properties so that we can better understand if there are patterns with particular residents and/or their guests.

We'd like to work with you, and any partners you'd like included, to identify and develop some changes with property maintenance and operations to address the concerns. The City of Carlsbad offers third party review and consultation by Iain De Jong of OrgCode Consulting who has international expertise in supportive housing if that would be helpful. Here are some initial staff recommendations:

1. Provide on-site security at both locations, 7-days a week. At the most recent monthly coordination meeting it was mentioned that the project will be discontinuing on-site security and moving toward courtesy patrol. Given the level of criminal activity in recent months with on-site security, it does not make sense to lower the amount of security. We continue to press for **more** on-site security.
2. Create a visitor's policy that requires check in/out, tenant escort while in building, and prohibits non-compliant guests and visitors who present a risk to the safety and well-being of residents and staff from entering the building at any time. There are examples of best practices of visitors' policies for permanent supportive housing available. Since the project first opened, some of the serious criminal activity was committed by visitors. A strong policy should be in place to either deter some of the activity, or at least have record of who was on site.



3. Put measures in place to ensure staff is on site 24 hours a day and are accessible to provide assistance in after-hours emergencies.
4. Work with the Regional Task Force on Homelessness (RTFH) and the County of San Diego to discuss concerns about how people in the Coordinated Entry System (CES) are verified with regards to their diagnosis of a serious mental illness. Currently all referrals are coming from CES with the Cerner database as the verification of mental illness, but it is our understanding that people are not required to be a client or have a history of interactions with the County Behavioral Health Department or a recipient of mental health or other services in order to qualify for a No Place Like Home (NPLH) assisted unit.
5. Ensure all service providers maintain fidelity to the core principles of the housing first intervention including providing individualized service plans that match the needs of each person, a recovery-oriented service philosophy, and a focus on social and community integration. Additionally, ensure that all staff have been trained in providing an evidence-based case management model such as Recovery-Oriented Intensive Case Management, Critical Time Intervention, or Assertive Community Treatment.
6. Meet with Carlsbad Police at least quarterly to discuss concerns.

These recommendations are intended to improve the safety for Windsor Pointe residents, visitors, surrounding community members, and police officers who respond to the facilities for calls for service. We aim for this to be a collaborative, solution-oriented conversation. Our goal is for Windsor Pointe to be a positive example of supportive housing for residents and the community so that more communities will embrace projects in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mandy Mills", with a stylized, flowing script.

Mandy Mills, Director

cc: Casey Gale, CONAM Management Corporation



**From:** [jhawks2@sbcglobal.net](mailto:jhawks2@sbcglobal.net)  
**To:** [Council Internet Email](#)  
**Subject:** Windsor Pointe  
**Date:** Tuesday, March 5, 2024 9:29:31 AM

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My name is Armen Kurdian, and I am a resident of Vista.

Look at organizations like Solutions for Change, which have a 9% recidivism rate 1 year after graduation. Look at the organization Refuge for Women which had tremendous success in rehabilitating women who had been trafficked or victims of sexual violence or abuse, which had to close down because of a lack of funding. Look at other organizations that don't receive federal or state funding because they don't follow the 'Housing First' rules, yet have tremendous success compared to federal/state programs which are for the most part, nothing but churn.

I have seen repeatedly how these publicly funded halfway houses measure all the meals they've provided, nights people have stayed, classes provided, but cannot show at the end of the day what they actually accomplished.

Homeowners and tenants living in our neighborhoods have every right to a safe and quite neighborhood. We as taxpayers have every right to know that our tax dollars, especially in a state which has made everything atrociously expensive are being used and spent wisely. Neither of those things are happening around WP. And if developers have their way, it will happen in more and more locales.

Demand accountability, demand demonstrated performance, and make the state, county, and federal government tell you 'no' when funding high barrier shelters, dare them to take money away from things that work.

- - Thanx, Armen
- “Underlying most arguments against the free market is a lack of belief in freedom itself.”  
— **Milton Friedman**

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**From:** [Stacey Baker](#)  
**To:** [Council Internet Email](#)  
**Subject:** End the insanity  
**Date:** Tuesday, March 5, 2024 10:46:32 AM

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I strongly oppose turning Carlsbad into a homeless, mentally ill crime ridden town. As a 47 year resident of Carlsbad this is not what we want. The growth and development that is already robbing this city clean of every green space does not need to be made worse with more crime and destruction. The residents deserve better and for our City and Village to be preserved and protected.

I do not comply with these attempts to house and manage this homeless issue in Carlsbad Village. Keep Carlsbad the quaint and SAFE town we all love. No more homeless, costly, dangerous housing projects in Carlsbad!!! Let's learn from the Windsor project. Enough is enough.

Thank you,

Stacey Baker

Sent from my iPhone, which means this message will most likely contain typos!

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**From:** [Paula Yokoyama](#)  
**To:** [Council Internet Email](#)  
**Subject:** The Pointe  
**Date:** Tuesday, March 5, 2024 10:55:25 AM

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Please close this failed program. Far too many harmful incidents have occurred here. It is not safe or therapeutic. It must be closed asap. Paula Yokoyama, 7941 Grado El Tupelo, Carlsbad 92009.

--

**Paula Yokoyama**

Parliamentarian, Chairman Achievement Awards, Carlsbad Republican Women Federated

[pj.yokoyama@gmail.com](mailto:pj.yokoyama@gmail.com)

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Create your WiseStamp **email signature**



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**From:** [Denis Jensen](#)  
**To:** [Supervisor Terra Lawson-Remer](#)  
**Cc:** [Keith Blackburn](#); [Council Internet Email](#); [Teri Jacobs](#); [Lara Benusis](#); [Lauren Ladda](#); [Sarah Alegre](#); [Steve Puterski](#); [philip.diehl@utsandiego.com](#); [Larry Posner](#); [mhall4046@gmail.com](#); [marbon812@gmail.com](#)  
**Subject:** Windsor Pointe Homeless Facility: City & County Coordination  
**Date:** Tuesday, March 5, 2024 11:07:28 AM

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Ms. Lawson-Remer,

Thanks again for meeting with us yesterday about the horrible experience our families have had with the Windsor Pointe homeless facility in Carlsbad. I've been thinking about our discussion and I met with neighbors and community leaders this morning. We really appreciate you looking into the County-owned facets of the Windsor Pointe problem but everyone is looking for County Supervision leadership as a whole. As a neighbor said, after 762 first responder calls in two years, the City and County comprehensively got us into this mess, they can comprehensively get us out of it.

So, I'm connecting you here with Mayor Blackburn for coordinating both a No Place Like Home and NON-No Place Like Home solution to comprehensively close or move Windsor Pointe. It's our contention that it's not just the Seriously Mentally Ill tenants that are problematic for our community. It's not the shut-in woman Ms. Burkholder described as being afraid of her apartment walls closing in that's responsible for the methamphetamine drug dealing, attempted murders, child sex abuse, resident drug busts on our streets, the registered sex offenders cruising our blocks, etc. (the list of resident crimes is long, as you know). Our kids deserve better. Again, we're all for good solutions for remedying the homeless problem, but putting a such a challenged population next to families, an elementary school, two preschools and fields where Carlsbad's kids practice soccer, baseball, softball and football is not a good solution.

As such, any additional facility revisions or promises for Windsor Pointe improvement beyond closing or moving it are unacceptable. Our trust for municipal facility oversight has been broken. The community is aligned on this and we've an army of neighbors, parents and soccer moms all eagerly awaiting action. Please show us that your leadership can get results and that you are Carlsbad's right choice for the next election. We know that there are other similar supportive housing projects in the works and I'm sure you don't want us to have to speak about what a terrible experience we've had living next to one and now remedying this one.

Thanks in advance for your help and leadership on this. I'm cc'ing relevant interested parties.

Sincerely,  
Denis Jensen  
Carlsbad Voter

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**From:** [julie sleight](#)  
**To:** [Council Internet Email](#)  
**Subject:** No Place Like Home project and high cost to Carlsbad taxpayers and Carlsbad PD  
**Date:** Tuesday, March 5, 2024 12:12:10 PM

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Good afternoon Council Members,

We are writing to you as Carlsbad residents for over 14 years in regards to the "No Place Like Home" program in Carlsbad Village. While we believe the initial intention of Windsor Pointe was to house /assist Carlsbad Veterans in hopes of getting them on their feet and to be productive in our community. However, this project has failed both those we were trying to help and our community as a whole. There are severely mentally ill seniors and Veterans living here that have brought crime, drug use, fire, and death to the heart of our Carlsbad. This is not only a poor use of taxpayer money, but it is also a nuisance and safety hazard to Carlsbad community residents and those visiting our town. Carlsbad downtown had a revival in recent years and has great places to shop, eat, go to the beach etc. It felt safe and like a lovely community. Windsor Pointe has brought in everything you don't want in a town. It has made the area dirtier, unsafe and is over utilizing our community resource including the police and fire department who have been called to this building more than 750 times!!! Please step up and reassess; it seems that mental health services may be a better solution. In addition, these types of housing are not the answer for our Carlsbad. Thank you for rectifying and thank you for serving on the council and helping make and keep our Carlsbad a beautiful, safe, and charming community!

Warmly,  
Julie and Ryan Sleight  
Carlsbad, CA  
619-884-9834



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**From:** [Chris Megison](#)  
**To:** [Council Internet Email](#)  
**Subject:** Protect and Preserve Carlsbad - Reject Housing First  
**Date:** Tuesday, March 5, 2024 1:18:25 PM  
**Attachments:** [Outlook-kqzdg1y.png](#)  
[Outlook-munzh30x.png](#)  
[Outlook-nn344fmd.png](#)  
[Outlook-tjq3pse.png](#)

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Dear City Councilmembers: I want to thank the Mayor and Councilmembers for your increased scrutiny regarding Winsor Pointe and the update that you will receive at the March 12 city council meeting. As a 32-year subject matter expert on homelessness and someone who has developed, funded and led dozens of initiatives that have helped thousands here in northern San Diego overcome homelessness I implore you to reconsider your support of Housing First.

The reason why Windsor Pointe is a disaster is because of the misguided policy called Housing First, which was instituted in 2013, and became public law through SB1380 in 2016. The promise was that it would end homelessness in 10 years. But as you all can see today here in Carlsbad; homelessness is at the highest number ever recorded. But it's not just the numbers, it is the suffering within those numbers that is the real disaster. The homeless today experience eight times more death, quadruple the number of overdoses and if you're a homeless woman you are six times more likely to be sexually assaulted. Also, something that we see at Solutions for Change that is underreported are the terrible impacts on children. Child trafficking especially. Also not talked about is the huge increase in child welfare services (CWS) interventions.

Housing First is a disaster. Like the tenement housing experiment instituted in the 60/70's, I believe it will go down in history as one of the worst public policy failures ever.

Your options are clear. Keep supporting and allowing homeless supportive housing under the Housing First law and thus reap the death and suffering it brings to your city or stand up and reject Housing First and thus preserve the health and vitality of this great city.

Sincerely in Service,



**Chris Megison**

President / CEO

**Phone:** 760-941-6545 x 303

**Mobile:** 760-497-0041

[www.solutionsforchange.org](http://www.solutionsforchange.org)



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**From:** [Mary Bernard](#)  
**To:** [Council Internet Email](#)  
**Subject:** Windsor Pointe  
**Date:** Tuesday, March 5, 2024 3:11:21 PM

---

Shut down the Windsor Pointe project now!

The Windsor Pointe project has become a serious problem for Carlsbad. THIS PROJECT SHOULD HAVE NEVER BEEN APPROVED in the first place. It was APPROVED BEFORE THE APPROPRIATE FUNDING WAS OBTAINED!

Not only have the police spent countless hours dealing with issues caused by the buildings residence, but the proximity to Pine Community Center /Park and Senior Center poses a threat to our most vulnerable citizens. Our tax money is being wasted and quality of life negatively affected. Shut this project down.

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**From:** [Council Internet Email](#)  
**To:** [Mandy Mills](#)  
**Subject:** FW: Windsor Pointe Project  
**Date:** Wednesday, March 6, 2024 7:52:43 AM

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-----Original Message-----

From: Dave Zulick <davezulick@gmail.com>  
Sent: Tuesday, March 5, 2024 5:25 PM  
To: Council Internet Email <council@carlsbadca.gov>  
Subject: Windsor Pointe Project

This project and the likes of all of the newly proposed high density, low income projects near the beach, in the village, are absolutely absurd. They do not apply common sense. The toll on citizens quality of life, the toll on police and toll on the fire department is unacceptable. The crime that comes with these projects, the impending trolley line, will forever change our fine community in the way none of us wants. We vote with our wallets and our hearts. Please do your best to keep these types of projects out of Carlsbad. Thank you, Dave Zulick.

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## CITY COUNCIL Staff Report

**Meeting Date:** March 12, 2024

**To:** Mayor and City Council

**From:** Scott Chadwick, City Manager

**Staff Contact:** Tom Frank, Transportation Director/City Engineer  
tom.frank@carlsbadca.gov, 442-339-2766

**Subject:** Continuation of Proclamation of a Storm-Related Local Emergency for Repair of the Slope Between El Camino Real and Trieste Drive, Approval of Plans and Authorization of Additional Appropriations for this Emergency

**District:** 1

### Recommended Action

Adopt a resolution continuing the proclamation of a storm-related local emergency for repair of the slope between El Camino Real and Trieste Drive, approving the plans and authorizing additional appropriations in the amount of \$955,000 for the Trieste Drive Slope Repair, Capital Improvement Program Project No. 6107.

### Executive Summary

The atmospheric river in early February 2024 and the winter storm in January 2024, resulted in unexpected slope movement in an area between El Camino Real and Trieste Drive, with potential to affect nearby property, infrastructure, and the environment. Emergency repair of the slope area behind four homes on Trieste Drive is necessary to ameliorate the risk. Exhibit 4 shows the area requiring emergency slope repair.

The City Manager, in his role as Director of Emergency Services, proclaimed a local emergency on Feb. 14, 2024, as shown in Exhibit 2, to expedite the slope repair. On Feb. 15, 2024, the City Council ratified the emergency proclamation so that the repair can continue to be exempted from the city's normal bidding procedures and the necessary repairs can be completed as swiftly as possible. On Feb. 27, 2024, the City Council continued the emergency proclamation. Staff are requesting that the City Council continue the emergency proclamation again to complete the work.

Construction projects that cost less than \$200,000 can be awarded by the City Manager using informal bidding procedures under Carlsbad Municipal Code, or CMC, Section 3.28.080 – Construction Projects, subsections (B) and (H), which implement California Public Contract Code Section 22032.

This project will cost approximately \$3 million. Public Contract Code Sections 22035 and 22050 and CMC Sections 3.28.110(A) and 3.28.120 provide for an exemption from formal bidding



procedures for emergency construction procurements. The emergency proclamation allows the city to use the exemption. However, California Public Contract Code Section 22050(c)(1) requires the City Council to review the emergency action at every subsequent City Council meeting to determine, by a four-fifths vote, whether there is a need to continue the emergency action.

Staff recommend that the City Council continue the proclamation of the storm-related local emergency to allow for the swift repair of the slope, and approve the plans in Exhibit 3 and authorize additional appropriations in the amount of \$955,000 by approving the resolution provided as Exhibit 1.

### **Explanation & Analysis**

The slope area between El Camino Real and Trieste Drive, generally behind the backyards of four residential properties that front onto Trieste Drive (4215-4245 Trieste Drive), has experienced soil movement. The city has a Capital Improvement Program project (Project No. 6107) to repair the slope. The project was in the 50% design and environmental review stage. However, the recent severe storm events have created additional fissures in the soil that need to be repaired quickly.

The City Engineer recommended expedited, or emergency, stabilization of the slope while the larger slope repair project proceeds through the design and environmental review and permitting process. The emergency proclamation allows the city to procure a contractor to perform the necessary emergency work to prevent or mitigate loss of, or damage to, property, essential public services and the environment.

Staff and Urban Corps completed emergency protective measures at a cost of \$5,774, which included debris removal and placement of tarps and stakes in the right-of-way.

Upon proclamation of the emergency, Engineering Systems Inc., the city's geotechnical engineering consultant, met with contractors to check on their availability and capabilities to perform the emergency work. Condon-Johnson & Associates, Inc. provided a cost estimate of \$871,000 for the emergency work.

The emergency work was initially intended to address the unexpected slope movement that occurred as a result of the recent atmospheric rivers and storms, not to perform the original scope of work of the Capital Improvement Program project. However, due to recent further slope movement, the city's geotechnical engineering consultant has recommended performing the additional final repairs at the same time as the emergency work.

The contractor Condon-Johnson's estimate increased to \$2,087,090 for the total cost, which includes the initial estimate of \$870,990 for installation of 26 emergency shore stability pins, which stabilize the slope, and \$1,216,100 for installation of an additional row of 28 shore stability pins and other more permanent repairs such as grading and re-compaction of the slope within the repair area, as shown in the plans in Exhibit 3.

On March 6, 2024, staff issued a notice to proceed to the contractor to perform the emergency work.

The emergency work is expected to start on March 12, 2024, and is expected to be completed by May 17, 2024.



### Fiscal Analysis

Funding for the estimate of up to \$2,023,626 for the emergency work will come from the funding in the General Capital Construction Fund for Capital Improvement Program Project No. 6107. Since the total emergency work will now include placement of an additional row of shore stability pins and slope grading and re-compaction, additional funds in the amount of \$955,000 will need to be appropriated to Capital Improvement Program Project No. 6107 to cover the rest of the needed funding.

Due to an increase in the emergency scope of work, staff have also increased the additional design, administrative, construction management, inspection and environmental monitoring costs that are anticipated.

<b>Trieste Drive Slope Repair Project Capital Improvement Program Project No. 6107</b>	
Total appropriated funds to date	\$2,362,600
Total expenditures and encumbrances to date	-\$338,974
<b>Total available funding</b>	<b>\$2,023,626</b>
Emergency work (slope repair) – Condon-Johnson	-\$2,087,090
Design and administrative costs (approximately 5%)	-\$104,400
Construction management and inspection (estimated)	-\$208,700
Environmental monitoring (estimated)	-\$50,000
Construction contingency (25%)	-\$521,800
<b>Total estimated emergency CIP project costs</b>	<b>-\$2,971,990</b>
Emergency protective measures – Urban Corps	-\$905
Staff labor and materials costs	-\$4,869
<b>Total estimated emergency protective measures costs</b>	<b>-\$5,774</b>
<b>Total estimated project costs</b>	<b>-\$2,977,764</b>
<b>Additional appropriation needed</b>	<b>\$954,138</b>
<b>Additional appropriation needed (rounded)</b>	<b>\$955,000</b>

This emergency work could qualify for outside funding. The City Manager sent a letter to the California Governor's Office of Emergency Services on Feb. 22, 2024, requesting any and all state and federal resources including, but not limited to, state assistance through the California Disaster Assistance Act. The state replied and subsequently requested supplemental information on the city's budget and how recent storms impacted it. On Feb. 26, 2024, staff provided the requested supplemental information and the initial damage estimate of \$1,293,774, which has now increased to almost \$3 million.



### **Recommendation**

Staff recommend that the City Council continue the emergency proclamation to complete the emergency work at the slope near El Camino Real and Trieste Drive as swiftly as possible to prevent damage to nearby infrastructure and property, approve the plans and authorize additional appropriations of \$955,000 for the project.

### **Next Steps**

The contractor has started performing the emergency work with an estimated completion date of May 17, 2024. Staff have begun preparing the emergency contract, which will be presented for ratification to the City Council at a future date.

Staff will return to the City Council again on March 19, 2024, to review the emergency action and ask the City Council to determine by a four-fifths vote whether there is a need to continue it.

### **Environmental Evaluation**

The project was determined to be exempt from the California Environmental Quality Act, or CEQA, under Section 15301(d) and (f) of the CEQA Guidelines, which applies to projects for restoration or rehabilitation of deteriorated or damaged structures, and the addition of safety or health protection devices. None of the exceptions to the exemption applied to the project and a Notice of Exemption was filed on Jan. 25, 2023.

### **Exhibits**

1. City Council resolution
2. Proclamation of a Storm-related Local Emergency dated Feb. 14, 2024
3. Plans for Trieste Slope Stability Repair Project
4. Location map



**RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, CONTINUING THE PROCLAMATION OF A STORM-RELATED LOCAL EMERGENCY FOR REPAIR OF THE SLOPE BETWEEN EL CAMINO REAL AND TRIESTE DRIVE, APPROVING THE PLANS AND AUTHORIZING ADDITIONAL APPROPRIATIONS IN THE AMOUNT OF \$955,000 FOR THE TRIESTE DRIVE SLOPE REPAIR, CAPITAL IMPROVEMENT PROGRAM PROJECT NO. 6107

WHEREAS, on Feb. 4, 2024, the Governor of the State of California found that conditions of extreme peril exist in San Diego County and other counties due to the early February 2024 storms caused by the atmospheric river and proclaimed a state of emergency to make additional resources available to local governments, formalize emergency actions, and help the state prepare for the impact of the storms; and

WHEREAS, the City Council empowers the City Manager, as Director of Emergency Services, to proclaim the existence of a local emergency when the city is affected by a public calamity and the City Council is not in session; and

WHEREAS, conditions or threatened conditions of extreme peril to the safety of persons and property have arisen within the City of Carlsbad caused by an unexpected slope movement with potential to affect nearby property, infrastructure and the environment; and

WHEREAS, on Feb. 14, 2024, the City Manager/Director of Emergency Services proclaimed a storm-related local emergency for repair of the slope between El Camino Real and Trieste Drive, generally behind the backyards of four residential properties that front onto Trieste Drive (4215 - 4245 Trieste Drive); and

WHEREAS, Carlsbad Municipal Code, or CMC, Section 3.28.110(A) implements Public Contract Code Section 22035 and provides an exemption from formal bidding procedures for emergency construction procurements, and to use the emergency exemption, CMC Section 3.28.120 and Public Contract Code Section 22050 require a proclamation of a local public emergency by a four-fifths vote of the City Council, or by the City Manager subject to ratification by a four-fifths vote of the City Council at the next City Council meeting; and

WHEREAS, on Feb. 15, 2024, the City Council ratified the proclamation of a local emergency as the emergency proclamation and emergency exemption are appropriate in this instance because the emergency work appears to be caused by unexpected slope movement, which could pose a threat to the public, property, infrastructure and the environment; and



WHEREAS, on Feb. 27, 2024, the City Council continued the emergency proclamation; and

WHEREAS, the city contracted with Engineering Systems, Inc., or ESI, an engineering firm with geotechnical expertise, to inspect, assess and analyze the slope between El Camino Real and Trieste Drive, and ESI advised the city that further repair work would need to be completed in addition to the initial proposed emergency work due to recent continued slope movement; and

WHEREAS, ESI developed base plans and geological cross sections, for the proposed repair work that are on file with the City Clerk; and

WHEREAS, city engineering staff reviewed the analysis and plans developed by ESI and determined that the proposed work met the city's engineering codes, standards, and policies, and that the proposed repair work would ameliorate the risk and prevent damage to nearby infrastructure and property; and

WHEREAS, the total cost of the emergency work has increased to \$2,977,764, which now requires additional appropriations in the amount of \$955,000; and

WHEREAS, a contractor is expected to commence the emergency work on March 12, 2024, and is expected to complete the work by May 17, 2024; and

WHEREAS, staff request the City Council continue the emergency proclamation again to enable completion of the work and authorize additional appropriations in the amount of \$955,000 for the Trieste Drive Slope Repair, Capital Improvement Program Project No. 6107; and

WHEREAS, Public Contract Code Section 22050(c)(1) requires the City Council to review the emergency action at every subsequent City Council meeting to determine, by a four-fifths vote, whether this is a need to continue the emergency action; and

WHEREAS, the project was determined to be exempt from the California Environmental Quality Act, or CEQA, under Section 15301(d) and (f) of the CEQA Guidelines, which applies to projects for restoration or rehabilitation of deteriorated or damaged structures, and the addition of safety or health protection devices; and

WHEREAS, none of the exceptions to the CEQA exemption applied to the project and a Notice of Exemption was filed on Jan. 25, 2023.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.



2. That the Proclamation of a Storm-related Local Emergency for repair of the slope near El Camino Real and Trieste Drive is continued.
3. That the plans for the Trieste Drive Slope Repair, Capital Improvement Program Project No. 6107, are approved and on file at the City Clerk's Office.
4. That the City Manager or designee is authorized to appropriate an additional \$955,000 to the Trieste Drive Slope Repair, Capital Improvement Program Project No. 6107.

PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council of the City of Carlsbad on the \_\_ day of \_\_\_\_\_, 2024, by the following vote, to wit:

AYES:

NAYS:

ABSTAIN:

ABSENT:

---

KEITH BLACKBURN, Mayor

---

SHERRY FREISINGER, City Clerk  
(SEAL)





# Proclamation of Local Emergency

City Hall  
1200 Carlsbad Village Drive  
Carlsbad, CA 92008

## FOR STORM-RELATED EMERGENCY PROTECTION ACTIVITIES TO REPAIR A SLOPE BETWEEN EL CAMINO REAL AND TRIESTE DRIVE

WHEREAS, on February 4, 2024, the Governor of the State of California found that conditions of extreme peril exist in San Diego County and other counties due to the early February 2024 storms caused by a powerful, slow-moving atmospheric river and proclaimed a state of emergency to make additional resources available to local governments, formalize emergency actions and help the state prepare for the impact of the storms; and

WHEREAS, California Government Code Section 8630 allows the City Council or an official designated by ordinance adopted by the City Council, to proclaim a local emergency; and

WHEREAS, the City of Carlsbad's Emergency Services Ordinance, including Carlsbad Municipal Code Section 6.04.100(A)(1), empowers the City Manager, as the City of Carlsbad's Director of Emergency Services, to proclaim the existence of a local emergency, subject to ratification by the City Council, when there exists, or there is threatened to exist, conditions of extreme peril to the safety of persons and property within the City of Carlsbad; and

WHEREAS, in the case of an emergency, California Public Contract Code Section 22050 allows the City Council, or a person delegated the authority by the City Council, to repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services and supplies for those purposes without giving notice for bids to let contract; and

WHEREAS, the repair project was determined to be exempt from the California Environmental Quality Act, or CEQA, under Section 15301 (d) and (f) of the CEQA Guidelines, which applies to projects for restoration or rehabilitation of deteriorated or damaged structures and the addition of safety or health protection devices; and

WHEREAS, none of the exceptions to the CEQA exemption applied to the project and a Notice of Exemption was filed on Jan. 25, 2023; and

WHEREAS, the Director of Emergency Services finds:

1. The National Weather Service issued multiple winter storm warnings, high wind warnings, wind advisories, and flood and flash flood watches throughout the State of California in anticipation of a powerful, slow-moving, atmospheric river in early February.
2. Conditions of extreme peril to the safety of persons and property have arisen within the City of Carlsbad caused by the powerful, slow-moving atmospheric river in early February, requiring immediate action to prevent or mitigate the loss or impairment of life, health, and property.



Local Emergency – REPAIR OF THE SLOPE BETWEEN EL CAMINO REAL AND TRIESTE DRIVE  
Page 2

3. Prior to the early February 2024 storms, powerful winter storms that occurred less than a month ago had amplified the impact of local flooding due to the record-breaking amount of rainfall including a severe rainstorm which began on January 22, 2024 ("January Storm"), in all dropping 2 to 3 inches of rain in a three-hour period, a total that exceeds that of an average wet month and rivals the rainfall needed to spur a 100-year flood event.

4. On Jan. 22, 2024, the County of San Diego proclaimed an emergency due to the January Storm, which the county characterized as a thousand-year storm, and which caused drastic flooding and flash flooding in the county.

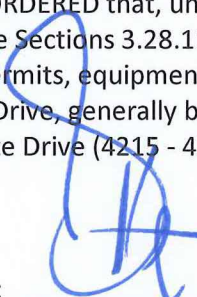
5. The conditions of the early February 2024 storms, in addition to the impacts of the January Storm, created an emergency condition on a slope that is located between El Camino Real and Trieste Drive, generally behind the backyards of four residential properties that front onto Trieste Drive (4215 - 4245 Trieste Drive) causing rapid slope movement and additional fissures in the soil that warrant immediate emergency repair.

6. That the City Council of the City of Carlsbad was not in session and could not be immediately called into session.

NOW, THEREFORE, IT IS PROCLAIMED that, subject to review and ratification by the City Council at its next meeting, a local emergency now exists in the City of Carlsbad, California, on a slope between El Camino Real and Trieste Drive, generally behind the backyards of four residential properties that front onto Trieste Drive (4215 - 4245 Trieste Drive).

IT IS FURTHER PROCLAIMED AND ORDERED that, under California Public Contract Code Section 22050 and Carlsbad Municipal Code Sections 3.28.110(A) and 3.28.120, city staff may proceed at once to obtain the necessary permits, equipment, services, and supplies to repair the slope between El Camino Real and Trieste Drive, generally behind the backyards of four residential properties that front onto Trieste Drive (4215 - 4245 Trieste Drive), without giving notice for bids to let contracts.

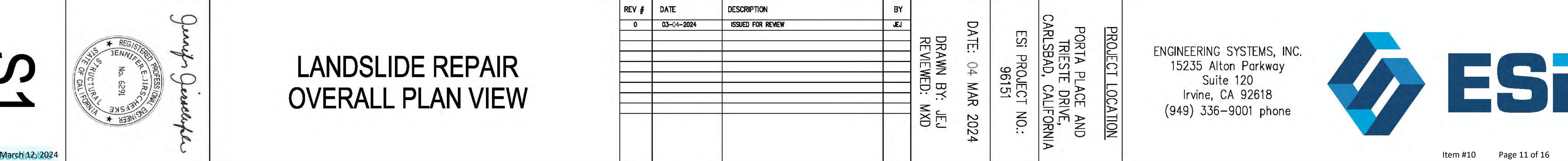
Dated: 14 FEB 24

By:   
SCOTT CHADWICK  
City Manager/Director of Emergency Services

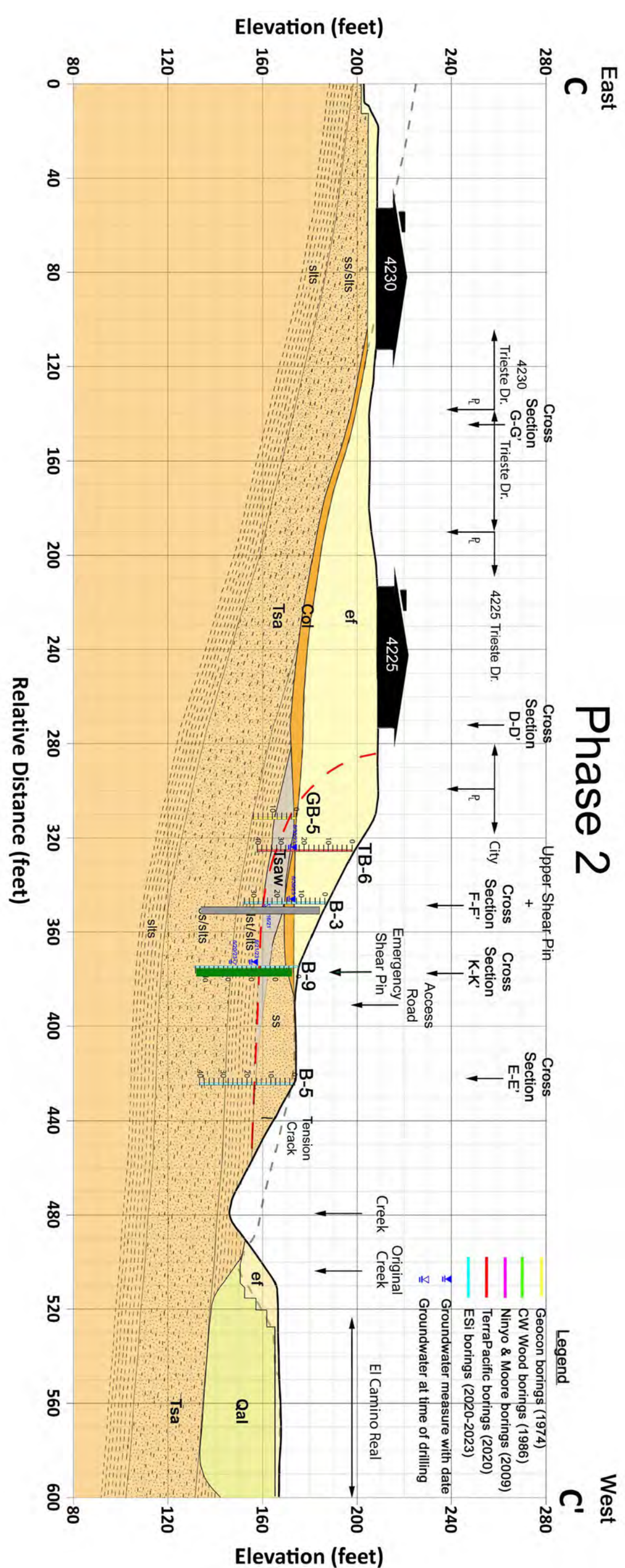
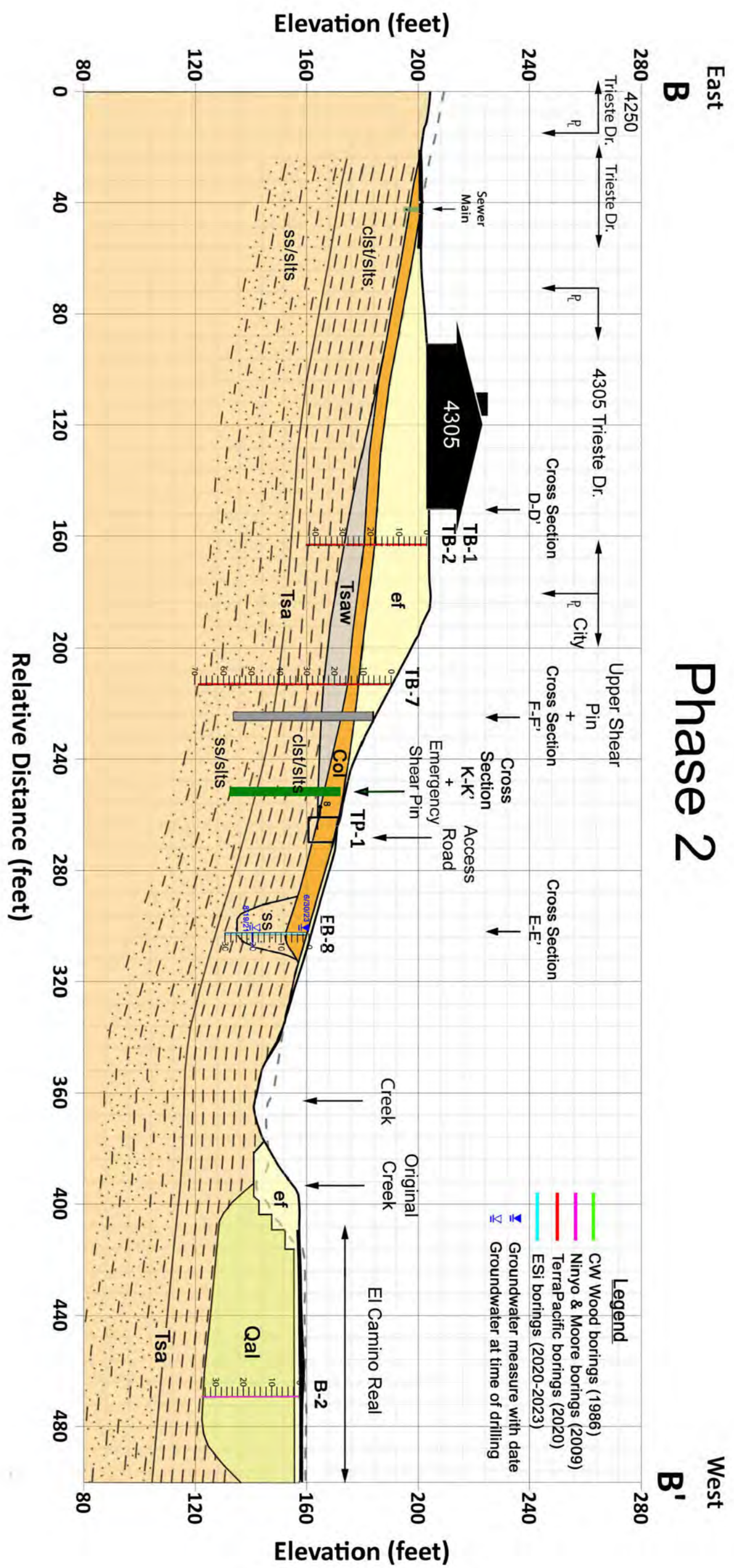
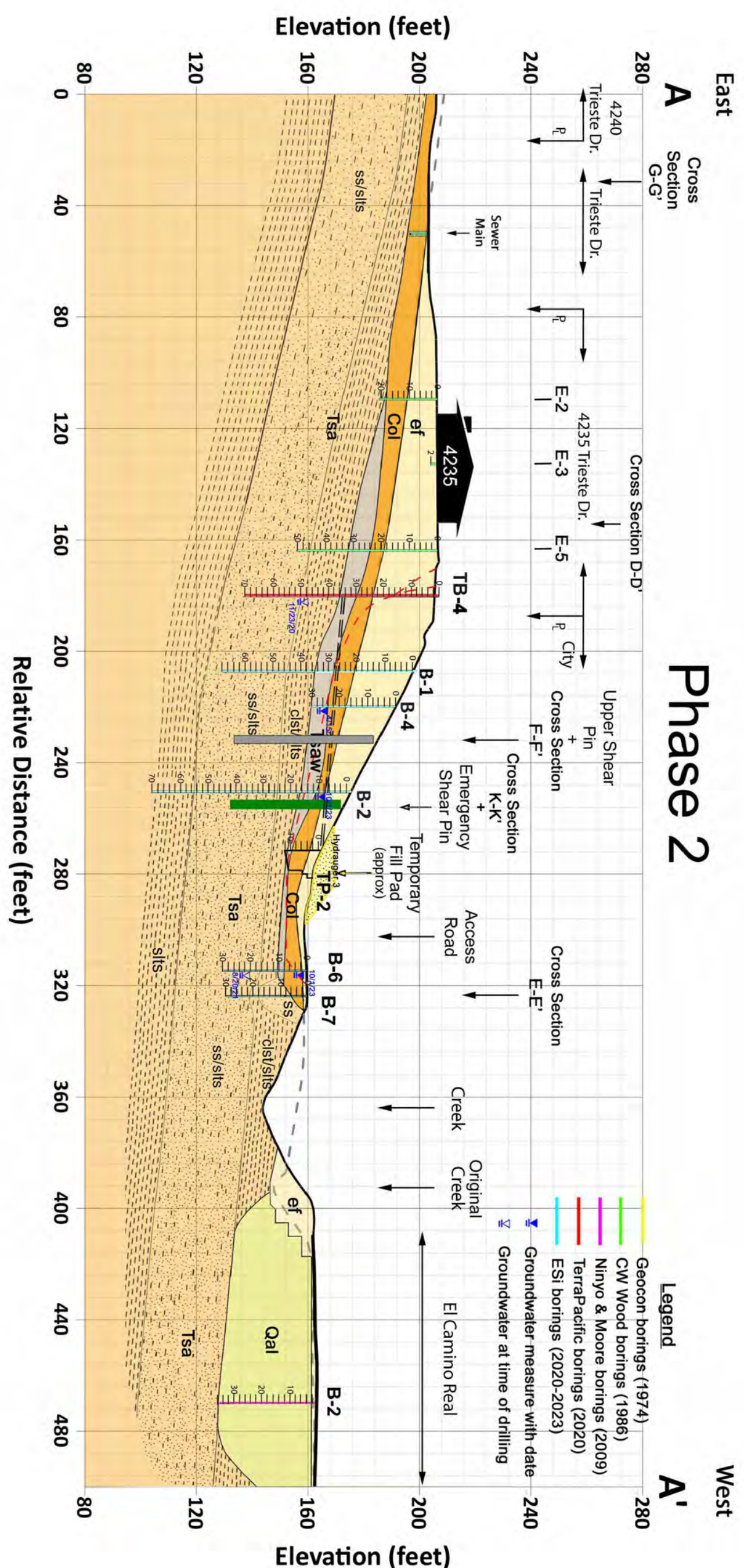




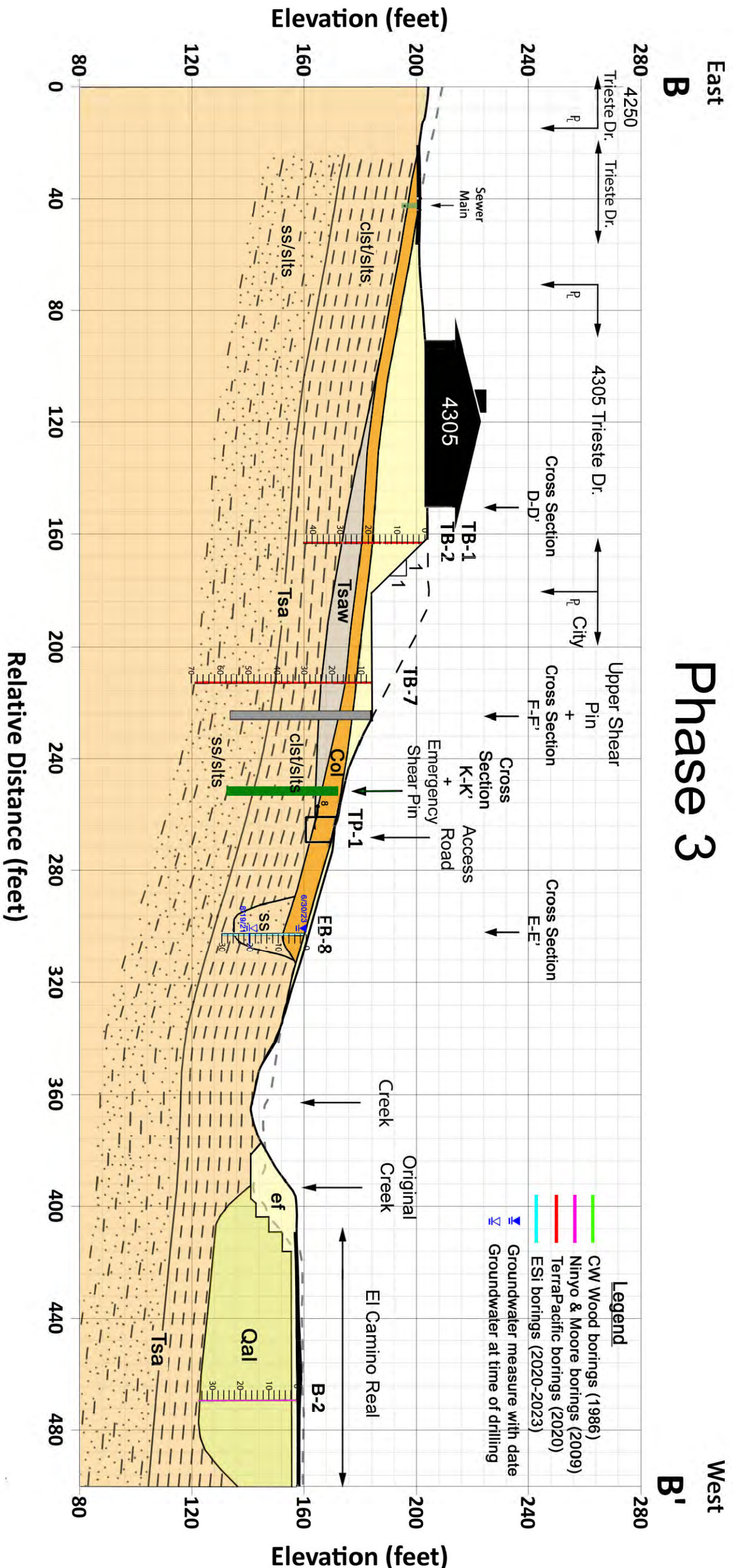
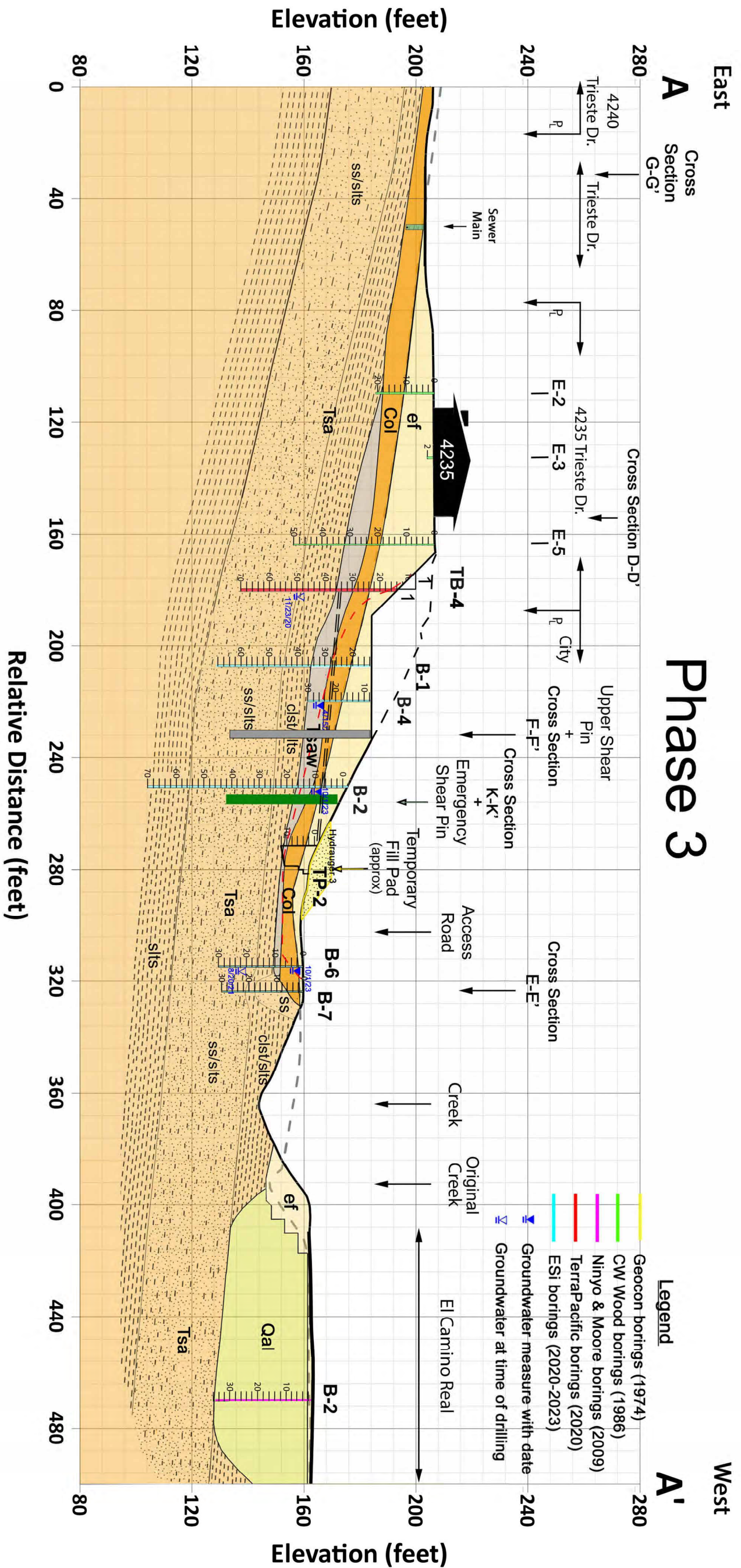




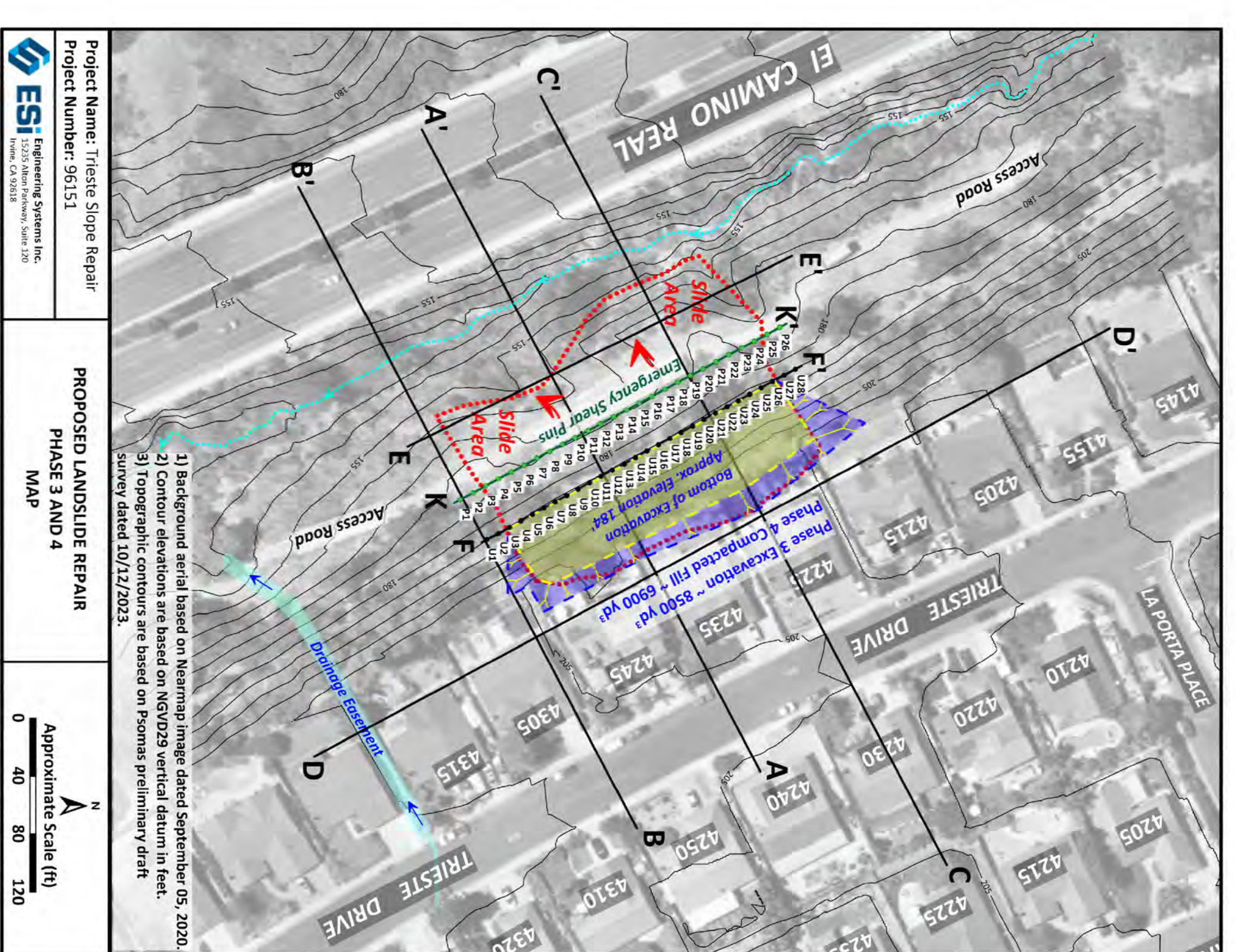
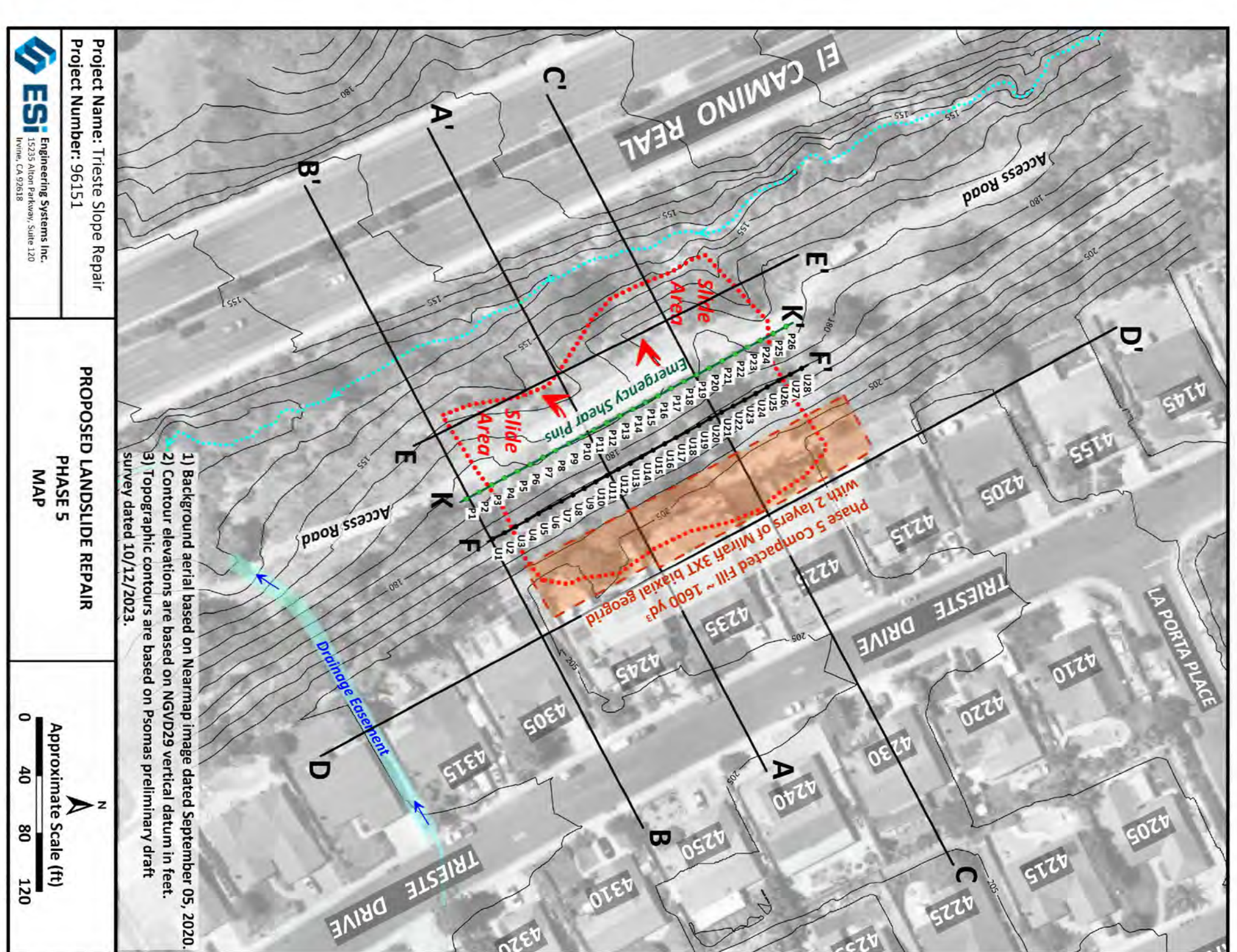
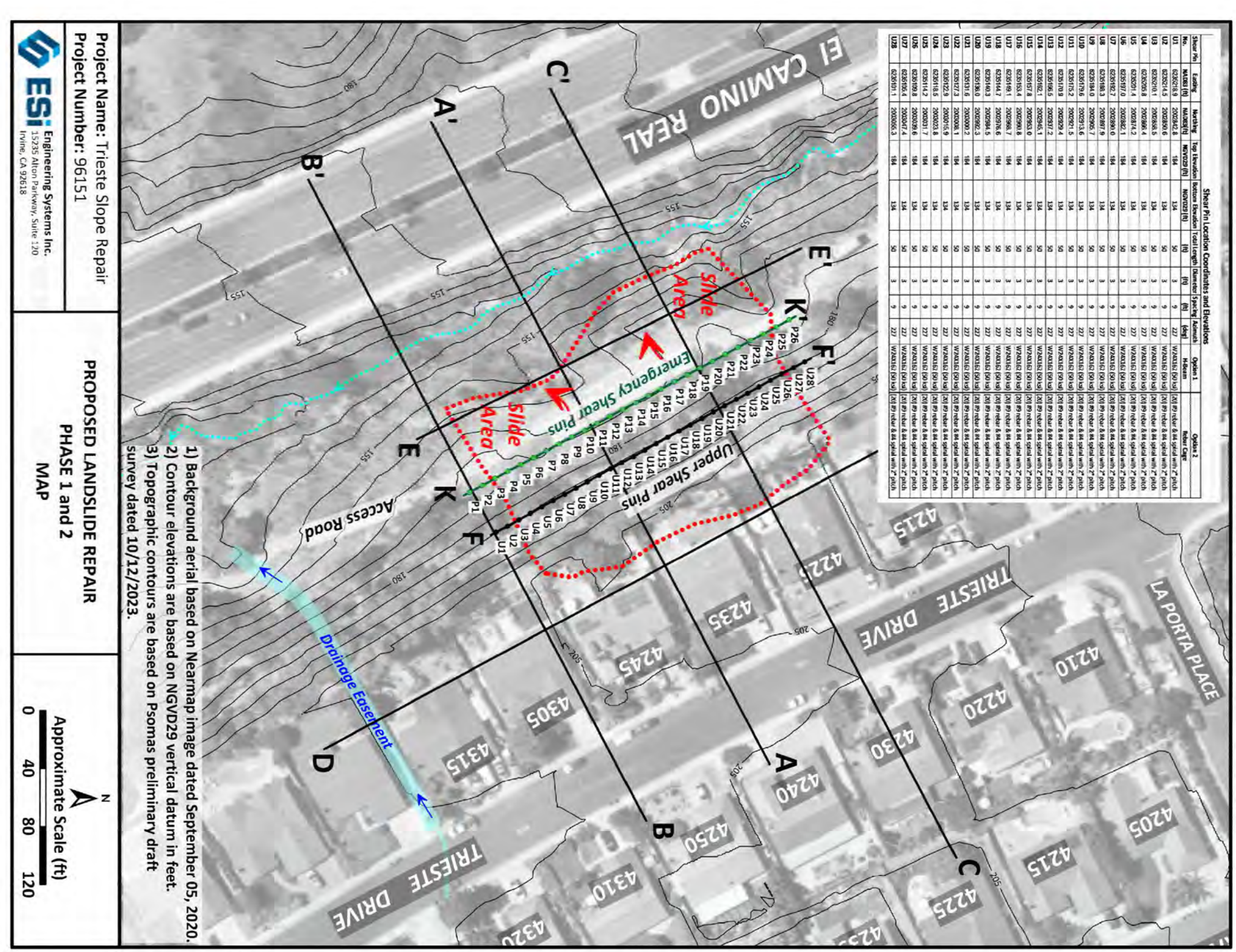
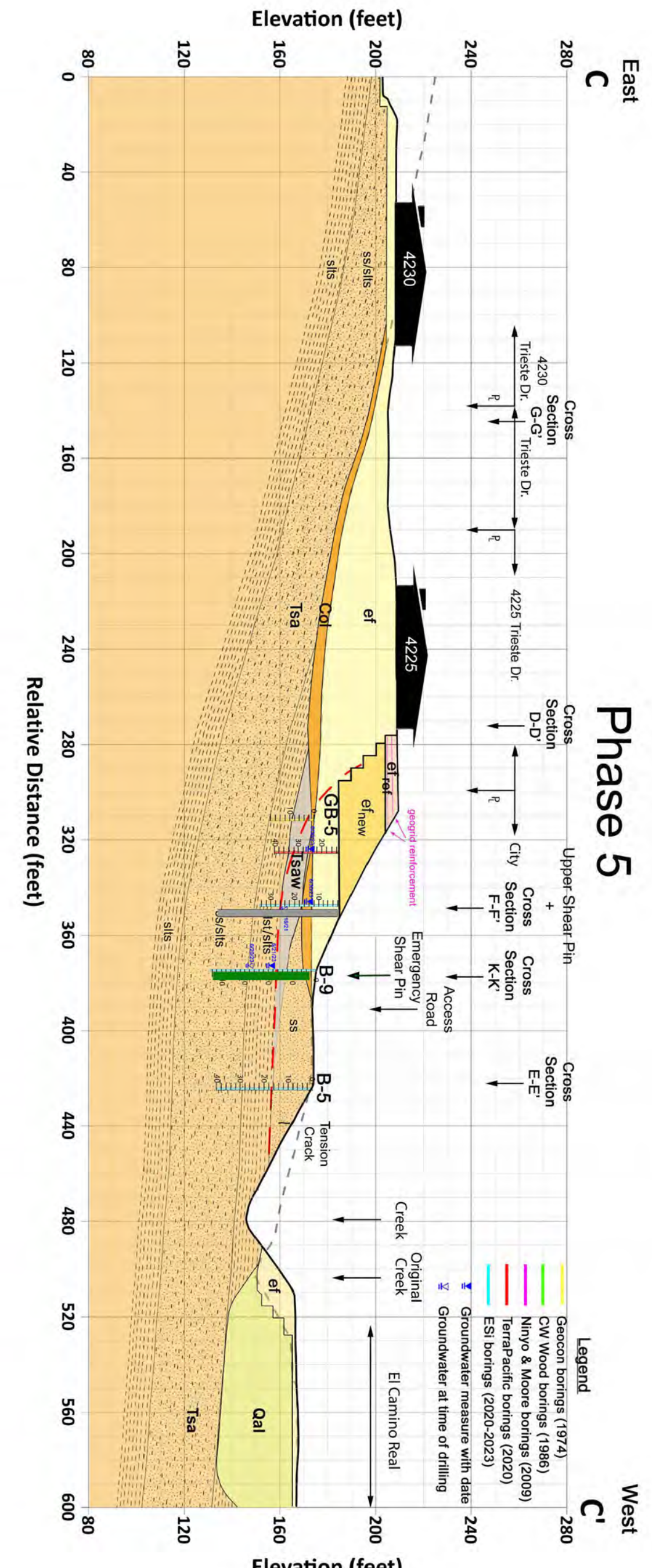
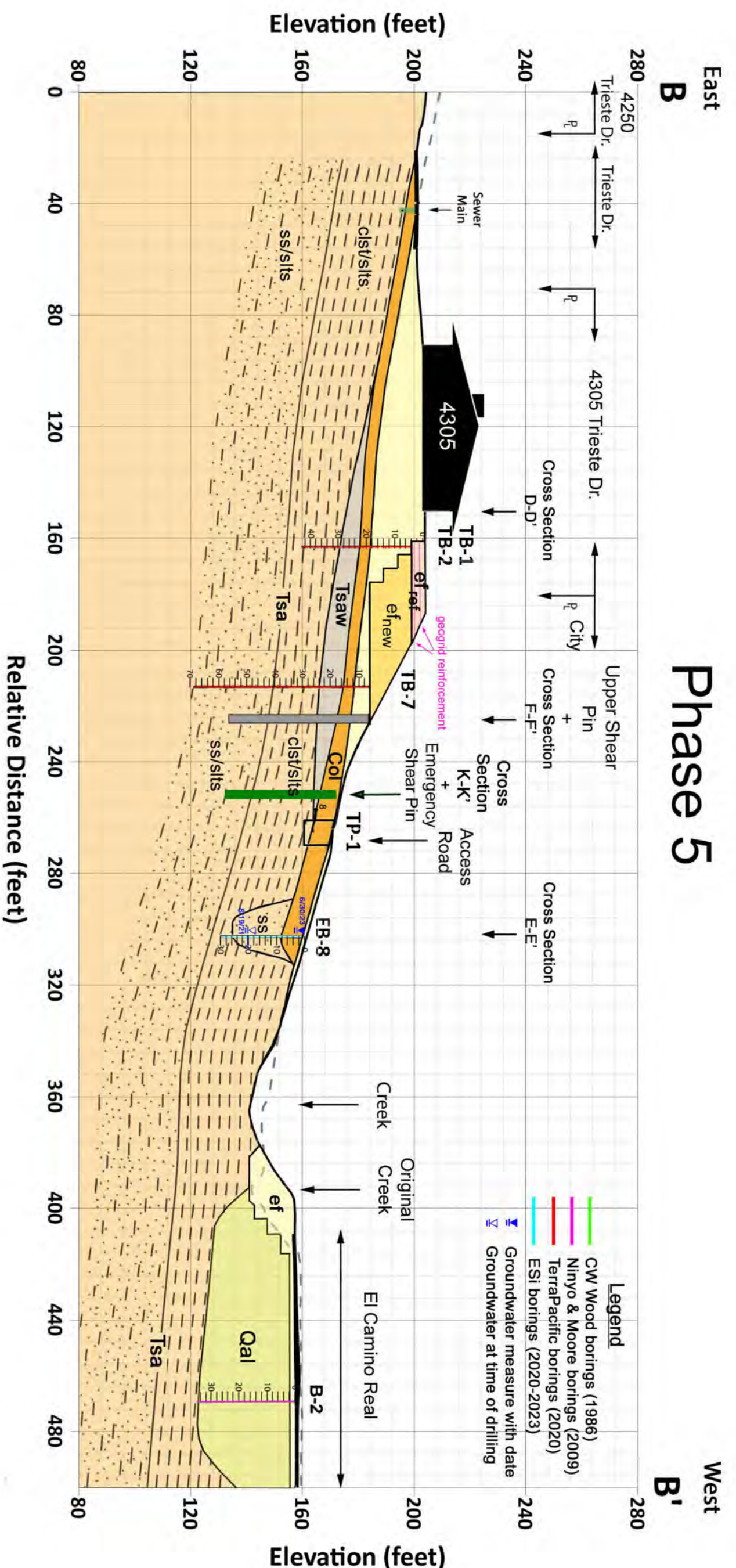
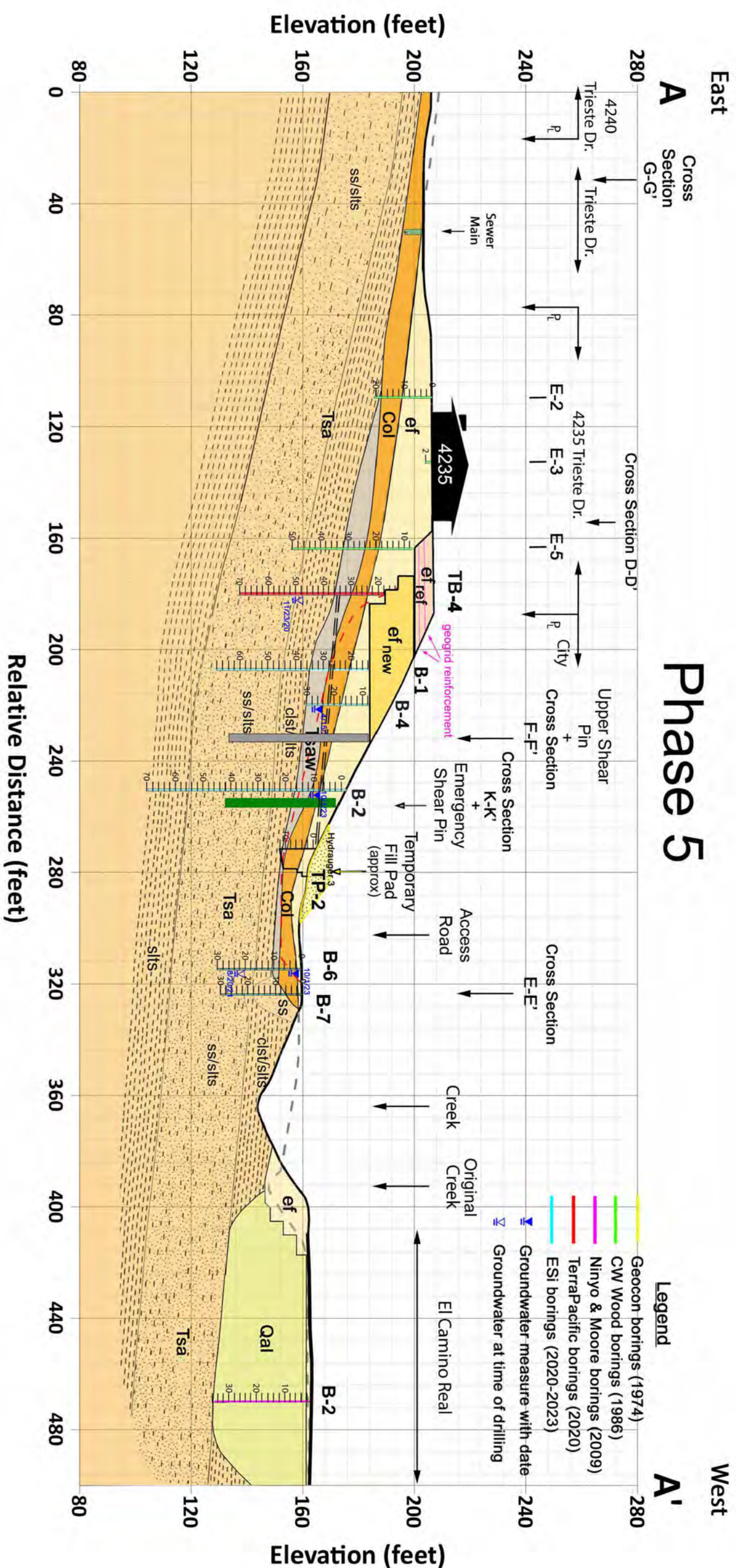












2 LANDSLIDE REPAIR AND SHEAR PIN LOCATION MAP – PH 1&2

4 LANDSLIDE REPAIR AND SHEAR PIN LOCATION MAP – PH 5

REV #	DATE	DESCRIPTION
0	03-04-2024	ISSUED FOR REVIEW

# GEOLOGIC CROSS SECTION PH 5 & SHEAR PIN MAPS



PROJECT LOCATION  
PORTA PLACE AND  
TRIESTE DRIVE,  
CARLSBAD, CALIFORNIA

---

ESI PROJECT NO.:  
96151

DRAWN BY: JEJ  
REVIEWED: MXD

[illegible]

Jennifer Densdale



Made with  March 12, 2024



Shear Pin	Easting	Northing	Top Elevation	Bottom Elevation	Total Length	Diameter	Spacing	Admuth	Option 1	Option 2
U1	MAD33 (ft)	MAD38 (ft)	NGVD29 (ft)	NGVD29 (ft)	(ft)	(ft)	(ft)	(deg)	H-Beam	Rebar Cage
U1	6235218.9	2002842.8	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U2	6235214.5	2002850.6	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U3	6235210.1	2002858.5	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U4	6235205.8	2002866.4	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U5	6235201.4	2002874.2	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U6	6235197.0	2002882.1	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U7	6235192.7	2002890.0	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U8	6235188.3	2002897.9	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U9	6235184.0	2002905.7	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U10	6235179.6	2002913.6	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U11	6235175.2	2002921.5	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U12	6235170.9	2002929.4	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U13	6235166.5	2002937.2	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U14	6235162.1	2002945.1	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U15	6235157.8	2002953.0	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U16	6235153.4	2002960.8	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U17	6235149.1	2002968.7	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U18	6235144.7	2002976.6	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U19	6235140.3	2002984.5	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U20	6235136.0	2002992.3	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U21	6235131.6	2003000.2	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U22	6235127.3	2003008.1	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U23	6235122.9	2003015.9	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U24	6235118.5	2003023.8	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U25	6235114.2	2003031.7	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U26	6235108.8	2003039.6	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U27	6235105.4	2003047.4	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch
U28	6235101.1	2003055.3	184	134	50	3	9	227	W2X4162 (50 ksi)	(2x) #9 rebar & #4 spiral with 2" pitch

survey dated 10/12/2023.

 **Engineering Systems Inc.**  
15235 Alton Parkway, Suite 120  
Irvine, CA 92618

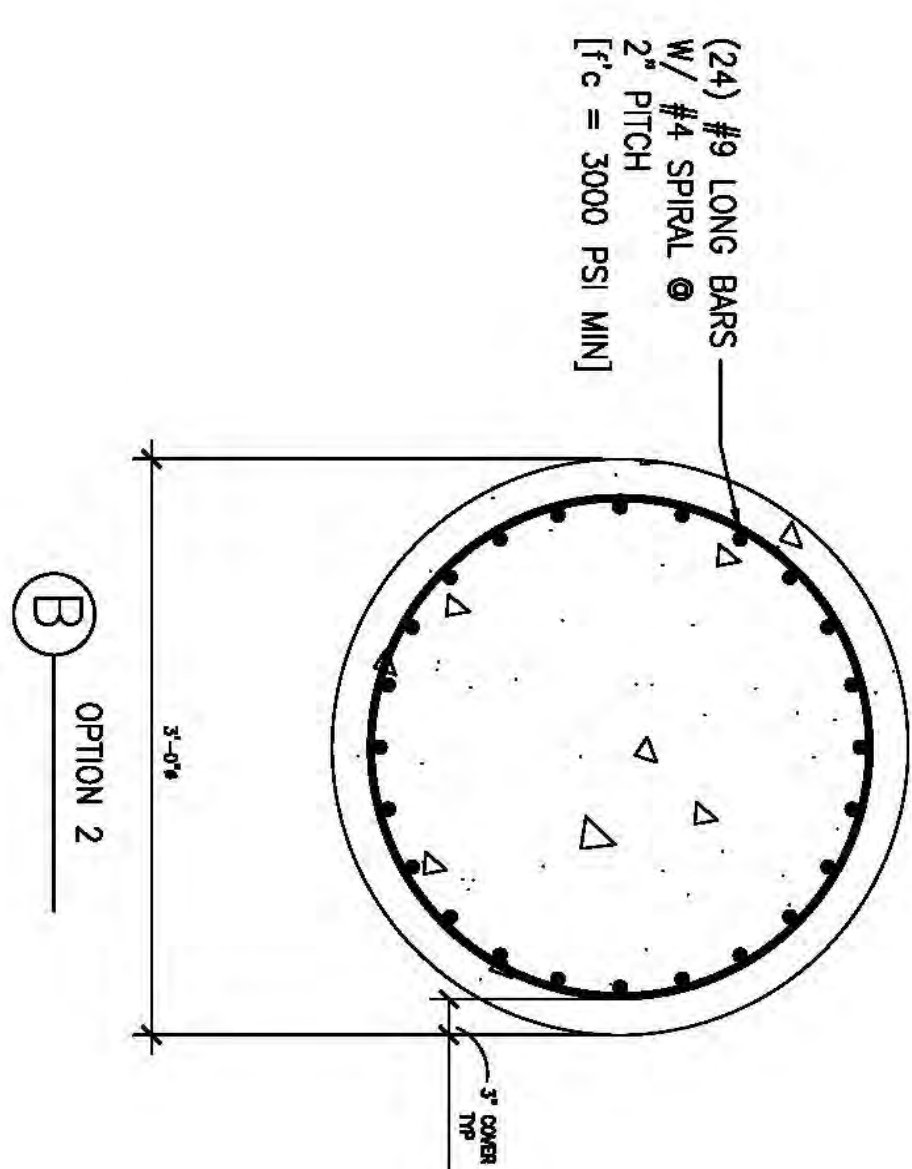
## PHASE 2

Approximate Scale (ft)

0 12 24 36 48 60



SCALE: 3/4" = 1'-0"

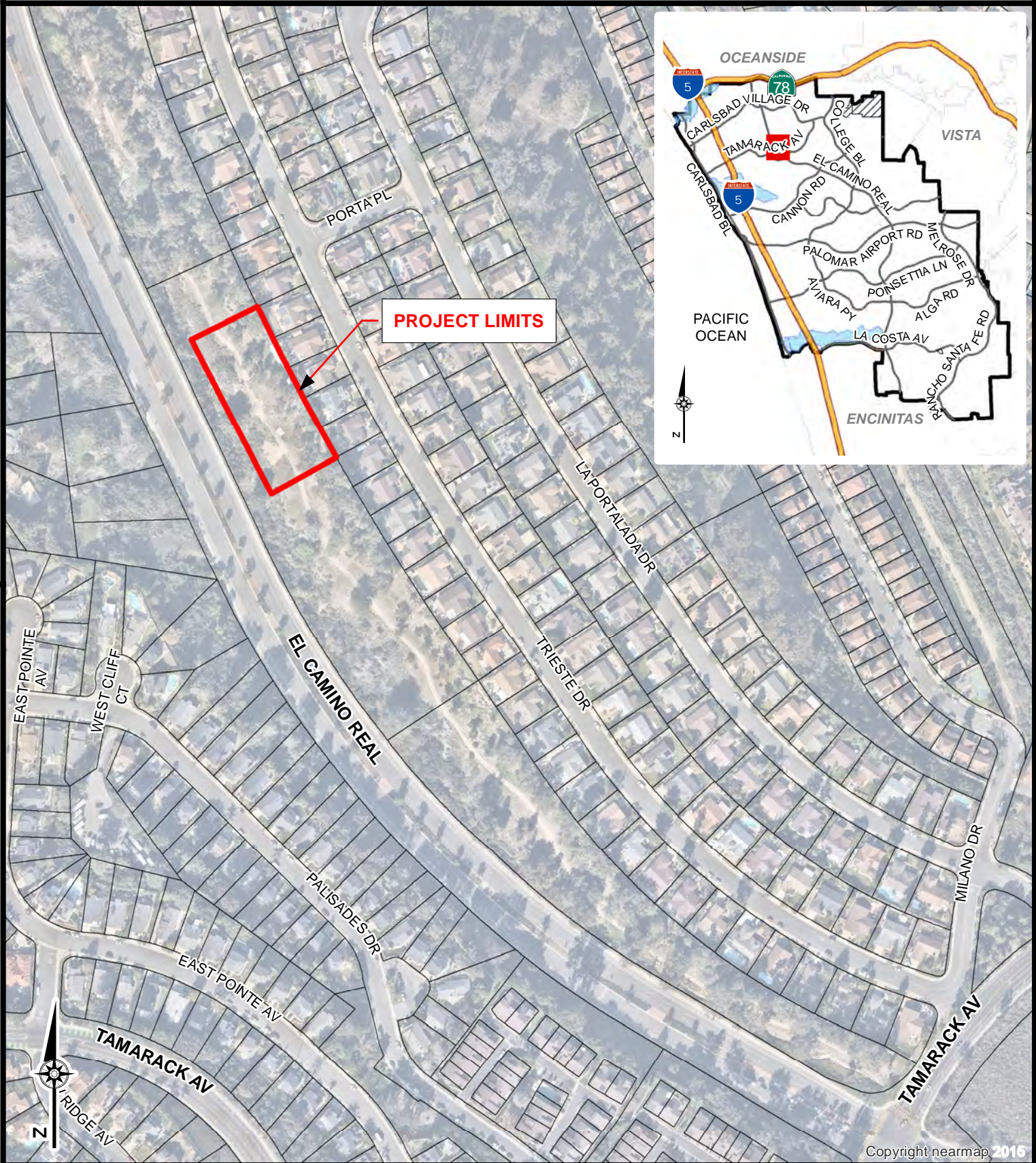


SCALE: 3/4" = 1'-0"



# LOCATION MAP

Exhibit 4



## TRIESTE DRIVE SLOPE REPAIR PROJECT

PROJECT  
NUMBER  
6107

EXHIBIT  
4