



CITY COUNCIL Agenda

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

May 14, 2024, 5 p.m.

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

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 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: City Council is serving as the City of Carlsbad City Council and the Carlsbad Municipal Water District Board of Directors on Consent Calendar Item No. 5.

PLEDGE OF ALLEGIANCE:

APPROVAL OF MINUTES:

Minutes of the Regular Meeting held March 12, 2024

Minutes of the Regular Meeting held March 26, 2024

PRESENTATIONS: None.

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 MARCH 31, 2024** – Accept and file Report on City Investments as of March 31, 2024. (Staff contact: Craig Lindholm and Zach Korach, Administrative Services Department)
2. **SETTLEMENT OF WORKERS' COMPENSATION CLAIMS OF MICKEY WILLIAMS** – Adoption of a resolution authorizing settlement of the Workers' Compensation claims of Mickey Williams for \$86,605. (Staff contact: Sarah Reiswig and Judy von Kalinowski, Administrative Services Department)
3. **PURCHASE OF RICOH MULTI-FUNCTIONAL PRINTERS FROM RICOH USA, INC.** – Adoption of a resolution authorizing the City Manager or designee to execute all necessary documents to procure multi-function printers from Ricoh USA, Inc. in an amount not to exceed \$730,939.65. (Staff contact: Maria Callander and Mike Lesh, Administrative Services Department)
4. **RIGHT OF ENTRY PERMIT WITH THE CALIFORNIA DEPARTMENT OF PARKS & RECREATION FOR MAINTENANCE OF THE UPPER PICNIC FACILITIES AT TAMARACK STATE BEACH AND COASTAL BLUFF AT TAMARACK/FRAZEE STATE BEACH, AND FOR REIMBURSEMENT FOR PLAN REVIEWS OF TWO CITY PROJECTS, CIP PROJECT NOS. 3896 AND 6058** – Adoption of a resolution authorizing the execution of a right of entry permit with the California Department of Parks & Recreation to maintain the upper

picnic facilities at Tamarack State Beach and the coastal bluff at Tamarack/Frazer State Beach, and to reimburse the state for plan reviews of two Capital Improvement Program projects that impact state property: Beach Access Repairs and Upgrades from Pine to Tamarack Avenues (CIP Project No. 3896), and Carlsbad Boulevard and Tamarack Avenue Intersection Improvements (CIP Project No. 6058). (Staff contact: Todd Reese, Community Services Department)

5. AWARD OF CONTRACT TO SEMA CONSTRUCTION, INC. AND AUTHORIZE AN ADDITIONAL APPROPRIATION OF FUNDS FOR CONSTRUCTION OF THE CARLSBAD BOULEVARD WATER AND SEWER LINE IMPROVEMENTS AT TERRAMAR PROJECT, INCLUDING AUTHORIZATION TO EXECUTE A LICENSE AGREEMENT WITH NORTH COUNTY TRANSIT DISTRICT, CIP PROJECT NOS. 5048 AND 5503-20 – 1) Adoption of a Carlsbad Municipal Water District Board of Directors resolution accepting bids, awarding a contract to SEMA Construction, Inc. for construction of the Carlsbad Boulevard Water Line Improvements at Terramar Project and appropriating additional funds in the amount of \$1,750,100 from the Water Connection Fund to Capital Improvement Program Project No. 5048; and
2) Adoption of a City Council resolution accepting bids and awarding a contract to SEMA Construction, Inc. for construction of the Carlsbad Boulevard Sewer Line Improvements at Terramar Project, Capital Improvement Program Project No. 5503-20; and
3) Adoption of a Carlsbad Municipal Water District Board of Directors resolution authorizing the Executive Manager to execute a license agreement between the North County Transit District and the Carlsbad Municipal Water District for the Carlsbad Boulevard Water Line Improvements at Terramar Project; and
4) Adoption of a Carlsbad Municipal Water District Board of Directors resolution delegating authority to the Executive Manager to file North County Transit District permit applications and execute license agreements for water district Capital Improvement Program projects; and
5) Adoption of a City Council resolution delegating authority to the City Manager to file North County Transit District permit applications and execute license agreements for city Capital Improvement Program projects. (Staff contact: Dave Padilla and Sean Diaz, Public Works Department)
6. AWARD OF CONTRACT TO AMTEK CONSTRUCTION FOR CONSTRUCTION OF THE POINSETTIA LIFT STATION GENERATOR REPLACEMENT PROJECT, CIP PROJECT NO. 3840-23 – Adoption of a resolution accepting bids and awarding a contract to AMTEK Construction for construction of the Poinsettia Lift Station Generator Replacement Project in an amount not to exceed \$370,340. (Staff contact: Dave Padilla and Zackry Taylor, Public Works Department)
7. AGREEMENT TO PURCHASE HABITAT MITIGATION BANK CREDITS FOR REMOVAL OF SEDIMENT AND VEGETATION IN THE BUENA VISTA CREEK CONCRETE CHANNEL NEAR EL CAMINO REAL – Adoption of a resolution authorizing an agreement to purchase 1.88 acres of habitat mitigation bank credits in the amount of \$1,222,000 for removal of sediment and vegetation in the Buena Vista Creek Concrete Channel near El Camino Real. (Staff contact: Tom Frank, Public Works Department)
8. ADVERTISE FOR BIDS FOR THE 2023 SLURRY SEAL PROJECT, AND APPROVAL OF A ROADWAY RECONFIGURATION AND ASSOCIATED LEVEL OF SERVICE FOR NORTHBOUND AND SOUTHBOUND EL FUERTE STREET FROM FARADAY AVENUE TO PALOMAR AIRPORT ROAD, CIP PROJECT NO. 6001-23SS Adoption of a resolution approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for construction of the 2023 Slurry Seal Project and approving a

roadway reconfiguration resulting in a level of service D for northbound and southbound El Fuerte Street from Faraday Avenue to Palomar Airport Road under Mobility Element Section 3-P.15. (Staff contact: Eric Zielke and Hossein Ajideh, Public Works Department)

9. CONTINUATION OF PROCLAMATION OF A STORM-RELATED LOCAL EMERGENCY FOR REPAIR OF THE SLOPE BETWEEN EL CAMINO REAL AND TRIESTE DRIVE – 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. (Staff contact: Tom Frank, Public Works Department)

BOARD AND COMMISSION MEMBER APPOINTMENTS:

10. MAYORAL APPOINTMENT OF TWO MEMBERS TO THE HISTORIC PRESERVATION COMMISSION –
- 1) Adoption of a resolution appointing one member to the Historic Preservation Commission; and
 - 2) Adoption of a resolution appointing one member to the Historic Preservation Commission. (Staff contact: Tammy McMinn, City Clerk Department)

City Manager’s Recommendation: Adopt the resolutions.

ORDINANCES FOR INTRODUCTION: None.

ORDINANCES FOR ADOPTION: None.

PUBLIC HEARING: None.

DEPARTMENTAL AND CITY MANAGER REPORTS:

11. ECONOMIC AND FINANCIAL UPDATE FOR THE THIRD QUARTER OF FISCAL YEAR 2023-24 – 1) Receive a report on the economic and financial update for the third quarter of fiscal year 2023-24 and provide direction as appropriate; and
- 2) Adopt a resolution authorizing the City Manager or designee to appropriate \$5,200,000 from the General Fund to transfer to the Risk Management Fund and to appropriate \$5,200,000 from the Risk Management Fund for claims, settlement and reserves costs to the Fiscal Year 2023-24 Operating Budget. (Staff contact: Zach Korach and Matt Sanford, Administrative Services Department)

City Manager’s Recommendation: Receive the report, provide direction as appropriate and adopt the resolution.

12. REPORT REEVALUATING PROPOSITION H, BASED ON A RECOMMENDATION FROM THE CARLSBAD TOMORROW: GROWTH MANAGEMENT CITIZENS COMMITTEE AND IN RESPONSE TO CITY COUNCIL MOTION – Receive a report addressing City Council’s July 18, 2023, motion to discuss reevaluating Proposition H, based on a recommendation from the Carlsbad Tomorrow: Growth Management Citizens Committee, and provide direction. (Staff contact: Allegra Frost, City Attorney Department, Zach Korach, Administrative Services Department)

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

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)

Keith Blackburn
Mayor
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 (2nd alternate)
SANDAG Shoreline Preservation Work Group (alternate)

Priya Bhat-Patel
Mayor Pro Tem – District 3
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 (1st alternate)

Melanie Burkholder
Council Member – District 1
City Council Legislative Subcommittee
North County Dispatch Joint Powers Authority (alternate)
SANDAG Board of Directors

Teresa Acosta
Council Member – District 4
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

Carolyn Luna
Council Member – District 2
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 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

March 12, 2024, 5 p.m.

CALL TO ORDER: 5 p.m.

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

PLEDGE OF ALLEGIANCE: Mayor Pro Tem Bhat-Patel led the Pledge of Allegiance.

ANNOUNCEMENT OF CONCURRENT MEETINGS: None.

APPROVAL OF MINUTES:

Minutes from the Regular Meeting held Jan. 30, 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:

Proclamation in Recognition of Women's History Month

Council Member Burkholder presented the proclamation to Engineering Technician Sara Jadhav.

Recognition of Donation from Friends of Carrillo Ranch, Inc.

Mayor Blackburn presented the proclamation to Rick Evans, Vice President, Friends of Carrillo Ranch, Inc. and Sr. Program Manager, Majka Penner.

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION:

City Attorney Cindie McMahon announced that the City Council voted unanimously to direct the City Attorney's Office to engage outside housing counsel to represent the City on Windsor Pointe matters.

PUBLIC COMMENT:

Theresa Kirkham requested the City allow her to sell her condominium at market rate due to her circumstances.

Craig expressed his concern regarding ocean pollution and various other topics.

CONSENT CALENDAR:

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to approve Consent Calendar Item Nos. 1 through 7. Motion carried unanimously, 5/0.

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 Resolution No. 2024-042 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 Resolution No. 2024-043 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 No. 2024-044 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 Resolution No. 2024-045 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 Resolution No. 2024-046 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 Resolution No. 2024-047 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 HEARING:

Council Member Burkholder recused herself from Public Hearing Item #8 due to a conflict of interest, as she owns property in the area.

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 Resolution No. 2024-048 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.

Deputy City Manager of Public Works Paz Gomez and Assistant City Attorney Gina Herrera presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Appellant Josh Edwards spoke regarding water runoff onto his property from an adjacent property.

Lee Andelin, representing Josh Edwards, spoke in favor of the appellants.

Applicant Scott Sarem spoke in favor of the City Manager's recommendation.

Mayor Blackburn opened the duly noticed public hearing at 5:47 p.m.

Seeing no one wishing to speak on this item, Mayor Blackburn closed the duly noticed public hearing at 5:47 p.m.

In response to an inquiry from Mayor Blackburn, Engineering Manager Jason Geldert explained that there is no direct mediation between the appellant and the applicant. Mr. Geldert further explained that the Edwards may allow an easement through their property.

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to adopt Resolution No. 2024-048. Motion carried, 4/0/1 (Burkholder – Abstain).

Mayor Blackburn called for a recess at 5:53 p.m.

Mayor Blackburn reconvened the meeting at 6:08 p.m.

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.

Mayor Blackburn disclosed that he had an interest with ConAm Management regarding another one of their housing projects and if any topic regarding ConAm arises, he would recuse himself.

Council Members disclosed that they had been in touch with many residents of Windsor Pointe.

Housing & Homeless Services Director Mandy Mills and Police Chief Mickey Williams presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Vice President of Asset Management for Affirmed Housing Jonathan Taylor said a few words.

Senior Advisor Jeff Nguyen for District 3 for County Board of Supervisor Tara Lawson-Remer said a few words.

Mark Packard requested that the housing project be deemed a public nuisance or found in violation of the lease agreement in order to terminate the lease and shut the building down.

Denis Jensen voiced concerns with the Windsor Pointe residents and requests its closure.

Rosanne Bentley requested an emergency plan be put in place and to allow more veterans to be housed at Windsor Pointe.

Timothy Schneider spoke in favor of low-income housing.

Robert Lee expressed concerns regarding Windsor Pointe.

Lori Robbins expressed concerns regarding Windsor Pointe.

Teri Jacobs expressed concerns regarding Windsor Pointe.

Holly Herring spoke in favor of Windsor Pointe.

Ross Stensrud expressed concerns regarding Windsor Pointe.

Lauren Hallar expressed concerns regarding Windsor Pointe.

Michael Schertzer criticized the laws the State of California put in place regarding affordable housing.

Phyllis Brealey spoke in favor of Windsor Pointe.

Matthew Kearney spoke in favor of Windsor Pointe.

Jim Barnhill expressed concerns regarding Windsor Pointe

Socorro Anderson regarding affordable housing in California.

Vanessa Graziano spoke in favor of Windsor Pointe.

Julie Ajdour expressed concerns regarding Windsor Pointe.

Executive Director of Living Experience Advisors John Brady spoke in favor of Windsor Pointe.

Patrick Gilligan spoke in favor of Windsor Pointe.

Julie Porter spoke in favor of Windsor Pointe.

Dennis Larking spoke in favor of Windsor Pointe.

Renee Antonacci expressed concerns regarding Windsor Pointe.

Living Experience Advisors Representative Natalie Rutschke spoke in favor of Windsor Pointe.

Living Experience Advisors Representative Rachel Hayes spoke in favor of Windsor Pointe.

Maril Adrian expressed concerns about mentally ill individuals living in mainstream society but supports affordable housing.

Maureen Mo Muir expressed concerns regarding Windsor Pointe.

Fran Sesti suggested more security and a different housing owner.

Laura Benusis expressed concerns regarding Windsor Pointe.

Josh O'Connor expressed concerns regarding Windsor Pointe.

In response to Mayor Blackburn, Housing & Homeless Services Director Mandy Mills explained that the number of veterans originally housed were twelve, of those, two were Carlsbad residents. Director Mills further explained that veteran benefits are too high to qualify to live at Windsor but not enough to live on their own.

In response to Mayor Blackburn, Housing & Homeless Services Director Mills explained that the majority of calls to the Police Department were for seven residents and of those, one has been evicted, two are in process of being evicted and there are other residents who have moved out voluntarily due to violations.

In response to Mayor Blackburn, City Attorney Cindie McMahon reiterated that during closed session, the City Council voted unanimously to direct the City Attorney to retain outside counsel to address Windsor Pointe matters.

In response to Mayor Pro Tem Bhat-Patel, Housing & Homeless Services Director Mills explained that there are two levels of service at the property, Interfaith, which is contracted by Windsor Pointe and is for all residents and the Alpha Project, which is contracted by the County of San Diego.

In response to Mayor Pro Tem Bhat-Patel, City Attorney McMahon explained that if there was a violation, the City would notify the project owner who would be given an opportunity to cure the violation and if the violation was not cured, the City would declare a default.

In response to Mayor Pro Tem Bhat-Patel, Housing & Homeless Services Director Mills explained that background checks are required for anyone living on the property but not for guests.

In response to Council Member Burkholder, City Attorney McMahon explained that there are many impediments to declare Windsor Pointe a nuisance.

In response to Council Member Burkholder, Housing & Homeless Services Director Mills explained that there were six Carlsbad residents who lived at Windsor Pointe.

Council Member Burkholder requested an update on the number of Carlsbad residents and veterans who currently live at Windsor Pointe.

In response to Council Member Luna, Police Chief Williams explained that he expects security guards at the property to have higher competency than entry level security guards and would like to hire them for 24 hours, 7 days a week at each location.

In response to Council Member Luna, ConAm Vice President of Asset Management Jonathan Taylor explained that they could provide overnight security coverage at one of the sites and the security guard can go back and forth between the two sites.

Motion by Mayor Blackburn, seconded by Council Member Burkholder, directing staff to compose a management plan before April 9, 2024, and be brought to Council before that time. The management plan should include:

- an amended guest policy for check in and check out
- one security guard for each site when staff is not available for check in and check out
- 24 hour monitored security. Motion carried, 4/1 (Luna – No).

Council Member Luna stated that she wanted more security at Windsor Pointe.

Motion by Mayor Blackburn, seconded by Council Member Burkholder, directing staff to:

- 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.
- work 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. Motion carried unanimously, 5/0.

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 Resolution No. 2024-049 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.

Transportation Director Tom Frank presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Motion by Council Member Luna, seconded by Council Member Burkholder, to adopt Resolution No. 2024-049. Motion carried unanimously, 5/0.

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.

Wednesday, March 13, 2024

2 p.m.

City of Carlsbad Annual Police Awards Ceremony

Safety Training Center

5750 Orion St.

Carlsbad, CA

CITY MANAGER COMMENTS: None.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ADJOURNMENT: Mayor Blackburn adjourned the duly noticed meeting at 8:57 p.m.

Ana Marie Alarcon, CMC
Deputy City Clerk



CITY COUNCIL
Minutes

Council Chamber
1200 Carlsbad Village Drive
Carlsbad, CA 92008

March 26, 2024, 5 p.m.

CALL TO ORDER: 5 p.m.

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

PLEDGE OF ALLEGIANCE: Police Chief Mickey Williams led the Pledge of Allegiance.

ANNOUNCEMENT OF CONCURRENT MEETINGS: Mayor Blackburn announced that the City Council is serving as the Carlsbad City Council and the Carlsbad Municipal Water District Board of Directors on Consent Calendar Item No. 5.

APPROVAL OF MINUTES:

Minutes from the Regular Meeting held Feb. 13, 2024

Minutes from the Special Meeting held Feb. 27, 2024

Minutes from the Special Meeting held March 12, 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:

Proclamation in Recognition of Cesar Chavez Day

Council Member Acosta presented the proclamation to Senior Program Manager Avecita Jones.

PUBLIC REPORT OF ANY ACTION TAKEN IN CLOSED SESSION: No reportable action.

PUBLIC COMMENT:

Sidney Schwartz spoke regarding climate change.

Diana Ricker spoke regarding harassment she is experiencing.

Michele Mandujano requested installation of a flashing yellow crosswalk at the intersection of Oak Street and Roosevelt Street.

Jeanine Sevilla spoke regarding her neighbors' barking dog and the neglect of the animal by its owners.

Rio Montijo requested the installation of a MD7/5G tower location at St. Patrick School be moved at least 500 feet away from the school.

CONSENT CALENDAR:

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to approve Consent Calendar Item Nos. 1 through 7. Motion carried unanimously, 5/0.

1. DESIGNATING AGENTS TO ACT ON THE CITY'S BEHALF IN THE PROCESSING OF DISASTER CLAIMS RELATED TO THE ATMOSPHERIC RIVERS IN JANUARY AND FEBRUARY 2024 – Adoption of Resolution No. 2024-055 designating and authorizing agents to act on behalf of the city in the processing of disaster claims for the purpose of obtaining certain state and/or federal assistance related to the atmospheric rivers in January and February 2024 and any future disaster claims. (Staff contact: Zach Korach, Administrative Services Department)
2. UPDATE ON STATUS OF NEGOTIATIONS TO RELOCATE SAN DIEGO GAS & ELECTRIC'S NORTH COAST SERVICE CENTER – Adoption of Resolution No. 2024-056 extending the deadline for terminating negotiations to relocate SDG&E's North Coast Service Center beyond the City Council established March 31 2024, deadline by four months, to July 31, 2024, and directing staff to continue negotiations with SDG&E and NRG on the Seaside option and to return to the City Council by July 31, 2024, or sooner, with an agreement for the City Council's consideration. (Staff contact: Gary Barberio, Community Services Department and Cindie McMahon, City Attorney Department)

This item was pulled for discussion by a member of the public.

3. DESIGNATION OF SEVEN TREES AS HERITAGE TREES – Adoption of Resolution No. 2024-057 designating seven trees – four trees identified on city owned property and three trees identified on privately owned property – as heritage trees. (Staff contact: Todd Reese, Parks & Recreation Department)

Dianne Nygard spoke in favor of the designation of seven trees as heritage trees.

4. AWARD A CONTRACT TO WRIGHT CONSTRUCTION ENGINEERING CORP FOR THE PARK DRIVE STREET AND DRAINAGE IMPROVEMENTS PROJECT, CIP PROJECT NO. 6611 – Adoption of Resolution No. 2024-058 accepting bids and awarding a contract to Wright Construction Engineering Corp for an amount not to exceed \$2,725,512 and authorizing additional appropriations in the amount of \$400,000 for the Park Drive Street and Drainage Improvements Project, CIP Project No. 6611. (Staff contact: Brandon Miles and Hossein Ajideh, Public Works Department)
5. AMENDMENT NO. 5 TO THE AGREEMENT WITH NV5 INC. FOR THE RECYCLED WATER PHASE III RESERVOIR PROJECT – Adoption of a Carlsbad Municipal Water District Board of Director's Resolution No. 1730 authorizing execution of Amendment No. 5 to the professional services agreement with NV5 Inc., to extend the agreement term and revise the labor rate schedule for the Recycled Water Phase III Reservoir Project. (Staff contact: Dave Padilla and Neil Irani, Public Works Department)
6. 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 – Adoption of Resolution No. 2024-059 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. (Staff contact: Tom Frank, Public Works Department)

7. CONTINUATION OF PROCLAMATION OF A STORM-RELATED LOCAL EMERGENCY FOR REPAIR OF THE SLOPE BETWEEN EL CAMINO REAL AND TRIESTE DRIVE – Adoption of Resolution No. 2024-060 continuing the proclamation of a storm-related local emergency for repair of the slope between El Camino Real and Trieste Drive. (Staff contact: Tom Frank, Public Works Department)

BOARD AND COMMISSION MEMBER APPOINTMENTS:

8. MAYORAL APPOINTMENT OF ONE MEMBER TO THE LIBRARY BOARD OF TRUSTEES – Adoption of Resolution No. 2024-061 appointing one member to the Library Board of Trustees. (Staff contact: Tammy McMinn, City Clerk Department)

Christine Dicken spoke regarding the board and commission application and appointment process.

Katrina Waidelich spoke regarding her qualifications to serve on the Library Board of Trustees.

Motion by Mayor Blackburn to adopt Resolution No. 2024-061 appointing Katrina Waidelich to the Library Board of Trustees. Motion carried unanimously, 5/0.

9. MAYORAL APPOINTMENT OF THREE MEMBERS TO THE ARTS COMMISSION –
1) Adoption of Resolution No. 2024-062 appointing one member to the Arts Commission; and
2) Adoption of Resolution No. 2024-063 appointing one member to the Arts Commission; and
3) Adoption of Resolution No. 2024-064 appointing one member to the Arts Commission. (Staff contact: Tammy McMinn, City Clerk Department)

Motion by Mayor Blackburn to adopt Resolution Nos. 2024-062 appointing Michelle Breyer, 2024-063 appointing Gita Nassiri and 2024-064 appointing Nora George to the Arts Commission. Motion carried unanimously, 5/0.

ORDINANCES FOR INTRODUCTION: None.

ORDINANCES FOR ADOPTION:

10. ADOPTION OF ORDINANCE NO. CS-468 AMENDING CARLSBAD MUNICIPAL CODE CHAPTER 11.32 BY ADDING SECTION 11.32.035 TITLED SECURITY OF TGIF CONCERTS IN THE PARK – Adoption of Ordinance No. CS-468 “An Ordinance of the City Council of the City of Carlsbad, California, amending the Carlsbad Municipal Code, Title 11, Chapter 32 by adding Section 11.32.035 Security of TGIF Concerts in the Park.” (Staff contact: Sheila Cobian, City Manager Department)

City Manager’s Recommendation: Adopt Ordinance No. CS-468.

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to adopt Ordinance No. CS-468. Motion carried unanimously, 5/0.

PUBLIC HEARING:

11. **PUBLIC HEARING FOR THE ISSUANCE OF TAX-EXEMPT BONDS BY THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY FOR THE BENEFIT OF METROPOLITAN AREA ADVISORY COMMITTEE FOR THE LAUREL TREE APARTMENTS** – Adoption of Resolution No. 2024-065 approving the issuance of the California Municipal Finance Authority Multifamily Housing Revenue Bonds for the benefit of Metropolitan Area Advisory Committee on Anti-Poverty of San Diego County, Inc., or a subsidiary or affiliate thereof, in an aggregate principal amount not to exceed \$45,000,000 for the purpose of financing or refinancing the acquisition, rehabilitation, improvement and equipping of Laurel Tree Apartments, a multifamily rental housing project located in Carlsbad, California. (Staff contact: Mandy Mills, Community Services Department)

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

Housing & Homeless Services Director Mandy Mills 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 5:41 p.m.

Seeing no one wishing to speak on this item, Mayor Blackburn closed the duly noticed public hearing at 5:41 p.m.

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to adopt Resolution No. 2024-065. Motion carried unanimously, 5/0.

DEPARTMENTAL AND CITY MANAGER REPORTS:

Council Member Burkholder recused herself from Departmental and City Manager Reports Item No. 12 due to a conflict of interest, as she owns property near Park Drive.

12. **ADVERTISE FOR BIDS FOR THE TRAFFIC CALMING PLANS FOR PARK DRIVE, BLACK RAIL ROAD, PLUM TREE ROAD AND CARRILLO WAY** – Adoption of Resolution No. 2024-066 approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for implementing the traffic calming plans for Park Drive, Black Rail Road, Plum Tree Road and Carrillo Way. (John Kim, Public Works Department)

City Manager’s Recommendation: Adopt the resolution.

City Traffic Engineer John Kim presented the report and reviewed a PowerPoint presentation (on file in the Office of the City Clerk).

Motion by Mayor Pro Tem Bhat-Patel, seconded by Council Member Acosta, to adopt Resolution No. 2024-066. Motion carried unanimously, 4/0/1 (Burkholder – Absent).

CONTINUATION OF NON-AGENDA PUBLIC COMMENT

Rylan Hoffius spoke against speed bumps near Scrub Jay Court and Plum Tree Lane and requested information on South Ponto and the lack of sand there.

Colin Hammond expressed concerns with installation of MD7/5G towers at St. Patrick School.

ANNOUNCEMENTS:

Wednesday, March 27, 2024

11 a.m. – 1:30 p.m.

Carlsbad Chamber of Commerce Business Awards Luncheon

The Westin Carlsbad Resort & Spa

5480 Grand Pacific Dr.

Carlsbad, CA

CITY MANAGER COMMENTS: None.

CITY ATTORNEY COMMENTS: None.

CITY CLERK COMMENTS: None.

ADJOURNMENT: Mayor Blackburn adjourned the duly noticed meeting at 6:02 p.m.

Ana Marie Alarcon, CMC
Deputy City Clerk



CITY COUNCIL
Staff Report

Meeting Date: May 14, 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 March 31, 2024

District: All

Recommended Action

Accept and file Report on City Investments as of March 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 March 31, 2024, is summarized below.

Pooled investment portfolio (cash and securities)

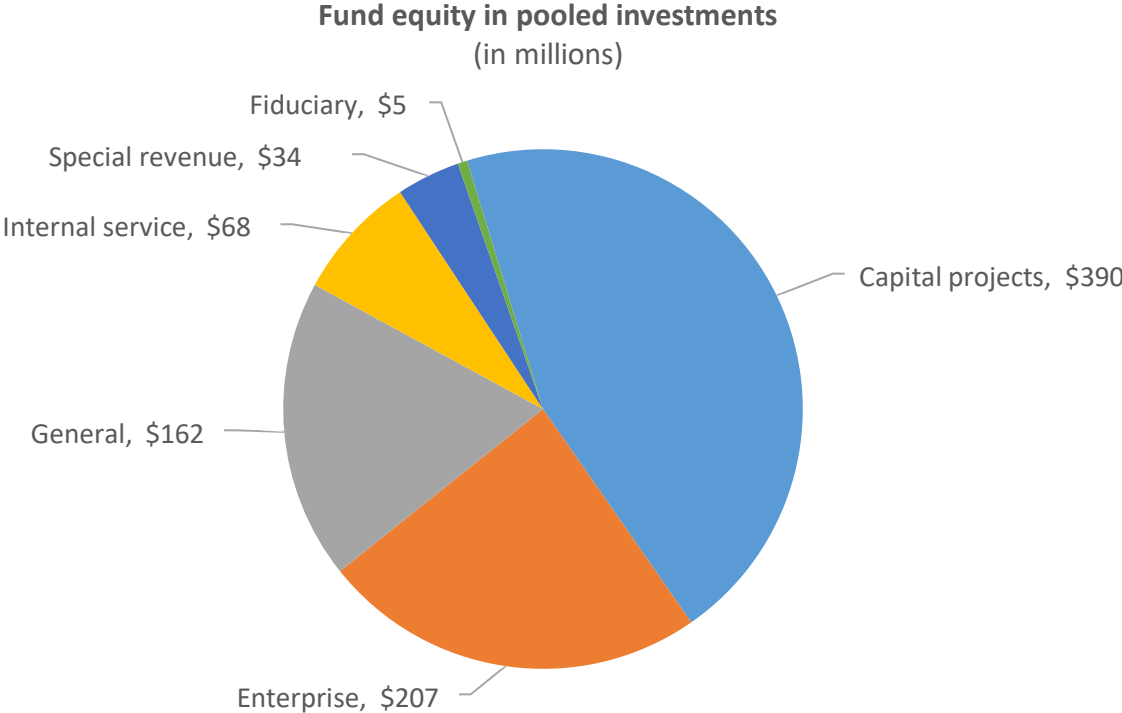
	Current month	Prior month
Par value ¹	\$881,953,385	\$889,064,835
Investment cost	\$881,078,322	\$888,877,242
Amortized cost ²	\$877,073,705	\$884,234,681
Market value ³	\$849,376,232	\$855,487,843

(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 income⁴

	Fiscal year to date	Current month	Prior month
Cash income	\$15,723,977	\$1,712,817	\$1,915,023

(4) The cash income received is adjusted for any received interest previously purchased.

Pooled investment performance

	Average life (years)	Yield ⁵	Modified duration
January 2024	1.78	2.58%	1.58
February 2024	1.82	2.63%	1.60
March 2024	1.90	2.65%	1.63

(5) 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 Mar. 12, 2024; 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 their 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 \$306,764,911.36 which is 81.3% of the current year 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. Section 115 Trust activity
11. Investments of bond accounts
12. Affordable housing loan summary

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

Exhibit 1

March 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	\$ 22,484,876.92	\$ 21,996,876.92	\$ 21,689,394.20	\$ 21,270,614.47	\$ 298,202.01	2.06%	2.02%	2.55%
Corporate notes	135,187,594.93	141,349,094.93	126,691,795.73	131,801,862.74	3,187,347.51	2.07%	1.97%	14.92%
Federal agency	342,982,042.04	343,133,893.04	328,541,200.28	327,890,106.48	3,389,612.28	1.83%	1.81%	38.68%
Mortgage passthrough securities	72,139,434.76	57,846,434.72	70,027,511.45	55,999,933.71	851,776.52	3.69%	3.45%	8.24%
Municipal bonds	94,938,076.65	94,938,076.65	91,388,611.45	91,383,533.55	1,333,372.00	2.46%	2.46%	10.76%
Supranational securities	22,183,412.00	19,683,412.00	21,172,611.80	18,649,887.00	261,267.86	1.99%	1.69%	2.49%
US Treasury	59,725,228.08	59,725,228.08	58,427,450.00	58,287,680.00	585,075.62	2.26%	2.26%	6.88%
General cash account	2,171,249.00	2,223,861.00	2,171,249.00	2,223,861.00	-	0.00%	0.00%	0.26%
Sweep account	5,328,652.21	8,038,617.41	5,328,652.21	8,038,617.41	371,905.34	5.18%	5.19%	0.63%
Investment cash account	1,581,572.92	8,302,881.38	1,581,572.92	8,302,881.38	74,141.67	2.95%	2.95%	0.19%
California Asset Mgmt Program (CAMP)	120,529,026.48	129,811,709.22	120,529,026.48	129,811,709.22	5,322,969.40	5.48%	5.50%	14.19%
Local Agency Investment Fund (LAIF)	1,827,156.16	1,827,156.16	1,827,156.16	1,827,156.16	48,306.67	4.23%	4.12%	0.22%
Total	\$ 881,078,322.15	\$ 888,877,241.50	\$ 849,376,231.68	\$ 855,487,843.12	\$ 15,723,976.88	2.65%	2.63%	100.00%

Policy:

Certificates of deposit and corporate notes are limited to 30% of total portfolio at the time of purchase.

Pass through securities are limited to 20% of total portfolio at the time of purchase.

Municipal bonds are limited to 15% of total portfolio at the time of purchase.

Supranational securities are limited to 10% of total portfolio at the time of purchase.

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

Exhibit 2

Class	Overnight	Within 12 months	13-36 months	37-60 months	Total
Certificate of deposit	\$ -	\$ 4,115,644.84	\$ 10,891,324.39	\$ 6,682,424.97	\$ 21,689,394.20
Corporate notes	-	47,912,910.58	52,224,752.15	26,554,133.00	126,691,795.73
Federal agency	-	72,058,144.54	171,624,398.74	84,858,657.00	328,541,200.28
Mortgage passthrough securities	-	3,717,334.33	17,767,965.52	48,542,211.60	70,027,511.45
Municipal bonds	-	15,345,771.00	37,146,703.35	38,896,137.10	91,388,611.45
Supranational securities	-	5,327,656.80	8,439,460.00	7,405,495.00	21,172,611.80
US Treasury	-	26,849,792.50	23,093,355.00	8,484,302.50	58,427,450.00
General cash account	2,171,249.00	-	-	-	2,171,249.00
Sweep account	5,328,652.21	-	-	-	5,328,652.21
Investment cash account	1,581,572.92	-	-	-	1,581,572.92
California Asset Mgmt Program (CAMP)	120,529,026.48	-	-	-	120,529,026.48
Local Agency Investment Fund (LAIF)	1,827,156.16	-	-	-	1,827,156.16
Totals	\$ 131,437,656.77	\$ 175,327,254.59	\$ 321,187,959.15	\$ 221,423,361.17	\$ 849,376,231.68
Percent Total	15.47%	20.64%	37.81%	26.07%	100.00%

Funds maturing within one year \$ 306,764,911.36

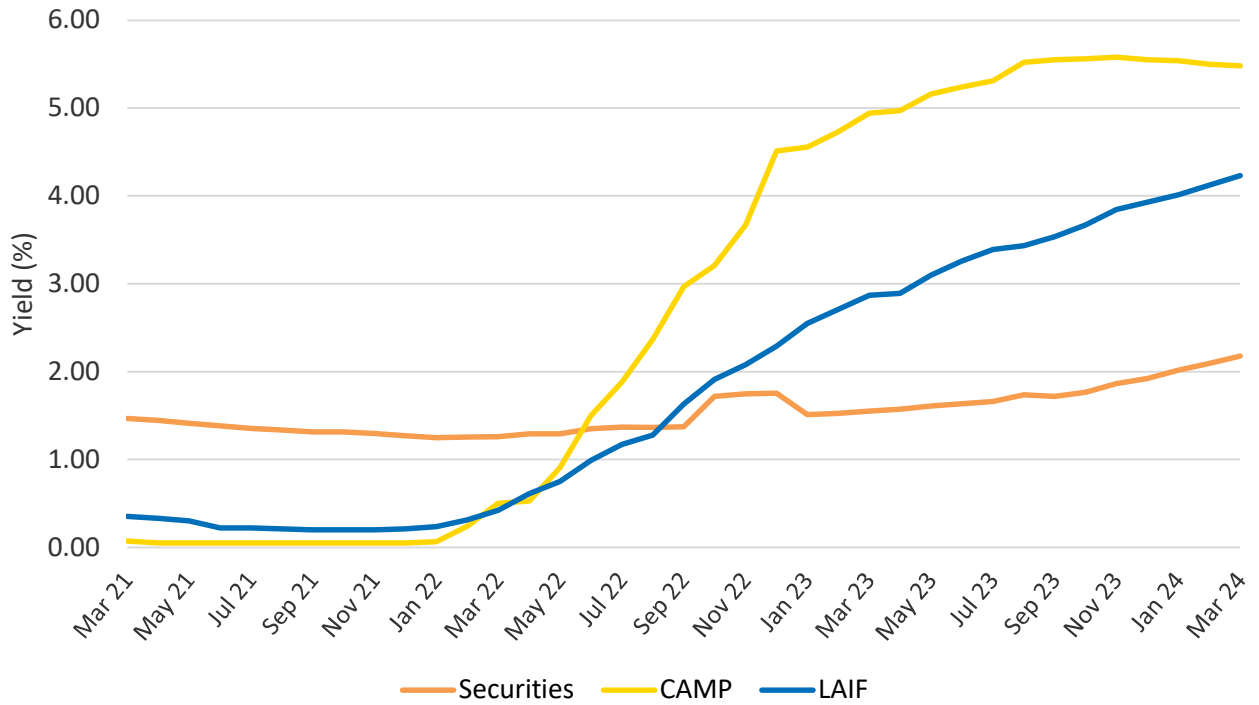
Percentage of the budget 81.31%

Policy:

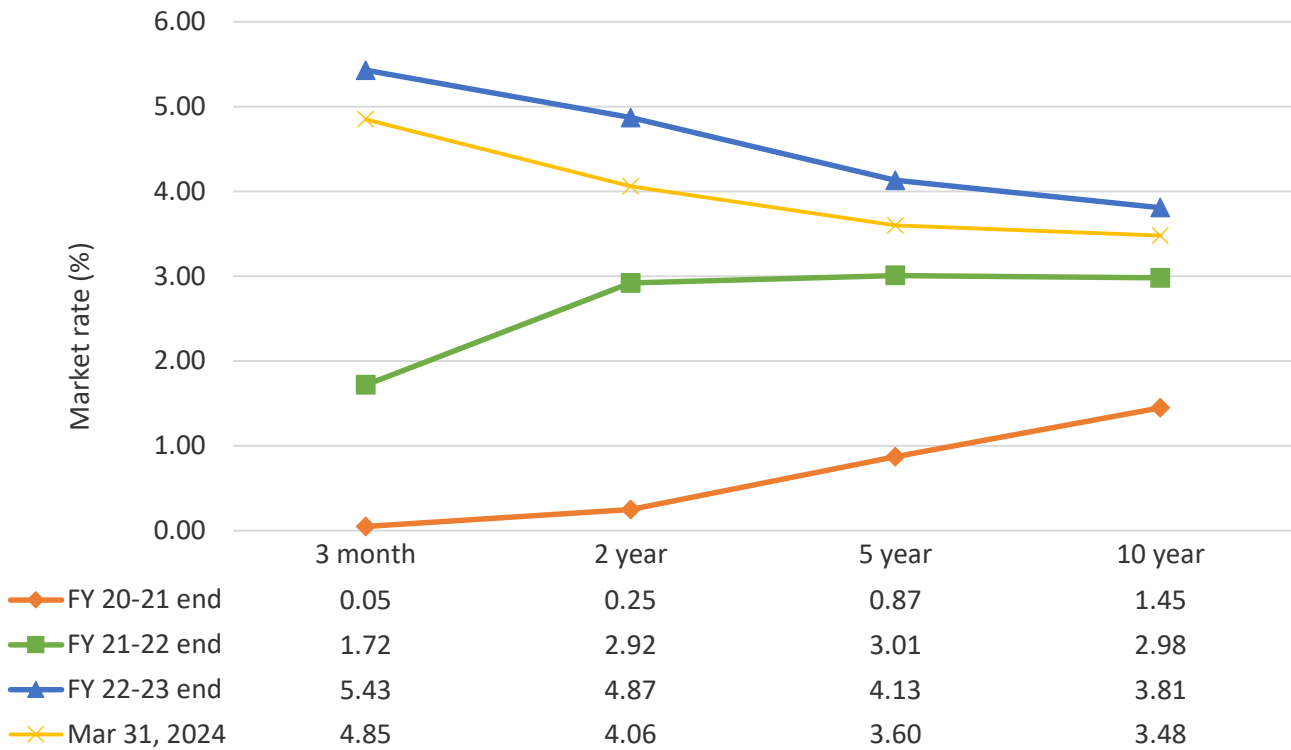
Not less than \$251,510,000 to mature within one year, two-thirds of FY 23-24 operating budget of \$377,263,607.

Maximum term for all securities is five years.

Yield comparison: Securities vs CAMP vs LAIF
 Three year comparison

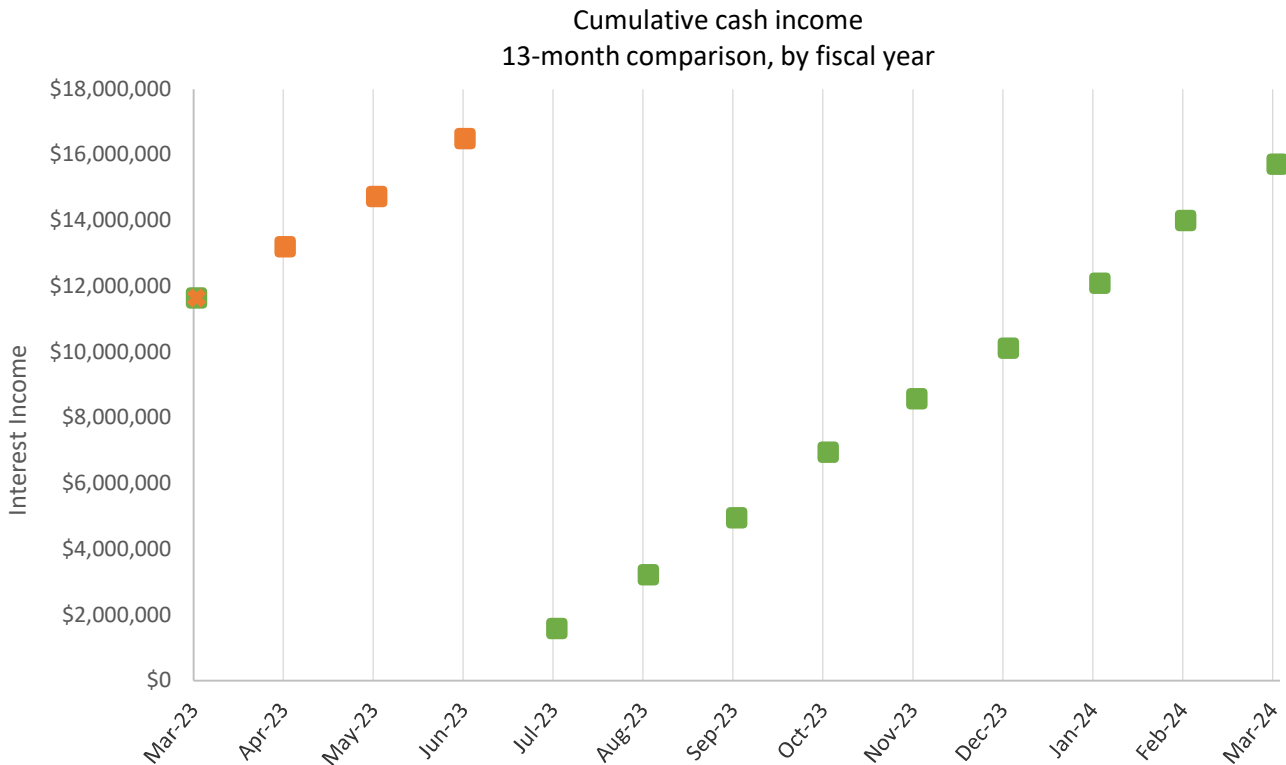
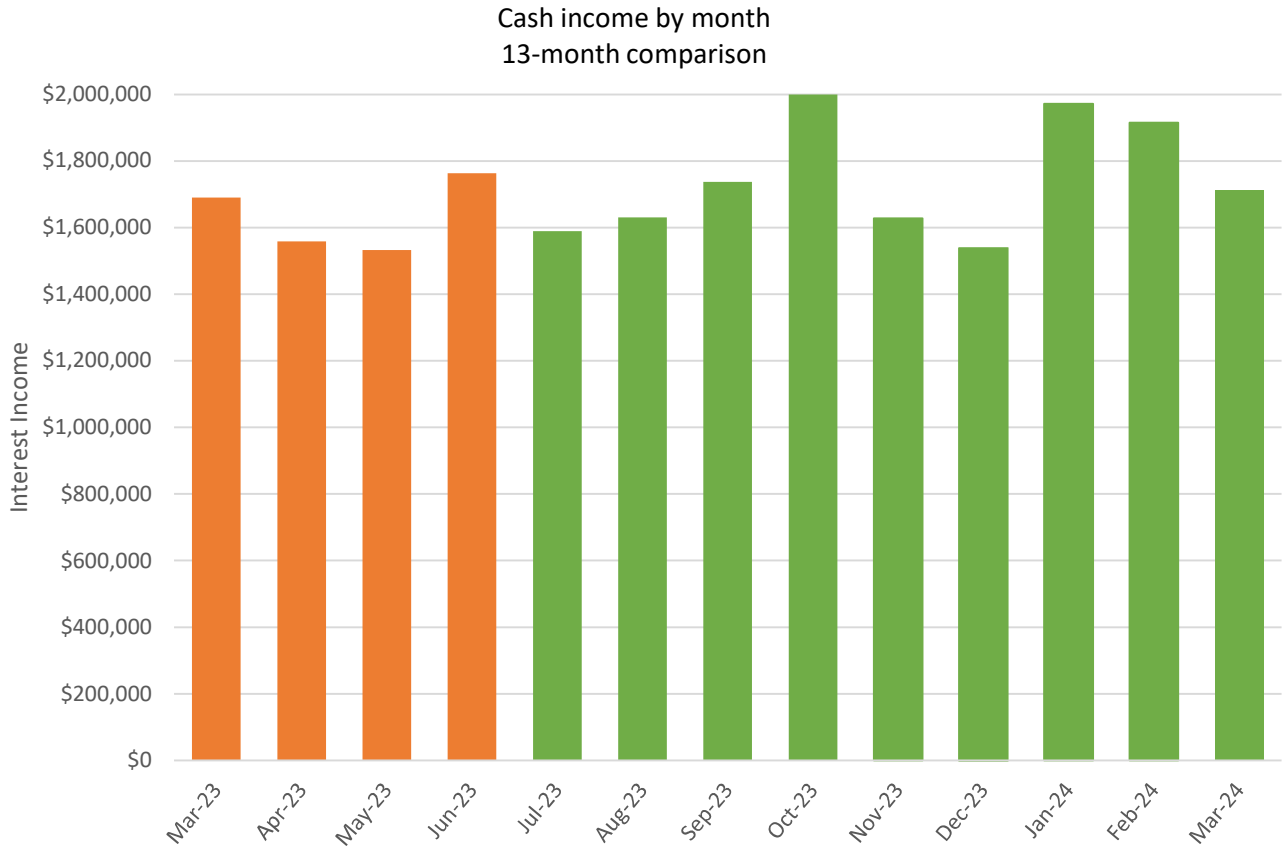


Yield comparison: market yields
 Fiscal year ends compared to current



Cash income

March 31, 2024



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

Exhibit 5

March 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
46625HJT8	JP Morgan Chase Bank	10/11/19	02/01/24	3.88%	1,765,000.00	1,765,000.00	34,196.88	1,799,196.88
06048WL40	Bank of America	01/24/22	02/26/24	0.50%	3,000,000.00	3,000,000.00	3,750.00	3,003,750.00
58933YAU9	3M (Merck & Co)	10/08/19	03/07/24	2.90%	1,500,000.00	1,500,000.00	21,750.00	1,521,750.00
09247XAL5	Blackrock Inc.	08/29/19	03/18/24	3.50%	2,000,000.00	2,000,000.00	35,000.00	2,035,000.00
09247XAL5	Blackrock Inc.	10/28/19	03/18/24	3.50%	1,000,000.00	1,000,000.00	17,500.00	1,017,500.00
09247XAL5	Blackrock Inc.	11/14/19	03/18/24	3.50%	1,000,000.00	1,000,000.00	17,500.00	1,017,500.00
09247XAL5	Blackrock Inc.	05/14/20	03/18/24	3.50%	3,000,000.00	3,000,000.00	52,500.00	3,052,500.00
Federal agency								
3133EKBW5	Federal Farm Credit Banks	03/06/19	02/27/24	2.61%	\$ 1,500,000.00	\$ 1,500,000.00	\$ 19,575.00	\$ 1,519,575.00
3133ELNJ9	Federal Farm Credit Banks	02/28/20	02/28/24	1.55%	2,500,000.00	2,500,000.00	19,375.00	2,519,375.00
3130APZV0	Federal Home Loan Banks	11/30/21	02/28/24	0.77%	1,500,000.00	1,500,000.00	5,742.74	1,505,742.74
3130A0XE5	Federal Home Loan Bank	03/08/19	03/08/24	3.25%	3,000,000.00	3,000,000.00	48,750.00	3,048,750.00
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
31398E6W9	FHLM - FHR 3544 BC	08/27/20	02/15/24	0.53%	7,799.02	8,171.91	76.30	8,248.21
3137FBTA4	FHLM - FHMS K728	03/10/21	02/26/24	3.06%	4,232.76	4,565.59	6,487.75	11,053.34
3137F32A1	FHLM - KHG1 A1	04/15/20	02/26/24	1.00%	84,824.76	90,921.54	2,475.09	93,396.63
3137BL6J2	FHLM - FHMS K048 A1	07/22/22	02/26/24	3.43%	71,451.35	70,736.84	1,476.54	72,213.38
3137BM7B6	FHMS - K051 A1	06/30/22	02/26/24	3.30%	90,959.05	90,248.43	5,237.93	95,486.36
30315EAA4	FRESB - MFM	07/24/20	02/26/24	0.83%	1,366.33	1,373.01	612.32	1,985.33
30318NAA1	FRESB - 2021-SB83	02/19/21	02/26/24	0.51%	1,878.73	1,887.55	636.42	2,523.97
3137BP4J5	FHLM - FHMS K1R1	08/20/21	02/26/24	0.41%	42,323.45	44,327.20	2,430.29	46,757.49
30321CAQ5	FRESB - 2021-SB88 A5F	07/23/21	02/26/24	0.75%	2,798.57	2,811.71	1,230.02	4,041.73
30324QAC2	FRESB - 2022-SB94	01/21/22	02/26/24	1.50%	7,181.61	7,214.82	5,745.71	12,960.53

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

Exhibit 5

March 31, 2024

Maturities cont.

CUSIP	Issuer	Settled	Maturity	Yield	Par value	Book value	Interest	Total
30311SAA7	FRESB - 2022-SB97 A5F	04/22/22	02/26/24	2.80%	4,977.18	4,779.92	4,990.68	9,770.60
30329MAA0	FRESB - 2022-SB103 A5F	10/28/22	02/26/24	4.99%	1,954.39	1,750.91	2,564.81	4,315.72
30329QAA1	FRESB - 2022-SB104 A5F	11/18/22	02/26/24	2.60%	4,503.23	4,110.72	8,457.29	12,568.01
3138L7D60	FHLM - AM6424	12/16/22	02/26/24	4.21%	2,528.43	2,447.84	2,803.11	5,250.95
3132XGRH1	FRESB - WN2287	01/27/23	02/26/24	3.93%	3,572.85	3,540.47	9,508.73	13,049.20
30332EAA3	FRESB - 2023-SB107 A5F	07/20/23	02/26/24	4.09%	373.24	365.13	10,217.16	10,582.29
35564CAA5	FHLM - SLST 2018	01/11/24	02/26/24	5.37%	12,089.17	11,602.30	2,988.22	14,590.52
30333AAA0	FRESB - 2023-SB108 A5F	08/17/23	02/26/24	4.79%	792.86	775.77	12,381.28	13,157.05
30334CAA5	FRESB - 2023-SB111 A5F	11/16/23	02/26/24	5.28%	140.80	137.65	10,792.55	10,930.20
31398E6W9	FHLM - FHR 3544 BC	08/27/20	03/25/24	0.53%	6,866.26	7,194.55	50.30	7,244.85
3137FBTA4	FHLM - FHMS K728	03/10/21	03/25/24	3.06%	4,801.92	5,179.51	6,476.94	11,656.45
3137F32A1	FHLM - KHG1 A1	04/15/20	03/25/24	0.99%	96,285.12	103,205.61	2,238.92	105,444.53
3137BL6J2	FHLM - FHMS K048 A1	07/22/22	03/25/24	3.43%	79,842.35	79,043.93	1,316.43	80,360.36
3137BM7B6	FHMS - K051 A1	06/30/22	03/25/24	3.30%	103,240.98	102,434.41	5,019.09	107,453.50
30315EAA4	FRESB - MFM	07/24/20	03/25/24	0.83%	1,530.49	1,537.98	611.37	2,149.35
30318NAA1	FRESB - 2021-SB83	02/19/21	03/25/24	0.51%	2,327.01	2,337.94	635.31	2,973.25
3137BP4J5	FHLM - FHMS K1R1	08/20/21	03/25/24	0.41%	47,311.18	49,551.07	2,344.02	51,895.09
30321CAQ5	FRESB - 2021-SB88 A5F	07/23/21	03/25/24	0.75%	3,115.82	3,130.45	1,227.97	4,358.42
30324QAC2	FRESB - 2022-SB94	01/21/22	03/25/24	1.50%	7,959.36	7,996.17	5,735.90	13,732.07
30311SAA7	FRESB - 2022-SB97 A5F	04/22/22	03/25/24	2.80%	5,539.31	5,319.78	4,983.30	10,303.08
30329MAA0	FRESB - 2022-SB103 A5F	10/28/22	03/25/24	4.99%	2,231.95	1,999.57	2,561.42	4,560.99
30329QAA1	FRESB - 2022-SB104 A5F	11/18/22	03/25/24	2.60%	5,261.43	4,802.83	8,447.53	13,250.36
3138L7D60	FHLM - AM6424	12/16/22	03/25/24	4.21%	2,537.02	2,456.15	2,795.84	5,251.99
3132XGRH1	FRESB - WN2287	01/27/23	03/25/24	3.93%	4,340.70	4,301.36	8,884.64	13,186.00
30332EAA3	FRESB - 2023-SB107 A5F	07/20/23	03/25/24	4.09%	471.48	461.23	10,215.89	10,677.12
35564CAA5	FHLM - SLST 2018	01/11/24	03/25/24	5.37%	8,029.94	7,706.55	2,952.96	10,659.51
30333AAA0	FRESB - 2023-SB108 A5F	08/17/23	03/25/24	4.79%	993.87	972.45	12,378.47	13,350.92
30334CAA5	FRESB - 2023-SB111 A5F	11/16/23	03/25/24	5.28%	195.24	190.87	10,792.00	10,982.87

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
91282CBM2	U.S. Treasury	06/25/21	02/15/24	0.13%	2,500,000.00	2,500,000.00	1,562.50	2,501,562.50
9128286G0	U.S. Treasury	11/15/21	02/29/24	2.38%	2,500,000.00	2,500,000.00	29,687.50	2,529,687.50

Maturities Total \$ 41,373,847.17 \$ 41,389,488.89 \$ 732,129.76 \$ 42,121,618.65

Calls

CUSIP	Issuer	Settled	Maturity	Yield	Par value	Book value	Interest	Total
06374VBX3	Bank of Montreal	11/15/22	11/15/27	6.25%	\$ 4,000,000.00	\$ 4,000,000.00	\$ 125,000.00	\$ 4,125,000.00

Calls Total \$ 4,000,000.00 \$ 4,000,000.00 \$ 125,000.00 \$ 4,125,000.00

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
227563EX7	Cross River Bank	03/12/24	03/07/29	4.25%	09/07/24	244,000.00	244,000.00

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

Exhibit 5

March 31, 2024

04518XAH7	Asian Bank	03/14/24	03/14/29	4.20%	09/14/24	244,000.00	244,000.00
Purchases cont.							
CUSIP	Issuer	Settled	Maturity	Yield	First Coupon	Par value	Book value
Corporate notes							
6944PLZ21	Pacific Life Global	01/12/24	01/11/29	4.75%	07/11/24	\$ 1,000,000.00	\$ 1,006,500.00
742718GF0	Proctor & Gamble	02/21/24	01/29/29	4.53%	07/29/24	2,000,000.00	1,984,175.26
771196CJ9	Roche Holdings Inc	03/28/24	03/08/29	4.64%	09/08/24	3,000,000.00	3,019,380.00
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
3135GAM81	Federal National Mortgage Assc	02/01/24	01/17/29	5.00%	07/17/24	2,500,000.00	2,500,000.00
3130AYRG3	Federal Home Loan Bank	02/05/24	02/05/29	4.40%	08/05/24	2,500,000.00	2,500,000.00
3134H1SK0	Federal Home Loan Mortgage C	02/09/24	02/09/29	4.52%	08/09/24	2,500,000.00	2,483,575.00
3130AYVC7	Federal Home Loan Bank	02/13/24	02/09/28	4.62%	08/09/24	2,000,000.00	2,000,000.00
3134GXNM2	Federal Home Loan Mortgage C	02/20/24	03/25/27	4.42%	03/25/24	2,000,000.00	1,899,720.00
3130AYWQ5	Federal Home Loan Bank	02/20/24	02/07/29	4.57%	08/07/24	2,500,000.00	2,497,500.00
3130AYJR8	Federal Home Loan Bank	02/20/24	01/17/29	4.71%	07/17/24	2,000,000.00	1,990,000.00
3133EP3Z6	Federal Farm Credit Banks	02/28/24	02/28/28	4.41%	08/28/24	2,000,000.00	1,997,320.00
3130B0M89	FHLB	03/28/24	12/28/28	4.40%	06/28/24	3,000,000.00	2,949,000.00
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
3140LBE4	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	1,024,532.87	983,271.41
3140HRZ55	FNMA BLO752	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
3132XFMPO	FHLMC WN1265	02/06/24	05/01/28	4.61%	03/25/24	2,000,000.00	2,007,500.00
3132XFNX2	FHLMC WN1305	02/13/24	11/01/28	4.48%	03/25/24	2,000,000.00	1,992,031.25
3132XGYJ9	FHLMC WN2512	03/07/24	09/01/28	4.80%	04/25/24	1,550,000.00	1,518,515.63
3140NUUL1	FNMA BZ0586	03/13/24	03/01/29	4.37%	04/25/24	2,000,000.00	1,993,440.00
3132XGYU4	FHLMC WN2522	03/15/24	12/01/28	4.53%	04/25/24	3,000,000.00	3,000,000.00
3132XGYR1	FHLMC WN2519	03/18/24	11/01/28	4.80%	04/25/24	2,500,000.00	2,494,531.25
3132XGZE9	FHLM WN2540	03/13/24	01/01/29	4.88%	04/25/24	3,500,000.00	3,510,390.64
3140NUUA5	FNMA BZ0576	03/19/24	03/01/29	4.56%	04/24/24	2,000,000.00	2,000,000.00
Municipal bonds							
83412PHS4	Solano County CCD	01/22/24	08/01/24	4.23%	02/01/24	\$ 2,000,000.00	\$ 1,775,780.00
13077DQG0	California State University	02/08/24	11/01/28	4.26%	05/01/24	2,500,000.00	2,209,350.00
Supranational securities							
45818WFE1	Inter-American Devel. Bank	03/01/24	03/01/29	4.40%	09/01/24	\$ 2,500,000.00	\$ 2,500,000.00
Purchases total						\$ 75,889,072.87	\$ 74,643,812.11

City of Carlsbad investment portfolio
Fund equity in pooled investments

Exhibit 6

March 31, 2024

Cash balance by fund:		
General		161,628,381.10
Special revenue		34,231,753.63
Capital projects:		
Infrastructure replacement	117,963,852.98	
Special districts	110,437,523.33	
General capital construction	48,337,823.64	
Public facilities fees	32,027,405.90	
Traffic impact fees	21,796,880.47	
Gas tax	18,546,870.60	
Park development	16,640,867.21	
Technology investment	14,714,673.10	
TransNet taxes	4,654,737.02	
Drainage fees	5,136,421.63	
Capital project subtotal		390,257,055.88
Enterprise:		
Carlsbad Municipal Water District	144,494,820.06	
Sewer fund	46,721,385.19	
Storm water	5,423,597.40	
Solid waste	3,897,953.13	
Golf course	6,855,029.26	
Enterprise subtotal		207,392,785.04
Internal service		67,523,041.56
Fiduciary		5,190,926.12
Total general ledger balance **		866,223,943.00
Reconciling adjustments (1)		10,849,762.00
Total treasurer's investment portfolio at amortized cost		<u>877,073,704.73</u>

**Figures based on best estimate at the time report run on 04/15/2024.

(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

March 31, 2024

All investments were in compliance with the city's investment policy at the time of purchase.

Issuer	Moody's	S&P	Fitch	Outlook
Corporate notes				
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
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

FAMCA	AAA	AA+		Stable
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
California State University	AA2	AA-		

City of Carlsbad investment portfolio
Security ratings and outlooks

Exhibit 7

March 31, 2024

All investments were in compliance with the city's investment policy at the time of purchase.

Issuer	Moody's	S&P	Fitch	Outlook
City of Anaheim	N/A	AA+	AA+	
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	AA2	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+	N/R	02/24/26	04/12/21	\$ 1,494,437
						<u>\$ 1,494,437</u>

The city's Investment Policy allows the City Treasurer to determine the course of action that would correct exceptions to the policy. The current exception is paying interest at the required times. The principal of the investment is considered secure. It is the intent of the City Treasurer to hold the asset 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

March 31, 2024

Issuer	Amortized cost	Portfolio allocation
Corporate notes		
Amazon.com Inc.	4,515,432.97	0.51%
Apple Inc.	1,522,164.28	0.17%
Bank of America	13,494,986.50	1.54%
Bank of Montreal	2,000,000.00	0.23%
Bank of New York Mellon	6,069,982.18	0.69%
BLC Community Bank (Bank of Montreal)	2,450,000.00	0.28%
CME Group	2,827,093.92	0.32%
Colgate-Palmolive	1,963,154.49	0.22%
Florida Power & Light	3,731,389.66	0.43%
Johnson & Johnson	11,462,114.72	1.31%
JP Morgan Chase Bank	23,068,709.10	2.63%
Massmutual Global	3,765,901.88	0.43%
Merck & Co	1,494,436.64	0.17%
Met Life Global	5,140,100.99	0.59%
Microsoft	4,137,907.36	0.47%
New York Life	3,368,438.34	0.38%
Nike Inc.	2,919,343.00	0.33%
Novartis Capital Corp	3,322,548.49	0.38%
Pacific Life Global	1,006,218.18	0.11%
Private Export Funding Corp.	2,503,805.31	0.29%
Procter & Gamble	10,838,569.62	1.24%
Roche Holdings Inc	4,818,221.12	0.55%
Royal Bank of Canada	6,996,411.56	0.80%
Seattle Children's Hospital	882,514.14	0.10%
Visa Inc.	1,294,176.68	0.15%
Wal-Mart	6,516,340.17	0.74%
Mortgage passthrough securities		
FAMCA	3,554,224.42	0.41%
FHLMC	28,352,536.75	3.23%
FNMA	15,706,051.83	1.79%
FRESB	24,526,621.79	2.80%
Federal agencies		
Federal Agricultural Mortgage Corp.	23,147,498.94	2.64%
Federal Farm Credit Bank	83,477,280.44	9.52%
Federal Home Loan Bank	139,037,571.05	15.85%
Federal Home Loan Mortgage Corp.	60,090,201.80	6.85%
Federal National Mortgage Assoc.	35,914,729.51	4.09%
Tennessee Valley Authority	1,011,730.14	0.12%

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

Exhibit 8

March 31, 2024

Issuer	Amortized cost	Portfolio allocation
Municipal Bonds		
Ada/Canyon Cty SD	1,524,960.17	0.17%
Alief Independent SD	1,970,574.95	0.22%
Amarillo Independent SD	1,791,017.26	0.20%
Bay Area Water	1,195,829.54	0.14%
Cache County SD	3,267,477.63	0.37%
California State University	2,218,224.81	0.25%
City of Anaheim	1,508,007.72	0.17%
Contra Costa Cmty College	922,923.06	0.11%
County of Multnomah OR	2,001,670.31	0.23%
Fremont CA Unified	1,838,661.98	0.21%
Honolulu Wastewater	1,413,075.77	0.16%
Los Angeles Cmty College	2,033,981.83	0.23%
Los Angeles Unified SD	3,685,488.97	0.42%
Los Angeles Water & Power	1,562,820.57	0.18%
Marion County SD	1,882,563.83	0.21%
Mason/Kitsap Cty SD	640,000.00	0.07%
Minnesota State	1,215,000.00	0.14%
Oregon State Dept of Admin Services	950,735.23	0.11%
Oregon State Dept of Transp	3,208,837.89	0.37%
Pajaro Valley USD	1,174,822.58	0.13%
Portland CC	1,101,379.72	0.13%
San Bernardino CCD	1,370,899.55	0.16%
San Diego Cmty College	5,146,316.57	0.59%
San Francisco City Pub Utl	1,000,716.78	0.11%
San Jose Evergreen CC	773,424.31	0.09%
San Jose Redevelopment	4,050,498.11	0.46%
San Ramon Valley SD	878,660.14	0.10%
Santa Barbara CA USD	945,503.22	0.11%
Santa Monica Cmty College	505,661.85	0.06%
Solano County Cmty College	1,785,139.71	0.20%
Southern CA Public Power	2,449,400.00	0.28%
State of California	15,380,569.53	1.75%
State of Connecticut	2,855,933.18	0.33%
State of Hawaii	7,987,967.47	0.91%
Texas Tech University	5,725,590.91	0.65%
University of California	6,253,589.30	0.71%

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

Exhibit 8

March 31, 2024

Issuer	Amortized cost	Portfolio allocation
<hr/>		
Other		
<hr/>		
Supranational	21,915,393.21	2.50%
US Treasury	60,085,697.08	6.85%
Certificate of deposits	22,488,625.25	2.56%
Cash	131,437,656.77	14.99%
<hr/>		
Total portfolio amortized cost	877,073,704.73	100.00%
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Policy:

Corporate notes, non-agency 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, U.S. Treasury and agency-backed mortgage passthrough securities do not have issuer limitations.

Investment detail

March 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Federal investments								
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
3133EKWV4	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
3142XMMV1	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
3130AJ5F7	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
3134GV3B1	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
3135GA556	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
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
3134GWXM3	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
3142XAT9	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
3130AKM26	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
3130AKM26	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

City of Carlsbad investment portfolio

Investment detail

March 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
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
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
3130AQMx8	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
3134GXNM2	02/20/24	03/25/27	Federal Home Loan Mortgage Corp	2,000,000.00	1,899,720.00	4.419%	186,700.00	2,186,700.00
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
3130AWGF2	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
3133EN357	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
3130AYVC7	02/13/24	02/09/28	Federal Farm Credit Banks	2,000,000.00	2,000,000.00	4.625%	370,000.00	2,370,000.00
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
3133EP3Z6	02/28/24	02/28/28	Federal Farm Credit Banks	2,000,000.00	1,997,320.00	4.375%	350,000.00	2,350,000.00
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 Banks	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
3130BOM89	03/28/24	12/28/28	Federal Home Loan Banks	3,000,000.00	2,949,000.00	4.402%	570,000.00	3,570,000.00
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
3135GAM81	02/01/24	01/17/29	Federal National Mortgage Assoc	2,500,000.00	2,500,000.00	5.000%	624,305.56	3,124,305.56
3130AYJR8	02/20/24	01/17/29	Federal Home Loan Banks	2,000,000.00	1,990,000.00	4.714%	460,000.00	2,460,000.00
3130AYRG3	02/05/24	02/05/29	Federal Home Loan Banks	2,500,000.00	2,500,000.00	4.400%	550,000.00	3,050,000.00
3130AYWQ5	02/20/24	02/07/29	Federal Home Loan Banks	2,500,000.00	2,497,500.00	4.572%	568,118.05	3,068,118.05

City of Carlsbad investment portfolio

Exhibit 9

Investment detail

March 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
3134H1SK0	02/09/24	02/09/29	Federal Home Loan Mortgage Corp	2,500,000.00	2,483,575.00	4.375%	546,875.00	3,046,875.00
Total federal investments				\$ 344,278,000.00	\$ 342,982,042.04	1.827%	\$ 27,715,916.32	\$ 371,993,916.32

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
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
45818WFE1	03/01/24	03/01/29	Inter-American Development Bank	2,500,000.00	2,500,000.00	4.400%	550,000.00	3,050,000.00
Total supranationals				\$ 21,890,000.00	\$ 22,183,412.00	1.993%	\$ 2,469,700.85	\$ 24,359,700.85

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
U.S. Treasury								
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				\$ 60,500,000.00	\$ 59,725,228.08	2.264%	\$ 3,397,165.08	\$ 63,897,165.08

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Corporate notes								
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
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	2,028,875.00
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

Investment detail

March 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
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
12572QAGO	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	2,080,000.00
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	06/23/22	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
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
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
6944PLZ21	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
742718GF0	02/20/24	01/29/29	Procter & Gamble	2,000,000.00	1,984,175.26	4.530%	435,241.67	2,435,241.67
771196CJ9	03/28/24	03/08/29	Roche Holdings Inc	3,000,000.00	3,019,380.00	4.640%	718,500.00	3,718,500.00
Total corporate notes				\$ 131,990,000.00	\$ 135,187,594.93	2.069%	\$ 15,767,039.77	\$ 147,757,039.77

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
336460CCQ1	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
89235MJZ5	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

Investment detail

March 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
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
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	Synchrony 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	299,750.00
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
05600XQE3	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
227563EX7	03/12/24	03/07/29	Cross River Bank	244,000.00	244,000.00	4.250%	51,736.36	295,736.36
04518XAH7	03/14/24	03/14/29	Asian Bank	244,000.00	244,000.00	4.200%	51,268.08	295,268.08
Total certificate of deposit				\$ 22,492,000.00	\$ 22,484,876.92	2.065%	\$ 2,204,959.47	\$ 24,696,959.47

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	8,223.87	8,617.07	0.532%	54.69	8,278.56
3137FBTA4	03/10/21	08/25/24	FHLM - FHMS K728	2,531,859.93	2,730,947.20	3.064%	22,480.78	2,554,340.71
3137F32A1	04/15/20	11/25/24	FHLM - KHG1 A1	707,878.17	758,756.91	0.999%	9,756.02	717,634.19
3137BL6J2	07/22/22	12/25/24	FHLM - FHMS K048 A1	507,628.10	502,551.81	3.425%	6,181.23	513,809.33
3137BM7B6	06/30/22	04/25/25	FHMS - K051 A1	1,982,979.26	1,967,487.23	3.299%	35,174.82	2,018,154.08
30315EAA4	07/24/20	05/25/25	FRESB - MFM	882,380.25	886,695.97	0.830%	4,774.82	887,155.07
3137BJQ71	03/15/21	05/25/25	FHLM - FHMS KPLB A	2,000,000.00	2,157,500.00	2.770%	31,449.06	2,031,449.06
30318NAA1	02/19/21	01/25/26	FRESB - 2021-SB83	1,207,796.03	1,213,467.84	0.505%	8,620.50	1,216,416.53

Investment detail

March 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
3137BPW21	03/25/21	03/25/26	FHLM - KHMS K055	2,500,000.00	2,700,000.00	2.673%	70,105.54	2,570,105.54
3137BP4J5	08/20/21	03/25/26	FHLM - FHMS K1R1	1,102,658.40	1,154,862.38	0.414%	28,274.38	1,130,932.78
30321CAQ5	07/23/21	04/25/26	FRESB - 2021-SB88	1,671,382.16	1,679,230.97	0.746%	15,906.17	1,687,288.33
30324QAC2	01/21/22	11/25/26	FRESB - 2022-SB94	4,189,039.38	4,208,413.69	1.500%	92,932.68	4,281,972.06
30311SAA7	04/22/22	04/25/27	FRESB - 2022-SB97	3,353,989.20	3,221,063.90	2.803%	89,940.47	3,443,929.67
30329MAA0	10/28/22	06/25/27	FRESB - 2022-SB103	1,475,511.00	1,321,891.12	4.989%	50,154.69	1,525,665.69
30329QAA1	11/18/22	09/25/27	FRESB - 2022-SB104	3,893,598.23	3,554,224.42	2.600%	177,625.06	4,071,223.29
3138L7D60	12/16/22	10/01/27	FHLM - AM6424	969,929.46	939,012.96	4.212%	58,258.47	1,028,187.93
3132XGRH1	01/27/23	11/01/27	FRESB - WN2287	2,984,605.56	2,957,557.57	3.929%	199,281.41	3,183,886.97
3132XFGC6	01/08/24	03/01/28	FHLM - WN1094	1,000,000.00	884,882.81	4.476%	27,409.32	1,027,409.32
3140LBSE4	01/09/24	03/01/28	FNMA - BS1416	1,000,000.00	877,773.44	4.300%	20,702.43	1,020,702.43
3140LJJC1	01/17/24	04/01/28	FNMA - BS7458	2,000,000.00	2,003,593.75	4.780%	192,445.18	2,192,445.18
3140LKEG4	01/09/24	05/01/28	FNMA - BS8234	1,381,540.00	1,378,841.68	4.448%	124,528.00	1,506,068.00
3132XFMP0	02/06/24	05/01/28	FHLM - WN1265	2,000,000.00	2,007,500.00	4.611%	195,202.31	2,195,202.31
30332EAA3	07/20/23	05/25/28	FRESB - 2023-SB107	2,996,854.34	2,931,699.73	4.090%	258,213.18	3,255,067.52
35564CAA5	01/11/24	06/25/28	FHLM - SLST 2018	1,004,413.76	963,962.56	5.366%	74,559.57	1,078,973.33
30333AAA0	08/17/23	06/25/28	FRESB - 2023-SB108	3,494,103.59	3,418,798.67	4.793%	319,624.27	3,813,727.86
3132XGYJ9	03/07/24	09/01/28	FHLM - WN2512	1,550,000.00	1,518,515.63	4.800%	147,244.01	1,697,244.01
30334CAA5	11/16/23	09/25/28	FRESB - 2023-SB111	2,749,357.70	2,687,802.33	5.284%	296,832.77	3,046,190.47
3132XGYR1	03/18/24	11/01/28	FHLM - WN2519	2,500,000.00	2,494,531.25	4.797%	269,809.55	2,769,809.55
3132XFNX2	02/13/24	11/01/28	FHLM - WN1305	2,000,000.00	1,992,031.25	4.350%	203,377.88	2,203,377.88
3132XGYU4	03/15/24	12/01/28	FHLM - WN2522	3,000,000.00	3,000,000.00	4.530%	317,003.26	3,317,003.26
3140NUFX2	01/30/24	12/01/28	FNMA - BZ0181	3,000,000.00	3,069,720.00	4.920%	351,294.99	3,351,294.99
3132XGZE9	03/13/24	01/01/29	FHLM - WN2540	3,500,000.00	3,510,390.63	4.900%	412,570.41	3,912,570.41
3140NUN54	01/29/24	01/01/29	FNMA - BZ0411	2,000,000.00	1,985,220.00	4.400%	202,447.05	2,202,447.05
3140HRZ55	01/17/24	01/01/29	FNMA - BL0752	1,500,000.00	1,458,450.00	3.650%	125,684.19	1,625,684.19
3140NUUAS	03/19/24	03/01/29	FNMA - BZ0576	2,000,000.00	2,000,000.00	4.561%	222,456.27	2,222,456.27
3140NUUL1	03/13/24	03/01/29	FNMA - BZ0586	2,000,000.00	1,993,440.00	4.371%	210,659.57	2,210,659.57
Total mortgage backed securities (agency)				\$ 72,645,728.39	\$ 72,139,434.76	3.695%	\$ 4,873,035.00	\$ 77,518,763.39

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Municipal bonds								
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 District	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 College	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
6041295T9	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
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 Dist	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 Dis	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

City of Carlsbad investment portfolio

Exhibit 9

Investment detail

March 31, 2024

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
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 Dist	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
13077DQGO	02/08/24	11/01/28	California State University	2,500,000.00	2,209,350.00	4.260%	190,125.00	2,690,125.00
Total municipal bonds				\$ 96,720,000.00	\$ 94,938,076.65	2.460%	\$ 9,219,992.70	\$ 105,939,992.70

CUSIP	Settlement	Maturity	Issuer	Par	Invested	Yield	Interest expected	Return
Cash and pooled investments								
01WBCASH			Wells Fargo Bank - General	2,171,249.00	2,171,249.00	0.000%	-	2,171,249.00
01WBSWEEP			Wells Fargo Sweep account	5,328,652.21	5,328,652.21	5.182%	23,011.92	5,351,664.13
01WBCUSTODY			Principal - Custody	1,581,572.92	1,581,572.92	2.950%	3,888.03	1,585,460.95
01CAMP1028			CAMP	120,529,026.48	120,529,026.48	5.480%	550,415.89	121,079,442.37
01CIO502			LAIF City	208,949.79	208,949.79	4.122%	717.74	209,667.53
01CM0502			LAIF CMWD	844,558.98	844,558.98	4.122%	2,901.06	847,460.04
01PF10391			LAIF CPFA	773,647.39	773,647.39	4.122%	2,657.48	776,304.87
Total cash and pooled investments				\$ 131,437,656.77	\$ 131,437,656.77	5.328%	\$ 583,592.12	\$ 132,021,248.89
GRAND TOTAL				\$ 881,953,385.16	\$ 881,078,322.15	2.6472%	\$ 66,231,401.31	\$ 948,184,786.47

115 Trust Activity

March 31, 2024

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
02/29/24	-	216,565.94	-	10,470,327.19
03/31/24	-	231,767.31	-	10,702,094.50
Summary	\$ 10,000,000.00	\$ 702,094.50	\$ -	\$ 10,702,094.50

City of Carlsbad investment portfolio
Investments of bond accounts

Exhibit 11

March 31, 2024

Fund Type	Investments	Market yield	Maturity date	Par value
Communities Facilities District #3 Improvement Area 1, 2016 Bonds				
Reserve fund	Invesco Gov. & Agency - Institutional Money Market	5.24%	09/01/36	\$ 617,634.63
Other	Invesco Gov. & Agency - Institutional Money Market	5.24%	09/01/36	289.50
				Total \$ 617,924.13
Communities Facilities District #3 Improvement Area 2, 2016 Bonds				
Reserve fund	Invesco Gov. & Agency - Institutional Money Market	5.24%	09/01/38	\$ 900,884.76
Other	Invesco Gov. & Agency - Institutional Money Market	5.24%	09/01/38	447.94
				Total \$ 901,332.70
Reassessment District 22-01 (College/Cannon)				
Reserve Fund	Bank of New York Mellon	0.00%	09/01/35	\$ 882,577.60
Other	Bank of New York Mellon	0.00%	09/01/35	25,963.71
				Total \$ 908,541.31
				Total funds held in bond accounts <u>2,427,798.14</u>

City of Carlsbad investment portfolio
Affordable housing loan summary

Exhibit 12

March 31, 2024

Borrower	Development	Purpose	Issued	Issued	Repaid	Balance
Individual homebuyers	Calavera Hills	Sale	10/15/99	\$ 75,000.00	\$ 60,000.00	\$ 15,000.00
Individual homebuyers	Cherry Tree Walk	Sales	06/28/99	\$ 453,600.00	\$ 334,800.00	\$ 118,800.00
Individual homebuyers	Serrano	Sales	05/25/01	\$ 1,350,000.00	\$ 1,065,000.00	\$ 285,000.00
Individual homebuyers	Rancho Carlsbad	Sales	05/20/99	\$ 752,533.00	\$ 691,075.74	\$ 61,457.26
Individual homebuyers	Mulberry at Bressi Ranch	Sales	04/29/05	\$ 1,840,000.00	\$ -	\$ 1,840,000.00
Individual homebuyers	Village by the Sea	Sales	10/28/05	\$ 220,000.00	\$ -	\$ 220,000.00
Individual homebuyers	Laguna Point	Sale	07/06/06	\$ 140,000.00	\$ -	\$ 140,000.00
Individual homebuyers	The Bluffs	Sale	06/14/07	\$ 200,000.00	\$ -	\$ 200,000.00
Individual homebuyers	Roosevelt Gardens	Sales	08/30/07	\$ 1,583,423.00	\$ -	\$ 1,583,423.00
				<u>\$ 6,614,556.00</u>	<u>\$ 2,150,875.74</u>	<u>\$ 4,463,680.26</u>
Not-for-Profits						
Catholic Charities	Homeless Shelter	Shelter	35692	200,000.00	-	200,000.00
Catholic Charities allowance				(200,000.00)	-	(200,000.00)
Catholic Charities	Shelter	Shelter	03/01/10	507,585.00	-	507,585.00
Catholic Charities allowance				(507,585.00)	-	(507,585.00)
Hospice of North Coast	Property acquisition	Hospice	02/27/13	1,065,000.00	-	1,065,000.00
Hospice allowance				(1,065,000.00)	-	(1,065,000.00)
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Developers - Rentals						
Pacific Vista Las Flores	Vista Las Flores Apts	Rentals	02/27/01	363,948.00	-	363,948.00
CIC Calavera LP	Mariposa Apts	Rentals	09/15/01	1,060,000.00	-	1,060,000.00
CIC La Costa LP	Hunter's Pointe	Rentals	08/19/08	1,932,000.00	-	1,932,000.00
CIC Glen Ridge LP	Glen Ridge	Rentals	10/05/09	1,014,000.00	-	1,014,000.00
Solutions for Change-Vista Terrace	Property acquisition	Rentals	06/28/12	780,000.00	-	780,000.00
Harding Street Neighbors LLP	Property acquisition	Rentals	03/14/13	7,408,000.00	-	7,408,000.00
Solutions for Change-Chestnut	Property acquisition	Rentals	12/19/14	2,646,000.00	-	2,646,000.00
Chelsea Investment Corp. / Quarry Creek CIC LLP	Quarry Creek	Rentals	08/31/16	1,280,000.00	867,866.22	412,133.78
Carlsbad Veteran Housing LP	Windsor Pointe	Rentals	12/03/20	3,793,392.00	-	3,793,392.00

City of Carlsbad investment portfolio
Affordable housing loan summary

Exhibit 12

March 31, 2024

Borrower	Development	Purpose	Issued	Issued	Repaid	Balance
Bridge Housing Corporation	Aviara East	Rentals	03/01/23	2,790,000.00	-	2,790,000.00
USA Properties Fund / Carlsbad 685, L.P.	Marja Acres	Rentals	10/26/23	715,000.04		715,000.04
				<u>23,782,340.04</u>	<u>867,866.22</u>	<u>22,914,473.82</u>
Other Affordable Housing assistance						
DPCCA	Various	Purch assistance	06/25/09	255,518.00	82,750.00	172,768.00
Individual home buyers	Various	Minor home repair	05/20/10	30,521.80	-	30,521.80
Minor Home Repair allowance				(30,522.00)	-	(30,522.00)
				<u>255,517.80</u>	<u>82,750.00</u>	<u>172,767.80</u>
Individuals (non-development related)						
Individual home buyer	Laguna Point	Sales	04/17/13	108,150.00	-	108,150.00
Individual home buyer	Rose Bay	Sales	08/23/13	229,775.00	-	229,775.00
				<u>337,925.00</u>	<u>-</u>	<u>337,925.00</u>
Total Housing Loans				<u>30,990,338.84</u>	<u>3,101,491.96</u>	<u>27,888,846.88</u>



CITY COUNCIL
Staff Report

Meeting Date: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Sarah Reiswig, Senior Human Resources Officer
sarah.reiswig@carlsbadca.gov, 442-200-4718
Judy von Kalinowski, Human Resources Director
judy.vonkalinowski@carlsbadca.gov, 760-473-4670

Subject: Settlement of Workers' Compensation Claims of Mickey Williams

Districts: All

Recommended Action

Adopt a resolution authorizing settlement of the workers' compensation claims of Mickey Williams for \$86,605.

Executive Summary

Mickey Williams, retired Police Chief, sustained work-related injuries during the course of his employment. This compromise and release settlement permanently resolves and permanently releases the city of liability for his open workers' compensation claims.

Settlements exceeding \$50,000 require the approval of the City Council in accordance with City Council Resolution 2015-086.

Explanation & Analysis

The terms and conditions of the proposed settlement are set forth in the request for settlement authority document, which is on file with the Human Resources Department. The terms and conditions were agreed upon by Mr. Williams and the city, and have been recommended by AdminSure Inc., the city's workers' compensation administrator.

Authorizing this compromise and release settlement permanently closes the open claims, and permanently releases the city from future liability for any new or further injury. The settlement provides a lump sum payment for future medical care costs.

Declining to settle through the compromise and release process would require the city to continue paying for medical care as needed and the city would remain liable in case of a new injury or if the injury gets worse, medical and utilization review costs, and treatment complications.

Fiscal Analysis

The additional cost of this settlement is \$86,605. Funding for this settlement was included in the adopted budget for fiscal year 2023-24.

Next Steps

With the City Council's approval, staff will file the appropriate documentation with the Workers' Compensation Appeals Board for its review and approval.

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

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING SETTLEMENT OF THE WORKERS' COMPENSATION CLAIMS OF MICKEY WILLIAMS

WHEREAS, AdminSure Inc., the city's third-party administrator, has recommended a settlement of the Workers' Compensation claims of Mickey Williams; and

WHEREAS, all parties have agreed to settle these claims before the Workers' Compensation Appeals Board.

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 expenditure of \$86,605 from the Workers' Compensation Self-Insurance Fund is authorized for the settlement of said claims.
3. That the City Council approves the Request for Settlement Authority on file with the Human Resources Department.

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: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Maria Callander, Information Technology Director
maria.callander@carlsbadca.gov, 442-339-2454
Mike Lesh, Senior Program Manager
mike.lesh@Carlsbadca.gov, 442-339-5701

Subject: Purchase of Ricoh Multi-Functional Printers from Ricoh USA, Inc.

Districts: All

Recommended Action

Adopt a resolution authorizing the City Manager or designee to execute all necessary documents to procure multi-function printers from Ricoh USA, Inc. in an amount not to exceed \$730,939.65.

Executive Summary

Ricoh USA, Inc. ("Ricoh") multi-function printers enable city staff to readily print, copy and scan documents at any Ricoh printer at any city facility, wherever they are needed. The city's 125 printers purchased between 2015 and 2021 are wearing out. While printed documents are still needed for city operations, the demand for them has and will continue to decrease due to the ongoing shift toward digital platforms.

Staff analyzed the city's past use of printers and developed a plan to provide the same level of productivity and efficiency with 34 fewer printers, which will reduce costs.

The City Council is now being asked to authorize the City Manager or a designee to purchase 86 new multi-function printers from Ricoh USA, Inc. for an amount not to exceed \$730,939.65.

The City Council's approval is required under Carlsbad Municipal Code Section 3.28.050(D)(4), which applies to the procurement of goods, City Council approval is required because the purchase will cost more than \$100,000 within a single calendar year.

Explanation & Analysis

Background

The city leased printers from Ricoh in 2015, when the City Council authorized the Mayor to execute a master service agreement with the company (Resolution No. 2015-200). The master service agreement contained a five-year \$2,055,781 lease for Ricoh multi-function printers as well as Ricoh's printer-related services.

The city extended the agreement on Feb. 23, 2021, with an amendment to the agreement renewing managed print services for two years with an option for a third (Resolution No. 2021-048). The city made all the required lease payments and executed its option to own the 125 existing printers originally purchased between 2015 and 2021 including any amendments to the original agreement.

The city did not replace any of its printers under the 2021 extended agreement. Due to uncertainty in the market during the pandemic, staff chose to keep operational costs low by not starting a lease for new printers or proposing the city make a large upfront payment to purchase them.

The city's printers are now showing signs of age and need replacement. While there is no fixed rule, the common industry practice is to replace large multi-function printers every five years to stay up to date with technology and minimize the risk of unexpected breakdowns.

Staff worked with Ricoh to strategically "right-size" the city's printer inventory by aligning it with actual usage patterns and optimizing the placement in certain city offices. Ricoh's proposal (Attachment A to Exhibit 1) was developed based on the city's historical use, department business processes and manufacturer recommendations.

Cooperative purchasing agreement

Ricoh USA, Inc. is the vendor through which the city purchased its multi-function printer fleet in 2015. Replacement of the printer fleet from Ricoh would be purchased through a cooperative purchasing agreement, in compliance with Carlsbad Municipal Code Section 3.28.100 – Cooperative Purchasing. Ricoh USA, Inc. is an OMNIA partner for print goods and services under the University of California contract #2021002788.

Carlsbad Municipal Code Section 3.28.100 gives the city's purchasing officer the authority to join with other public or quasi-public agencies in cooperative purchasing plans or programs for the purchase of goods or services when 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 made its purchase in a competitive manner.

Proposed new agreement

The replacement of our multi-function printers is needed to keep the city's paper dependent processes running smoothly. Staff are recommending the city purchase the new printers rather than leasing them. This purchase provides the following benefits:

- Improved productivity. Our outdated printers cause significant delays and interruptions with frequent break downs.
- Cost savings. Operational costs will be reduced by changing from a flat-fee for service to a usage-based model.
- Enhanced security. New models have the most up-to-date security features and protection against unauthorized access. The city's printing infrastructure is currently limited to the security features of printers that are nearly ten years old.
- Funding. The city has already approved and budgeted for the replacement of its Ricoh multi-functional printer fleet in fiscal year 2023-24.

After the deployment of the new printers, staff will terminate the existing service agreement and establish a new agreement. The costs will be based on how much the services are used. This will cost about \$32,000 less on average for each year as compared to the current agreement, which includes a fixed base rate plus additional charges if the city exceeds a certain level of service.

The service rates under a new contract will be influenced by the age and model of the printers, so replacing our existing printers is essential to secure the lowest possible rates. This move provides cost savings to the operational budget allocated to printing and improves efficiencies. This savings will be recognized upon the completed installment of the new printer fleet.

Compared to the 2015 five-year printer lease, which cost \$1,591,560, this one-time \$730,939.65 purchase will cost \$861,167 less (not including services). Upon delivery of the new printers, a new service agreement with Ricoh will be executed with an estimated cost of \$301,500 over five years, less than the 2015 five-year services cost of \$464,221.

Fiscal Analysis

The Strategic Digital Transformation Investment Program approved during the fiscal year 2023-24 annual budget process allocated \$700,000 from the Technology Investment Capital Fund to address the need to replace our aging multi-function printers. This funding will cover most of the one-time purchase cost of the new printers. Savings from the Information Technology Replacement fund will be used to cover the remaining \$30,939.65 of the purchase price.

Printer purchase funding	
FY 2023-24 Strategic Digital Transformation Investment Program	\$700,000.00
Information Technology Replacement fund savings	\$30,939.65
Total purchase cost	\$730,939.65
Additional appropriation	\$0.00

The IT Department will also collect replacement funds through a five-year life cycle to ensure the appropriate funds are collected for future replacement.

Next Steps

With the City Council’s approval, staff will purchase 86 new Ricoh printers for a total of \$730,939.65. Included in this cost, Ricoh will provide proper removal, hard drive destruction, and recycle services of the old multi-functional printers. Five Ricoh multi-function printers purchased in 2022 and 2023 will not be replaced, bringing the city’s total to 91 Ricoh multi-function printers.

Following the printer fleet replacement and separate from this purchase with Ricoh, staff will be concluding the current service contract. The city will transition to a new service agreement that features a reduced rate and a usage-based billing model. The proposed contract will be presented to the City Manager for approval. The city’s estimated annual service cost under the new agreement is estimated to be \$60,300 annually.

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, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE ALL NECESSARY DOCUMENTS TO PROCURE MULTI-FUNCTION PRINTERS FROM RICOH USA, INC. IN AN AMOUNT NOT TO EXCEED \$730,939.65.

WHEREAS, the City of Carlsbad has historically owned and operated its own multi-vendor, multi-model fleet of print related devices; and

WHEREAS, in November 2014 the Information Technology Department staff, along with representatives from various other city departments, developed and published a request for proposal for managed print services; and

WHEREAS, on July 28, 2015, City Council adopted Resolution No. 2015-200 authorizing the city manager to execute a master service agreement with Ricoh USA, Inc. for a five-year lease of printers and managed print services; and

WHEREAS, on February 23, 2021, City Council adopted Resolution No. 2021-048 authorizing the City Manager to extend the master service agreement for three years and to complete the purchase of the leased printers; and

WHEREAS, the printers purchased through the master service agreement with Ricoh USA, Inc. are substantially past end-of-life and are in need of replacement; and

WHEREAS, Ricoh USA, Inc. is an authorized OMNIA partner for print goods and services under the University of California contract #2021002788 for the purchasing of multi-function printers; and

WHEREAS, under Carlsbad Municipal Code Section 3.28.100, the purchasing officer has the authority to join with other public agencies in cooperative purchasing plans for the purchase of goods or services when it is in the city's best interest; and

WHEREAS, the purchasing officer has reviewed the purchase and agrees that the use of the cooperative purchase agreement is in the city's best interest; and

WHEREAS, the budget to procure the multi-functional printers is available in the Information Technology Department's fiscal year 2023-24 Information Technology Replacement Fund and Strategic Digital Transformation Investment Program; and

WHEREAS, the funding for future annual service and maintenance will be considered in the Information Technology Department's annual budget requests.

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 City Manager, or a designee, is authorized to execute all required documents necessary to procure multi-function printers from Ricoh USA, Inc. in amount not to exceed \$730,939.65 as reflected in Attachment A.

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:

ABSENT:

KEITH BLACKBURN, Mayor

SHERY FREISINGER,
City Clerk

(SEAL)

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 **City of**
Carlsbad
California

City of Carlsbad

Print Services Proposal

Proposal good through 05/31/2024



PREPARED BY:
Bill Wirth
Phone: 760-586-5831
Email: Bill.wirth@ricoh-usa.com

Equipment Models:

- Ricoh C8000 Specifications
- Ricoh C6010 Specifications
- Ricoh IM C4510 Specifications
- Ricoh IM C300F
- Ricoh IM 460F
- New Investment/Spend

Ricoh IM C8000

The Ricoh IM C8000 is a color multifunction product that offers print, copy, scan capabilities in a compact design. The Ricoh IM C8000 combines economical, high-quality color, advanced scanning capabilities, flexible paper handling and the latest security features.

Key Features Included:

- 80 PPM in Color and B/W
- Copy, print & scan capable
- 220 Sheet Single Pass Document Feeder
- 3,700 Sheet Paper Capacity
- Up to 12" x 18" Media
- 100 Sheet By-Pass Tray
- 2,000 Sheet Booklet Finisher Stapler
- Punch Kit
- Multi Fold Unit
- 10.1" Smart Operation Panel
- Full-color scanning
- Up to 300gsm paper through main drawers and by-pass
- Duplexing (up to 256gsm)
- Power Filter Included
- Note Power requirements: 208V – 240V / 12A, 60Hz



Advantage Ricoh

- ✓ #1 in business color global market share for five consecutive years – Gartner Group
- ✓ Award winning products
- ✓ Recognized industry leader in sustainability
- ✓ Only office equipment manufacturer to be awarded the Deming Award twice – for quality control

RICOH
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The Ricoh IM C8000 is a color multifunction product that offers print, copy, scan capabilities in a compact design. The Ricoh IM C8000 combines economical, high-quality color, advanced scanning capabilities, flexible paper handling and the latest security features.

Key Features Included:

- 60 PPM in Color and B/W
- Copy, print & scan capable
- 220 Sheet Single Pass Document Feeder
- 3,100 Sheet Paper Capacity
- Up to 12" x 18" Media
- 100 Sheet By-Pass Tray
- Floor Finisher Stapler
- 10.1" Smart Operation Panel
- Full-color scanning
- Power Filter Included



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- ✓ Award winning products
- ✓ Recognized industry leader in sustainability
- ✓ Only office equipment manufacturer to be awarded the Deming Award twice – for quality control

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The Ricoh IM C4510 is a color multifunction product that offers print, copy, scan capabilities in a compact design. The Ricoh IM C4510 combines economical, high-quality color, advanced scanning capabilities, flexible paper handling and the latest security features.

Key Features Included:

- 45 PPM in Color and B/W
- Copy, print & scan capable
- 220 Sheet Single Pass Document Feeder
- 4 X 550 sheet paper drawers
- Up to 12" x 18" Media
- Floor Finisher/Stapler
- 100 Sheet By-Pass Tray
- Smart Operation Panel
- Full-color scanning
- Up to 300gsm paper through main drawers and by-pass
- Duplexing (up to 256gsm)
- Power Filter Included



Advantage Ricoh

- ✓ #1 in business color global market share for five consecutive years – Gartner Group
- ✓ Award winning products
- ✓ Recognized industry leader in sustainability
- ✓ Only office equipment manufacturer to be awarded the Deming Award twice – for quality control

Ricoh IMC 300F

The Ricoh IM C300F is a color multifunction product that offers print, copy, scan capabilities in a compact design. The Ricoh IM C300F combines economical, high-quality color, advanced scanning capabilities, flexible paper handling and the latest security features.

Key Features Included:

- 31 PPM in Color and B/W
- Copy, print, scan, & fax capable
- Dual Scan Automatic Document Feeder
- 250 sheet paper drawer
- 100 Sheet by-pass paper drawer
- Up to 8 1/2" x 14" Media
- 100 Sheet By-Pass Tray
- Smart Operation Panel
- Full-color scanning
- 2 GB Standard memory
- Duplexing (up to 256gsm)
- Power Filter Included



Advantage Ricoh

- ✓ #1 in business color global market share for five consecutive years – Gartner Group
- ✓ Award winning products
- ✓ Recognized industry leader in sustainability
- ✓ Only office equipment manufacturer to be awarded the Deming Award twice – for quality control

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Ricoh IM 460F

The Ricoh IM 460F is a color multifunction product that offers print, copy, scan and fax capabilities in a compact design. The Ricoh IM 460F combines economical, high-quality color, advanced scanning capabilities, flexible paper handling and the latest security features.

Standard Features Include

- 10.1" Smart Operation Panel
- Mobile Printing
- PostScript3 Emulation
- 500-Sheet Paper Tray
- 100-Sheet Bypass Tray
- Integrated Duplex
- 320 GB Hard Disk Drive
- 2 GB RAM
- Print, Copy, Scan and Fax Capabilities



Advantage Ricoh

- ✓ #1 in business color global market share for five consecutive years – Gartner Group
- ✓ Award winning products
- ✓ Recognized industry leader in sustainability
- ✓ Only office equipment manufacturer to be awarded the Deming Award twice – for quality control

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Our earth,
Our tomorrow

Recommended New Fleet: - 86 Units

Investment Details

Let us help you build business with world-class technology from Ricoh. When versatility, quality, service and accountability are important, Ricoh is the obvious choice!

Pricing Includes:

- ☑ Project management team for Delivery, Installation and configuration
- ☑ Network print and scan set-up
- ☑ Control Suite Deployment and Implementation
- ☑ Includes equipment delivery, Installation, network set-up, configuration and training.
- ☑ Service performed by authorized Ricoh Service Technicians
- ☑ Supplies (except paper/media)
- ☑ Access to RICOH educational & learning resources
- ☑ Equipment removal, disposal/recycle
- ☑ Hard Drive Removal and destruction
- ☑ Block of time (80) hrs. for Professional Services

Notes:

- ☑ Ricoh Managed Services Support Center (RMSSC) invoiced at \$8.00 per device or \$672.00 per month for 84 units.

Recommended Equipment:

- **(5) RICOH IM C8000 Color MFP**
 - ✓ Booklet Finisher/Staplers | Hole Punch | Multi Fold units
- **(3) RICOH IM C6010 Color MFP**
 - ✓ 2,000 Sheet Large Capacity Paper Drawer | Two 500 Sheet Paper drawers | Floor Finisher/Staplers
- **(33) RICOH IM C4510 Color MFP**
 - ✓ Four 500 Sheet paper drawers | Floor Finisher/Stapler
- **(41) RICOH IM C300F Color MFP**
- **(2) IM 430F black/white MFP**
- **(2) Ricoh MICR Printers** (includes 5 yr. service plan)

Investment Summary

#	Model	Sub total	Total	Rebate
5	C8000 + Booklet Finisher + Folding	\$ 31,585.40	\$ 157,927.00	\$ 7,500.00
3	C6010	\$ 14,107.14	\$ 42,321.42	\$ 3,375.00
33	C4510	\$ 11,063.24	\$ 365,086.92	\$ 29,700.00
41	C300F	\$ 4,620.22	\$ 189,429.02	\$ -
2	460F	\$ 3,833.26	\$ 7,666.52	\$ -
2	MICR Printers	\$ 1,525.00	\$ 3,050.00	\$ -
2	MICR 5 yr Service	\$ 1,021.00	\$ 2,042.00	\$ -
	Total*		\$ 767,522.88	\$ 40,575.00
	Price Concession:		\$ (51,500.00)	
	Total:		\$ 716,022.88	
	Sales Tax (7.75%)		\$ 55,491.77	
	Total including tax:		\$ 771,514.65	
	Cash rebate direct from Ricoh:		\$ (40,575.00)	
	Total New Investment:		\$ 730,939.65	

*GPO - OMNIA (PUBLIC SECTOR) - 2021002788

Pricing for equipment/service excludes any taxes that may apply

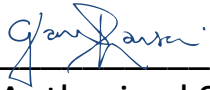
Service & Supply Program:

➤ Per image investment

- ✓ \$.0425 - Color, \$.0069 - B&W

Includes all parts, labor emergency service, preventative maintenance, drums & toner No monthly minimums, usage only, rates. Excludes paper.

Price quote valid through 5/31/2024



Authorized Signature
RICOH USA, INC.

Authorized Signature
City of Carlsbad



Our Commitment to You

With Ricoh, you have the support of a trusted partner in your corner — one who shares your goals, understands your long-term vision and is focused on helping your store achieve success.

Our dedication to The City of Carlsbad is unwavering, and it shows in the wealth of new technologies we are bringing to market. We are constantly thinking ahead, innovating and devising new ways to provide value and opportunity to you, our customer.



Ricoh USA, Inc. 300 Eagleview Blvd Ste 200, Exton, PA, 19341 | 1-800-63-RICOH

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May 14, 2024

Item #3

Page 17 of 19

Memorandum

April 16, 2024

To: Roxanne Muhlmeister, Assistant Finance Director/Purchasing Officer
From: Mike Lesh, Senior Program Manager
Via: Maria Callander, Information Technology Department Director
Re: Request Approval for Cooperative Use of Contract for Ricoh USA

The Information Technology Department requests authorization for use of a cooperative contract per Carlsbad Municipal Code Section 3.28.100 (Cooperative Purchasing). This code provides that the purchasing officer shall have the authority 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 purchasing officer may buy directly from a vendor at a price established by another public agency when the other agency has made their purchase in a competitive manner.

The Information Technology Department would like to cooperatively use the University of California (UC) Contract OMNIA (Public Sector) # 2021002788 for Print Goods and Services with Ricoh USA, Inc to provide for the purchase of a replacement multi-function printer fleet in the amount of \$730,939.65 (86 printers).

On July 28, 2015, the City Council approved Resolution 2015-200 authorizing the city manager to execute a master service agreement with Ricoh USA, Inc for the purchase of a multi-function printer fleet. Ricoh was selected after an RFP (request for proposal) process determined that Ricoh USA provided the best value to the city. The Ricoh printers purchased from that contract are now three years past their useful life. The new multi-functional printers will replace the eight-year-old printers currently in use by the city. By continuing to use Ricoh USA printers this will allow for minimal disruptions to staff work activities and continue a working relationship that has been beneficial to the city.

Approval for Cooperative Purchase

Roxanne Muhlmeister

Roxanne Muhlmeister,
Assistant Finance Director/Purchasing Officer

Muhlmeister
April 16, 2024
Page 2

CC:

Maria Callander, IT Department Director
Cindie McMahon, City Attorney
Brent Gerber, Senior Management Analyst
Shea Sainz, Senior Contract Administrator



CITY COUNCIL
Staff Report

Meeting Date: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Todd Reese, Parks Services Manager
todd.reese@carlsbadca.gov, 442-339-2151

Subject: Right of Entry Permit with the California Department of Parks & Recreation for Maintenance of the Upper Picnic Facilities at Tamarack State Beach and Coastal Bluff at Tamarack/Frazee State Beach, and for Reimbursement for Plan Reviews of Two City Projects

District: 1

Recommended Action

Adopt a resolution authorizing the execution of a right of entry permit with the California Department of Parks & Recreation to maintain the upper picnic facilities at Tamarack State Beach and the coastal bluff at Tamarack/Frazee State Beach, and to reimburse the state for plan reviews of two Capital Improvement Program projects that impact state property: Beach Access Repairs and Upgrades from Pine to Tamarack Avenues (CIP Project No. 3896), and Carlsbad Boulevard and Tamarack Avenue Intersection Improvements (CIP Program Project No. 6058).

Executive Summary

The City Council is being asked to authorize the execution of a right of entry permit with the California Department of Parks and Recreation under which the city can continue to maintain the upper picnic facilities at Tamarack State Beach and the coastal bluff at Tamarack/Frazee State Beach for an additional one-year term.

The city executed its initial right of entry permit with State Parks on May 20, 2014 (City Council Resolution No. 2014-098). The intent of the permit was to improve the coastal experiences for residents, business owners and visitors.

Based on the successful results during the first year, the city and the state have entered into annual permits for the past nine years, as well as an amendment to the current year permit to reimburse the state for plan reviews of the Beach Access Repairs and Upgrades from Pine to Tamarack Avenues Project (Capital Improvement Program Project No. 3896), which impacts state property (City Council Resolution No. 2022-263).

Staff are recommending authorizing the execution of a new right of entry permit beginning May 20, 2024, and ending May 19, 2025. The new permit includes the terms and conditions of the current amended right-of entry permit and a provision for reimbursement for plan reviews for

both projects, the Carlsbad Boulevard and Tamarack Avenue Intersection Improvements Project and the Beach Access Repairs and Upgrades from Pine to Tamarack Avenues Project, which also impact State Parks property.

The City Council is being asked to authorize the execution of this permit because the Carlsbad Municipal Code does not delegate this authority to the City Manager.

Explanation and Analysis

Consistent with past City Council direction, this agreement provides the city the ability to maintain the Upper Picnic Facilities at Tamarack State Beach and the Coastal Bluff at Tamarack/Frazer State Beach. The area includes about 1.5 acres of turf, hardscape, raised planters, trees, picnic tables and benches, trash receptacles, two showers, a drinking fountain, a stairway with adjacent hand railing, a restroom and a wastewater pump station.

The bluff area is approximately 4.8 acres that contain predominantly native plants and a permitted and improved footpath near the northern and southern ends of the boundary.

The right of entry permit is provided as Attachment A to Exhibit 1. The permit includes aerial views showing the boundary of the picnic facilities, the coastal bluff, and the two city Capital Improvement Program projects.

The permit will allow the city to:

- 1) Enter onto the upper picnic facilities solely for the purpose of “maintaining landscaping, irrigation systems, hardscapes, and daily facility housekeeping tasks for the comfort station (i.e., blockhouse restroom.)”
- 2) Enter onto the coastal bluff solely for the purpose of “revegetating native coastal bluff habitat, retrofitting/expanding existing irrigation system, and maintaining said vegetation and irrigation system.”
- 3) Reimburse the state for its costs up to \$20,000 for plan review services on the city’s Beach Access Repairs and Upgrades from Pine to Tamarack Avenues Project, and the Carlsbad Boulevard and Tamarack Avenue Intersection Improvements Project. The boundaries of these projects are shown in Exhibit C of the right of entry permit.

The City Council previously directed staff to initiate discussions with the state on the potential for the city to assume such services. City staff have continued to seek a long-term agreement with the state that would allow for the continuation of the services identified in the annual permit, as well as the potential for expanding maintenance and operations services to other state-owned properties within the city.

At the City Council’s direction, staff have held several meetings with representatives of the state’s local and district offices to discuss the potential for a long-term operating agreement on the picnic facilities, coastal bluff and other state-owned properties. According to the state, however, a permit can currently only be issued for a term of one year.

Fiscal Analysis

The City Council previously appropriated a total of \$899,930 for one-time improvements that were completed during the period covered by the first annual right of entry permit, and \$115,000 per year for ongoing maintenance of the upper picnic facilities at Tamarack State Beach and the coastal bluff at Tamarack/Frazee State Beach. Sufficient funds for ongoing maintenance of these areas are available in the fiscal year 2023-24 Parks Maintenance Operating Budget and the funds required in the following fiscal year will be requested in the Parks Maintenance Operating Budget.

The City Council previously appropriated a total of \$13,511,750 for the Beach Access Repairs and Upgrades from Pine to Tamarack Avenues Project, and a total of \$2,825,000 for the Carlsbad Boulevard and Tamarack Avenue Intersection Improvements Project. Sufficient funds for the one-time reimbursement of plan review services are available in each project's adopted fiscal year 2023-24 Capital Improvement Program budget.

Environmental Evaluation

The City Planner has considered Public Resources Code Section 21065, and determined the action to approve a right of entry permit does not constitute a project within the meaning of the California Environmental Quality Act in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect change in the environment, so does not require environmental review.

For the projects referenced above, Capital Improvement Program Projects Nos. 3896 and 6058, separate environmental reviews will be conducted in accordance with the CEQA Guidelines.

Next Steps

Staff will continue to administer maintenance of the picnic facilities and the coastal bluff through May 19, 2025. During that period, staff will also continue discussions with the state on a long-term operating agreement for these properties, and other state-owned beach properties. Staff will also continue to finalize the two capital improvement program projects' engineering and design and coordinate with the state on the plan reviews.

Exhibits

1. City Council resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING THE EXECUTION OF A RIGHT OF ENTRY PERMIT WITH THE CALIFORNIA DEPARTMENT OF PARKS & RECREATION TO MAINTAIN THE UPPER PICNIC FACILITIES AT TAMARACK STATE BEACH AND THE COASTAL BLUFF AT TAMARACK/FRAZEE STATE BEACH, AND TO REIMBURSE THE STATE FOR PLAN REVIEWS OF TWO CAPITAL IMPROVEMENT PROGRAM PROJECTS THAT IMPACT STATE PROPERTY: BEACH ACCESS REPAIRS AND UPGRADES FROM PINE TO TAMARACK AVENUES (CIP PROJECT NO. 3896), AND CARLSBAD BOULEVARD AND TAMARACK AVENUE INTERSECTION IMPROVEMENTS (CIP PROJECT NO. 6058)

WHEREAS, the City Council of the City of Carlsbad has determined that it is beneficial to improve and maintain the upper picnic facilities at Tamarack State Beach and the coastal bluff at Tamarack/Frazees State Beach; and

WHEREAS, the City Council of the City of Carlsbad has determined that it is beneficial to plan and design two Capital Improvement Program Projects: Beach Access Repairs and Upgrades from Pine to Tamarack Avenues (CIP Project No. 3896), and Carlsbad Boulevard and Tamarack Avenue Intersection Improvements (CIP Project No. 6058); and

WHEREAS, on May 20, 2014, the City of Carlsbad entered into an initial Right of Entry Permit with the State of California Department of Parks & Recreation (State Parks) to improve and maintain the Upper Picnic Facilities at Tamarack State Beach and the Coastal Bluff at Tamarack/Frazees State Beach for a term of one year; and

WHEREAS, the intent of the permit was to provide enhanced coastal experiences for residents, business owners and visitors of the City of Carlsbad; and

WHEREAS, with that action, the City Council allocated \$899,930 in corresponding one-time improvements for these areas and \$115,000 per year in corresponding ongoing maintenance; and

WHEREAS, the City Council previously directed staff to initiate discussions with the state on the potential for the city to assume such services. City staff have continued to seek a long-term agreement with the state that would allow for the continuation of the services identified in the permit, as well as the potential for expanding maintenance and operations services to other state-owned properties within the city; and

WHEREAS, at the City Council’s direction, staff held several meetings with representatives from the State’s local and district offices to discuss the potential for a long-term operating agreement on the Picnic Facilities, the Coastal Bluff, and other state-owned properties; and

WHEREAS, according to the state, however, a permit can currently only be issued in a term of one year; and

WHEREAS, based upon the successful results during the first year, the city and the state entered into an annual permits for the past nine years, ending May 19, 2024, and an amendment to the current year permit for reimbursement to the state for plan reviews of the Beach Access Repairs and Upgrades from Pine to Tamarack Avenues Project (Project No. 3896) that impacts state property (City Council Resolution No. 2022-263); and

WHEREAS, staff recommends the authorization of a new permit to include the terms and conditions of the current amended right of entry permit and a new reimbursement provision for plan reviews for a second project, the Carlsbad Boulevard and Tamarack Avenue Intersection Improvements Project (CIP Project No. 6058), that impacts state property, beginning May 20, 2024, and ending May 19, 2025; and

WHEREAS, to address maintenance needs, sufficient operating funds are available in the adopted FY 2023-24 Parks Maintenance Operating Budget and funds required in the following fiscal year will be requested in the fiscal year 2024-25 Parks Maintenance Operating budget; and

WHEREAS, to address one-time reimbursement of plan reviews up to a total of \$20,000, sufficient funds are available in the respective project’s adopted fiscal year 2022-23 Capital Improvement Program budget; and

WHEREAS, the City Planner has considered Public Resources Code Section 21065, and determined the action to approve a right of entry permit does not constitute a “project” within the meaning of the California Environmental Quality Act in that it has no potential to cause either a direct physical change in the environment, or a reasonably foreseeable indirect change in the environment, so does not require environmental review. For the referenced projects, CIP No. 3896 and No. 6058, separate environmental reviews will be conducted in accordance with the CEQA Guidelines.

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 City Council authorizes and directs the Mayor to execute the Right of Entry Permit with State Parks (Attachment A) to maintain the Picnic Facilities and the Coastal Bluff and to reimburse the State for plan reviews of two Capital Improvement Program projects (CIP Project Nos. 3896 and 6058) for one year.

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)

RIGHT OF ENTRY PERMIT

Facilities:
Permit No.
23/24-SDCD-ROE-10

Agency: Department of Parks and Recreation

Projects: Maintenance of Tamarack Upper Picnic Facilities:
Tamarack RR, Grass and Picnic Area & Bluff

This Right of Entry Permit (Permit) is made and entered into this 20th day of May 2024, between the State of California, acting by and through its Department of Parks and Recreation, hereinafter called State, and City of Carlsbad, a local Government entity, hereinafter called Permittee; State and Permittee may hereinafter be referred to as a Party, or collectively the Parties.

RECITALS

- **Whereas**, the State owns, operates, and maintains the State Park known as Carlsbad State Beach, in the County of San Diego, State of California; and
- **Whereas**, Permittee has applied to State for permission to access Carlsbad State Beach for purposes of carrying out grounds keeping, maintenance of facilities, and restoration of the coastal bluff habitat (the Project); and
- **Whereas**, Permittee has applied to State for plan review services on two of Permittee's capital improvement program projects within the Carlsbad State Beach boundaries; and
- **Whereas**, the State desires to accommodate Permittee's application for permission to enter Carlsbad State Beach for purposes of the Projects, as provided herein and as, and to the extent, such Projects may be ultimately described, permitted, approved and conditioned by this document and subsequent Environmental Documents, and as may be conditioned by any other regulatory agency having jurisdiction, if applicable.

TERMS AND CONDITIONS

Now therefore, the State by this Permit hereby grants to the Permittee permission to enter upon State's property, conditioned upon the agreement of the Parties that this Permit does not create or vest in Permittee any interest in the real property herein described or depicted, that the Permit is revocable and non-transferable, and that the Permit is further subject to the following terms and conditions:

1. **Project Description:** By this Permit, the State hereby grants to the Permittee permission to enter onto those lands depicted and/or described on Exhibits "A" and "B" (the Property), attached hereto and herein incorporated by this reference, solely for the purpose of 1) maintaining landscaping, irrigation systems, hardscapes, and daily facility housekeeping tasks for the comfort station (for the Area described in Exhibit "A" and 2) revegetating and maintaining the native coastal bluff habitat within a 4.8 acre area also described in Exhibit "B".

In addition, the Project will include completion and review of the stairway and sidewalk repair and upgrades construction plans known as the Beach Access Repair and Upgrades from Pine to Tamarack Avenues Project and the completion and review of the construction plans known as the Carlsbad Boulevard & Tamarack Avenue Intersection Improvements Project, as shown in Exhibit "C", as follows:

- a. Permittee will finalize and submit plans to State.
 - b. State will review plans and submit comments to the city within forty (40) calendar days through its Southern Service Center.
 - c. State will review plans and long-term access through its Acquisition and Real Property Department.
 - d. State will track staff hours for all plan review related to the Beach Access Repairs and Upgrades from Pine to Tamarack Avenues Project, and the Carlsbad Boulevard & Tamarack Avenue Intersection Improvements Project, and use the funds identified in Section 4 to reimburse staff time.
2. **Permit Subject to Laws and Regulatory Agency Permits:** This Permit is expressly conditioned upon Permittee's obtaining any and all regulatory permits or approvals required by the relevant regulatory agencies for the Project and Permittee's use of the Property, and upon Permittee's

compliance with all applicable municipal, state and federal laws, rules and regulations, including all State Park regulations. Permittee shall at Permittee's sole cost and expense, comply with the Project Description, and requirements and mitigations contained in the Environmental Document.

Prior to commencement of any work, Permittee shall obtain all such legally required permits or approvals and submit to the State full and complete copies of all permits and approvals, including documentation related to or referenced in such permits and approvals, along with the corresponding agency contact and telephone numbers, and related California Environmental Quality Act (CEQA) and/or National Environmental Policy Act (NEPA) documentation as applicable.

3. **Term of Permit:** This Permit shall only be for the period beginning on May 20, 2024, and ending on May 19, 2025, or as may be reasonably extended by written mutual agreement of the Parties.
4. **Consideration:** As this is a mutually beneficial agreement between the parties which will improve facility features and maintenance, a component of CA State Parks' Mission and Director's Strategic Vision, no monetary compensation is being sought by Permittee for paragraph one of Section 1.

Specific to paragraph two of Section 1, Permittee agrees to reimburse State for its plan review services for projects cited in Section 1-d., the sum of up to twenty thousand dollars (\$20,000) as consideration for the rights granted by this Permit. This includes reimbursement of billable hours for specialist reviews as described in Section 1-d. Payments are due sixty days after the Permittee's receipt of invoices from the State.

5. **Permit Subject to Existing Claims:** This Permit is subject to existing contracts, permits, licenses, encumbrances, and claims which may affect the Property.
6. **Waiver of Claims and Indemnity:** Permittee waives all claims against State, its officers, agents and/or employees, for loss, injury, death, or damage caused by, arising out of, or in any way connected with the condition or use of the Property, the issuance, exercise, use or implementation of this Permit, and/or the rights herein granted. Permittee further agrees to protect, save, hold harmless, indemnify and defend State, its officers, agents and/or employees from any and all loss, damage, claims, demands, costs and liability which may be suffered or incurred by State, its officers, agents and/or employees from any cause whatsoever, arising out of, or in any way connected with this Permit, exercise by Permittee of the rights herein granted, Permittee's use of the Property and/or the Project for which this Permit is granted, except those arising out of the sole active negligence or willful misconduct of State. Permittee will further cause such indemnification and waiver of claims in favor of State to be inserted in each contract that Permittee executes for the provision of services in connection with the Project for which this Permit is granted.
7. **Contractors:** Permittee shall incorporate the terms, conditions and requirements contained herein when contracting out all or any portion of the work permitted hereunder. Permittee shall be responsible for ensuring contractor/subcontractor compliance with the terms and conditions contained herein. Failure of Permittee's contractors to abide by State's terms and conditions shall constitute default by Permittee (see DEFAULT paragraph below) allowing State to terminate this Permit and seek all legal remedies.
8. **Insurance Requirements:** As a condition of this Permit and in connection with Permittee's indemnification and waiver of claims contained herein, Permittee shall maintain, and cause its contractors to maintain, a policy or policies of insurance as follows:

General Provisions Applying to All Policies

- A. **Coverage Term** – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the contract.
- B. **Policy Cancellation or Termination & Notice of Non-Renewal** – Contractor is responsible to notify the State within five business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
- C. **Deductible** – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.

- D. **Primary Clause** – Any required insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
- E. **Insurance Carrier Required Rating** – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- F. **Endorsements** – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- G. **Inadequate Insurance** – Inadequate or lack of insurance does not negate the contractor obligations under the contract.
- H. **Satisfying an SIR** - All insurance required by this contract must allow the State to pay and/or act as the contractor’s agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the contractor’s agent in satisfying any SIR is at the State’s discretion.
- I. **Available Coverages/Limits** - All coverage and limits available to the contractor shall also be available and applicable to the State.
- J. **Subcontractors** - In the case of Contractor utilization of subcontractors to complete the contracted scope of work, contractor shall include all subcontractors as insured’s under Contractor and insurance or supply evidence of insurance to The State equal to policies, coverages and limits required of Contractor.

COMMERCIAL GENERAL LIABILITY:

Commercial General Liability Insurance covering bodily injury and property damage in a form and with coverage that are satisfactory to the State. This insurance shall include personal and advertising injury liability, products and completed operations, and liability assumed under an insured contract. Coverage shall be written on an occurrence basis in an amount of not less than \$1,000,000 per occurrence. Annual aggregate limit shall not be less than \$2,000,000. **The State of California, its officers, agents, and employees are to be covered as additional insureds with respect to liability arising out of work or operations.**

AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability Insurance covering all owned, non-owned, and hired vehicles with a combined single limit of not less than \$1,000,000 for bodily injury and property damage. **The State of California, its officers, agents, and employees are to be covered as additional insureds with respect to liability arising out of work or operations.**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY:

Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. **The Workers’ Compensation policy shall be endorsed with a waiver of subrogation in favor of the State of California.**

- 9. **Reservation of Rights:** State reserves the right to use the Property in any manner, provided such use does not unreasonably interfere with Permittee's rights herein.
- 10. **Access Limits and Conditions:** Access to the Property shall be limited to the access designated by State.
- 11. **Notice of Work:** Any required notices to State shall be sent to the State authorities in charge of Carlsbad State Park named below. At least forty-eight (48) hours prior to any entry upon the Property for any of the purposes hereinabove set forth, Permittee shall provide the State contact[s] named below with written notice of Permittee’s intent to enter the Property. Permittee shall also notify the State contact[s] listed below in writing at least forty-eight (48) hours prior to any change in the Project schedule or cessation or completion of work. Should State personnel need to contact Permittee, State shall notify Permittee’s contact person listed below:

STATE:

Contact: Sean Homer, Sector Superintendent
District: San Diego Coast
Address: 2680 Carlsbad Blvd.,
Carlsbad, CA 92008
Telephone: (760) 720-7001
Email: Sean.Homer@parks.ca.gov

PERMITTEE’S CONTACT:

Contact: Parks Services Mgr. Todd Reese
City of Carlsbad, Parks & Recreation
Address: 799 Pine Ave.,
Carlsbad, CA 92008
Telephone: (442) 339-2151
Email: Todd.Reese@carlsbadca.gov

- 12. Limits of Work:** In no event shall this Permit authorize work in excess or contrary to the terms and conditions of any regulatory agency permit or approval. Under no circumstances, whether or not authorized by any regulatory agency, other permit or any person or entity other than State, shall work exceed that which is authorized by this Permit.
- 13. Public Safety:** Permittee shall erect orange plastic temporary construction fencing and appropriate signage prior to commencement of work to prevent public access to the construction zone. Permittee shall remove such fencing within two (2) days after the completion of work. Permittee shall take, and shall cause its contractors or subcontractors to take, any and all necessary and reasonable steps to protect the public from harm in connection with the Project or implementation of this Permit.
- 14. Compliance with Project Requirements, Monitoring and Mitigation Measures (if applicable):** Prior to commencement of revegetating native coastal bluff habitat State will update CEQA document (NOE 2002/2003-SD-78) that updates and specifies resource monitoring and mitigation measures. The measures identified shall be completed by the permittee in accordance with and to the satisfaction of the District Superintendent or designee.

Permittee's activities conducted under this Permit shall comply with all State and Federal environmental laws, including, but not limited to, the Endangered Species Act, CEQA, and Section 5024 of the Public Resources Code.

Any of Permittee's archaeological consultants working within the boundaries of the Property shall submit a DPR 412A permit application to the District cultural resource specialist for approval prior to commencing any archaeological or cultural investigations of the Property.

Permittee shall immediately advise State's contact person if any new site conditions are found during the course of permitted work. State will advise Permittee if any new historical resources (including archaeological sites), special status species, threatened/endangered species protocols, or other resource issues are identified within the Project site. Permittee shall abide by District Superintendent or designee's instructions to protect the resource(s) during the permitted work or risk revocation of the Permit.

Permittee shall make all excavation activities on the Property available to the State archaeologist for observation and monitoring. During excavation, the State archaeological monitor may observe and report to the State on all excavation activities. State archaeological monitor shall be empowered to stop any construction activities as necessary to protect significant cultural resources from being disturbed.

In the event that previously unknown cultural resources, including, but not limited to, dark soil containing shell, bone, flaked stone, groundstone, or deposits of historic trash are encountered during Project construction by anyone, work will be suspended at that specific location, and the Permittee's work will be redirected to other tasks, until a State archaeologist or professionally qualified designee has evaluated the find and implemented appropriate treatment measures and disposition of artifacts, as appropriate, in compliance with all applicable laws and department resource directives.

If human remains are discovered during the Project, work will be immediately suspended at that specific location and the District Superintendent or designee shall be notified by Permittee. The specific protocol, guidelines and channels of communication outlined by the California Native American Heritage Commission (NAHC), and/or contained in Health and Safety Code Section 7050.5 and Public Resources Code Sections 5097.9 et seq., will be followed. Those statutes will guide the potential Native American involvement in the event of discovery of human remains.

If resource monitoring is required to be performed by State staff, the Permittee shall provide a written work schedule to the State at least 48 hours in advance of the work. Permittee shall provide reasonable advance notice of and invite the District Superintendent or designee to any preconstruction meetings with the prime contractor or subcontractors.

- 15. Restoration of Property:** Permittee shall complete the restoration, repair, and revegetation of the Property in consultation with, and to the satisfaction of, the State Environmental Scientist within one (1) year after completion of the Project or the expiration or termination of this Permit, whichever comes first. This obligation shall survive the expiration or termination of this Permit.
- 16. Performance Bond:** If required by State in order to ensure that Permittee performs and completes its obligations in accordance with the terms of the Permit, Permittee shall obtain a Performance

Bond from a surety duly licensed in the State of California. Permittee shall provide State with a copy of such insurance bond.

- 17. Right to Halt Work:** The State reserves the right to halt work and demand mitigation measures at any time, with or without prior notice to Permittee, in the event the State determines that any provision contained herein has been violated, or in the event that cessation of work is necessary to prevent, avoid, mitigate or remediate any threat to the health and safety of the public or state park personnel, or to the natural or cultural resources of the state park.
- 18. Use Restrictions:** The use of the Property by Permittee, including its guests, invitees, employees, contractors, and agents, shall be restricted to the daytime hours between sunrise and sunset on a day-by-day basis, unless otherwise approved in advance in writing by State. **Exception:** Grounds maintenance and janitorial employees, contractors and agents may be on site between 6:30am – midnight for the purpose of servicing the facilities. No person shall use or occupy the Property overnight.

Activities on the Property shall be conducted only in a manner which will not interfere with the orderly operation of the state park. Permittee shall not engage in any disorderly conduct and shall not maintain, possess, store, or allow any contraband on the Property. Contraband includes but is not limited to any illegal alcoholic beverages, drugs, firearms, explosives and weapons.

Roads and trails where motorized vehicles are normally prohibited may be used for vehicle access by Permittee, its employees, agents or contractors for patrol, maintenance, or repair purposes only, and only to the extent specified by State, and shall be otherwise subject to all other conditions and/or restrictions of this Permit and any applicable laws, state park regulations and state park policies.

Permittee shall not use or allow the Property to be used, either in whole or in part, for any purpose other than as set forth in this Permit, without the prior written consent of the State.

- 19. State's Right to Enter:** At all times during the term of this Permit and any extension thereof, there shall be and is hereby expressly reserved to State and to any of its agencies, contractors, agents, employees, representatives, invitees or licensees, the right at any and all times, and any and all places, to temporarily enter upon said Property to survey, inspect, or perform any other lawful State purposes.

Permittee shall not interfere with State's right to enter.

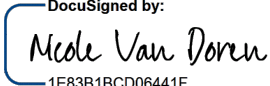
- 20. Protection of Property:** Permittee shall protect the Property, including all improvements and all natural and cultural features thereon, at all times at Permittee's sole cost and expense, and Permittee shall strictly adhere to the following restrictions:
- (a) Permittee shall not place or dump garbage, trash or refuse anywhere upon or within the Property, except in self-contained trash receptacles that are maintained to State's satisfaction by Permittee.
 - (b) Permittee shall not commit or create, or suffer to be committed or created, any waste, hazardous condition, or nuisance in, on, under, above or adjacent to the Property.
 - (c) Permittee shall not cut, prune, or remove any vegetation upon the Property, except as identified in the Project description and herein permitted or subsequently approved in writing by the District Superintendent.
 - (d) Permittee shall not disturb, move, or remove any rocks or boulders upon the Property, except as identified in the Project description and herein permitted or subsequently approved in writing by the District Superintendent.
 - (e) Permittee shall not grade or regrade, or alter in any way, the ground surface of the Property, except as herein permitted, or subsequently approved in writing by the District Superintendent.
 - (f) Permittee shall not bait, poison, trap, hunt, pursue, catch, kill, or engage in any other activity which results in the taking, maiming or injury of wildlife upon the Property, except as identified in the Project description and herein permitted or subsequently approved in writing by the District Superintendent.
 - (g) Permittee shall not use, create, store, possess or dispose of hazardous substances (as defined in the California Hazardous Substances Act) on the Property except as herein permitted, or subsequently approved in writing by the District Superintendent.

- (h) Permittee shall exercise due diligence to protect the Property against damage or destruction by fire, vandalism, and any other causes.
- 21. Default:** In the event of a default or breach by Permittee of any of the terms or conditions set forth in this Permit, State may at any time thereafter, without limiting State in the exercise of any right of remedy at law or in equity which State may have by reason of such default or breach:
- (a) Maintain this Permit in full force and effect and recover the consideration, if any, and other monetary charges as they become due, without terminating Permittee's right to use of the Property, regardless of whether Permittee has abandoned the Property; or
 - (b) Immediately terminate this Permit upon giving written notice to Permittee, whereupon Permittee shall immediately surrender possession of the Property to State and remove all of Permittee's equipment and other personal property from the Property. In such event, State shall be entitled to recover from Permittee all damages incurred or suffered by State by reason of Permittee's default, including, but not limited to, the following:
 - (i) any amount necessary to compensate State for all the detriment proximately caused by Permittee's failure to perform its obligations under this Permit, including, but not limited to, compensation for the cost of restoration, repair and revegetation of the Property, which shall be done at State's sole discretion and compensation for the detriment which in the ordinary course of events would be likely to result from the default; plus
 - (ii) at State's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.
- 22. State's Right to Cure Permittee's Default:** At any time after Permittee is in default or in material breach of this Permit, State may, but shall not be required to, cure such default or breach at Permittee's cost. If State at any time, by reason of such default or breach, pays any sum or does any act that requires the payment of any sum, the sum paid by State shall be due immediately from Permittee to State at the time the sum is paid. The sum due from Permittee to State shall bear the maximum interest allowed by California law from the date the sum was paid by State until the date on which Permittee reimburses State.
- 23. Revocation of Permit:** The State shall have the absolute right to revoke this Permit for any reason upon ten (10) days written notice to Permittee. Written notice to Permittee may be accomplished by electronic or facsimile transmission, and the notice period set forth in this paragraph shall begin on the date of the electronic or facsimile transmission, or, if sent by mail, on the date of delivery. If Permittee is in breach of the Permit or owes money to the State pursuant to this Permit, any prepaid monies paid by Permittee to State shall be held and applied by the State as an offset toward damages and/or amounts owed. Nothing stated herein shall limit the State's exercise of its legal and equitable remedies.
- 24. Recovery of Legal Fees:** In any action brought to enforce or interpret any provisions of this Permit or to restrain the breach of any agreement contained herein, or for the recovery of possession of the Property, or to protect any rights given to the State against Permittee, and in any actions or proceedings under Title 11 of the United States Code, if the State shall prevail in such action on trial or appeal, the Permittee shall pay to the State such amount in attorney's fees in said action as the court shall determine to be reasonable, which shall be fixed by the court as part of the costs of said action.
- 25. Voluntary Execution and Independence of Counsel:** By their respective signatures below, each Party hereto affirms that they have read and understood this Permit and have received independent counsel and advice from their attorneys with respect to the advisability of executing this Permit.
- 26. Reliance on Investigations:** Permittee declares that it has made such investigation of the facts pertaining to this Permit, the Property and all the matters pertaining thereto as it deems necessary, and on that basis accepts the terms and conditions contained in this Permit. Permittee acknowledges that State has made, and makes, no representations or warranties as to the condition of the Property, and Permittee expressly agrees to accept the Property in its as-is condition for use as herein permitted.
- 27. Entire Agreement:** The Parties further declare and represent that no inducement, promise or agreement not herein expressed has been made to them and this Permit contains the entire agreement of the Parties, and that the terms of this agreement are contractual and not a mere recital.

- 28. **Warranty of Authority:** The undersigned represents that they have the authority to, and do, bind the person or entity on whose behalf and for whom they are signing this Permit and the attendant documents provided for herein, and this Permit and said additional documents are, accordingly, binding on said person or entity.
- 29. **Assignment:** This Permit shall not be assigned, mortgaged, hypothecated, or transferred by Permittee, whether voluntarily or involuntarily or by operation of law, nor shall Permittee let, sublet or grant any license or permit with respect to the use and occupancy of the Property or any portion thereof, without the prior written consent of State.
- 30. **Choice of Law:** This Permit will be governed and construed by the laws of the State of California.

STATE OF CALIFORNIA
 Department of Parks and Recreation

CITY OF CARLSBAD

DocuSigned by:

 By: _____
1E83B1BCD06441E
 Name: Nicole Van Doren
 Title: Acting District Superintendent
 San Diego Coast District
 4477 Pacific Highway
 San Diego, CA 92110
 (619) 688-3356

By: _____
 Name: Keith Blackburn
 Title: Mayor
 City Hall
 1200 Carlsbad Village Dr.
 Carlsbad, CA 92008
 (442) 339-2820





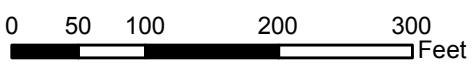
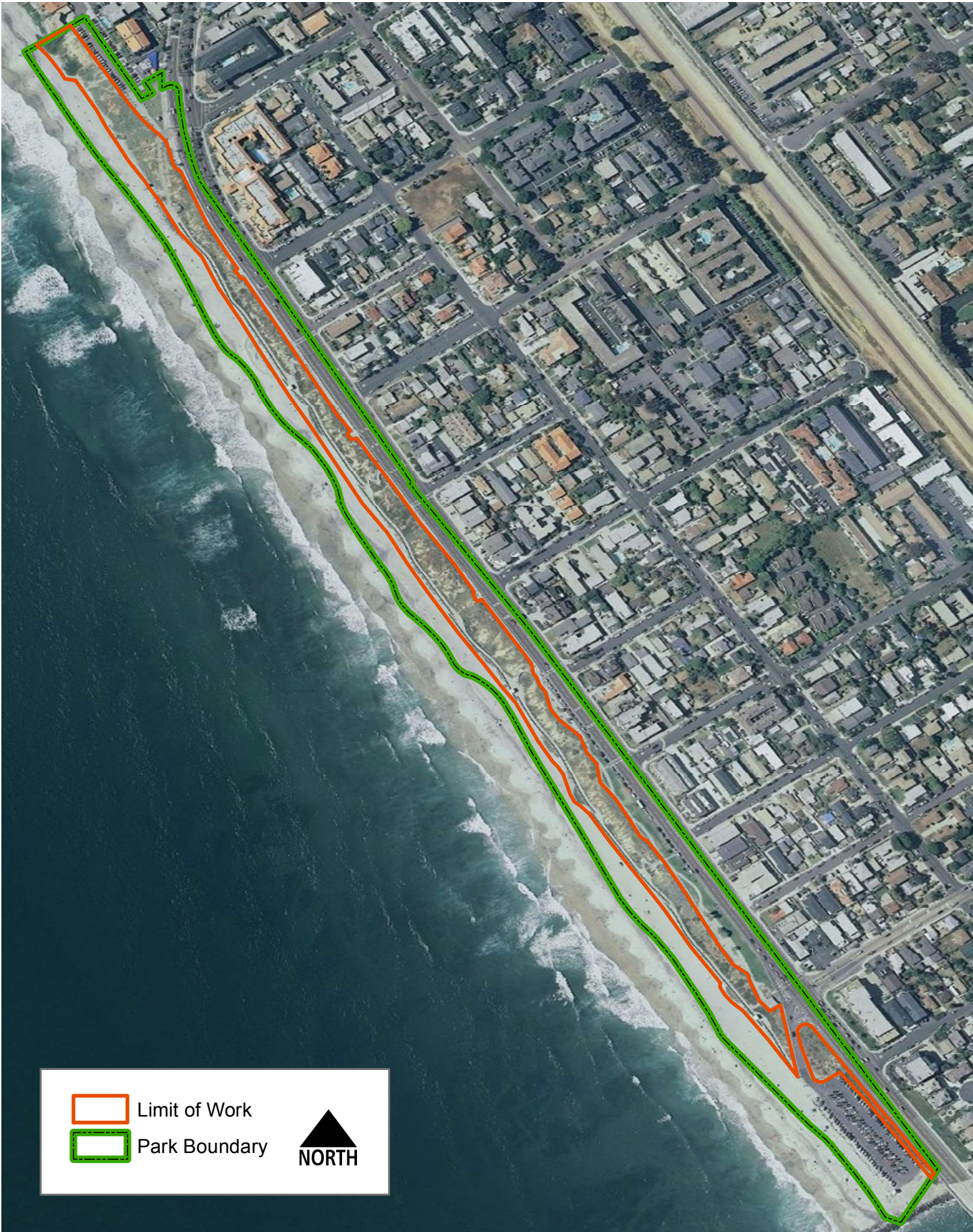
 Limit of Work
 Park Boundary



Exhibit "A" Limit of Work
Tamarack Upper Picnic Facilities
Carlsbad State Beach
May 14, 2024







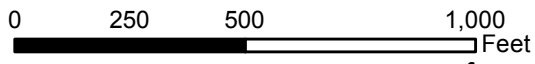
-  Limit of Work
-  Park Boundary



Exhibit "B" Limit of Work
Native Bluff Restoration
Carlsbad State Beach
May 14, 2024





Beach Access Repairs Project

Along Carlsbad Blvd (Pine Ave to Tamarack Ave)

- Oak Ave
- Pine Ave
- Walnut Ave
- Sycamore Ave
- Chestnut Ave
- Maple Ave
- Acacia Ave
- Cherry Ave
- Juniper Ave
- Hemlock Ave
- Redwood Ave
- Tamarack Ave
- Sequoia Ave
- Chinquapin Ave
- Aqua Hedionda Lagoon



Source: Google Earth Pro

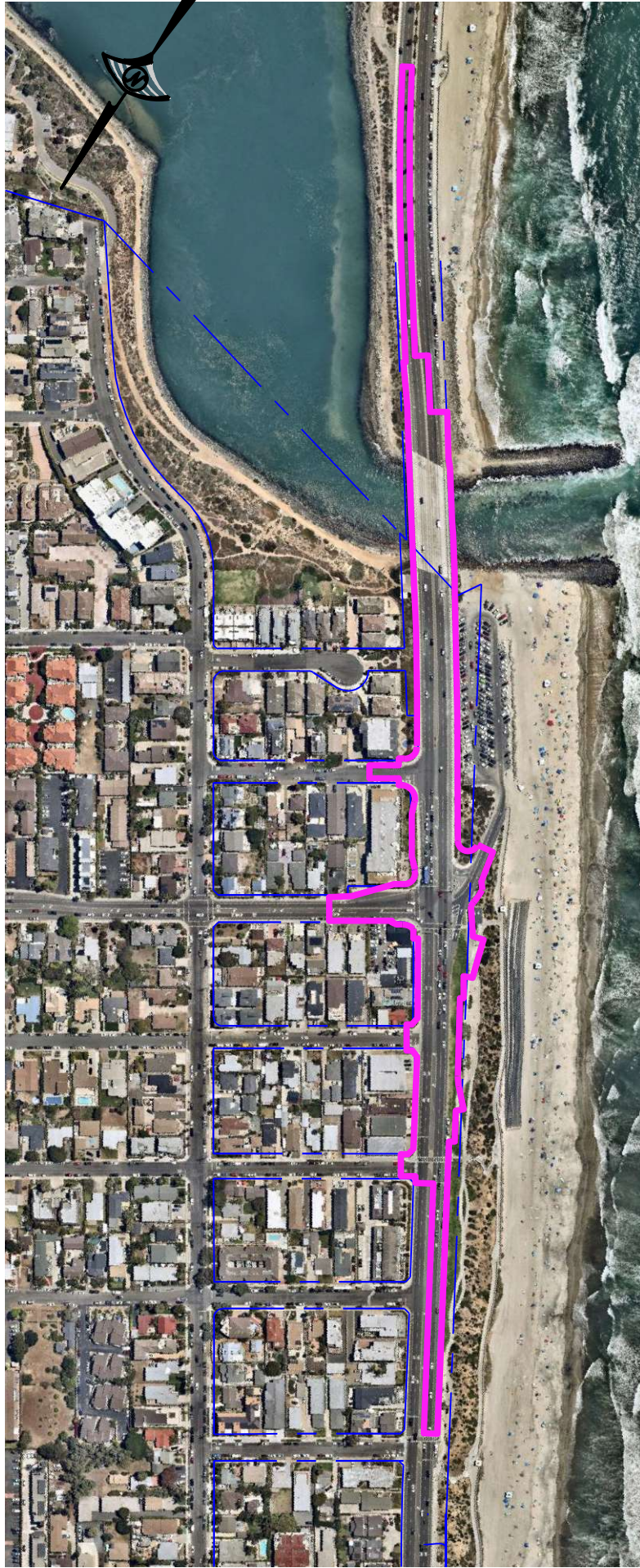
- Stairway Replacement
- Upper Sidewalk Repairs



ALTERNATIVES ANALYSIS PRELIMINARY DESIGN DRAWING - PROJECT LIMITS CARLSBAD BLVD AND TAMARACK AVE

CITY OF CARLSBAD

APRIL 2023



LEGEND:

- — — — — EXISTING ROW
- - - - - PROJECT LIMITS



WOOD RODGERS
 BUILDING RELATIONSHIPS ONE PROJECT AT A TIME
 1775 HANCOCK ST. STE.160 TEL 619.819.9240
 SAN DIEGO, CA 92110 FAX 619.512.5599



JOINT CITY COUNCIL AND
CARLSBAD MUNICIPAL WATER DISTRICT

Staff Report

Meeting Date: May 14, 2024

To: Mayor/President and City Council/Board Members

From: Scott Chadwick, City Manager/Executive Manager

Staff Contacts: Dave Padilla, Utilities Assistant Director/District Engineer
dave.padilla@carlsbadca.gov, 442-339-2356

Sean Diaz, Utilities Senior Engineer
sean.diaz@carlsbadca.gov, 442-339-2350

Subject: Accept Bids, Award a Contract to SEMA Construction, Inc. and Authorize an Additional Appropriation of Funds for Construction of the Carlsbad Boulevard Water and Sewer Line Improvements at Terramar Project, Including Authorization to Execute a License Agreement with North County Transit District

District: 2

Recommended Actions

1. Adopt a Carlsbad Municipal Water District Board of Directors resolution accepting bids, awarding a contract to SEMA Construction, Inc. for construction of the Carlsbad Boulevard Water Line Improvements at Terramar Project and appropriating funds in the amount of \$1,750,100 from the Water Connection Fund to Capital Improvement Program Project No. 5048.
2. Adopt a City Council resolution accepting bids and awarding a contract to SEMA Construction, Inc. for construction of the Carlsbad Boulevard Sewer Line Improvements at Terramar Project, Capital Improvement Program Project No. 5503-20.
3. Adopt a Carlsbad Municipal Water District Board of Directors resolution authorizing the Executive Manager to execute a license agreement between the North County Transit District and the Carlsbad Municipal Water District for the Carlsbad Boulevard Water Line Improvements at Terramar Project.
4. Adopt a Carlsbad Municipal Water District Board of Directors resolution delegating authority to the Executive Manager to file North County Transit District permit applications and execute license agreements for water district Capital Improvement Program projects.
5. Adopt a City Council resolution delegating authority to the City Manager to file North County Transit District permit applications and execute license agreements for city Capital Improvement Program projects.

Executive Summary

The water and sewer mains along Carlsbad Boulevard north and south of Cannon Road and on Cannon Road to just east of the railroad tracks were installed between 1958 and 1971. These pipelines need to be replaced or rehabilitated to ensure the reliability of the water and wastewater systems, and compliance with current city and Carlsbad Municipal Water District design and construction standards.

This project will abandon or remove 7,600 feet of potable water distribution mains, construct 5,000 feet of new water mains and replace and/or rehabilitate 1,500 feet of sewer mains and access holes along Carlsbad Boulevard and Cannon Road, as shown in the location map attached as Exhibit 6.

Staff recommend that the CMWD Board and the City Council adopt resolutions to award a construction contract to the lowest responsive and responsible bidder, SEMA Construction, Inc., in an amount not to exceed \$4,783,628, for the construction of Carlsbad Boulevard Water Line Improvements at Terramar, Capital Improvement Program Project No. 5048, and Carlsbad Boulevard Sewer Line Improvements at Terramar, Capital Improvement Program Project No. 5503-20, attached as Exhibits 1 and 2. An additional appropriation of \$1,750,100 is required to fully fund Project No. 5048.

The CMWD Board and the City Council must approve all formally bid contracts when the value exceeds \$200,000 under Carlsbad Municipal Code Sections 3.28.080(C), 3.28.080(E) and 3.28.080(I)(6).

The project requires a license agreement with the North County Transit District (NCTD) because it will install pipes under the railroad tracks. The authority to execute license agreements with indemnities rests with the CMWD Board and the City Council, though the CMWD Board and the City Council may delegate that authority to the Executive Manager or the City Manager, respectively, in accordance with Carlsbad Municipal Code Section 2.12.035(L).

To minimize delay and facilitate the agreement approval process for this and future construction projects involving NCTD's property and right-of-way, staff recommend that:

- The CMWD Board adopt the resolution attached as Exhibit 3, providing the approval specifically needed for the Carlsbad Boulevard Water Line Improvements at Terramar Project;
- The CMWD Board adopt the resolution attached as Exhibit 4, delegating authority to the Executive Manager to execute standard NCTD license agreements on behalf of the CMWD; and
- The City Council adopt the resolution attached as Exhibit 5, delegating authority to the City Manager to execute standard NCTD license agreements on behalf of the city.

Explanation & Analysis

Overview

The project consists of two Capital Improvement Program projects – Carlsbad Boulevard Water Line Improvements at Terramar, Project No. 5048, and Carlsbad Boulevard Sewer Line Improvements at Terramar, Project No. 5503-20, which is part of the Sewer Line Rehabilitation and Replacement Program, Project No. 5503. The two projects were offered for bids together with four bid schedules and will be constructed under a single contract.

- On Feb. 13, 2024, the City Council and the CMWD Board approved the project's plans and specifications and authorized staff to seek bids for construction (Resolution Nos. 2024-027 and 1728, respectively)
- On March 27, 2024, staff received eight bids for construction, ranging from \$4,783,628 to \$7,589,775. The low bid was within 5% of the engineer's estimate of \$4,593,000. An additional appropriation of funds at the time of contract award was anticipated and noted when the project was authorized for bidding.
- Staff reviewed the bid proposals and determined SEMA Construction, Inc. to be a responsible bidder and its bid of \$4,783,628 to be responsive.

Staff recommend that the City Council and the CMWD Board accept the bids, award a construction contract to SEMA Construction, Inc. and authorize an additional appropriation of \$1,750,100 to fully fund CIP Project No. 5048.

NCTD License Agreement

NCTD has policies regulating and governing the use of its property and right-of-way, requiring standard agreements and permits. A portion of the project in Cannon Road involves trenchless water main construction under the NCTD-controlled railroad tracks at Cannon Road. The district's policies require a license agreement for the water pipeline utility crossing beneath the NCTD railroad tracks.

The authority to execute the license agreement rests with the CMWD Board and the City Council but it may be delegated to the Executive Manager or the City Manager, respectively, as provided in Carlsbad Municipal Code Section 2.12.035, subsection (L), which details the powers and duties of the City Manager.

NCTD license agreements are not unique to this project. These agreements and permits are required for any utility infrastructure or street improvement within the NCTD right-of-way, or that cross under the railroad tracks. The swift processing of these agreements and permits reduces the potential for cost increases due to construction delays.

Because of this, staff desire to streamline the approval process for these license agreements and permits for future Capital Improvement Program projects and request that the CMWD Board and the City Council delegate the authority to sign these agreements and permits to the Executive Manager or the City Manager, respectively, when the agreements are:

- Necessary for utility, street improvement or other public works construction including Capital Improvement Program projects
- Recommended by the City Engineer, Deputy City Engineer or District Engineer
- Approved as to form by the City Attorney's Office or the Office of the General Counsel

Public notification

Staff conducted early public outreach in conformance with Council Policy No. 84, Development Project Public Involvement Policy, to initiate communication with neighboring residents within 600 feet of the project site. Public notices were mailed in June 2023, and public notice signs were posted at the project site.

Staff received no inquiries from adjacent or nearby property owners with questions or concerns regarding the project.

- On Sept. 20, 2023, a Planning Commission public hearing was held in which the project's coastal development permit was approved. No public comment was received at the hearing and the project was unanimously approved.
- On Oct. 12, 2023, the California Coastal Commission, which reserves the permitting authority for the area in and north of Cannon Road, reported a coastal development permit waiver (CDP Waiver 6-23-0472-W). No public comment was received at the hearing.

The work will involve replacement of water meters, reconnection of private water services, and restoration of private landscape and surface improvements and will be coordinated with the property owners. Staff will engage a consultant to provide communication and outreach services before construction to coordinate with nearby residents. The Executive Manager or designee will procure these professional services in accordance with existing master agreements and the authority provided in Carlsbad Municipal Code Section 3.28.060(D).

Fiscal Analysis

The total cost of \$6,369,628 for Capital Improvement Program Project Nos. 5048 and 5503-20 is detailed in the tables below.

An appropriation from the Water Connection Fund totaling \$1,750,100 is required to fully fund the conveyance capacity component of Project No. 5048. Staff will make a related reduction of \$904,100 from the previously appropriated \$4,730,000 for Project No. 5048 in the Water Replacement Fund because these project costs are related to conveyance capacity and can be paid for out of the requested Water Connection Fund appropriation. The net additional funding needed, from both funds, is \$846,000.

Sufficient funding is available in the Water Connection Fund for the requested appropriation for Project No. 5048. Sufficient funding is also available in the Sewer Replacement Fund for Project No. 5503-20.

Carlsbad Boulevard Water Line Improvements at Terramar Capital Improvement Program Project No. 5048	
Total appropriation to date	\$4,730,000
Total expenditures and encumbrances to date	-\$444,248
Total available funding	\$4,285,752
Construction contract (SEMA Construction, Inc.)	-\$3,866,600
Construction contingency (15%)	-\$580,000
Construction management, inspection, material testing services (estimated)	-\$580,000
Community outreach during construction (estimated)	-\$30,000
Environmental/cultural resources monitoring (estimated)	-\$60,000
Staff costs (estimated)	-\$15,000
Total estimated construction cost	-\$5,131,600
Remaining balance	-\$845,848
Net additional appropriation needed (rounded)	\$846,000

Sewer System Rehabilitation and Replacement Program Capital Improvement Program Project No. 5503	
Total appropriation to date	\$10,626,475
Total expenditures and encumbrances to date	-\$5,811,054
Total available funding	\$4,815,421
Carlsbad Boulevard Sewer Line Improvements at Terramar Capital Improvement Program Project No. 5503-20	
Construction contract (SEMA Construction, Inc.)	-\$917,028
Construction contingency (15%)	-\$138,000
Construction management, inspection, material testing services (estimated)	-\$138,000
Community outreach during construction (estimated)	-\$20,000
Environmental cultural resources monitoring (estimated)	-\$20,000
Staff costs (estimated)	-\$5,000
Total estimated construction cost	-\$1,238,028
Remaining balance	\$3,577,393

Carlsbad Municipal Code Section 3.28.040(C)(5) authorizes the Executive Manager and the City Manager or designee to approve change orders in the amount equal to the contingency set at the time the project is awarded. For this project, the amount is a total of \$718,000.

Construction management and inspection services are necessary for the project. Staff plan to issue a task order for these services in an amount not to exceed \$718,000 through the Executive Manager's delegated authority under an existing master agreement for as-needed horizontal construction management and inspection services, authorized by the CMWD Board in Resolution No. 1644. The costs for these services will be billed to the appropriate water or sewer funding source in proportion to the construction contract amounts for each portion of the project.

Next Steps

With the City Council and the CMWD Board's acceptance of bids and award of the construction contract to SEMA Construction, Inc., staff will issue a purchase order, schedule a pre-construction meeting with SEMA Construction, Inc. and issue a notice to proceed for construction of the project.

With approval of the proposed resolutions, the Executive Manager or the City Manager will be authorized to execute NCTD license agreements for this and future Capital Improvement Program projects.

Staff will engage the consultants for community outreach, construction management and inspection services, and environmental monitoring services during construction upon execution of the agreements for those services.

The duration of the construction contract is an estimated 12 months, not including rainy days and delays for change orders that may extend the contract duration. Construction is expected to begin in mid-2024 and be completed in mid-2025. A notice of completion to release bonds issued for the project will be recorded once the project is completed.

Environmental Evaluation

In accordance with the California Environmental Quality Act procedures and CEQA Guidelines Section 1508 through 15097, a program environmental impact report (State Clearinghouse No. 2012021006) was certified by the City Council on Nov. 13, 2012, for the Sewer and Water Master Plans. The master plans were updated in 2019 and 2022. On Sept. 20, 2023, the Planning Commission adopted Resolution No. 7493, to approve a third addendum to the program environmental impact report for the Sewer and Water Master Plan. Therefore, no further environmental analysis is required.

Exhibits

1. Carlsbad Municipal Water District Board of Directors resolution
2. City Council resolution
3. Carlsbad Municipal Water District Board of Directors resolution for the project NCTD license agreement
4. Carlsbad Municipal Water District Board of Directors resolution to delegate authority for NCTD license agreements
5. City Council resolution to delegate authority for NCTD license agreements
6. Location map

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARLSBAD MUNICIPAL WATER DISTRICT OF THE CITY OF CARLSBAD, CALIFORNIA, ACCEPTING BIDS, AWARDING A CONTRACT TO SEMA CONSTRUCTION, INC. FOR CONSTRUCTION OF THE CARLSBAD BOULEVARD WATER LINE IMPROVEMENTS AT TERRAMAR PROJECT AND APPROPRIATING ADDITIONAL FUNDS IN THE AMOUNT OF \$1,750,100 FROM THE WATER CONNECTION FUND TO CAPITAL IMPROVEMENT PROGRAM PROJECT NO. 5048

WHEREAS, the Board of Directors of the Carlsbad Municipal Water District, or CMWD Board, of the City of Carlsbad, California, has determined that it is necessary, desirable and in the public interest to construct the improvements to the water pipelines for the Carlsbad Boulevard Water Line Improvements at Terramar Project, Capital Improvement Program, or CIP, Project No. 5048; and

WHEREAS, on Feb. 13, 2024, the CMWD Board adopted Resolution No. 1728, approving plans, specifications and contract documents and authorizing staff to seek bids for construction of CIP Project No. 5048 in conjunction with sewer line improvements for CIP Project No. 5503-20; and

WHEREAS, on March 27, 2024, eight bids were received via electronic format for construction of the water and sewer line improvements; and

WHEREAS, the lowest responsive bid for construction of the water and sewer line improvements was submitted by SEMA Construction, Inc. in an amount not to exceed \$4,783,628, and the portion attributable to CIP Project No. 5048 is \$3,866,600; and

WHEREAS, staff determined SEMA Construction, Inc. to be a responsible bidder; and

WHEREAS, Carlsbad Municipal Code, or CMC, Sections 3.28.080(C) and 3.28.080(I)(6) require the CMWD Board to award all formally bid contracts when the value exceeds \$200,000; and

WHEREAS, CMC Section 3.28.040(C)(5) authorizes the Executive Manager or designee to approve change orders in the amount equal to the contingency set at the time of project award, which is \$580,000 for CIP Project No. 5048; and

WHEREAS, CIP Project No. 5048 requires an additional appropriation of \$1,750,100 from the Water Connection Fund; and

WHEREAS, staff will make a related reduction of \$904,100 from the previously appropriated \$4,730,000 for CIP Project No. 5048 in the Water Replacement Fund since these project costs are

related to conveyance capacity and can be paid for out of the requested Water Connection Fund appropriation, which results in a net additional funding needed across both funds in the amount of \$846,000 for a total appropriation of \$1,750,100 from the Water Connection Fund to CIP Project No. 5048; and

WHEREAS, on Sept. 20, 2023, the Planning Commission adopted Resolution No. 7494, approving a Coastal Development Permit (CDP 2022-0056) for the water and sewer line improvements, and adopted Resolution No. 7493, approving a third addendum to the final Addendum to the Program Environmental Impact Report for the Water, Recycled Water and Sewer Master Plan Updates finding consistency with the California Environmental Quality Act Guidelines Sections 15162-15164.

NOW, THEREFORE, BE IT RESOLVED by the Carlsbad Municipal Water District Board of Directors of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the bid in the amount of \$4,783,628 submitted by SEMA Construction, Inc. for construction of the Carlsbad Boulevard Water and Sewer Improvements at Terramar Project, CIP Project Nos. 5048 and 5503-20, is accepted, of which \$3,866,600 is for CIP Project No. 5048, and the CMWD Board President is authorized to execute a contract with SEMA Construction, Inc.
3. That the Executive Manager or designee is authorized to approve construction change orders up to \$580,000 for CIP Project No. 5048.
4. That the Executive Manager or designee is authorized to appropriate additional funds in the amount of \$1,750,100 from the Water Connection Fund to CIP Project No. 5048.
5. That the award of this contract is contingent upon SEMA Construction, Inc. executing the required contract and submitting the required bonds and insurance policies, as described in the contract, within 20 calendar days of the adoption of this Resolution. The Executive Manager may grant reasonable extensions of time to execute the contract and assemble the required bonds and insurance policies.

PASSED, APPROVED AND ADOPTED at a Joint Special Meeting of the Board of Directors of the Carlsbad Municipal Water District and 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, President

SHERRY FREISINGER, Secretary
(SEAL)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, ACCEPTING BIDS AND AWARDING A CONTRACT TO SEMA CONSTRUCTION, INC. FOR CONSTRUCTION OF THE CARLSBAD BOULEVARD SEWER LINE IMPROVEMENTS AT TERRAMAR PROJECT, CAPITAL IMPROVEMENT PROGRAM PROJECT NO. 5503-20

WHEREAS, the City Council of the City of Carlsbad, California has determined it necessary, desirable, and in the public interest to construct the improvements to the sewer pipelines for the Carlsbad Boulevard Sewer Line Improvements at Terramar Project, Capital Improvement Program, or CIP, Project No. 5503-20; and

WHEREAS, on Feb. 13, 2024, the City Council adopted Resolution No. 2024-027, approving plans, specifications and contract documents, and authorizing the City Clerk to advertise to receive bids for construction of CIP Project No. 5503-20 in conjunction with water line improvements in CIP Project No. 5048; and

WHEREAS, on March 27, 2024, eight bids were received via electronic format for construction of the water and sewer line improvements; and

WHEREAS, the lowest responsive bid for construction of the water and sewer line improvements was submitted by SEMA Construction, Inc. in an amount not to exceed \$4,783,628, and the portion attributable to CIP Project No. 5503-20 is \$917,028; and

WHEREAS, staff determined SEMA Construction, Inc. to be a responsible bidder; and

WHEREAS, Carlsbad Municipal Code, or CMC, Sections 3.28.080(C) and 3.28.080(I)(6) require the City Council to award all formally bid contracts when the value exceeds \$200,000; therefore, the project is subject to this requirement; and

WHEREAS, CMC Section 3.28.040(C)(5) authorizes the City Manager, or designee, to approve change orders in the amount equal to the contingency set at the time of project award, which is \$138,000 for CIP Project No. 5503-20; and

WHEREAS, on Sept. 20, 2023, the Planning Commission adopted Resolution No. 7494, approving a Coastal Development Permit (CDP 2022-0056) for the water and sewer line improvements, and adopted Resolution No. 7493, approving a third addendum to the final Addendum to the Program Environmental Impact Report for the Water, Recycled Water and Sewer Master Plan Updates finding consistency with the California Environmental Quality Act Guidelines Sections 15162-15164.

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 bid in the amount of \$4,783,628 submitted by SEMA Construction, Inc. for construction of the Carlsbad Boulevard Water and Sewer Line Improvements at Terramar Project, CIP Project Nos. 5048 and 5503-20, is accepted, of which \$917,028 is for CIP Project No. 5503-20, and the Mayor is hereby authorized to execute a contract with SEMA Construction, Inc.
3. That the City Manager, or designee, is hereby authorized to approve construction change orders up to \$138,000 for CIP Project No. 5503-20.
4. That the award of this contract is contingent upon SEMA Construction, Inc. executing the required contract and submitting the required bonds and insurance policies, as described in the contract, within 20 calendar days of adoption of this Resolution. The City Manager may grant reasonable extensions of time to execute the contract and assemble the required bonds and insurance policies.

PASSED, APPROVED AND ADOPTED at a Joint Special Meeting of the City Council and the Carlsbad Municipal Water District Board of Directors 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)

RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARLSBAD MUNICIPAL WATER DISTRICT OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING THE EXECUTIVE MANAGER TO EXECUTE A LICENSE AGREEMENT BETWEEN THE NORTH COUNTY TRANSIT DISTRICT AND THE CARLSBAD MUNICIPAL WATER DISTRICT FOR THE CARLSBAD BOULEVARD WATER LINE IMPROVEMENTS AT TERRAMAR PROJECT

WHEREAS, the Board of Directors of the Carlsbad Municipal Water District, or CMWD Board, of the City of Carlsbad, California, has determined that it is necessary, desirable and in the public interest to construct the improvements to the water pipelines at Carlsbad Boulevard Water Line Improvements at Terramar Project, Capital Improvement Program, or CIP, Project No. 5048, or Project; and

WHEREAS, the North County Transit District, or NCTD, has policies regulating and governing the use of its property and right-of-way; and

WHEREAS, the NCTD, through its Board Policy 11, amended Oct. 21, 2021, and Administrative Policy and Procedure DSD-D4000, requires a license agreement for any public agency requesting incidental use of NCTD's real property; and

WHEREAS, NCTD considers incidental use of real property to include utility infrastructure such as water, recycled water, and sewer facilities and appurtenances; and

WHEREAS, it is necessary to execute a NCTD license agreement to construct the improvements for the Project, and the license agreement contains indemnities through standard clauses and is attached herein.

NOW, THEREFORE, BE IT RESOLVED by the CMWD Board of Directors of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the Executive Manager is hereby authorized to execute a license agreement between the NCTD and the CMWD for the Carlsbad Boulevard Water Line Improvements at Terramar Project, CIP Project No. 5048, attached hereto as Attachment A.

PASSED, APPROVED AND ADOPTED at a Joint Special Meeting of the Board of Directors of the Carlsbad Municipal Water District and 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, President

SHERRY FREISINGER, Secretary
(SEAL)

Recording Requested by
North County Transit District

When recorded, mail to:

North County Transit District
810 Mission Avenue
Oceanside, CA 92054
Attn: Real Estate Department

SPACE ABOVE FOR RECORDER'S USE

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement") is made and entered into as of the effective date of _____, 2024 ("Effective Date") by and between the North County Transit District ("NCTD"), a public agency existing under the laws of the State of California, pursuant to California Public Utilities Code sections 125000, et seq. and Carlsbad Municipal Water District ("Licensee").

RECITALS

- A. NCTD has policies regulating and governing the use of its property and Right-of-Way ("ROW") (collectively, the "Property").
- B. Licensee has applied for the issuance of a License for NCTD Property in accordance with such policies and NCTD has agreed to allow Licensee to use that portion of the ROW at milepost 231.37 identified in Exhibit "A" ("License Area"), subject to the terms and conditions of this Agreement.
- C. NCTD and Licensee are parties to NCTD Agreement No. 231.37-969-PL-CSBD dated April 24, 1969, ("Original License"), to construct and maintain one (1) ten-inch (10') water pipeline at the Cannon Road crossing in Carlsbad ("Existing Facility"), attached as Exhibit "C".
- D. Licensee desires to remove and replace the Existing Facility and document the increase in pipe size to twelve inches (12").
- E. NCTD and Licensee agree this Agreement shall replace and supersede all terms and conditions of the Original License and agree to be bound by the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein, the parties agree as follows:

- 1. **License to Use.** In consideration of the covenants and conditions set forth in this Agreement, NCTD licenses and permits Licensee to own, operate and maintain a twelve-inch (12") Polyvinyl Chloride (PVC) water pipeline inside a twenty-four-inch (24") steel casing and related appurtenances ("Water Pipeline"), at milepost 231.37 in the City of Carlsbad, as depicted in Exhibit "A" ("Facility").
- 2. **Authority Not Exclusive.** This License is non-exclusive. The Licensee shall respect the rights and property of NCTD and other authorized users of the ROW, easements, power poles, street

light poles, vaults, and conduits. Except as otherwise required by applicable law, disputes between the Licensee and parties other than NCTD over the use , of the easements, power poles, street light poles, vaults, conduits and other rights-of-way pursuant to this Agreement shall be submitted to NCTD for resolution. Licensee expressly agrees the Facility shall not interfere with any use of the surface property.

3. **Relocation.** Licensee acknowledges that the License Area is used in connection with NCTD's public purpose and other services to the public and agrees that such uses by NCTD are superior in all respects to all uses by Licensee. Licensee shall, at Licensee's sole expense and within thirty (30) days after receiving written notice from NCTD, protect, temporarily relocate, or remove the Facility if NCTD determines, in its sole and absolute discretion that the Facility is inconsistent or interferes with NCTD's current or planned use of the License Area or ROW. In consideration of NCTD's agreement to enter into this Agreement, Licensee hereby waives any and all rights it may now have, or hereafter obtain, to any "relocation assistance benefits" pursuant to the Federal Uniform Relocation Assistance Act (42 U.S.C. § 4601 et seq.), the California Relocation Assistance law (Cal. Gov. Code § 7260 et seq.) or any other statute that replaces or provides rights similar to such statutes, if NCTD requires Licensee to relocate the Facility or makes use of the ROW in such a way as to 'displace' Licensee from the License Area. Licensee shall in the future execute any further documentation of the release and waiver provided hereby as NCTD may reasonably require.
4. **Compensation.** Pursuant to Board Policy No. 11 and Administrative Policy and Procedure DSD-4000, NCTD is entitled to recover fair market value payment as compensation for the License. The compensation includes the limited authorized non-transit use of the Property ("Incidental Use Fee") and the annual recurring fee to cover NCTD's administrative costs ("Annually Recurring Administrative Fee"). The Incidental Use Fee shall be two thousand two hundred eighty dollars and 00/100 (\$2,280.00) and the Annually Recurring Administration Fee shall be two hundred twenty-eight dollars and 00/100 (\$228.00). The total amount Licensee shall pay to NCTD is the sum of \$2,508.00 per year ("License Fee") in advance, commencing on the Effective Date. The License Fee is subject to adjustment after the Effective Date pursuant to the Board Approved Cost Recovery Fee Schedule that is published annually, as may be amended from time to time, but no more than once per year on the anniversary of the Effective Date (each such date called an "Anniversary Reset Date").
 - 4.1 Nothing in this Section 4 shall affect the right of NCTD to require Licensee to relocate or remove the Facility as set forth in Section 3 and Section 5.2.
 - 4.2 **Late Charge.** Licensee acknowledges that late payment by Licensee to NCTD of License Fee, or other sums due under this Agreement will cause NCTD to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges which may be imposed on NCTD. Accordingly, if any installment of License Fee or any other sum due from Licensee shall not be received by NCTD or NCTD's designee within thirty (30) days after such amount shall be due, then, without any requirement for notice from NCTD, Licensee shall pay to NCTD a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs NCTD will incur by reason of late payment by Licensee. Acceptance of such late charge by NCTD shall in no event constitute a waiver of Licensee's default with respect to such overdue amount, nor prevent NCTD from exercising any of the other rights and remedies granted under this Agreement or at law.
 - 4.3 **Payment of License Fee.** Payments shall be made payable to NCTD at 810 Mission Avenue, Oceanside, California 92054; provided that NCTD may by written notice to Licensee direct that the License Fee be made payable to NCTD at such address as NCTD may designate in

such notice, or to such other person as NCTD may designate at such address as NCTD may designate in such notice.

5. **Limitations on Use.**

- 5.1 Licensee shall comply with all applicable terms, conditions, and requirements of NCTD's policies regarding NCTD's ROW and all other NCTD ordinances, rules and regulations. Licensee shall comply with all applicable laws, rules, and regulations of the Federal, State, County, local governments, and all administrative agencies thereof which may have jurisdiction over Licensee's use of the License Area and the use, construction, and maintenance of the Facility.
 - 5.2 Licensee acknowledges that the Property is used in connection with NCTD's public purpose and other services to the public and agrees that such uses by NCTD are superior in all respects to all uses by Licensee. Licensee's use of the License Area must not in any way interfere with NCTD's continuing control over the Property or NCTD's expressed continued ability to carry out its functions. NCTD shall have the right, without further liability to Licensee, to terminate this Agreement pursuant to Sections 12, 13 and 14 in order to maintain continuing control over the License Area or NCTD's expressed continued ability to carry out its functions.
 - 5.3 Licensee shall not cause or permit any Hazardous Material to be used, stored, transported, generated, or disposed in or about the License Area by Licensee, Licensee's agents, employees, contractors, licensees, or invitees. "Hazardous Material" means any hazardous, toxic, or infectious substance, material, or waste which is or becomes regulated by any local governmental entity, the State of California, or the United States Government under any law, regulation or ordinance regulating or controlling any Hazardous Material (the "Hazardous Materials Laws"), including, without limitation, any material, or substance which is: (i) defined as a "hazardous waste," "extremely hazardous waste" or "restricted hazardous waste" under California Health and Safety Code §§ 25115, 25117 or 25122.7, or listed pursuant to California Health and Safety Code § 25140; (ii) defined as a "hazardous substance" under California Health and Safety Code § 25316; (iii) defined as a "hazardous material," "hazardous substance" or "hazardous waste" under California Health and Safety Code § 25501 (iv) defined as a "regulated medical waste" under 40 C.F.R. § 259.10(a) or § 259.30, (v) petroleum or petroleum product; (vi) asbestos; (vii) designated as a "hazardous substance" pursuant to § 311 of the Federal Water Pollution Control Act (33 U.S.C. § 1317); (viii) defined as a "hazardous waste" pursuant to § 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. § 6901, et seq. (42 U.S.C. § 6903); or (ix) defined as a "hazardous substance" pursuant to § 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (42 U.S.C. § 9601).
 - 5.4 No use, construction, or maintenance by Licensee or on Licensee's behalf will interfere with any railroad operations on the ROW in the License Area.
 - 5.5 Licensee shall not cross or permit the crossing over of the railroad tracks on the ROW except at public crossings approved by the California Public Utilities Commission.
 - 5.6 Licensee shall not leave any personal property or equipment on the ROW unattended at any time.
 - 5.7 Licensee shall not install or use any underground storage tanks in the License Area.
6. **Insurance.** Without limiting Licensee's indemnification obligations to NCTD under this Agreement, Licensee shall provide and maintain during the term of this Agreement, at Licensee's sole expense,

insurance in the amounts, coverage, and terms and conditions specified in Exhibit "B," INSURANCE REQUIREMENTS. The policies must name in the endorsements and schedules as additional insureds NCTD and its directors, officers, agents, employees, and designated volunteers, the National Railroad Passenger Corporation ("AMTRAK"), the Southern California Regional Rail Authority ("SCRRA" or "Metrolink"), and the Burlington Northern Santa Fe Railway Company ("BNSF"), and any other entity performing maintenance work on the ROW, any other entity providing passenger rail operation services for NCTD on the ROW, and any other entity providing dispatch services to NCTD for the ROW, their officers, agents, and employees. "

NCTD takes no responsibility for the protection of Licensee's property from acts of vandalism by third parties. The insurance requirements may be changed by NCTD upon giving of notice to Licensee; provided that the requirements set forth in Exhibit B shall be the minimum insurance requirements during the Term.

7. **Indemnification.** Licensee agrees to protect, save, defend, and hold harmless NCTD and its Board and each member of the Board, AMTRAK, SCRRA, and BNSF, and their respective officers, agents and employees from any and all liability or claim of liability, loss or expense, including defense costs and legal fees and claims for damages related to the installation, operation and maintenance of the Water Pipeline, whether directly or indirectly arising from or connected with an act or omission of Licensee, or any employee, agent, invitee, or contractor of Licensee, or other person acting by or on behalf of Licensee on or about the ROW, including, but not limited to, liability, expense, and claims for bodily injury, death, personal injury, or property damage; provided, however, that nothing herein shall relieve any party indemnified hereunder from liability to the extent that such liability arises from such party's negligence or willful misconduct. The requirements as to the types and limits of insurance coverage to be maintained by Licensee as required by Section 6, and any approval of such insurance by NCTD, are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Licensee pursuant to this Agreement, including but not limited to the provisions concerning indemnification. This indemnity shall not require payment of a claim by NCTD or any of its officers, employees, consultants, contractors, and agents as a condition precedent to NCTD's recovery hereunder. Licensee's obligation to indemnify hereunder shall not be restricted to insurance proceeds, if any, received by NCTD and its directors, officers, employees, consultants, contractors, and agents.

Nothing contained herein shall prohibit NCTD, in its sole discretion, from participating in the defense of any demand, claim, action, proceeding, or litigation. In no event shall NCTD's participation in the defense of any demand, claim, action, proceeding, or litigation affect the obligations imposed upon Licensee herein.

8. **Construction.**

- 8.1 Any work performed or caused to be performed by Licensee on the License Area shall be performed (a) at Licensee's sole cost and expense; (b) in accordance with any and all applicable laws, rules and regulations (including the NCTD's ordinances, rules and regulations); and (c) in a manner that is satisfactory to NCTD and which meets or exceeds the then applicable standards of the industry for such work.

- 8.2 Prior to the commencement of any work, Licensee shall submit to NCTD for review and approval construction drawings, specifications, work plans and any other relevant information NCTD deems necessary, including but not limited to documents as required pursuant to Section 8, to enable NCTD to determine the scope and nature of the proposed work and the potential effect of such work on the ROW and train operations. NCTD may approve or disapprove any work or provision in such documents in NCTD's sole and absolute discretion, and NCTD may require such changes or impose such conditions as NCTD, in its sole and absolute discretion, deems necessary or appropriate.

- 8.3 Licensee shall provide NCTD, and all holders of underground utility facilities located within the License Area with at least seven (7) calendar days written notice prior to commencement of any work on the License Area. In the event of an emergency, Licensee shall notify NCTD personally or by telephone prior to commencing any work. Upon completion of any work, Licensee shall restore the License Area to its condition immediately preceding the commencement of the work.
- 8.4 As applicable for any construction, the following shall apply to any entry or work within the ROW:
- 8.4.1 Every individual who will be entering upon the License Area or ROW under this Agreement, before entering, shall first attend a class conducted by NCTD or NCTD's designee on Railroad Worker Protection Safety rules and regulations. Licensee shall pay all costs associated with such class.
- 8.4.2 The need for flag protection for Licensee's operations on or adjacent to the ROW shall be determined in the sole discretion of NCTD or NCTD's designee. In the event that NCTD or NCTD's designee determines that flag protection is necessary, Licensee shall not enter upon or use the License Area until flag protection has been provided. Licensee shall submit for flag protection services in accordance with NCTD policies and procedures. Licensee shall pay all costs of flag protection. NCTD or NCTD's designee shall use reasonable efforts to provide flag protection on the dates and times of Licensee's requested entries, provided that any work by NCTD, BNSF, or AMTRAK that requires flag protection shall take priority. NCTD shall not be liable for any costs, expenses, or claims if flag protection is not provided on Licensee's requested dates or times of entry.
- 8.4.3 Licensee shall, upon NCTD's request and at Licensee's expense, install barrier fencing, K-rail, and/or landscaping in the License Area to shield the railroad track area from public access and/or the improvements thereon from public view. NCTD shall have the right to review and approve fencing and/or landscaping plans prior to installation.
- 8.4.4 NCTD's review and inspection of the construction drawings, specifications, work plans, and other construction documents, including but not limited to documents as required pursuant to this Section 8 is for the purpose of examining the general arrangement, design, details of the work for potential impact on the ROW, and ROW safety and railroad operations. NCTD and NCTD's employees, consultants, and agents assume no responsibility for and make no representations or warranties, express or implied, as to the design, condition, workmanship, or adequacy of the drawings, specifications, Permit Registration Documents (as defined below) or ESCP (as defined below), or Licensee's compliance with the same, construction documents, or work. No review, comments, requirements, or inspection shall relieve Licensee or Licensee's engineers, contractors, subcontractors, or consultants from the entire responsibility for the errors or omissions in the drawings, specifications, Permit Registration Documents (as defined below), ESCP (as defined below), or construction documents, or for the quality or adequacy of the work.
- 8.5 Storm Water Pollution Prevention: Compliance with Construction General Permit for the Agreement:
- 8.5.1 If coverage under the Construction General Permit and/or NCTD MS4 Program requirements (as defined in this Section 8) pursuant to applicable NCTD, local, state, and federal ordinances, laws, rules and regulations is required, Licensee shall prepare,

implement and monitor a Storm Water Pollution Prevention Plan (“SWPPP”) that is consistent with the current NCTD SWPPP template and is in compliance with the current Construction General Permit for the purpose of preventing, among other things, the discharge of pollutants into receiving waters. This includes elimination of non-storm water pollution discharges such as improper dumping, spills or leakage from storage tanks or transfer areas. If coverage under the Construction General Permit is required, Licensee shall not perform or cause to be performed any construction or demolition activities on the License Area until Licensee obtains a Waste Dischargers Identification number, as that term is defined in the Construction General Permit. For purposes of this Section 8, “Construction General Permit” shall mean the State Water Resources Control Board (“SWRCB”) National Pollutant Discharge Elimination System (“NPDES”) General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction and Land Disturbance Activities, as it may be amended or superseded (currently Order No. 2012-0006-DWQ); and MS4 Program shall mean the Regional Water Quality Control Board issued Phase II Small Municipal Separate Storm Sewer System (“MS4”) Program (currently Order No. 2013-0001-DWQ) as it may be amended or superseded.

- 8.5.2 The Licensee shall prepare, implement and monitor an Erosion and Sediment Control Plan (“ESCP”) consistent with the current NCTD ESCP template for the purpose of preventing the discharge of pollutants into receiving waters for all construction or demolition activities performed or caused to be performed by Licensee on the License Area for activities not requiring coverage under the Construction General Permit, the industrial general permit or an individual NPDES permit, including activities that result in a total land disturbance of less than one acre that are not part of a larger common plan of development or sale. This includes elimination of non-storm water pollution discharges such as improper dumping, spills or leakage from storage tanks or transfer areas.
- 8.5.3 Without limiting the provisions set forth in Sections 5.1, 8.1, 8.5.1 and 8.5.2, the Licensee shall comply with the NCTD Storm Water Management Program and all NCTD, local, state and federal ordinances, laws, rules and regulations governing storm water discharges, including but not limited to those associated with construction and demolition activities such as clearing, excavating, grading, demolition and other land disturbances.
- 8.5.4 The Licensee shall pay and be responsible for all fees, as applicable and as required by SWRCB, during the term of this Agreement.
- 8.5.5 The Licensee shall submit all SWRCB required documentation, as applicable and including but not limited to Permit Registration Documents, as that term is defined in the Construction General Permit, to the SWRCB through the SWRCB SMARTS online system and shall provide a copy of such documentation and proof of submittal to NCTD.
- 8.5.6 As required by NCTD’s Phase II MS4 Permit (Order No. 2013-0001-DWQ) (“MS4 Permit”), NCTD may conduct periodic water sampling associated with any drainage facility installed by Licensee within the License Area. Licensee shall be required to reimburse NCTD for costs associated with collection, sampling and reporting. NCTD may require Licensee to perform corrective actions, at Licensee's sole cost and expense, in order to meet the requirements of the MS4 Permit.

- 9. **Reimbursement of NCTD.** Licensee shall reimburse NCTD within thirty (30) days of invoice for all cost and expense incurred by NCTD in connection with NCTD's review and processing of this

Agreement and any work performed by or for Licensee on the License Area. These costs include, but are not limited to, NCTD staff time and consultants' fees for the expenses of reviewing construction documents, ESCPs, Permit Registration Documents, ROW support services, inspections, monitoring, security, the installation, and removal of false work beneath tracks, equipment rentals, and restoration of the ROW to the same condition as when Licensee entered thereon. Upon execution of this Agreement, Licensee shall deposit with the NCTD the amount determined by NCTD to be the probable amount of reimbursable expenses. NCTD may deduct the costs and expenses from the deposit as such costs and expenses are incurred. Costs of services provided by NCTD employees will be charged at the employees' fully burdened hourly rates (monthly salary and benefits). Services provided by NCTD consultants, equipment rentals, and other third-party costs will be charged at cost. Upon demand by NCTD, Licensee shall make any additional deposits that NCTD determines are necessary to reimburse NCTD for the costs and expenses incurred by NCTD. In the event that the costs and expenses incurred by NCTD exceed the amounts deposited, Licensee shall reimburse NCTD for all such costs and expenses within thirty (30) days of invoice.

10. **Maintenance and Repair.** Licensee shall, at Licensee's sole expense, maintain the Facility and License Area in a condition satisfactory to NCTD and in accordance with applicable governmental codes. Licensee shall be responsible for any citations issued by any agency having jurisdiction as a result of Licensee's failure to comply with any applicable law, regulation, ordinance, rule, or order.
11. **Taxes and Assessments.** Licensee shall pay before delinquency any and all real and personal property taxes, general and special assessments, license fees, and other charges of any description including, without limitation, any possessory interest tax, that are levied and assessed from the commencement of this Agreement until the expiration or termination of this Agreement against the Property, Licensee's possessory interest in the Property, Licensee's Leasehold Estate, any subleasehold estate, improvements located on the Property, or personal property installed or located in or on the Property or improvements (collectively, "Taxes and Assessments"), to the full extent of the installments of the Taxes and Assessments falling due during the term of this Agreement. All payments of Taxes and Assessments shall be made directly to the taxing or charging authority. Licensee shall provide receipts or other proof of payment of the Taxes and Assessments to NCTD prior to the date that the Taxes and Assessments become delinquent.
 - 11.1 **Licensee's Right to Contest Taxes and Assessments.** Licensee at its sole cost shall have the right, at any time, to seek a reduction in the assessed valuation of the Property or to contest any Taxes and Assessments that are to be paid by Licensee. If Licensee seeks a reduction of or contests the Taxes and Assessments, the failure on Licensee's part to pay the Taxes and Assessments shall not constitute a default as long as Licensee, before the delinquency date, furnishes to NCTD a surety bond issued by an insurance company qualified to do business in California in an amount equal to one hundred twenty-five percent (125%) of the total amount of Taxes and Assessments in dispute. The bond shall hold NCTD and the Property harmless from any damage arising out of the proceeding or contest and shall insure the payment of any judgment that may be rendered. NCTD shall not be required to join in any proceeding or contest brought by Licensee unless the provisions of any law require that the proceeding or contest be brought by or in the name of NCTD. In that case NCTD shall join in the proceeding or contest or permit it to be brought in NCTD's name as long as NCTD is not required to bear any cost. Licensee, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered, together with all costs, charges, interest, and penalties incidental to the decision or judgment.
 - 11.2 **Transfer Taxes.** If a transfer tax is payable to any governmental agency or agencies as a result of this Agreement, Licensee shall promptly pay such transfer tax directly to the taxing authority or authorities when it is due.

11.3 **Possessory Interest Tax Notice.** Licensee acknowledges that NCTD has given notice to Licensee that the property interest created by this Agreement may be subject to property taxation pursuant to Revenue and Taxation Code § 107.6 or other statutes, and that Licensee may be subject to the payment of property taxes levied on the possessory interest created by this Agreement.

11.4 **Indemnification.** NCTD shall not be liable for, and Licensee shall indemnify, defend and hold NCTD and its Board of Directors, officers, employees, consultants, contractors, and agents and the Property and any improvements now or hereafter located on the Property free and harmless from any claims, demands, liabilities, judgments, fines, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs, resulting from any Taxes and Assessments required by this Article to be paid by Licensee, and from all interest, penalties, and other sums imposed thereon, and from any sale or other proceeding to enforce collection of any Taxes and Assessments.

11.5 **Payment by NCTD.** Should Licensee fail to pay within the time specified in this Article any Taxes and Assessments required by this Article to be paid by Licensee, NCTD may, without notice to or demand on Licensee, pay, discharge, or adjust said Taxes and Assessments for the benefit of Licensee. In such event, Licensee shall reimburse NCTD pursuant to Section 9.

12. **Default.** In the event that Licensee fails to perform any obligation under this Agreement, Licensee shall pay all costs and expenses incurred by NCTD in obtaining performance of such obligations. If Licensee uses the ROW or Property for any purpose not expressly authorized by this Agreement or fails to act strictly in accordance with the terms and conditions of this Agreement, and if such default is not corrected within thirty (30) days' notice from NCTD to Licensee, NCTD may terminate this Agreement and prevent Licensee from using or remaining upon the ROW. If NCTD determines that any default by Licensee does or has the potential to cause a danger to the ROW or railroad operations, NCTD may immediately and without prior notice to Licensee terminate this Agreement and prevent Licensee from using or remaining upon the ROW or Property, with or without process of law.

13. **Termination for Convenience.** Notwithstanding any other section or provision of this Agreement, NCTD may terminate this Agreement for convenience by providing sixty (60) days written notice.

14. **Termination.** Upon termination of this Agreement, Licensee shall, at Licensee's sole expense, remove the Facility and all other Licensee improvements in or upon the ROW or Property and restore the ROW or Property to a manner satisfactory to NCTD. Should Licensee fail or refuse to comply with the terms of this Section 14, NCTD may, at its option, perform such work, and Licensee shall promptly reimburse NCTD for all costs and damages so incurred.

15. **Service of Notice.** Except as otherwise provided in this Agreement, any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified or registered mail, and shall be deemed sufficiently given if delivered or addressed to:

NCTD: North County Transit District
810 Mission Avenue
Oceanside, CA 92054
Attention: Real Estate Department

LICENSEE: Carlsbad Municipal Water District
5950 El Camino Real
Carlsbad, CA 92008
Attention: Executive Manager

Mailed notices shall be deemed given upon actual receipt at the address required, or forty-eight (48) hours following deposit in the mail, postage prepaid, whichever first occurs. Either party may by notice to the other specify a different address for notice purposes.

In the event the tracks become damaged, blocked, or fouled in any way, Licensee shall immediately notify NCTD Rail Operations Center at (760) 966-6700.

16. **Acceptance of License Area.** Licensee accepts the License Area in its present physical "**AS-IS**" condition and agrees to make no demands upon NCTD for any improvements or alterations. By signing this Agreement, Licensee represents and warrants that Licensee has independently inspected the License Area and the area immediately surrounding and made all investigations, tests, and observations necessary to satisfy Licensee as to the condition of the License Area, zoning and land use laws, regulations, and ordinances affecting the License Area, and all of the conditions, restrictions, encumbrances, and other matters of record relating to the License Area. Licensee agrees that Licensee is relying solely on Licensee's independent inspection and that NCTD has made no warranty or representation with regard to the License Area. NCTD shall not be responsible for any latent defect or change in condition in the License Area and Licensee's obligations under this Agreement shall not be diminished on account of any defect in the License Area, any change of condition, or any damages occurring on the License Area. In case of Licensee's eviction by anyone owning or claiming title to or any interest in the License Area, NCTD shall not be liable to Licensee for any damage of any nature whatsoever or to refund any monies paid hereunder. Licensee hereby releases NCTD from all future claims, actions, or demands that Licensee may have or may hereinafter have, known and unknown, in any way relating to the quality, fitness, or condition of the License Area, and Licensee specifically waives all rights under California Civil Code section 1542, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

Licensee Initial: _____

17. **General Provisions.**

- 17.1 **Waiver.** No delay or omission in the exercise of any right or remedy of NCTD on any default by Licensee shall impair such a right or remedy or be construed as a waiver. The receipt and acceptance by NCTD of any delinquent License Fee shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular License Fee payment involved. NCTD's consent to or approval of any act by Licensee requiring NCTD's consent or approval shall not be deemed to waive or render unnecessary NCTD's consent to or approval of any subsequent act by Licensee. Any waiver by NCTD of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.
- 17.2 **Time of Essence.** Time is of the essence for each and every provision of this Agreement.
- 17.3 **Successors.** This Agreement shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided in this Agreement.
- 17.4 **Modification.** This Agreement cannot be amended or modified except by a written agreement signed by both parties.
- 17.5 **Singular and Plural.** When required by the context of this Agreement, the singular shall include the plural.

- 17.6 **Joint and Several Obligations.** If NCTD or Licensee is more than one person or entity, the obligations imposed on that party shall be joint and several.
- 17.7 **Severability.** The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.
- 17.8 **Captions.** The captions and headings appearing in this Agreement are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Agreement.
- 17.9 **Agreement Administration.** This Agreement shall be administered on behalf of NCTD or a designee (collectively, the "NCTD License Agreement Administrator"), and on behalf of Licensee by Scott Chadwick or by another person designated in writing by Licensee (collectively, the "Licensee's License Agreement Administrator").
- 17.10 **NCTD Approval.** Except where stated in this Agreement to the contrary, the phrases "NCTD approval", and "NCTD written approval" or similar phrases shall mean approval by NCTD's License Agreement Administrator.
- 17.11 **Licensee's Agreement Administration.** Licensee confirms that Licensee's License Agreement Administrator has been given full operational responsibility for compliance with the terms of this Agreement.
- 17.12 **Business Days.** The term "business days" as used in this Agreement means any calendar day other than a Saturday, Sunday, or official NCTD holiday.
- 17.13 **Cumulative Remedies.** If a default under this Agreement occurs, each party's remedies shall be limited to those remedies set forth in this Agreement. The remedies under this Agreement are cumulative and not exclusive of any other remedies under this Agreement to which the non-defaulting party may be entitled.
- 17.14 **Entire Agreement.** This Agreement, together with all attached addenda, exhibits and riders attached to this Agreement, constitutes the entire agreement between NCTD and Licensee with respect to the subject matter of this Agreement, and all prior or contemporaneous agreements, understandings, and representations, oral or written, are superseded.
- 17.15 **Governing Law and Venue.** This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a State or Federal court situated in the County of San Diego, State of California.
- 17.16 **Vibration and Noise from Train Operation; Barricades.** Licensee recognizes and acknowledges that railroad tracks are located on or adjacent to the License Area and that the operation of trains over the tracks does and will produce vibrations which may affect the Facility and Licensee's use of the License Area. With knowledge and understanding of these facts, Licensee by execution of this Agreement, agrees that no legal action or complaint of any kind whatsoever shall be instituted against NCTD by Licensee or on Licensee's behalf as result of vibrations or as a result of the use of the railroad tracks in general.
- 17.17 **Public Document.** Licensee acknowledges that this Agreement and all documents relating hereto are "public records" (as defined in Section 6252(e) of the California Government Code), except for any documents relating to Licensee's financial condition or otherwise exempt from such status pursuant to law, and that public records, with limited exemptions,

are subject to public disclosure pursuant to the provisions of California Government Code, commencing with Section 6250.

17.18 **Interpretation.** The language of this Agreement shall be construed simply according to its plain meaning and shall not be construed for or against either party.

17.19 **Authority.** If Licensee is a corporation, trust, or general or limited partnership, Licensee, and each individual executing this Agreement on behalf of such entity represent and warrant that such individual is duly authorized to execute and deliver this Agreement on behalf of said entity. If Licensee is a corporation, trust or partnership, Licensee shall, deliver to NCTD evidence of such authority satisfactory to NCTD upon execution of this Agreement.

17.20 **Counterparts.** This instrument may be executed in any number of counterpart copies, each of which counterpart copy shall be deemed an original for all purposes.

IN WITNESS WHEREOF, the parties have signed below, effective as of the Effective Date, by their duly authorized representatives.

NCTD:
North County Transit District

LICENSEE:
Carlsbad Municipal Water District

By: _____

By: _____

Name: Tracey Foster

Name: Scott Chadwick

Title: Chief Development Officer

Title: Executive Manager

A CALIFORNIA ALL PURPOSE NOTARY ACKNOWLEDGEMENT MUST BE ATTACHED
FOR ALL SIGANTURES ABOVE
(* or applicable State of Signatory)*

Approved as to Form and Legality

Approved as to Form and Legality

Lori A. Winfree
General Counsel

Cindie K. McMahon
General Counsel

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 _____

On _____, before me, _____, Notary Public,
personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE _____

(SEAL)

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

State of California
County _____

On _____, before me, _____, Notary Public,
personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of State of California that the foregoing paragraph is true and correct.

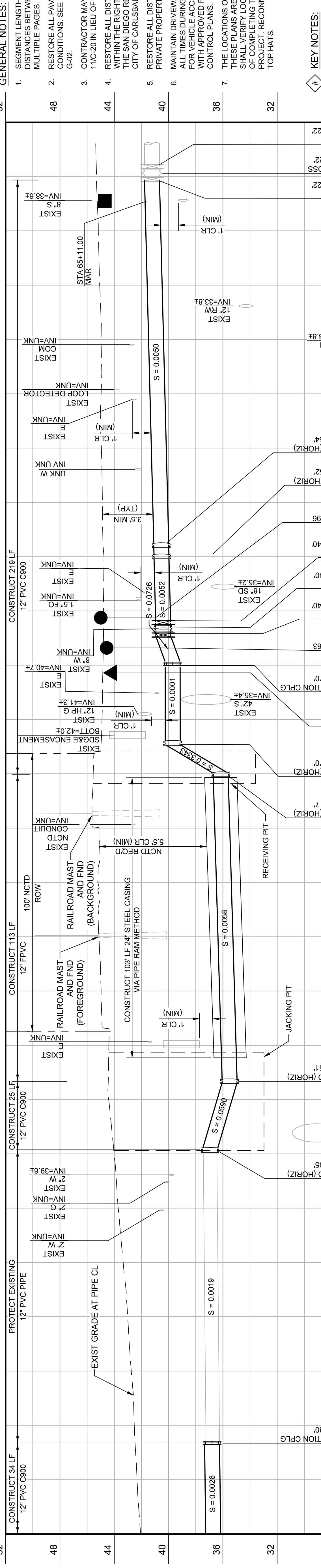
WITNESS my hand and official seal.

SIGNATURE _____

(SEAL)

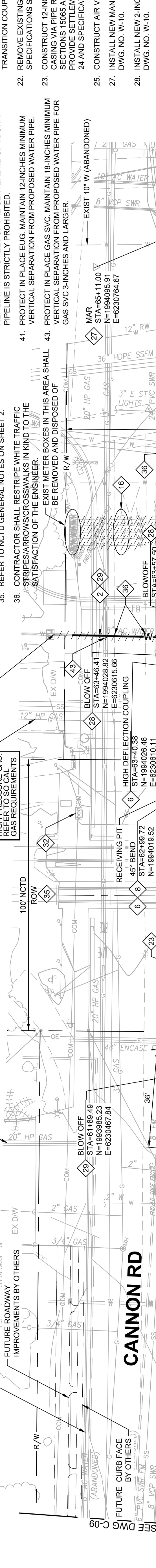
EXHIBIT A
LICENSE AREA - Milepost 231.37, within Cannon Road crossing

On file with NCTD



KEY NOTES (CONT'D):

- CONTRACTOR SHALL RESTRIPE YELLOW/DOUBLE YELLOW IN KIND TO THE SATISFACTION OF THE ENGINEER.
- APPROXIMATE LOCATION OF THE EXISTING SLURRY BACKFILL. CONTRACTOR TO FIELD VERIFY. SAW CUT AND REMOVE THE SLURRY IF REQUIRED. USE OF ROCK BREAKING TOOLS IS NOT ALLOWED FOR SLURRY REMOVAL. USE OF ANY VIBRATORY ROLLER TO COMPACT TRENCH FILL WITHIN 10 FEET OF THE CENTERLINE OF SDOWA PIPELINE IS STRICTLY PROHIBITED.
- PROTECT RR MAINT IN PLACE AT GRADE CROSSING TO BE MAINTAINED AT ALL TIMES AS REQUIRED BY NCTD.
- EXISTING CURB MEDIAN AND SURFACE TO BE RESTORED PER CITY STD DWG GS-18.
- REFER TO SPECIFICATIONS FOR TEMPORARY SHUTDOWN REQUIREMENTS DURING CONSTRUCTION.
- REFER TO NCTD GENERAL NOTES ON SHEET 2.
- CONTRACTOR SHALL RESTRIPE WHITE TRAFFIC STRIPES/ARROWS/CROSSINGS IN KIND TO THE SATISFACTION OF THE ENGINEER.
- EXIST METER BOXES IN THIS AREA SHALL BE REMOVED AND DISPOSED OF BY THE CONTRACTOR.
- PROTECT IN PLACE EUG. MAINTAIN 12-INCHES MINIMUM VERTICAL SEPARATION FROM PROPOSED WATER PIPE FOR GAS SVC 3-INCHES AND LARGER.
- PROTECT IN PLACE GAS SVC. MAINTAIN 18 INCHES MINIMUM VERTICAL SEPARATION FROM PROPOSED WATER PIPE FOR GAS SVC 3-INCHES AND LARGER.
- REMOVE EXISTING 12-INCH ACP WATERLINE PER SPECIFICATIONS SECTIONS 02060 AND 02262.
- CONSTRUCT 12-INCH FPVC PIPE WITHIN 24-INCH STEEL CASING VIA PIPE RAM METHOD PER SPECIFICATION SECTIONS 15065 AND 02445 AND DETAIL 14 SHEET 19. PROVIDE SETTLEMENT MONITORING PER DETAIL 16 SHEET 24 AND SPECIFICATION SECTION 02471.
- CONSTRUCT AIR VACUUM ASSEMBLY PER CWMD DWG W-11. DWG. NO. W-10.
- INSTALL NEW MANUAL AIR RELEASE VALVE PER CWMD STD. DWG. NO. W-10.
- INSTALL NEW 2-INCH BLOW OFF ASSEMBLY PER CWMD STD. DWG. NO. W-10.
- REMOVE EXISTING 8-INCH ACP WATERLINE PER SPECIFICATIONS SECTIONS 02060 AND 02262.
- CONTRACTOR TO REPLACE ALL LOOP DETECTOR SYSTEM IN KIND TO THE SATISFACTION OF THE ENGINEER.



KEY NOTES:

- SEGMENT LENGTHS SHOWN INDICATE HORIZONTAL DISTANCES BETWEEN BENDS AND MAY EXTEND ONTO MULTIPLE PAGES.
- RESTORE ALL PAVEMENT STRIPING TO ORIGINAL CONDITIONS. SEE SIGNING AND STRIPING NOTES ON SHEET G-02.
- CONTRACTOR MAY USE RESTRAINED JOINTS PER DETAIL 11C-20 IN LIEU OF THRUST BLOCKS.
- RESTORE ALL DISTURBED SURFACE IMPROVEMENTS WITHIN THE RIGHT-OF-WAY TO EXISTING CONDITIONS PER THE SAN DIEGO REGIONAL STANDARD DRAWINGS AND THE CITY OF CARLSBAD ENGINEERING STANDARDS.
- RESTORE ALL DISTURBED SURFACE IMPROVEMENTS ON PRIVATE PROPERTY TO EXISTING CONDITIONS.
- MAINTAIN DRIVEWAY ACCESS AND KEEP STREETS OPEN AT ALL TIMES DURING CONSTRUCTION. PROVIDE FLAGGERS FOR VEHICLE ACCESS AS NEEDED, AND IN ACCORDANCE WITH APPROVED RIGHT OF WAY PERMIT AND TRAFFIC CONTROL PLANS.
- THE LOCATIONS OF THE SEWER LATERALS CALLED OUT ON THESE PLANS ARE APPROXIMATE ONLY. CONTRACTOR SHALL VERIFY LOCATIONS IN THE FIELD FOR THE PURPOSE OF COMPLETING THE NECESSARY WORK INCLUDED IN THIS PROJECT. RECONNECT ALL SEWER LATERALS AND INSTALL TOP HATS.

KEY NOTES:

- CONSTRUCT NEW 12-INCH DR18 C900 PVC WATERLINE WITH LOCATING WIRE AND WARNING TAPE. TRENCH AND PIPE ZONE PER CWMD STD. DWG. NO. W-2. REPAIR AC PAVEMENT PER CITY OF CARLSBAD STD DRAWING GS-26 (MODIFIED). SEE DETAIL 13 SHEET 24.
- CONSTRUCT NEW 8-INCH DR18 C900 PVC WATERLINE WITH LOCATING WIRE AND WARNING TAPE. TRENCH AND PIPE ZONE PER CWMD STD. DWG. NO. W-2. REPAIR AC PAVEMENT PER CITY OF CARLSBAD STD DRAWING GS-26 (MODIFIED). SEE DETAIL 13 SHEET 24.
- INSTALL NEW FITTING. SIZE AND TYPE PER PLAN.
- INSTALL THRUST BLOCK PER CWMD STD. DWG. NO. W-19. SEE DETAIL 12C-21 FOR THRUST BLOCK BEARING AREAS.
- ALL EXISTING UTILITY PIPE SIZES TO BE ABANDONED SHALL BE ENTIRELY FILLED BY PRESSURE GROUTING PER SPECIFICATION 15000.
- CONNECT TO EXISTING 12-INCH PVC WITH RESTRAINED TRANSITION COUPLING.
- REMOVE EXISTING 12-INCH ACP WATERLINE PER SPECIFICATIONS SECTIONS 02060 AND 02262.
- CONSTRUCT 12-INCH FPVC PIPE WITHIN 24-INCH STEEL CASING VIA PIPE RAM METHOD PER SPECIFICATION SECTIONS 15065 AND 02445 AND DETAIL 14 SHEET 19. PROVIDE SETTLEMENT MONITORING PER DETAIL 16 SHEET 24 AND SPECIFICATION SECTION 02471.
- CONSTRUCT AIR VACUUM ASSEMBLY PER CWMD DWG W-11. DWG. NO. W-10.
- INSTALL NEW MANUAL AIR RELEASE VALVE PER CWMD STD. DWG. NO. W-10.
- INSTALL NEW 2-INCH BLOW OFF ASSEMBLY PER CWMD STD. DWG. NO. W-10.
- REMOVE EXISTING 8-INCH ACP WATERLINE PER SPECIFICATIONS SECTIONS 02060 AND 02262.
- CONTRACTOR TO REPLACE ALL LOOP DETECTOR SYSTEM IN KIND TO THE SATISFACTION OF THE ENGINEER.

GENERAL NOTES:

- SEGMENT LENGTHS SHOWN INDICATE HORIZONTAL DISTANCES BETWEEN BENDS AND MAY EXTEND ONTO MULTIPLE PAGES.
- RESTORE ALL PAVEMENT STRIPING TO ORIGINAL CONDITIONS. SEE SIGNING AND STRIPING NOTES ON SHEET G-02.
- CONTRACTOR MAY USE RESTRAINED JOINTS PER DETAIL 11C-20 IN LIEU OF THRUST BLOCKS.
- RESTORE ALL DISTURBED SURFACE IMPROVEMENTS WITHIN THE RIGHT-OF-WAY TO EXISTING CONDITIONS PER THE SAN DIEGO REGIONAL STANDARD DRAWINGS AND THE CITY OF CARLSBAD ENGINEERING STANDARDS.
- RESTORE ALL DISTURBED SURFACE IMPROVEMENTS ON PRIVATE PROPERTY TO EXISTING CONDITIONS.
- MAINTAIN DRIVEWAY ACCESS AND KEEP STREETS OPEN AT ALL TIMES DURING CONSTRUCTION. PROVIDE FLAGGERS FOR VEHICLE ACCESS AS NEEDED, AND IN ACCORDANCE WITH APPROVED RIGHT OF WAY PERMIT AND TRAFFIC CONTROL PLANS.
- THE LOCATIONS OF THE SEWER LATERALS CALLED OUT ON THESE PLANS ARE APPROXIMATE ONLY. CONTRACTOR SHALL VERIFY LOCATIONS IN THE FIELD FOR THE PURPOSE OF COMPLETING THE NECESSARY WORK INCLUDED IN THIS PROJECT. RECONNECT ALL SEWER LATERALS AND INSTALL TOP HATS.

KEY NOTES:

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- ALL EXISTING UTILITY PIPE SIZES TO BE ABANDONED SHALL BE ENTIRELY FILLED BY PRESSURE GROUTING PER SPECIFICATION 15000.
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- INSTALL NEW 2-INCH BLOW OFF ASSEMBLY PER CWMD STD. DWG. NO. W-10.
- REMOVE EXISTING 8-INCH ACP WATERLINE PER SPECIFICATIONS SECTIONS 02060 AND 02262.
- CONTRACTOR TO REPLACE ALL LOOP DETECTOR SYSTEM IN KIND TO THE SATISFACTION OF THE ENGINEER.

PROFILE
HORIZ. SCALE: 1" = 20'
VERT. SCALE: 1" = 4'

PLAN
SCALE: 1" = 20'

PIPER DATA TABLE

SEGMENT	LENGTH	BEARING
L19	11.62'	S87° 55' 25"E
L20	68.68'	N67° 04' 29"E
L21	4.08'	N21° 43' 59"E
L22	148.03'	N66° 45' 01"E

POTHOLE TABLE

NAME	DESCRIPTION	ELEVATION	NORTHING	EASTING
PH16A	TOP ASPH-8IN SEW FM B-10.00 DRY HOLE	44.52	1993991.61	6230480.21
PH17	MAG NAIL SDGE DB T-4.64	44.70	1993997.10	6230490.56
PH18	TOP ASPH 30IN RCP SD B-12.00 DRY HOLE	44.98	1994012.22	6230591.77
PH19	MAG NAIL T-0.50 SDGE DB	45.03	1994013.42	6230586.94
PH20	TOP ASPH 12IN HP GAS B-7.94 DRY HOLE	44.83	1994017.75	6230594.53
PH21	MAG NAIL COMM LINE T-2.86 B-4.48	44.91	1994045.14	6230594.31

PIPE DATA TABLE

SEGMENT	LENGTH	BEARING
L16	302.65'	N71° 11' 31"E
L17	25.29'	N42° 39' 36"E
L18	113.07'	N71° 52' 23"E

KEY MAP

CITY OF CARLSBAD UTILITIES DEPARTMENT

CANNON RD WATERLINE STA 60+20 TO STA 65+40

ACCEPTED BY: DAVIDE PADILLA

DISTRICT ENGINEER

CHECKED BY: JIM JAE

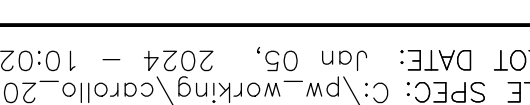
DATE

PROJECT NO.

DRAWING NO. 540-1

CIP 5048 AND 5503

**SCALE: 1" = 20' (HORIZ)
SCALE: 1" = 4' (VERT)**



Know what's below. Call before you dig.

EXHIBIT B – INSURANCE REQUIREMENTS

Without limiting Licensee's indemnification of NCTD as provided herein, Licensee shall provide and maintain at its own expense during the term of this License the below listed and described policies of insurance covering its operations hereunder. Evidence of such insurance satisfactory to NCTD along with required endorsements will be delivered to NCTD concurrent with execution of this License. Such evidence shall include certificate of insurance (Acord Form 25-S or equivalent). All evidence of insurance shall be issued by a properly authorized officer, agent or qualified representative of the insurer and shall certify the names of the insured, any additional primary insureds, where appropriate, the type and amount of the insurance coverage, the location and operations to which the insurance applies and the expiration date.

1. **Commercial and General Liability:** Licensee shall provide and maintain the following commercial and general liability insurance:
 - A. Coverage for commercial general liability insurance shall be at least as broad as the Insurance Services Office Commercial General Liability (occurrence form CG 0001) coverage.
 - B. Licensee shall maintain limits of no less than two million dollars (\$2,000,000) per occurrence and four million dollars (\$4,000,000) aggregate limits for bodily injury, personal injury and property damage, including injury or damage. The general liability policies are to be endorsed to contain the following provisions:
 - a. NCTD, its Board of Directors, officers, employees, agents and volunteers are to be covered as additional insureds as respects liability arising out of the Property/Right-of-Way licensed by Licensee. The coverage shall contain no special limitations on the scope of protection afforded to NCTD, its directors, officers, employees, agents and volunteers.
 - b. For any claims related to this License, Licensee's insurance shall be primary insurance as respects to NCTD, its Board of Directors, officers, employees, agents and volunteers. Any insurance, pooled coverage or self-insurance maintained by NCTD, its directors, officers, employees, agents and volunteers shall not be contributory.
 - c. Licensee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - d. The liability insurance shall indemnify the Licensee and its contractors against loss from liability imposed by law upon, or assumed under contract by the Licensee or its contractors for damages on account of such bodily injury (including death), property damage, personal injury and completed operations and products liability.
 - e. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to NCTD, its Board of Directors, officers, employees, contractors, agents or volunteers.
 - f. The insurance shall be provided on a policy form written by underwriters through an agency satisfactory to NCTD, which includes a cross-suit clause, and covers bodily injury and property damage liability, owned and non-owned vehicles and equipment, blanket contractual liability and completed operations liability.

2. **Railroad Protective Liability:**

- A. The Licensee shall obtain a railroad protective liability policy for work done within fifty (50) feet of railroad tracks or a commercial general liability policy with a CG 24 17 endorsement. The standard limits shall be three million dollars (\$3,000,000) per occurrence limit and six million dollars (\$6,000,000) aggregate. NCTD reserves the right to increase these limits, depending on the scope of work related to the License.
- B. All work requiring railroad protective liability insurance shall name in the endorsement and schedules as additional insureds the following entities, including their directors, officers, agents and employees as their interests may appear:
 - a. North County Transit District (NCTD)
 - b. Burlington Northern Santa Fe Railway (BNSF)
 - c. National Railroad Passenger Corporation (AMTRAK)

3. **Automobile Liability:** Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Automobile Liability Coverage (Form CA 0001). Limits shall be not less than two million dollars (\$2,000,000) for bodily injury and property damage each accident limit from automobiles owned, leased, hired or borrowed by Licensee. The insurance shall indemnify against loss from liability imposed by law for damages on account of bodily injury, property damage, and personal injury. The automobile liability policy shall cover all owned, non-owned, leased and hired automobiles.

4. **Workers Compensation and Employer's Liability:** Licensee and its contractors and assigns shall cover or under the applicable statutory California State or Federal laws relating to workers' compensation insurance, all of their employees working on or about the Property/Right-of-Way, and Licensee shall defend, protect and hold harmless NCTD, its Board of Directors, officers, employees, agents and volunteers from and against all claims, suits, and actions arising from any failure of the Licensee or any of Licensee's contractors or assigns to maintain such insurance.

- A. Licensee shall provide employer's liability insurance in the amount of one million (\$1,000,000) per occurrence for bodily injury and disease.
- B. Licensee shall provide NCTD with a certificate of Workers' Compensation and Employer's liability insurance coverage.
- C. Such insurance may include an insurer's waiver of subrogation in favor of NCTD and will be in a form and with insurance companies reasonably satisfactory to NCTD.

5. **Pollution Liability** (for projects/use with environmental risks)The Licensee shall obtain a pollution liability policy with minimum standard limit of one million dollars (\$1,000,000) per occurrence/aggregate. NCTD reserves the right to increase this limit, depending on the scope of work related to the licensee

6. **OPTIONAL (As required by Risk Dept.) Property Insurance:** Licensee shall maintain property insurance covering the full replacement cost of Licensee's personal property, fixtures, equipment, and improvements against the hazards of fire, extended coverage/vandalism and malicious mischief, flood and other property-related losses. Deductible limits should be no more than five thousand dollars (\$5,000). However, NCTD reserves the right to modify deductible limits.

7. All policies required shall be issued by insurance companies who are rated not less than "A VII" by the latest A. M. Best Company Key Rating Guide, who are authorized to transact business in California.
8. NCTD makes no representation that the limits or forms of coverage of insurance specified in this section are adequate to cover Licensee's property or obligations under this License. NCTD reserves the right to raise or lower limit requirements at the time of request, based upon the scope of work.
9. Prior to execution of this License, Licensee shall file with NCTD a certificate of insurance signed by the insurer's representative. Such evidence shall also include confirmation that coverage includes or has been modified to include required provisions as set forth herein. Licensee shall upon the reasonable demand of NCTD, deliver to NCTD such policy or policies of insurance. Each insurance policy required by this clause shall state or be endorsed to state that coverage shall not be amended or cancelled, except after thirty (30) days prior notice by U.S. mail has been given to NCTD.
10. If any insurance coverage is canceled or reduced, Licensee shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with NCTD a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies, and said policy shall be submitted for approval as herein provided. At least fifteen (15) days prior to the expiration of any such policy, a certificate, showing that the insurance coverage has been renewed or extended, shall be filed with NCTD.
11. Every contractor or subcontractor of Licensee entering upon, using or performing any work upon the Right-of-Way/Property by or on behalf of Licensee shall provide evidence of insurance required herein prior to entering upon the Right-of-Way/Property.
12. NCTD reserves the right to increase the limits for the insurance required herein to amounts recommended by NCTD's insurance risk manager or insurance representative.
12. Notwithstanding any other provision of this License, Licensee may self-insure for any risk set forth in this section in the manner and to the extent that Licensee self-insures for similar risks with respect to its operations, equipment and property. The manner in which such self-insured is provided and the extent of such self-insurance shall be set forth in a letter of self-insurance, delivered to NCTD and signed by an authorized representative of Licensee, which fully describes the self-insurance program and how the program covers the risks set forth herein. Insurance provided by a joint powers authority or insurance pool shall be considered self-insurance for the purpose of this paragraph. If, at any time during the term of this License, Licensee elects not to self-insure, Licensee shall comply with all applicable provisions herein to the extent Licensee does not so self-insure. NCTD reserves the right to request Licensee financial statements for review prior to accepting self-insurance limits.

Santa Fe Original Contract No. 131158

Form 1658 Standard Secretary, Ina A. I. & S. F. Ry. Co. Iopsta
(Approved by General Solicitor)

PIPE LINE LICENSE

THIS LICENSE, Made this 24th day of April, 1969,
between THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY,
a Kansas corporation (hereinafter called "Licensor"), party of the first part, and
CITY OF CARLSBAD

(hereinafter, whether one or more, called "licensee"), party of the second part.

WITNESSETH, That the parties hereto for the considerations hereinafter expressed covenant and agree as follows:

1. Subject to the terms and conditions hereinafter set forth, Licensor licenses Licensee to construct and maintain 1 (-- --) pipe line 10 inches in diameter (hereinafter, whether one or more pipe lines, called the "PIPE LINE"), across or along the right of way of Licensor at or near the station of Farr, San Diego County, California the exact location of the PIPE LINE being more particularly shown by red coloring upon the print hereto attached, No. L-3-30032, dated April 23, 1969, marked "Exhibit A" and made a part hereof.

2. Licensee shall use the PIPE LINE solely for carrying water and shall not use it to carry any other commodity or for any other purpose whatsoever.

3. Licensee shall pay Licensor as compensation for this license the sum of One Hundred Fifty and No/100 Dollars(\$150.00)

4. Licensee shall, at its own cost and subject to the supervision and control of Licensor's chief engineer, locate, construct and maintain the PIPE LINE in such a manner and of such material that it will not at any time be a source of danger to or interference with the present or future tracks, roadbed and property of Licensor, or the safe operation of its railroad. In cases where the Licensee is permitted under paragraph 2 hereof to use the PIPE LINE for oil, gas, petroleum products, or other flammable or highly volatile substances under pressure, the PIPE LINE shall be constructed, installed and thereafter maintained in conformity with the plans and specifications shown on print hereto attached in such cases, marked Exhibit B and made a part hereof. If at any time Licensee shall, in the judgment of Licensor, fail to perform properly its obligations under this paragraph, Licensor may, at its option, itself perform such work as it deems necessary for the safe operation of its railroad, and in such event Licensee agrees to pay, within fifteen (15) days after bill shall have been rendered therefor, the cost so incurred by Licensor, but failure on the part of Licensor to perform the obligations of Licensee shall not release Licensee from liability hereunder for loss or damage occasioned thereby.

5. Licensee shall reimburse Licensor for any expense incurred by Licensor for false work to support Licensor's tracks and for flagman to protect its traffic during installation of the PIPE LINE and for any and all other expense incurred by Licensor on account of the PIPE LINE.

6. Licensee shall at all times indemnify and save harmless Licensor against and pay in full all loss, damage or expense that Licensor may sustain, incur or become liable for, resulting in any manner from the construction, maintenance, use, state or repair, or presence of the PIPE LINE, including any such loss, damage or expense arising out of (a) loss of or damage to property, (b) injury to or death of persons, (c) mechanics' or other liens of any character, or (d) taxes or assessments of any kind.

7. If at any time Licensee shall fail or refuse to comply with or carry out any of the covenants herein contained Licensor may at its election forthwith revoke this license.

8. THIS LICENSE is given by Licensor and accepted by Licensee upon the express condition that the same may be terminated at any time by either party upon ten (10) days' notice in writing to be served upon the other party, stating therein the date that such termination shall take place, and that upon the termination of this license in this or any other manner herein provided, Licensee, upon demand of Licensor, shall abandon the use of the PIPE LINE and remove the same and restore the right of way and tracks of Licensor to the same condition in which they were prior to the placing of the PIPE LINE thereunder. In case Licensee shall fail to restore Licensor's premises as aforesaid within ten (10) days after the effective date of termination, Licensor may proceed with such work at the expense of Licensee. No termination hereof shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date the PIPE LINE is removed and the right of way and track of Licensor restored as above provided.

9. In the case of the eviction of Licensee by anyone owning or obtaining title to the premises on which the PIPE LINE is located, or the sale or abandonment by Licensor of said premises, Licensor shall not be liable to Licensee for any damage of any nature whatsoever or to refund any payment made by Licensee to Licensor hereunder, except the proportionate part of any recurring rental charge which may have been paid hereunder in advance.

10. Any notice hereunder to be given by Licensor to Licensee shall be deemed to be properly served if it be deposited in the United States Mail, postage prepaid, addressed to Licensee at _____
1200 Elm Avenue, Carlsbad, California 92008
Any notice to be given hereunder by Licensee to Licensor shall be deemed to be properly served if the same be deposited in the United States Mail, postage prepaid, addressed to Licensor's _____
Superintendent at 1170 West Third Street, San Bernardino,
California 92410

11. In the event that two or more parties execute this instrument as Licensee, all the covenants and agreements of Licensee in this license shall be the joint and several covenants and agreements of such parties.

12. All the covenants and provisions of this instrument shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the parties to the same extent and effect as the same are binding upon and inure to the benefit of the parties hereto, but no assignment hereof by Licensee, its successors, legal representatives or assigns, or any subsequent assignee, shall be binding upon Licensor without the written consent of Licensor in each instance.

13. The PIPE LINE shall be constructed, installed and thereafter maintained in conformity with the plans and specifications set forth in the American Railway Engineering Association Specifications for pipelines conveying non-flammable substances dated 1964.

IN WITNESS WHEREOF, The parties have executed this agreement in duplicate the day and year first above written.

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY (Licensor)

Approved as to Description:

J. L. Fry
Chief Engineer.

By [Signature]
Its Assistant to General Manager

APPROVED AS TO FORM

Roderick D. Hayes
Attorney

CITY OF CARLSBAD

By [Signature] Its Mayor

Approved:
[Signature]
Superintendent

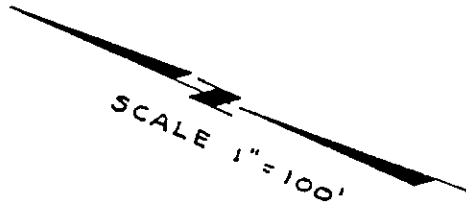
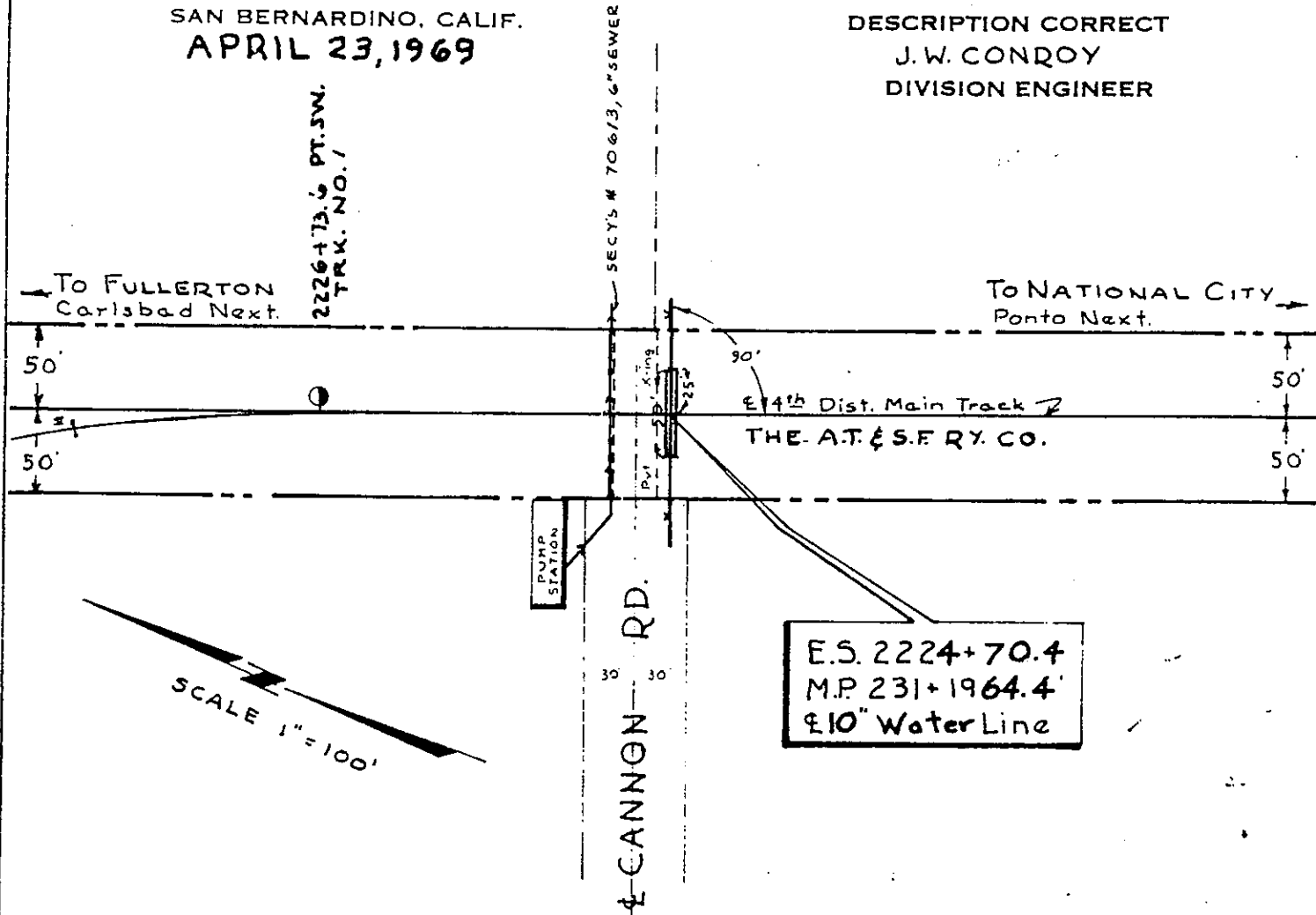
By [Signature] Its City Clerk

EXHIBIT "A"

ATTACHED TO CONTRACT BETWEEN
THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY
AND
CITY of CARLSBAD

SAN BERNARDINO, CALIF.
APRIL 23, 1969

DESCRIPTION CORRECT
J.W. CONROY
DIVISION ENGINEER



DESCRIPTION:

A 10" Water Line Encased in 50' of 20" Steel Casing Pipe With a Wall Thickness of $\frac{5}{16}$ " Located on Railway Company Property and Crossing Under the Fourth District Main Track Shown Colored Red.

Top of Casing is a Minimum of 5'6" Below Base of Rails.

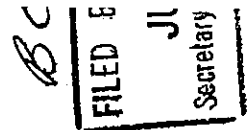
STATE OF CALIFORNIA,)
COUNTY OF SAN DIEGO) ss.
Margaret E. Adams

I, /....., City Clerk of the City of Carlsbad, County of San Diego, State of California,
hereby certify that I have compared the foregoing copy with the originalResolution..... passed and
adopted by said City Council, at a regular..... meeting thereof, at the time and by the vote therein
stated, which original ...Resolution..... is now on file in my office; that the same contains a full, true
and correct transcript therefrom and of the whole thereof.

Witness my hand and the seal of said City of Carlsbad, this ...11th day ofJune,.....1969.....

(SEAL.)

Margaret E. Adams
City Clerk



RESOLUTION NO.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CARLSBAD MUNICIPAL WATER DISTRICT OF THE CITY OF CARLSBAD, CALIFORNIA, DELEGATING AUTHORITY TO THE EXECUTIVE MANAGER TO FILE NORTH COUNTY TRANSIT DISTRICT PERMIT APPLICATIONS AND EXECUTE LICENSE AGREEMENTS FOR WATER DISTRICT CAPITAL IMPROVEMENT PROGRAM PROJECTS

WHEREAS, the Carlsbad Municipal Water District, or CMWD, is a subsidiary district of the City of Carlsbad; and

WHEREAS, the North County Transit District, or NCTD, has policies regulating and governing the use of its property and right-of-way; and

WHEREAS, the NCTD requires the issuance of permits and, through its Board Policy 11, amended Oct. 21, 2021, and Administrative Policy and Procedure DSD-D4000, requires license agreements for any public agency requesting incidental use of real property; and

WHEREAS, the NCTD considers incidental use of real property to include utility infrastructure such as water, recycled water, and sewer pipelines and appurtenances; and

WHEREAS, staff find it necessary to file permit applications and execute NCTD license agreements for such activities in connection with Capital Improvement Program, or CIP, projects and such permit applications and agreements contain indemnities through standard clauses on the application forms or agreements; and

WHEREAS, the CMWD Board's indemnification is a condition precedent to the issuance of permits and execution of agreements by NCTD; and

WHEREAS, the CMWD Board has determined that it is in the public interest to delegate certain powers to the Executive Manager in accordance with Carlsbad Municipal Code Section 2.12.035(L).

NOW, THEREFORE, BE IT RESOLVED by the CMWD Board of Directors of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the Executive Manager is hereby authorized to file permit applications and execute NCTD license agreements with indemnities limited to water and recycled water CIP projects, when recommended by the District Engineer and when approved as to form by the General Counsel or designee.

PASSED, APPROVED AND ADOPTED at a Joint Special Meeting of the Board of Directors of the Carlsbad Municipal Water District and 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, President

SHERRY FREISINGER, Secretary
(SEAL)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, DELEGATING AUTHORITY TO THE CITY MANAGER TO FILE NORTH COUNTY TRANSIT DISTRICT PERMIT APPLICATIONS AND EXECUTE LICENSE AGREEMENTS FOR CITY CAPITAL IMPROVEMENT PROGRAM PROJECTS

WHEREAS, the North County Transit District, or NCTD, has policies regulating and governing the use of its property and right-of-way; and

WHEREAS, the NCTD requires the issuance of permits and, through its Board Policy 11, amended Oct. 21, 2021, and Administrative Policy and Procedure DSD-D4000, requires license agreements for any public agency requesting incidental use of real property; and

WHEREAS, the NCTD considers incidental use of real property to include utility infrastructure such as sewer and drainage facilities or street improvements; and

WHEREAS, staff find it necessary to file permit applications and execute NCTD license agreements for such activities in connection with Capital Improvement Program, or CIP, projects and such permit applications and agreements contain indemnities through standard clauses on the application forms or agreements; and

WHEREAS, the city's indemnification is a condition precedent to the issuance of permits and execution of agreements by NCTD; and

WHEREAS, the City Council has determined that it is in the public interest to delegate certain powers to the City Manager in accordance with CMC Section 2.12.035(L).

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 hereby authorized to file permit applications and execute NCTD license agreements with indemnities limited to city CIP projects, when recommended by the City Engineer or the Deputy City Engineer, Utilities Department, and when approved as to form by the City Attorney or designee.

PASSED, APPROVED AND ADOPTED at a Joint Special Meeting of the City Council and the Board of Directors of the Carlsbad Municipal Water District of the City of Carlsbad on the __ day of _____, 2024, by the following vote, to wit:

AYES:

NAYS:

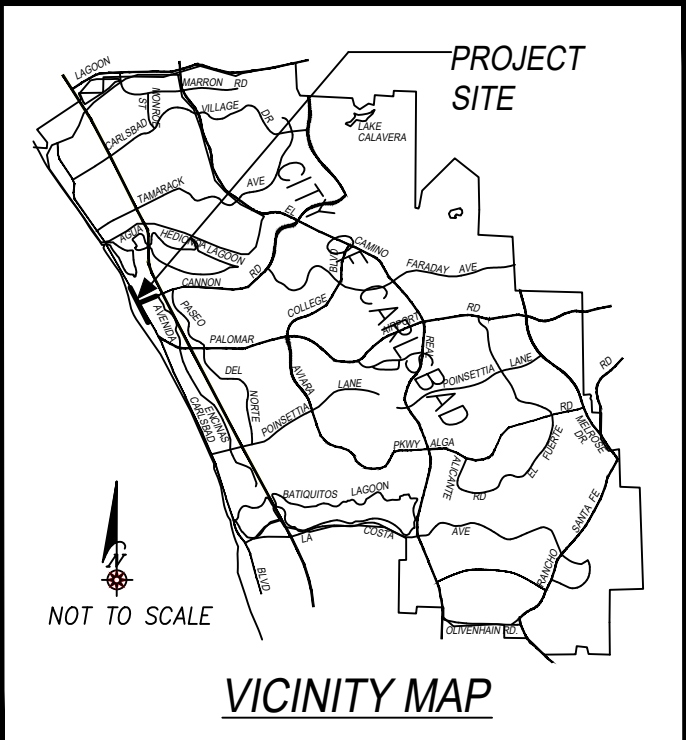
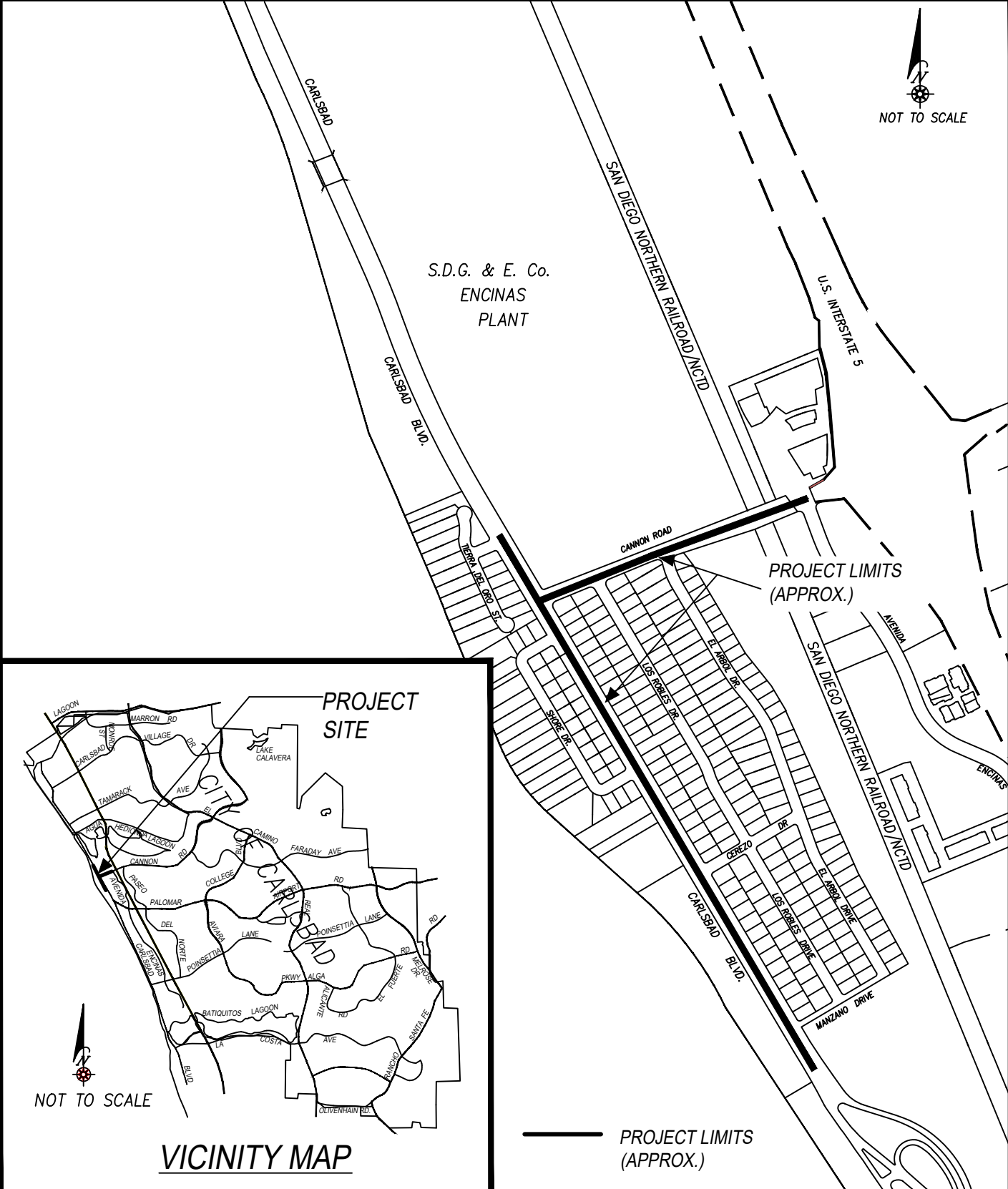
ABSTAIN:

ABSENT:

KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)

LOCATION MAP



— PROJECT LIMITS (APPROX.)

PROJECT NAME
**CARLSBAD BOULEVARD WATER &
 SEWER LINE IMPROVEMENTS AT TERRAMAR**
 May 14, 2024

PROJECT NUMBER
5048
5503-20
 Item #5 Page 40 of 40

EXHIBIT
6



CITY COUNCIL
Staff Report

Meeting Date: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contacts: Dave Padilla, Utilities Assistant Director
dave.padilla@carlsbadca.gov, 442-339-2356
Zackry Taylor, Assistant Engineer
zac.taylor@carlsbadca.gov, 442-339-2351

Subject: Accepting bids and awarding a contract to AMTEK Construction for construction of the Poinsettia Lift Station Generator Replacement Project

District: 2

Recommended Action

Adopt a resolution accepting bids and awarding a contract to AMTEK Construction for construction of the Poinsettia Lift Station Generator Replacement Project in an amount not to exceed \$370,340.

Executive Summary/Explanation & Analysis

The city operates 12 sewer lift stations that pump wastewater flow uphill to higher elevations and ultimately to the treatment plant. The lift stations are equipped with emergency generators to provide a backup power source to the pumping system during power outages. A reliable supply of electricity is needed at lift stations to pump wastewater flows. Power outages without generator backup could result in wastewater spills.

The emergency backup generator at the Poinsettia Lift Station was installed in 1999 and is the second largest generator of the lift station sites operated by the city. The generator is at the end of its service life and requires replacement to ensure the station's operability in the event of a power outage. The scope of the project includes:

- Replacement of the existing 250-kilowatt diesel-fueled generator
- Associated power system controls and communication upgrades
- Upgrades to the generator housing structure to achieve compliance with current building and fire codes

On Feb 6, 2024, the City Council adopted Resolution No. 2024-019, approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for the Poinsettia Lift Station Generator Replacement, Capital Improvement Program, or CIP Project No. 3840-23. On Feb. 7, 2024, a Request for Proposals was posted for this project.

On March 27, 2024, eight bids were received. Staff determined the lowest responsive and responsible bidder was AMTEK Construction, a California corporation, or AMTEK, with a bid in an amount not to exceed \$370,340. Staff recommend accepting bids received and awarding a construction contract to AMTEK for this project.

The City Council’s approval is required under Carlsbad Municipal Code Sections 3.28.080(C) and 3.28.080(I)(6), which apply to purchasing for construction contracts when the value exceeds \$200,000, as this project does.

Fiscal Analysis

The project is a component of the Sewer Lift Station Repairs and Upgrades Program, Capital Improvement Program Project No. 3840, which is funded by the city’s sewer replacement fund. Sufficient funds are available to complete the project. Available funds and estimated construction costs to complete the project are presented in the table below:

Sewer Lift Station Repairs and Upgrade Program Capital Improvement Program Project No. 3840	
Total appropriation to date	\$4,535,380
Total expenditures/encumbrances to date	-\$3,112,899
Total available balance	\$1,422,481
Poinsettia Lift Station Generator Replacement Capital Improvement Program Project No. 3840-23	
Construction contract – AMTEK Construction	-\$370,340
Construction contingency (20%)	-\$74,000
Construction management, inspection and testing (estimated)	-\$74,000
Staff time and engineering support services during construction (estimated)	-\$35,000
Total estimated construction costs	-\$553,340
Remaining balance	\$869,141

Carlsbad Municipal Code Sections 3.28.040(C)(5) and 3.28.090(B) authorize the City Manager or designee to approve change orders in an amount equal to the contingency set at the time of project award, which for this project is \$74,000.

Next Steps

Once the City Council accepts the bids and awards the construction contract to AMTEK, staff will issue a purchase order, schedule a pre-construction meeting with the contractor and issue a notice to proceed for construction of the project.

The duration of the construction contract is approximately one year, not including rain days and delays from change orders that may extend the contract duration. Construction is expected to start in summer 2024 and be completed by summer 2025. Once the project is completed, a notice of completion to release bonds issued for the project will be recorded.

Environmental Evaluation

The City Planner has determined the project is exempt from the California Environmental Quality Act under CEQA Guidelines Section 15302(c), which applies to the replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

Exhibits

1. City Council resolution
2. Location map

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, ACCEPTING BIDS AND AWARDING A CONTRACT TO AMTEK CONSTRUCTION FOR CONSTRUCTION OF THE POINSETTIA LIFT STATION GENERATOR REPLACEMENT PROJECT IN AN AMOUNT NOT TO EXCEED \$370,340

WHEREAS, the City Council of the City of Carlsbad, California has determined it necessary, desirable and in the public interest to complete the Poinsettia Lift Station Generator Replacement Project, Capital Improvement Program, or CIP, Project No. 3840-23, or Project; and

WHEREAS, on Feb. 6, 2024, the City Council adopted Resolution No. 2024-019, approving plans, specifications, and contract documents and authorizing the City Clerk to advertise to receive bids for construction of the Project; and

WHEREAS, on March 27, 2024, staff received eight bids in response to the bid advertisement; and

WHEREAS, AMTEK Construction, a California corporation, submitted the lowest responsive and responsible bid in an amount not to exceed \$370,340; and

WHEREAS, Carlsbad Municipal Code Sections 3.28.040(C)(5) and 3.28.090(B) authorize the City Manager or designee to approve change orders in an amount equal to the contingency set at the time of project award, which is \$74,000; and

WHEREAS, the City Planner has determined that the project is exempt from the California Environmental Quality Act, or CEQA, per CEQA Guidelines Section 15302(c) – replacement or reconstruction of existing structures and/or facilities involving negligible or no expansion of capacity.

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 bid in the amount of \$370,340 submitted by AMTEK Construction for construction of the Poinsettia Lift Station Generator Replacement Project, CIP Project No. 3840-23, is accepted, and the Mayor is hereby authorized to execute a contract with AMTEK Construction.
3. That the City Manager or designee is hereby authorized to approve construction change orders for the Poinsettia Lift Station Generator Replacement Project up to \$74,000.

4. That the award of this contract is contingent upon AMTEK Construction executing the required contract and submitting the required bonds and insurance policies, as described in the contract, within 20 calendar days after adoption of this Resolution. The City Manager may grant reasonable extensions of time to execute the contract and assemble the required bonds and insurance policies.

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:

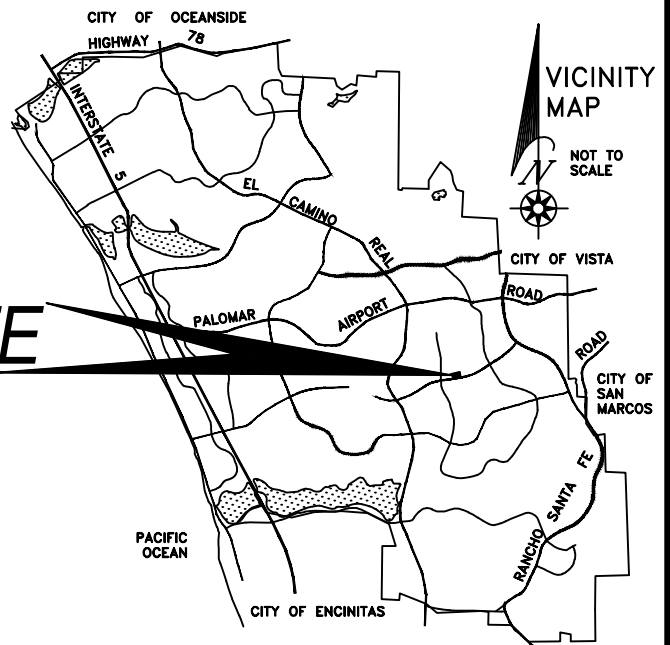
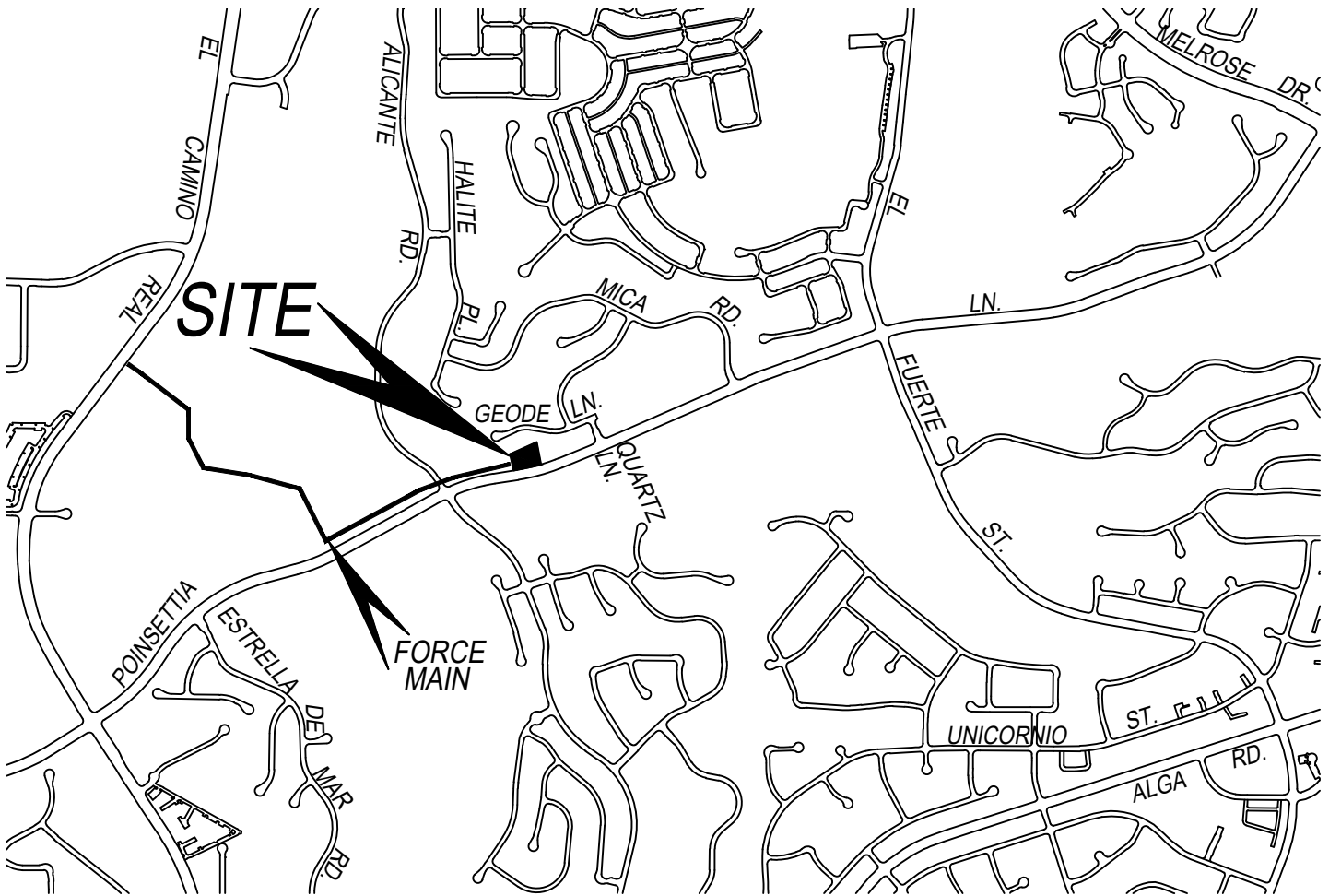
ABSTAIN:

ABSENT:

KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)

LOCATION MAP



PROJECT NAME
**POINSETTIA LIFT STATION
 GENERATOR REPLACEMENT PROJECT**

PROJECT NUMBER
3840-23

EXHIBIT
2



CITY COUNCIL
Staff Report

Meeting Date: May 14, 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: Agreement to Purchase Habitat Mitigation Bank Credits for Removal of Sediment and Vegetation in the Buena Vista Creek Concrete Channel Near El Camino Real

District: 1

Recommended Action

Adopt a resolution authorizing an agreement to purchase 1.88 acres of habitat mitigation bank credits in the amount of \$1,222,000 for removal of sediment and vegetation in the Buena Vista Creek Concrete Channel near El Camino Real.

Executive Summary

The city proclaimed a local emergency earlier this year to remove sediment and vegetation in the Buena Vista Creek after the heavy rains from the atmospheric river that hit California in early February and the prior one in January 2024.

While the emergency work has been completed, state and federal regulations require the city to purchase what are known as habitat mitigation credits to offset the impacts of the city's storm-related emergency work.

This purchase will cost \$1,222,000, which is to be funded from the fiscal year 2023-24 Capital Improvement Program budget through the Storm Drain System Rehabilitation and Repair Program.

The cost of the proposed agreement is in the amount of \$1,222,000, which requires approval of the City Council in accordance with Carlsbad Municipal Code Section 3.28.050(D) because the cost exceeds \$100,000.

Explanation & Analysis

Buena Vista Creek is situated at the northern border of the City of Carlsbad, adjacent to the City of Oceanside. (See map, Exhibit 3) The creek is located within both the City of Carlsbad and the City of Oceanside and comprises natural stream bed sections and some man-made concrete drainage channels designed to convey runoff from a large eastern watershed to the ocean.

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. That Capital Improvement Program project is in the environmental review stage. However, the severe rainstorms brought an influx of heavy rain that inundated the Buena Vista Creek with material, including vegetation, debris and sediment-dominated slurry.

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 Acting City Manager, in his role as Acting Director of Emergency Services, proclaimed a local emergency on Feb. 8, 2024, that exempted the city from the standard bidding procedures and allowed the city to complete the necessary repairs as swiftly as possible. The City Council ratified the emergency proclamation on Feb. 13, 2024, and continued the emergency proclamation on Feb. 27, 2024, and again on March 19, 2024, March 26, 2024, April 9, 2024, and April 16, 2024, and terminated the proclamation on May 7, 2024.

The emergency proclamation enabled the city to quickly procure a contractor to perform the necessary emergency work.

Staff have been working closely with the agencies that regulate waterways – the San Diego Regional Water Quality Control Board, and the U.S. Army Corps of Engineers – to obtain their authorizations for the emergency work. The work was completed on April 22, 2024

State and federal regulations require environmental impacts on aquatic resources, such as those that resulted from the emergency work on the channel, to be offset through the use of mitigation bank credits. A mitigation bank is a wetland, stream, or other aquatic resource area that has been restored, established, enhanced or preserved for the purpose of providing compensation for unavoidable impacts to other aquatic resources as permitted by federal, state and local regulations.

The regulatory agencies provided that a habitat mitigation ratio of 1:1 would be acceptable for the emergency work in the concrete section of the channel. The impacted area is estimated at 1.88 acres.

The city's consultant identified a mitigation bank, the San Luis Rey Mitigation Bank, which has 1.95 acres of river and floodplain credits available to mitigate the impacts of the project. Purchasing 1.88 acres of mitigation bank credits will cost \$1,222,000.

Fiscal Analysis

The cost estimate for the emergency work in the concrete section of the channel is in the amount of \$2,470,500, including habitat mitigation costs, which will be funded from the fiscal year 2023-24 Capital Improvement Program Budget through the Storm Drain System Rehabilitation and Repair Program.

Storm Drain System Rehabilitation and Repair Program Capital Improvement Program Project No. 6607	
Total appropriated funds to date	\$7,362,360
Total expenditures and encumbrances to date	-\$4,287,987
Total available funding	\$3,074,373
Buena Vista Creek Concrete Channel emergency work	
Emergency work (sediment, vegetation removal, estimated) – Hazard Construction	-\$999,700
Construction management and inspection – Kleinfelder Construction Services	-\$108,300
Biological monitoring – Environmental Science Associates	-\$140,500
Habitat mitigation (1:1 ratio)	-\$1,222,000
Total estimated emergency project costs	-\$2,470,500
Remaining balance	\$603,873

Next Steps

Upon the City Council’s approval of an agreement, staff will proceed with the purchase of 1.88 acres of habitat mitigation bank credits in the amount of \$1,222,000 from Wildlands SLR Holdings I, LLC.

Environmental Evaluation

The project has been determined to be exempt from the California Environmental Quality Act 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. Proclamation of local emergency
3. Bank enabling instrument for the San Luis Rey Mitigation Bank
4. Location map

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING AN AGREEMENT TO PURCHASE 1.88 ACRES OF HABITAT MITIGATION BANK CREDITS IN THE AMOUNT OF \$1,222,000 FOR REMOVAL OF SEDIMENT AND VEGETATION IN THE BUENA VISTA CREEK CONCRETE CHANNEL NEAR EL CAMINO REAL

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 in 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 in the Buena Vista Creek concrete channel near El Camino Real; and

WHEREAS, on Feb. 27, 2024, the City Council continued 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

WHEREAS, on March 12, 2024, the City Council continued 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 again and authorized additional appropriations in the amount of \$474,000; and

WHEREAS, on March 19, 2024, March 26, 2024, April 9, 2024, and April 16, 2024, the City Council continued the emergency proclamation again; and

WHEREAS, on April 23, 2024, the City Council continued the emergency proclamation again and authorized a transfer of funds in the amount of \$1,427,000 from the Buena Vista Creek Concrete Channel Maintenance at El Camino Real, Capital Improvement Program, or CIP, Project No. 6619, to the Storm Drain System Rehabilitation and Repair Program, CIP Project No. 6607, which includes sufficient funding for habitat mitigation costs; 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 on March 8, 2024, and completed the emergency work in the concrete section of the channel by the authorized date of April 22, 2024; and

WHEREAS, on April 17, 2024, the regulatory agencies indicated a habitat mitigation ratio of 1:1 would be acceptable for the emergency work in the concrete section of the channel; and

WHEREAS, on April 25, 2024, staff received an estimate of habitat mitigation costs for the work already authorized by the regulatory agencies with the impacted area estimated at 1.88 acres, at a cost of \$1,222,000 for mitigation; and

WHEREAS, on May 7, 2024, City Council terminated the proclamation of a local emergency for the Buena Vista Creek concrete channel; and

WHEREAS, staff now request that the City Council authorize an agreement with Wildland SLR Holdings I, LLC to purchase 1.88 acres of habitat mitigation bank credits in the amount of \$1,222,000 to satisfy the regulatory requirements for the project; 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 existed 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 Mayor is authorized to sign an agreement to purchase 1.88 acres of habitat mitigation bank credits in the amount of \$1,222,000, attached herein as Attachment A.

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)

**AGREEMENT FOR SALE OF MITIGATION CREDITS
SAN LUIS REY MITIGATION BANK**

**USACE RGP 63 File No. SPL-2024-00147-MER
RWQCB File No. R9-2024-0052:893548**

This Agreement is made and entered into this _____ day of _____, 2024 by and between WILDLANDS SLR HOLDINGS I, LLC, a Delaware limited liability company (“Bank Sponsor”) and the CITY OF CARLSBAD, a California charter city (“Project Proponent”), as follows:

RECITALS

A. Bank Sponsor has developed the San Luis Rey Mitigation Bank (“Bank”) located in San Diego County, California; and

B. The Bank has been developed pursuant to a Bank Enabling Instrument entered into by and between Bank Sponsor, United States Army Corps of Engineers (“USACE”), and California Department of Fish and Wildlife (“CDFW”); and

C. Bank Sponsor has received the approval of the USACE and CDFW to operate the Bank as a mitigation bank with wetland waters of the United States/State credits, waters of the United States/State credits and buffer credits for sale as compensation for the loss of waters of the United States, waters of the State and/or State jurisdictional habitats; and

D. Project Proponent implemented the project described on Exhibit “A” attached hereto (“Project”), which unavoidably and adversely impacted waters of the United States and/or waters of the State thereon, and seeks to compensate for such impacts by purchasing compensatory credits from Bank Sponsor; and

E. Project Proponent has been authorized by USACE under Regional General Permit (“RGP”) No. RGP 63 (File No. SPL-2024-00147-MER) and by Regional Water Quality Control Board (“RWQCB”) enrollment under Water Quality Order No. 2023-0095-DWQ (File No. R9-2024-0052:893548) to purchase from Bank Sponsor 1.88 acres of establishment and/or re-establishment mitigation credits to compensate for impacts to waters of the U.S.; and

F. Project Proponent desires to purchase from Bank Sponsor and Bank Sponsor desires to sell to Project Proponent 1.88 acres of total credits at Bank comprised of 0.47 acre of Re-established River: Wetland Waters of the U.S./State credits and 1.41 acres of Re-established Floodplain: Waters of the U.S./State credits (collectively, the “Credits”).

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Bank Sponsor hereby agrees to sell to Project Proponent and Project Proponent hereby agrees to purchase from Bank Sponsor 1.88 Credits for the purchase price of \$1,222,000.00 (“Purchase Price”). The Purchase Price for said Credits shall be paid by wire transfer of funds according to written instructions by Bank Sponsor to Project Proponent, or by check payable to “**Wildlands SLR Holdings I, LLC.**” Upon receipt of the Purchase Price, Bank Sponsor will deliver to Project Proponent an executed Bill of Sale in the form attached hereto as Exhibit “B.”

2. The sale and transfer herein are not intended as a sale or transfer to Project Proponent of a security, license, lease, easement, or possessory or non-possessory interest in real property, nor the granting of any interest of the foregoing.

3. Project Proponent shall have no obligation whatsoever by reason of the purchase of the Credits, to support, pay for, monitor, report on, sustain, continue in perpetuity, or otherwise be obligated or liable for the success or continued expense or maintenance in perpetuity of the Credits sold, or the Bank. As required by law, Bank Sponsor shall monitor and make reports to the appropriate agency or agencies on the status of any Credits sold to Project Proponent. Bank Sponsor shall be fully and completely responsible for satisfying any and all conditions placed on the Bank or the Credits, by all state or federal jurisdictional agencies.

4. The Credits sold and transferred to Project Proponent shall be nontransferable and non-assignable and shall not be used as compensatory mitigation for any other Project or purpose, except as set forth herein.

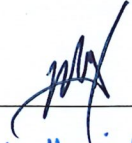
5. Project Proponent must deliver the Purchase Price to Bank Sponsor within 30 days of the date of this Agreement. After the 30-day period, this Agreement will be considered null and void and Bank Sponsor shall have no further obligations hereunder.

[signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

BANK SPONSOR:

WILDLANDS SLR HOLDINGS I, LLC,
a Delaware limited liability company

By: _____


Name: Mark Heintz

Title: Manager

Date: May 1, 2024

PROJECT PROPONENT:

CITY OF CARLSBAD, a California charter city

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:
CINDIE K. McMAHON, City Attorney

BY: _____
Assistant City Attorney

Exhibit “A”

**DESCRIPTION OF PROJECT
TO BE
MITIGATED**

The Project includes the discharge of dredged material associated with the removal of a total of up to 17,860 cubic yards of accumulated sediment, debris, and vegetation within a total of approximately 1.88 acres (1,000 linear feet) of non-wetland waters of the U.S., Buena Vista Creek, in order to alleviate the immediate emergency situation.

The Project is located immediately east of South Vista Way to approximately 250 feet east of El Camino Real, in the city of Carlsbad, San Diego County, California (Latitude: 33.1807, Longitude: -117.3265).

Exhibit “B”

BILL OF SALE

Contract # SLRMB-24-___

**USACE RGP 63 File No. SPL-2024-00147-MER
RWQCB File No. R9-2024-0052:893548**

In consideration of \$1,222,000.00, receipt of which is hereby acknowledged, WILDLANDS SLR HOLDINGS I, LLC, a Delaware limited liability company (“Bank Sponsor”) does hereby bargain, sell and transfer to the CITY OF CARLSBAD, a California charter city (“Project Proponent”), 1.88 acres of total credits comprised of 0.47 acre of Re-established River: Wetland Waters of the U.S./State credits and 1.41 acres of Re-established Floodplain: Waters of the U.S./State credits (collectively, the “Credits”) for the 2024 Buena Vista Creek Emergency Channel Maintenance Project, in the San Luis Rey Mitigation Bank in San Diego County, California, developed and approved under the authority of the United States Army Corps of Engineers and California Department of Fish and Wildlife.

Bank Sponsor represents and warrants that it has good title to the Credits, has good right to sell the same, and that they are free and clear of all claims, liens, or encumbrances.

DATED: _____

WILDLANDS SLR HOLDINGS I, LLC, a Delaware limited liability company

By: _____

Name:

Its:



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



San Luis Rey Mitigation Bank

San Diego County, California

July 2014



SAN LUIS REY MITIGATION BANK

SAN DIEGO COUNTY, CALIFORNIA

BANK ENABLING INSTRUMENT

Interagency Review Team:

U.S. Army Corps of Engineers
U.S. Environmental Protection Agency
U.S. Fish and Wildlife Service
California Department of Fish and Game

Bank Sponsor:

Wildlands SLR Holdings I, LLC
3855 Atherton Road
Rocklin, CA 95765
Contact: Cindy Tambini
ctambini@wildlandsinc.com
Tel: (916) 435-3555

July 2014

TABLE OF CONTENTS

Bank Enabling Instrument

BEI – Clean

BEI – Redline

Exhibit A. Bank Location Maps

Exhibit B. Service Area Map(s) and Description(s)

Exhibit C. Development Plan

C-1 Development Plan

C-2 Construction Security Analysis and Schedule

C-3 Performance Security Analysis and Schedule

Exhibit D. Bank Management and Operation Plans

D-1 Interim Management Security Analysis and Schedule

D-2 Endowment Fund Analysis and Schedule

D-3 Endowment Agreement

D-4 Interim Management Plan (see Development Plan)

D-5 Long-Term Management Plan

D-6 Bank Closure Plan

Exhibit E. Real Estate Records and Assurances

E-1 Preliminary Title Report, Legal Description and Parcel Map(s)

E-2 Property Assessment and Warranty

E-3 Plat Maps (Maps of Exceptions)

E-4a Conservation Easement – Clean

E-4b Conservation Easement – Redline

E-5 Title Insurance Policy

E-6 Subordination Agreement(s)

Exhibit F. Bank Crediting and Credit Transfers

F-1 Credit Evaluation and Credit Table

F-2 Credit Purchase Agreements and Payment Receipts Templates

F-3 Credit Transfer Ledger Template

Exhibit G. Phase I Environmental Site Assessment

Exhibit H. Biological Resources

Exhibit I. Verified Waters of the U.S. Jurisdictional Determination and Verification Letter

Exhibit J. Cultural Resources

Exhibit K. Other Environmental Documentation, Permits, Amendments or Revisions

- K-1 Department of the Army Permit
- K-2 California Environmental Quality Act Compliance Documents
- K-3 Water Quality Certification or Waiver under Section 401 of the Clean Water Act
- K-4 State Water Resources Control Board NPDES Storm Water Permit Application under Section 402 of the Clean Water Act
- K-5 Federal Endangered Species Act Section 7 Compliance
- K-6 Lake and Streambed Alteration Agreement
- K-7 Hydraulic Report and Conceptual Restoration Plan
- K-8 Conservation Easement Holder: Wildlife Heritage Foundation

Bank Enabling Instrument

Clean

MITIGATION BANK ENABLING INSTRUMENT
Table of Contents

RECITALS 1

AGREEMENT 2

Section I: Purpose and Authorities 2

 A. Purpose..... 2

 B. Authorities..... 2

Section II: Definitions..... 3

Section III: Stipulations 8

 A. Baseline Condition..... 8

 B. Disclaimer 8

 C. Exhibits 8

Section IV: Bank Evaluation and Development 9

 A. Bank Site Assessment by the IRT..... 9

 B. Bank Sponsor's Responsibilities for Bank Development 9

 C. Phase I Environmental Site Assessment 10

 D. Permits 10

 E. Subsequent Phases 10

 F. Modification of the Development Plan..... 10

 G. Property Assessment and Warranty 10

Section V: Bank Establishment Date 11

Section VI: Financial Assurances 11

 A. Construction Security..... 11

 B. Performance Security..... 12

 C. Interim Management Security..... 12

 D. Letters of Credit 12

 E. Endowment Fund 12

Section VII: Credit Release 13

 A. Waters of the U.S. Credit Release 13

 B. Covered Species and Covered Habitat Credit Release 15

Section VIII: Operation of the Bank..... 17

 A. Service Area..... 17

 B. Transfer of Credits 17

 C. Interim and Long-term Management and Monitoring 18

 D. Bank Closure Plan..... 18

 E. Financial Operations 19

 F. Remedial Action Plan 22

Section IX: Reporting..... 23

 A. Annual Inflation Adjustments to Endowment Fund Report 23

 B. Annual Report..... 23

 C. Credit Transfer Reporting..... 24

Section X: Responsibilities of the Bank Sponsor and Property Owner 25

Section XI: Responsibilities of the IRT 27

 A. IRT Oversight 27

 B. IRT Review 27

 C. Compliance Inspections 27

Section XII: Other Provisions..... 27

 A. Force Majeure 27

 B. Dispute Resolution..... 28

 C. Conveyance of Bank Property or Other Interests 28

 D. Modification and Termination of the BEI 29

 E. Default..... 31

 F. Controlling Language 31

 G. Entire Agreement 31

 H. Reasonableness and Good Faith 32

 I. Successors and Assigns..... 32

 J. Partial Invalidity..... 32

 K. Notices 32

 L. Counterparts 35

 M. No Third Party Beneficiaries 35

 N. Availability of Funds 35

 O. No Partnerships 35

 P. Governing Law 35

Section XIII: Execution 35

*California multi-agency Project Delivery Team Bank Enabling Instrument
(Template Version Date: May 2008)
(Updated in some sections with info from Final Mitigation BEI
dated 16 April 2012 with RegBd)*

**BANK ENABLING INSTRUMENT
SAN LUIS REY MITIGATION BANK**

This Bank Enabling Instrument (“BEI”), dated this _____ day of _____, 20____, is made by and among Wildlands SLR Holdings I, LLC ("Bank Sponsor" and "Property Owner") and the Los Angeles District of the U.S. Army Corps of Engineers (“USACE”) and, the California Department of Fish and Wildlife (“CDFW”). The IRT shall mean the USACE, the U.S. Environmental Protection Agency, the U.S. Fish and Wildlife Service, the CDFW, the National Oceanic and Atmospheric Administration’s National Marine Fisheries Service , and the California Regional Water Quality Control Board, San Diego Region. The Bank Sponsor/Property Owner, CDFW, and the USACE are hereinafter referred to jointly as the “Parties.” The USACE and CDFW are hereinafter referred to jointly as “Signatory Agencies” or individually “Signatory Agency.” This BEI sets forth the agreement of the Parties regarding the establishment, use, operation and maintenance of the San Luis Rey Mitigation Bank (the “Bank”).

RECITALS

- A. The Bank Sponsor is responsible for establishing and operating the Bank.
- B. The Property Owner is the owner of real property containing approximately 56.54 acres (the “Property”), located along the San Luis Rey River in San Diego County, City of Oceanside, State of California, designated Assessor’s Parcel No(s). 122-130-33, 122-130-35, 122-130-37, 122-130-39, and 122-130-41. The Property is generally shown on the Bank Location Maps (**Exhibit A**) and legally described in the Real Estate Records and Assurances (**Exhibit E**) attached hereto.
- C. Bank Sponsor and Property Owner desire to create the Bank over a 53.84-acre portion of the Property (the “Bank Property”). The Bank Property is generally shown on the Bank Location Maps (**Exhibit A**) and legally described in the Conservation Easement (**Exhibit E-4**) attached hereto. The Bank Property is to be conserved in perpetuity by the Conservation Easement, which shall be recorded as provided in Section V.
- D. CDFW has jurisdiction over the conservation, protection, and management of fish, wildlife, native plants and the habitat necessary for biologically sustainable populations of these species pursuant to California Fish and Game Code § 1802. CDFW also has jurisdiction over Waters of the State pursuant to §§ 1600-1616 of the Fish and Game Code and other provisions of state law.

- E. USACE has jurisdiction over Waters of the U.S. pursuant to the Clean Water Act, 33 U.S.C § 1251 *et seq.* Waters of the U.S. include jurisdictional wetlands.
- F. The IRT is the interagency group which oversees the establishment, use, operation, and maintenance of the Bank.
- G. The goals and objectives for the Bank are set forth in the Development Plan (**Exhibit C**) and the Bank Management and Operation Documents (**Exhibit D**).
- H. Initially-capitalized terms used and not defined elsewhere in this BEI are defined in Section II.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Section I: Purpose and Authorities

A. Purpose

The purpose of this BEI is to set forth the agreement of the Parties regarding the establishment, use, operation, and maintenance of the Bank to compensate for unavoidable impacts to, and conserve and protect, Waters of the U.S and Waters of the State. The Bank Sponsor shall implement the Re-establishment and Rehabilitation and then manage and maintain Waters of the U.S., Waters of the State, and associated Buffers in accordance with this BEI, the Development Plan, and Long-term Management Plan.

B. Authorities

The establishment and use of the Bank for off-site compensatory mitigation or conservation is governed by one or more of the following statutes, regulations, policies, and guidelines:

1. Federal

- a. Clean Water Act (33 U.S.C. § 1251 *et seq.*);
- b. National Environmental Policy Act (42 U.S.C. § 4321 *et seq.*);
- c. National Historic Preservation Act (16 U.S.C. § 470);
- d. Regulatory Programs of the U.S. Army Corps of Engineers (33 C.F.R. Parts 320-332);
- e. Guidelines for Specification of Disposal Sites for Dredged and Fill Material (40 C.F.R. Part 230);

- f. Executive Order 11990 – Protection of Wetlands;
 - g. Executive Order 11988 – Floodplain Management; and
 - h. Memorandum of Agreement between the U.S. Environmental Protection Agency and the Department of the Army concerning the Determination of Mitigation Under the Clean Water Act, § 404(b)(1) Guidelines (February 6, 1990).
2. State
- a. California Environmental Quality Act (“CEQA”) (Public Resources Code § 21000 *et seq.*) and State CEQA Guidelines (Tit. 14 Cal. Code Regs., Ch. 3);
 - b. California Endangered Species Act (“CESA”) (Fish and Game Code § 2050 *et seq.*);
 - c. California State Office of Historical Preservation (“SHPO”) (Public Resources Code § 5020 *et seq.*) Archaeological, Paleontological and Historical Sites (Public Resources Code § 5097 *et seq.*) Native American Historical, Cultural and Sacred Sites (Public Resources Code § 5097.9); and Historical Resources (Public Resources Code § 21084.1);
 - d. Conservation of Wildlife Resources (Fish and Game Code § 1800 *et seq.*);
 - e. Lake and Streambed Alteration Program (Fish and Wildlife Protection and Conservation, Fish and Game Code § 1600 *et seq.*); and
 - f. Official Policy on Conservation Banks, April 7, 1995, by California Resources Agency and California Environmental Protection Agency, jointly.

Section II: Definitions

The initially-capitalized terms used and not defined elsewhere in this BEI are defined as set forth below.

1. “Adaptive Management” means an approach to natural resource management which incorporates changes to management practices, including corrective actions as determined to be appropriate by the Signatory Agencies, in coordination with other members of the IRT, in discussion with the Bank Sponsor and Property Owner, as appropriate, based upon Bank annual report results and review of overall Bank performance and compliance.
2. “Bank Establishment Date” is the date determined pursuant to Section V, when the Bank is considered established and Transfer of Credits may begin.

3. “Buffer” means an upland, wetland, and/or riparian area that protects and/or enhances aquatic resource functions associated with wetlands, rivers, streams, lakes, marine, and estuarine systems from disturbances associated with adjacent land uses.
4. “Catastrophic Event” shall mean an unforeseen event, such as the impact of a vehicle or falling aircraft, which has a material and detrimental impact on the Bank Property, and over which neither the Bank Sponsor nor the Property Owner has control.
5. “Conservation Easement” means a perpetual conservation easement, as defined by California Civil Code § 815.1, in the form of **Exhibit E-4** attached hereto.
6. “Construction Security” means the financial assurance specified in Section VI.A. and **Exhibit C-2**, to be provided by the Bank Sponsor to guarantee the completion of construction and planting for the Re-establishment and Rehabilitation of Waters of the U.S. and Waters of the State and establish Buffers on the Bank Property in accordance with the Development Plan.
7. "Credits" are units of measure representing the accrual, attainment, or protection of aquatic functions on the Bank Property. One Credit is equivalent to one acre, or as otherwise defined in **Exhibit F-1**.
8. “Credit Release” means an action by the USACE and/or CDFW (in coordination with other members of the IRT), to make specified Credits available for Transfer pursuant to this BEI.
9. “Credit Release Fee” is a fee to pay for all or a portion of the CDFW’s Bank implementation and compliance costs. The fee will be adjusted annually.
10. “Development Plan” is the overall plan, attached as **Exhibit C-1**, governing aquatic resource/Buffer Re-establishment and Rehabilitation activities required to be conducted on the Bank Property to establish Credits, including, without limitation, Performance Standards, monitoring requirements, reporting requirements and Interim Management Activities.
11. “Endowment Agreement” means the agreement, including the mitigation agreement within the meaning of Government Code section 65965(f)(1), attached as **Exhibit D-3** that establishes the terms and conditions pursuant to which the Endowment Holder will accept custody of and manage the Endowment Amount in an Endowment Fund.
12. “Endowment Amount” is the amount, determined in **Exhibit D-2**, that is required to be provided, in accordance with Section VI.E, by the Bank Sponsor to the Endowment Holder to fund the Endowment Fund.
13. “Endowment Deposit” is the deposit or series of deposits made or required to be made by the Bank Sponsor to the Endowment Holder to fund the Endowment Fund. Endowment Deposits received by the Endowment Holder shall be deposited into the Endowment Fund.
14. “Endowment Fund” is a sum of money in a long-term stewardship account, held in trust in a fund designated in the Endowment Agreement. The Endowment Fund is to

be maintained and managed in perpetuity in strict accordance with Government Code sections 65965-69568, Probate Code sections 18501-18510, the BEI, and the Endowment Agreement to generate earnings and appreciation in value for use in funding perpetual management, maintenance, monitoring, and other activities as required by the Long-term Management Plan. The term “Endowment Fund” as used in this BEI shall comprise the Endowment Amount and all interest, dividends, gains, other earnings, additions and appreciation thereon, as well as any additions thereto

15. "Endowment Holder" means an entity qualified to hold the Endowment Fund pursuant to Government Code sections 65965-65968.
16. “Force Majeure” shall mean war, insurrection, riot or other civil disorder, flood, earthquake, fire, disease, governmental restriction or the failure by any governmental agency to issue any requisite permit or authority, or any injunction or other enforceable order of any court of competent jurisdiction, which has a material and detrimental impact on the Bank or the Bank Property and over which the Bank Sponsor/Property Owner has no control; *provided, however*, that (i) a riot or other civil disorder shall constitute an event of Force Majeure only if the event has broad regional impacts and is not endemic to the Bank Property and its immediate locale; (ii) a flood shall be considered an event of Force Majeure only if it is greater than a presently projected 100-year flood, where "flood" refers to a runoff event; (iii) an earthquake shall constitute an event of Force Majeure only if the ground motion it generates at the Bank Property is greater than that presently projected from an earthquake with a return period of 475 years; (iv) disease shall constitute an event of Force Majeure only if such event has broad regional impact and is not endemic to the Bank Property and its immediate locale; and (v) governmental restriction or the failure by any governmental agency to issue any requisite permit or authority, or any injunction or other enforceable order of any court of competent jurisdiction shall not constitute an event of Force Majeure unless there is no other feasible means of Remedial Action.
17. “Grantee” means the entity, other than the Bank Sponsor or Property Owner, authorized to hold the conservation easement pursuant to California Civil Code Section 815.3 and Government Code Section 65966 and 65967. Specifically, Grantee is (i) a tax-exempt nonprofit organization qualified under Section 501(c) (3) of the Internal Revenue Code of 1986, as amended, and qualified to do business in California; (ii) a "qualified organization" as defined in section 170(h) (3) of the Internal Revenue Code; and (iii) an organization which has as its primary and principal purpose and activity the protection and preservation of natural lands or resources in its natural, scenic, agricultural, forested, or open space condition or use.
18. “IRT” is the interagency group which oversees the establishment, use, operation, and maintenance of the Bank.
19. “Interim Management Activities” means the management, monitoring, Adaptive Management, reporting and other activities to be implemented by the Bank Sponsor

during the Interim Management Period. Interim Management Activities are included in **Exhibit C-1**.

20. “Interim Management Period” means the period from the Bank Establishment Date until the third anniversary of the full funding of the Endowment Fund has occurred and all the Performance Standards in the Development Plan have been met.
21. “Interim Management Security” is the financial assurance specified in Section VI.C. and **Exhibit D-1**, to be provided by the Bank Sponsor to guarantee the implementation of Interim Management Activities during the Interim Management Period.
22. “Long-term Management Period” means the period beginning upon conclusion of the Interim Management Period and continuing in perpetuity, during which the Bank Property is to be managed, monitored and maintained by the Property Owner pursuant to the Long-term Management Plan.
23. “Long-term Management Plan” means the document attached as **Exhibit D-5** that is intended to ensure the Bank Property is managed, monitored and maintained in perpetuity to conserve and protect its Waters of the U.S., Waters of the State, and associated Buffers.
24. “Performance Security” means the financial assurance specified in Section VI.B. and **Exhibit C-3**, to be provided by the Bank Sponsor to guarantee that the Performance Standards are met and all Remedial Action required under Section VIII.F is completed.
25. “Performance Standards” means the minimum standards set forth in the Development Plan to define the successful development of Waters of the U.S., Waters of the State, and Buffers.
26. “Phase I Environmental Site Assessment” is an assessment of the environmental condition of the Property performed in accordance with the American Society of Testing and Materials (ASTM) Standard E1527-05 “Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process,” or any successor to such ASTM Standard which is active at the time of the assessment.
27. “Property Assessment and Warranty” means the written Property evaluation and assurance signed by the Property Owner and attached as **Exhibit E-2**.
28. “Property Owner” means the owner(s) of fee simple title to the Bank Property.
29. “Remedial Action” means any corrective measures which the Bank Sponsor or Property Owner is required to take to ameliorate any injury or adverse impact to the Bank Property as Re-established and/or Rehabilitated as a result of a failure to achieve the Performance Standards.
30. “Restoration” means the manipulation of the physical, chemical, or biological characteristics of a site with the goal of returning natural/historic functions to a

former or degraded aquatic resource. For the purpose of tracking net gains in aquatic resource area, restoration is divided into two categories: re-establishment and rehabilitation.

31. “Re-establishment” means the manipulation of the physical, chemical, or biological characteristics of a site with the goal of returning natural/historic functions to a former aquatic resource. Re-establishment results in rebuilding a former aquatic resource and results in a net gain in aquatic resource area.
32. “Rehabilitation” means the manipulation of the physical, chemical, or biological characteristics of a site with the goal of repairing natural/historic functions to a degraded aquatic resource. Rehabilitation results in a gain in aquatic resource function, but does not result in a gain in aquatic resource area.
33. “RIBITS” means the Regulatory In-lieu Fee and Bank Information Tracking System.
34. “Service Area” means the geographic area(s) within which impacts to Waters of the U.S., Waters of the State, and Buffers that occur may be mitigated or compensated through Credits from the Bank.
35. “Signatory Agencies” means the USACE and CDFW.
36. “Subordination Agreement” means a written, recorded agreement in which the holder of an interest in, or lien or encumbrance on the Bank Property makes the lien or encumbrance subject to and of lower priority than the Conservation Easement, even though the lien or encumbrance was recorded before the Conservation Easement.
37. “Transfer” means the use, sale, or conveyance of Credits by the Bank Sponsor.
38. “Unlawful Act” shall mean the unlawful act of any person or entity other than the Bank Sponsor/Property Owner and shall include an event or series of events, such as the intentional release within the Bank Property, or any connected watercourse, of any Hazardous Substance, or the discharge of such a substance in violation of a statute, ordinance, regulation or permit, which event or series of events has a material and detrimental impact on the Bank Property.
39. "Waters of the State" means all waters, wetlands, and associated riparian habitat over which CDFW is granted jurisdiction in the Lake and Streambed Alteration Program (Fish and Wildlife Protection and Conservation, Fish, and Game Code § 1600 *et seq.*).
40. “Waters of the U.S.” means all waters and wetlands over which the USACE is granted jurisdiction in the Clean Water Act, 33 U.S.C. § 1251, *et seq.*,

Section III: Stipulations

A. Baseline Condition

The current condition of the Bank Property is described in the Development Plan (**Exhibit C-1**) and the Biological Resources Survey (**Exhibit H**).

B. Disclaimer

This BEI does not in any manner limit the legal authorities or responsibilities of the Signatory Agencies, but is, instead, an implementation of such authorities and responsibilities.

C. Exhibits

The following Exhibits are attached to and incorporated by this reference into this BEI:

1. “Exhibit A” - Bank Location Maps
 - A-1 General Vicinity Map
 - A-2 Map of Property, including Bank Property
2. “Exhibit B” - Service Area Map(s) and Description(s)
 - B-1 Map(s) of the Bank’s Service Area(s)
 - B-2 Narrative description(s) of the Bank’s Service Area(s)
3. “Exhibit C” - Development Plan
 - C-1 Development Plan
 - C-2 Construction Security Analysis and Schedule
 - C-3 Performance Security Analysis and Schedule
4. “Exhibit D” - Bank Management and Operation Documents
 - D-1 Interim Management Security Analysis and Schedule
 - D-2 Endowment Fund Analysis and Schedule
 - D-3 Endowment Agreement
 - D-4 Interim Management Plan (Not required in this BEI; see Exhibit C-1 for Interim Management Activities, which are included in the Development Plan)

- D-5 Long-Term Management Plan
- D-6 Bank Closure Plan
- 5. “Exhibit E” - Real Estate Records and Assurances
 - E-1 Preliminary Title Report, Legal Description, and Parcel Map(s)
 - E-2 Property Assessment and Warranty
 - E-3 Plat Map(s)
 - E-4 Approved-as-to-form Conservation Easement Deed
- 6. “Exhibit F” - Bank Crediting and Credit Transfers
 - F-1 Credit Evaluation and Credit Table
 - F-2 Credit Purchase Agreement and Payment Receipt Templates
 - F-3 Credit Transfer Ledger Template
- 7. “Exhibit G” - Phase I Environmental Site Assessment
- 8. “Exhibit H” - Biological Resources Survey
- 9. “Exhibit I” – Waters of U.S. Jurisdictional Determination and Delineation
- 10. “Exhibit J” – Cultural Resources
- 11. “Exhibit K” - Other Documentation, Permits, Amendments or Revisions

Section IV: Bank Evaluation and Development

- A. Bank Site Assessment by the Signatory Agencies, in coordination with other members of the IRT.

Representatives of the Signatory Agencies, in coordination with other members of the IRT, have inspected and evaluated the Bank’s Waters of the U.S., Waters of the State, and Buffers and have agreed upon the assignment of Credits set forth in **Exhibit F-1**.

- B. Bank Sponsor's Responsibilities for Bank Development

The Bank Sponsor agrees to perform all necessary work, in accordance with the provisions of this BEI, as described in the Development Plan, on the Bank Property until the Bank Sponsor has demonstrated to the satisfaction of the Signatory Agencies, in coordination with other members of the IRT, that the Bank complies in all respects with all requirements contained in this BEI pertaining to Bank development.

C. Phase I Environmental Site Assessment

The Property Owner has provided a current Phase I Environmental Site Assessment of the Bank Property, attached hereto as **Exhibit G**, showing that the Bank Property is not subject to any recognized environmental conditions as defined by the American Society for Testing and Materials (ASTM) Standard E1527-05 “Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process” (i.e., the presence or likely presence of any Hazardous Substances or petroleum products). If the Phase I Environmental Site Assessment identified any recognized environmental conditions, the Property Owner represents and warrants to the IRT that all appropriate assessment, clean-up, remedial or removal action has been completed.

D. Permits

The Bank Sponsor will obtain all appropriate permits and other authorizations needed to construct and maintain the Bank. This BEI does not constitute or substitute for any such approval.

E. Construction Phases

If the Development Plan for the Bank is to be implemented in phases, the Bank Sponsor shall submit a written request to the Signatory Agencies, in coordination with other members of the IRT, for approval of each phase. Subsequent phases will need to comply with Signatory Agencies’ documentation requirements in effect on the date of submission of the complete documentation for the proposed phase. Establishment of each phase of the Development Plan must be approved by the Signatory Agencies, in coordination with other members of the IRT.

F. Modification of the Development Plan

In the event that after the BEI is signed by the Parties, the Bank Sponsor and the Signatory Agencies, in coordination with other members of the IRT, determine that modifications must be made in the Development Plan to ensure a successful Bank, or in order to comply with specific permits or other authorizations needed to establish the Bank, the Parties shall meet to discuss the required modifications, and the Bank Sponsor shall submit a written request for approval of such modifications to the IRT within 60 days of the meeting. Upon written approval from the Signatory Agencies, the Bank Sponsor shall then implement all approved modifications. The Bank Sponsor shall provide revised as-built drawings to the IRT within 90 days of completion of the modifications.

G. Property Assessment and Warranty

The Property Owner shall notify the IRT of any errors or discrepancies in the Property Assessment and Warranty (**Exhibit E-2**) discovered subsequent to the Property Owner’s signing of this BEI. The Signatory Agencies, in coordination with other members of the IRT, shall evaluate any impacts of the errors or discrepancies on the Bank Property and

the Conservation Easement, and may reduce the number of available Credits as a result of such impacts according to the policies of the Signatory Agencies in effect at the time of notice to the IRT.

Section V: Bank Establishment Date

The Bank Establishment Date will occur and Transfer of Credits may begin only when all of the following actions have occurred:

1. The BEI has been fully executed by all of the Parties,
2. The Conservation Easement has been accepted by a Grantee approved by the Signatory Agencies, in coordination with the other members of the IRT, and has been recorded in the Official Records of the county in which the Bank Property is located, and;
3. The Bank Sponsor has complied with its obligation to furnish financial assurances in accordance with Section VI.

Within 30 days of the Bank Establishment Date, the Bank Sponsor shall upload the final, signed BEI including all of its Exhibits, to RIBITS and provide an electronic copy to each member of the IRT.

Section VI: Financial Assurances

The Bank Sponsor is responsible for providing financial assurances for the performance and completion of Bank construction, management, monitoring, and Remedial Action in accordance with this BEI, as set forth in this Section VI. The financial assurances shall be held in accordance with Section VIII.E. The Bank Sponsor shall notify the IRT in accordance with Section XII.K. upon furnishing each of the following financial assurances:

A. Construction Security

Prior to the first Credit Release, the Bank Sponsor shall furnish to USACE Construction Security in the amount of 100% of a reasonable third party estimate or contract to implement the Re-establishment and Rehabilitation of Waters of the U.S., Waters of the State, and Buffers on the Bank Property in accordance with the Development Plan as specified in **Exhibit C-2**. The Construction Security shall be in the form of an irrevocable standby letter of credit. The Bank Sponsor shall ensure that the full amount of the Construction Security shall remain in effect throughout the performance of construction and planting for the Re-establishment and Rehabilitation of Waters of the U.S., Waters of the State, and Buffers on the Bank Property in accordance with the Development Plan. *Provided, however,* that if all such construction and planting is completed in accordance with the Development Plan prior to the date on which Bank Sponsor would otherwise be required to furnish the Construction Security then no Construction Security shall be required.

B. Performance Security

Concurrent with the Transfer of the first Credit, Bank Sponsor shall furnish to USACE Performance Security in the amount of 20% of the Construction Security as specified in **Exhibit C-3**. The Performance Security shall be in the form of an irrevocable standby letter of credit. The Bank Sponsor shall ensure that the full amount of the Performance Security is available in accordance with Section VIII.E.1.b.2. until the Signatory Agencies determine that all of the Performance Standards, all Remedial Action(s), and any additional Performance Standards required by such Remedial Action(s) under Section VIII.F are met.

C. Interim Management Security

Concurrent with the Transfer of the first Credit, Bank Sponsor shall furnish to USACE Interim Management Security in the amount specified in **Exhibit D-1**. The amount of the Interim Management Security shall be equal to the estimated cost to implement the Interim Management Activities during the first three years of the Interim Management Period, as set forth in the Interim Management Security Analysis and Schedule (**Exhibit D-1**). Cost estimates should be based on tasks implemented by a third party in present day dollars or equipment prices in present day dollars. The Interim Management Security shall be in the form of an irrevocable standby letter of credit. The Bank Sponsor shall ensure that the full amount of the Interim Management Security remains available in accordance with Section VIII.E.1.c. until the end of the Interim Management Period.

D. Letters of Credit

Letters of credit, when selected, shall be submitted to and approved by the USACE before they satisfy any financial assurance requirement. The USACE shall be the beneficiary of the letter of credit. The letter of credit shall be in a form approved by the USACE. If the issuer fails to extend the expiration date of any letter of credit, Bank Sponsor shall provide the USACE with replacement security in the form of a letter of credit, as determined and approved by the USACE, within 60 days after receiving notice of the issuer's failure to extend. If Bank Sponsor does not provide such replacement security on or before the expiration of the 60-day period, then the USACE shall have the right to immediately draw upon the letter of credit for which the replacement security was required.

E. Endowment Fund

1. The Endowment Fund shall be in an amount sufficient to fully provide for the financial requirements of the long-term management of the Bank in accordance with the Long-term Management Plan and the Endowment Fund Analysis and Schedule (**Exhibit D-2**). Cost estimates should be based on tasks implemented by a third party in present day dollars or equipment prices in present day dollars.

2. The Bank Sponsor shall fund the Endowment Fund through Endowment Deposits according to the following schedule:
 - a. A minimum of 15% of the Endowment Amount shall be deposited prior to the earliest of: 1) the second Waters of the U.S. or Buffer Credit Release; or 2) the second Waters of the State Credit Release;
 - b. A minimum of 40% of the Endowment Amount shall be deposited prior to the earliest of: 1) the third Waters of the U.S. or Buffer Credit Release; or 2) the third Waters of the State Credit Release;
 - c. A minimum of 70% of the Endowment Amount shall be deposited prior to the earliest of: 1) the fourth Waters of the U.S. or Buffer Credit Release; or 2) the fourth Waters of the State Credit Release;
 - d. 100% of the Endowment Amount shall be deposited prior to the earliest of: 1) the fifth Waters of the U.S. or Buffer Credit Release; or 2) the fifth Waters of the State Credit Release.
3. Each year the Endowment Fund is not 100% funded, the Endowment Amount must be adjusted for inflation. The Bank Sponsor must make this adjustment using annual Consumer Price Index (CPI) data that is published every February by the California Department of Industrial Relations, Division of Labor Statistics and Research. When completing the calculation, the Bank Sponsor shall use the CPI value for all urban consumers. The Bank Sponsor will report the adjustment, utilizing the prior year's annual versus quarterly CPI, to each Signatory Agency by March 1st each year, until the Endowment Fund is fully funded. The Bank Sponsor must apply the adjustment to the amount of the original Endowment Amount. If the annual CPI is less than or equal to zero, then no adjustment is made for that year.
4. The Bank Sponsor shall notify the IRT of each Endowment Deposit made, within 30 days of such deposit.

Section VII: Credit Release

Each Credit Release must be requested in writing by the Bank Sponsor and must be approved in writing by the USACE and/or CDFW, as applicable.

A. Waters of the U.S. and Buffer Credit Release

1. Upon Bank Sponsor's compliance with all applicable requirements set forth in this Section VII.A., Credits as described in the Credit Table (**Exhibit F-1**) may be released for Transfer, as described below. Monitoring for Performance Standards for Credit Releases is for a minimum of five years. The actual number of Credits released shall be determined in writing by the USACE based upon as-built conditions, extent of Waters of the U.S. delineated, attainment of the Performance

Standards, funding of the Endowment Fund in accordance with Section VI.E, and compliance with requirements of this BEI and any associated authorization. Upon each Credit Release, USACE shall enter the number of Credits released into RIBITS. No Credit Transfer shall occur until the applicable Credit Release has occurred. Credits may be released as follows:

- a. Release 1: 15% of the total anticipated Waters of the U.S. and Buffer Credits upon the Bank Establishment Date.
 - b. Release 2: Up to an additional 25% of the total anticipated Waters of the U.S. and Buffer Credits (40% cumulative total) when: i) Bank Sponsor has submitted as-built drawings pursuant to Section VII.A.2, ii) the USACE has approved the as-built condition in writing, and iii) the Bank Sponsor has funded a minimum of 15% of the Endowment Amount per Section VI.E.2.a. Release 1 is a prerequisite for release 2.
 - c. Release 3: Up to an additional 15% of the total anticipated Waters of the U.S. and Buffer Credits (55% cumulative total) when: i) the Bank Sponsor has submitted the Second Year Monitoring Report as required by the Development Plan, ii) Year 2 Performance Standards have been attained, and iii) the Bank Sponsor has funded a minimum of 40% of the Endowment Amount per Section VI.E.2.b. Release 2 is a prerequisite for release 3.
 - d. Release 4: Up to an additional 15% of the total anticipated Waters of the U.S. and Buffer Credits (70% cumulative total) when: i) the Bank Sponsor has submitted the Third Year Monitoring Report as required by the Development Plan, ii) Year 3 Performance Standards have been attained, and, and iv) the Bank Sponsor has funded a minimum of 70% of the Endowment Amount per Section VI.E.2.c. Release 3 is a prerequisite for release 4.
 - e. Release 5: Up to an additional 15% of the total anticipated Waters of the U.S. and Buffer Credits (85% cumulative total) when: i) the Bank Sponsor has submitted the Fourth Year Monitoring Report as required by the Development Plan, ii) Year 4 Performance Standards have been attained, and iii) the Bank Sponsor has funded 100% of the Endowment Amount per Section VI.E.2.d. Release 4 is a prerequisite for release 5.
 - f. Final Release: Up to an additional 15% of Waters of the U.S. and Buffer Credits (100% cumulative total) when i) the Bank Sponsor has submitted the Final Monitoring Report as required by the Development Plan, ii) final Performance Standards have been attained, iii) any required Remedial Actions are completed, and iv) any additional Performance Standards required as a result of required Remedial Actions have been attained, and v) submittal of a Waters of the U.S. jurisdictional determination and delineation by the Bank Sponsor. Release 5 is a prerequisite for the final release.
2. The Bank Sponsor shall submit as-built drawings, with accurate maps of the Re-establishment, Rehabilitation, and Buffer areas to the IRT no later than 90 calendar

days following completion of construction associated with the Re-establishment and Rehabilitation of Waters of the U.S. and Buffers on the Bank Property. The as-built drawings shall consist of full-size construction plans, with as-built conditions clearly shown. The as-built drawings and any attachments must describe in detail any deviation from the Development Plan.

3. Each Credit Release, with the exception of the first and the second, is also contingent upon the Bank Sponsor's submission of the annual report for the current reporting period in accordance with Section IX.B., and a site visit at the appropriate time of year, as determined by the USACE.
4. Any deviation from the Development Plan or failure to meet Performance Standards may reduce the number of Credits available for release as determined by the USACE, in coordination with the IRT. The Bank Sponsor shall revise the Credit Table in **Exhibit F-1** as directed by the USACE to reflect any revision in the available Credits.

B. Waters of the State Credit Release

1. Credits for Waters of the State shall be determined and released as described in this Section VII.B and the Credit Table (**Exhibit F-1**). Anticipated Waters of the State Credits have been assigned to the Bank based upon Credit methodologies developed by the IRT.
2. Upon the Bank Sponsor's submittal of all documentation required under this BEI, and approval by the CDFW, CDFW will release Credits for Waters of the State as described below. The actual number of Credits Released shall be determined by CDFW, in coordination with the IRT, based upon attainment of the Performance Standards (if applicable) and upon funding of the Endowment Amount in accordance with Section VI.E. No Credit Transfer shall occur until the applicable Credit Release has occurred.
 - a. Release 1: 15% of the total anticipated Waters of the State Credits upon the Bank Establishment Date.
 - b. Release 2: Up to an additional 25% of the total anticipated Waters of the State Credits (40% cumulative total) when: i) Bank Sponsor has submitted as-built drawings pursuant to Section VII.A.2, ii) the CDFW has approved the as-built condition in writing, and iii) the Bank Sponsor has deposited a minimum of 15% of the Endowment Amount per Section VI.E.2.a. Release 1 is a prerequisite for release 2.
 - c. Release 3: Up to an additional 15% of the total anticipated Waters of the State Credits (55% cumulative total) when: i) the Bank Sponsor has submitted the Second Year Monitoring Report as required by the Development Plan, ii)

Year 2 Performance Standards have been attained, and iii) the Bank Sponsor has deposited a minimum of 40% of the Endowment Amount per Section VI.E.2.b. Release 2 is a prerequisite for release 3.

- d. Release 4: Up to an additional 15% of the total anticipated Waters of the State Credits (70% cumulative total) when: i) the Bank Sponsor has submitted the Third Year Monitoring Report as required by the Development Plan, ii) Year 3 Performance Standards have been attained, and, and iv) the Bank Sponsor has deposited a minimum of 70% of the Endowment Amount per Section VI.E.2.c. Release 3 is a prerequisite for release 4.
 - e. Release 5: Up to an additional 15% of the total anticipated Waters of the State Credits (85% cumulative total) when: i) the Bank Sponsor has submitted the Fourth Year Monitoring Report as required by the Development Plan, ii) Year 4 Performance Standards have been attained, and iii) the Bank Sponsor has deposited 100% of the Endowment Amount per Section VI.E.2.d. Release 4 is a prerequisite for release 5.
 - f. Final Release: Up to an additional 15% of the total anticipated Waters of the State Credits (100% cumulative total) when i) the Bank Sponsor has submitted the Final Monitoring Report as required by the Development Plan, ii) final Performance Standards have been attained, iii) any required Remedial Actions are completed, and iv) any additional Performance Standards required as a result of required Remedial Actions have been attained. Release 5 is a prerequisite for the final release.
3. Each Waters of the State Credit Release, with the exception of the first and the second, is also contingent upon the Bank Sponsor's submission of the annual report for the current reporting period in accordance with Section IX.B, and an IRT site visit at the appropriate time of year, as determined by the CDFW.
 4. Any deviation from the Development Plan or failure to meet Performance Standards may reduce the number of Waters of the State Credits available for release as determined by CDFW, in coordination with the IRT. The Bank Sponsor shall revise the Credit Table in **Exhibit F-1** as directed by CDFW, to reflect any reduction in the available Waters of the State Credits.
 5. Each CDFW approved Credit Release is also contingent upon the Bank Sponsor's payment of the Credit Release Fee to CDFW. Pursuant to Fish and Game Code 1799(e)(2), CDFW shall collect a Credit Release Fee per Bank, which may be apportioned by an amount that equals the ratio of the number of CDFW Credits released to the total number of CDFW Credits in the Bank. Payments shall be due following each CDFW Credit Release no later than the due date of the Bank's annual report. The payments shall be submitted following each CDFW Credit Release and no later than the time of the submission of the Bank's annual report. The CDFW may require the Bank Sponsor to cease selling CDFW Credits and may stop CDFW Credit Releases until these fees are paid in full. The Credit Release Fee shall be paid

in full by the Bank closure date. The CDFW shall assess a penalty of 10 percent of the amount of fees due if there is a failure to remit the amount payable when due.

Section VIII: Operation of the Bank

A. Service Area

The basis and description of the Service Area for each Signatory Agency is provided in **Exhibit B**.

B. Transfer of Credits

1. The Transfer of Credits may begin only upon the Bank Establishment Date. Bank Sponsor shall have the exclusive right to determine the price for any and all Bank Credits it offers for sale. The minimum Credit unit that may be transferred is 0.01 Credit.
2. In no case shall the number of Credits of any particular type Transferred or obligated exceed the total number of Credits of that type which have been released for Transfer, as evidenced by written approval of the Signatory Agencies, in coordination with the other members of the IRT.
3. Use of Credits at the Bank to mitigate or compensate impacts to Waters of the U.S. and Waters of the State must be authorized by the appropriate Signatory Agency on a case-by-case basis.
4. Bank Sponsor shall notify all members of the IRT upon any Credit Transfer in accordance with Section IX.C. of this BEI. Upon Transfer of Credits, the Bank Sponsor shall enter the Credit Transfer into RIBITS.
5. If the Bank Property is damaged after the Bank Establishment Date, and such damage materially impairs Waters of the U.S., Waters of the State, and/or Buffers on such damaged Bank Property, then the Signatory Agencies, in coordination with the other members of the IRT, may, at their discretion, direct Bank Sponsor to suspend the Transfer of Credits and/or reduce the number of Credits allocated to the Bank in proportion to such damaged area unless and until the Bank Sponsor has reasonably restored such damaged area pursuant to a Remedial Action plan approved by the Signatory Agencies, in coordination with the other members of the IRT.
6. Credit modifications due to expansion, restoration or other means that have been approved in writing by the Signatory Agencies shall be set forth in an amendment to this BEI according to Section XII.D.1.
7. Each Credit Transfer shall be made pursuant to a written purchase agreement in the form of **Exhibit F-2**.
8. The USACE and/or CDFW, as applicable, are responsible for determining the adequate amount of mitigation Credit needed for proposed projects. Advance

purchase of Credits without the USACE and/or CDFW approval, as applicable, is at the risk of the applicant and Bank Sponsor.

9. This BEI applies only to those Credits assigned by agencies that are signatory to this BEI and set forth in **Exhibit F-1**. Any proposed use of the Bank Property not specifically established by this BEI and not prohibited by the Conservation Easement shall be submitted to the Signatory Agencies, the other members of the IRT, and Grantee for review and may only proceed upon a written determination by the Signatory Agencies and Grantee that such proposed use would not conflict with the approved use of the Bank Property or terms and conditions of the Conservation Easement.

C. Interim and Long-term Management and Monitoring

1. Interim Management and Monitoring

Bank Sponsor shall be responsible for conducting Interim Management Activities according to the Development Plan (**Exhibit C-1**) until the end of the Interim Management Period.

2. Long-term Management and Monitoring

At the end of the Interim Management Period, the Property Owner shall implement long-term management and monitoring of the Bank Property according to the Long-term Management Plan (**Exhibit D-5**). Property Owner shall be obligated to manage and monitor the Bank Property in perpetuity to preserve its habitat and conservation values in accordance with this BEI, the Conservation Easement and the Long-term Management Plan. Such activities shall be funded through the Endowment Fund according to Section VIII.E.2.b. The Property Owner and the IRT members shall meet and confer upon the request of any one of them, to consider revisions to the Long-term Management Plan which may be necessary or appropriate to better conserve the habitat and conservation values of the Bank Property. During the Long-term Management Period, Property Owner shall be responsible for submitting annual reports to the IRT in accordance with Section IX.B of this BEI. The Property Owner shall upload annual reports into RIBITS.

D. Bank Closure Plan

1. Upon Bank closure, no further Credit Transfer shall occur.
2. The Bank closure shall be deemed to take place upon occurrence of all of the following:
 - a. All Performance Standards have been met and all Remedial Action required under Section VIII.F has been completed as evidenced by 1) timely submission of all required annual reports in accordance with Section IX.B; 2) the third anniversary of the completion of all Remedial Action, if any, in accordance with the applicable Remedial Action plan(s); 3) an on-site

inspection by the Signatory Agencies, in coordination with the other members of the IRT; 4) written approval from the Signatory Agencies; and

- b. Either:
 - 1) The last authorized Credit has been Transferred; or
 - 2) The Bank Sponsor requests Bank closure by written notice to the IRT and the Signatory Agencies provide written approval of the closure; and
- c. All financial responsibilities of the Bank Sponsor have been met, including 100% funding of the Endowment Fund for not less than three years, and payment of all CDFW Credit Release Fees.

E. Financial Operations

All financial transactions shall be reported in accordance with Section IX.

1. Securities

a. Construction Security

- 1) The USACE, as holder of the security, in coordination with CDFW, shall be entitled to draw upon the Construction Security if:
 - (i) any Transfer of Credits has been made; and
 - (ii) either (i) at any time after the Bank Establishment Date, but no later than the first full growing season after the date of the first Credit Transfer, the USACE, in coordination with other members of the IRT, determines that the Bank Sponsor has not initiated construction and planting in accordance with the Development Plan, or (ii) two years has elapsed since the Bank Sponsor has initiated implementation of the Development Plan, and construction and planting in accordance with the Development Plan is not complete.
- 2) The Construction Security shall be cancelled by USACE, in coordination with CDFW, only after the Bank Sponsor completes the construction and planting activities in accordance with the Development Plan, as demonstrated by:
 - 1. Bank Sponsor's submission of as-built drawings in accordance with Section VII.A.2 and Section VII.B.3;
 - 2. An on-site inspection by the Signatory Agencies; and
 - 3. Prior coordination with the IRT.

b. Performance Security

- 1) The USACE, as holder of the Performance Security, in coordination with IRT, shall be entitled to draw upon the Performance Security in accordance with Section VIII.F.1.
- 2) If any portion of the Performance Security is drawn upon pursuant to Section VIII.F.1, then the Bank Sponsor shall replenish the Performance Security to the amount specified in **Exhibit C-3** within 90 days after written notice from the USACE.
- 3) The Performance Security shall be cancelled by the USACE after all of the Performance Standards, all Remedial Action(s), and any additional Performance Standards required by such Remedial Action(s) under Section VIII.F are met.

c. Interim Management Security

- 1) The USACE, as holder of this security, shall be entitled to draw upon the Interim Management Security if any Transfer of Credits has been made and the USACE, in coordination with the IRT, determines that during any 12-month period the Bank Sponsor has not performed all tasks as required during the Interim Management Period.
- 2) In the event that the Interim Management Security is drawn upon pursuant to this section, the Bank Sponsor shall replenish the Interim Management Security to the amount specified in **Exhibit D-1** within 90 days after written notice from the USACE.
- 3) Provided that the Bank Property has been managed in accordance with the Interim Management Activities, as identified in **Exhibit C-1**, to the satisfaction of the USACE, the Interim Management Security shall be cancelled by the USACE at the end of the Interim Management Period.

2. Endowment Fund

a. Endowment Deposits

- 1) The Endowment Deposits the Endowment Holder receives are to be deposited into a fund and held in trust as designated in the Endowment Agreement (**Exhibit D-3**).

b. Endowment Fund Management

- 1) Notwithstanding Probate Code section 18501-18510, the Endowment Amount should not decrease in value through expenditure or investment strategy. The Endowment Fund is intended to increase in value to keep up with inflation. A portion of the interest and earnings on the Endowment Fund balance is expected to be reinvested by the Endowment Holder into the Endowment Fund in accordance with the Endowment Agreement. After the Endowment Fund is 100% funded, no additional Endowment Fund monies will be required from the Bank Sponsor.
- 2) The Parties anticipate that any Endowment Fund interest earnings beyond those necessary to provide for growth of the Endowment Fund commensurate with inflation may be made available by the Endowment Holder to the Property Owner to fund annual long-term management of the Bank Property in accordance with the Endowment Agreement.
- 3) In accordance with the Endowment Agreement, any Endowment Fund revenues (including earnings and interest) remaining after the Endowment Fund is adjusted for inflation that exceed the anticipated annual long-term management expenses of the Bank Property are to be retained in the Endowment Fund by the Endowment Holder and may be made available by the Endowment Holder to the Property Owner to fund unexpected expenses and Adaptive Management needs.
- 4) The Property Owner shall invoice the Endowment Holder for management activities following the invoicing instructions in **Exhibit D-3**.
- 5) Notwithstanding Probate Code section 18501-18510, in the event there is insufficient funding available from the Endowment Fund revenues to fund anticipated annual long-term management expenses, the Property Owner shall consult with the IRT to identify the most effective means to implement the management measures and tasks with the resources available. After consultation with the IRT, the Property Owner shall submit to the IRT a proposed temporary revised Long-term Management Plan and Endowment Fund Analysis in writing to the IRT within 60 days after completion of its consultation with the IRT. Upon written approval of the Signatory Agencies, in coordination with the other members of the IRT, and any required notification to the Endowment Holder, in accordance with the Endowment Agreement, the Property Owner shall implement the approved revised management measures and tasks. Should sufficient funding become available from the Endowment Fund revenues to fund originally anticipated annual

long-term management costs, the original Long-term Management Plan shall be restored in full force and effect.

3. Financial Records and Auditing

The Bank Sponsor and/or Property Owner, as appropriate, is required to maintain complete and accurate records relating to the financial operation of the Bank using generally accepted accounting principles (GAAP), developed by the Federal Accounting Standards Advisory Board. At the request of the Signatory Agencies, no more frequently than annually, the Bank Sponsor and/or Property Owner, as appropriate, shall have records relating to the financial operation of the Bank audited by an independent, licensed Certified Public Accountant and shall submit the auditor's report to the IRT upon completion.

The Signatory Agencies or their designated representatives shall also have the right to review and copy any records and supporting documentation pertaining to the performance of this BEI. The Bank Sponsor and Property Owner agree to maintain such records for possible audit for a minimum of three years after Bank closure, or three years after the date of performance, whichever is later. Bank Sponsor and Property Owner agree to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employee or representative who might reasonably have information related to such records. Further, Bank Sponsor and Property Owner agree to include a similar right of State and federal auditors to audit records and interview employees and representatives in any contract related to the performance of this BEI.

F. Remedial Action Plan

Prior to Bank closure, if any Party discovers any failure to achieve the Performance Standards or any injury or adverse impact to the Re-establishment, Rehabilitation, and/or Buffers areas on the Bank Property, the Party making the discovery shall notify the other Parties. The Signatory Agencies, in coordination with other members of the IRT, may require the Bank Sponsor to develop and implement a Remedial Action plan to correct such condition, as described below. The annual report required under Section IX.B. shall identify and describe any Remedial Action proposed, approved, or performed and, if the Remedial Action has been completed, evaluate its effectiveness.

1. Within 60 days of the date of written notice from the Signatory Agencies, the Bank Sponsor shall develop a Remedial Action plan and submit it to the Signatory Agencies for written approval. The Remedial Action plan must identify and describe proposed actions to achieve the Performance Standards or ameliorate injury or adverse impact to the Bank Property and set forth a schedule within which the Bank Sponsor will implement those actions. The Bank Sponsor shall, at Bank Sponsor's cost, implement the necessary and appropriate Remedial Action in accordance with

the Remedial Action plan approved by the Signatory Agencies. In the event the Bank Sponsor fails to submit a Remedial Action plan to the Signatory Agencies in accordance with this section, the Signatory Agencies will notify the Bank Sponsor that the Bank Sponsor is in default and may identify Remedial Action the Signatory Agencies deem necessary. If (a) the Bank Sponsor fails to develop a Remedial Action plan or to implement Remedial Action identified by the Signatory Agencies, in accordance with this section, or (b) conditions have not improved or continue to deteriorate two years after the date that the Signatory Agencies approved a Remedial Action plan or notified Bank Sponsor of Remedial Actions the Signatory Agencies deemed necessary, then the USACE, as holder of the Performance Security, may draw upon that security to undertake Remedial Action on the Bank Property.

2. If the Signatory Agencies, in coordination with the other members of the IRT, determine that the Bank is operating at a Credit deficit (i.e., that Credit Transfers made exceed the Credits authorized for release, as adjusted in accordance with this BEI), then the Signatory Agencies shall notify the Bank Sponsor. Upon the Signatory Agencies giving such notice, Bank Sponsor shall immediately cease Transfer of Credits. The Signatory Agencies will determine what Remedial Action is necessary to correct the Credit deficit, and Bank Sponsor shall implement such Remedial Action, in accordance with this Section VIII.F.

Section IX: Reporting

A. Annual Inflation Adjustments to Endowment Fund Report

By March 1st of each year following the Bank Establishment Date and until the Endowment Fund is 100% funded, the Bank Sponsor shall report to the Signatory Agencies and the Endowment Holder, in hard copy and in editable electronic format, the following values:

1. The adjusted Endowment Amount determined in accordance with Section VI.E.3; and
2. The resulting adjusted Endowment Deposit.

B. Annual Report

Bank Sponsor or Property Owner, as appropriate, shall submit an annual report to the IRT, in hard copy and in editable electronic format, on or before September 1st of each year following the Bank Establishment Date. Each annual report shall cover the period from July 1st of the preceding year (or if earlier, the Bank Establishment Date for the first annual report) through June 30th of the current year (the "Reporting Period"). The Bank Sponsor shall be responsible for the reporting tasks described below until Bank closure. After Bank closure, the Property Owner shall be responsible for such reporting, annually, as per the Long-term Management Plan. The annual report shall address the following:

1. Bank Development

The annual report shall document the degree to which the Bank is meeting the Performance Standards. The annual report shall describe any deficiencies in attaining and maintaining Performance Standards and any Remedial Action proposed, approved, or performed. If Remedial Action has been completed, the annual report shall also evaluate the effectiveness of that action.

2. Interim Management and Long-term Management

The Development and Long-term Management Plans contain reporting requirements that are separate from, and in addition to, the requirements listed below for the annual report.

The annual report shall contain an itemized account of the management tasks and any Remedial Actions conducted during the Reporting Period in accordance with the Development Plan or Long-term Management Plan, including the following:

- a. The time period covered, i.e. the dates “from” and “to”;
- b. A description of each management task conducted, the dollar amount expended and time required;
- c. The total dollar amount expended for management tasks conducted during the Reporting Period;
- d. A description of the management and maintenance activities proposed for the next year; and
- e. A description of the overall condition of the Bank, including photos documenting the status of the Bank and a map documenting the location of the photo points.

3. Transfer of Credits

The annual report shall include an updated Credit Transfer Ledger (**Exhibit F-3**) showing all Credits transferred since the Bank Establishment Date and an accounting of remaining Credits.

4. Financial Operation

The annual report shall provide Endowment Fund data, including but not limited to deposits, annual long-term management expenses, and disbursements received.

C. Credit Transfer Reporting

Upon the Transfer of each and every Credit the Bank Sponsor shall enter the Credit Transfer into RIBITS and submit to each member of the IRT:

1. A copy of the fully executed Credit Purchase Agreement in the form provided at **Exhibit F-2**; and
2. An updated Credit Transfer Ledger, in hard copy and in editable electronic format in the form provided at **Exhibit F-3**.

D. Reporting Compliance Measures

Failure to submit complete reports in a timely manner shall result in the Bank being subject to the Signatory Agencies, in coordination with the other members of the IRT, suspending all Credit Transfers or decreasing the number of available Credits.

1. Extension requests

Requests to extend report deadlines shall be submitted to the Signatory Agencies no later than 30 days prior to the original deadline. The Signatory Agencies, in coordination with the other members of the IRT, will have 15 calendar days to approve or deny the extension request. If not approved or denied within 15 days, the extension request will have been deemed “approved.”

2. Reports not received by the Signatory Agencies in a timely manner

Missing reports will result in automatic Credit Transfer suspension effective the 30th day that the report is past due, given that there has been no approved extension request. The suspension will be lifted within 5 days after the report has been received by the Signatory Agencies.

3. Incomplete reports

The Signatory Agencies will have 30 days to notify the Bank Sponsor that the report is incomplete, in which the Bank Sponsor will be given a new deadline for complying with the requirements set forth in this BEI. This deadline is at the discretion of the Signatory Agencies based on the amount of time it should reasonably take to complete the report.

If the Bank Sponsor has not been notified of incompleteness on or prior to the date that is 45 days after the report due date, the report shall be deemed complete.

Section X: Responsibilities of the Bank Sponsor and Property Owner

- A. Without limiting any of its other obligations, including without limitation, under the Conservation Easement, Bank Sponsor and Property Owner each hereby agrees and covenants that:

1. If the entity proposed to hold the Conservation Easement is not a Signatory Agency, Bank Sponsor and Property Owner shall, prior to the execution of the Conservation Easement at **Exhibit E-4** hereof, provide the Signatory Agencies with satisfactory evidence that the entity proposed to hold the Conservation Easement (Grantee) is

authorized to do so pursuant to California Civil Code § 815.3 and Government Code § 65966 and 65967, has a primary purpose of long-term land stewardship for conservation purposes, has agreed to hold said Conservation Easement, and has been approved by the Signatory Agencies.

2. Bank Sponsor shall be responsible for all activities and costs associated with the establishment and operation of the Bank, including but not limited to construction, planting, Remedial Action, documentation, maintenance, management, monitoring, and reporting, until completion of the Interim Management Period.
3. Bank Sponsor agrees to assume responsibility for compensatory mitigation requirements of permits issued by permitting agencies for which it Transfers Credits once a permittee has secured the appropriate number and type of Credits from the Bank Sponsor, and to provide Signatory Agencies with the written Credit Purchase Agreement (**Exhibit F-2**) that confirms that the Bank Sponsor has accepted the responsibility for providing the required compensatory mitigation.
4. It shall not discharge or release to or from the Bank Property, or permit others to discharge or release to or from the Bank Property, any material, waste or substance designated as hazardous or toxic or as a pollutant or contaminant under any federal, state, or local environmental law or regulation (each a “Hazardous Substance”).
5. Property Owner shall not create or suffer any lien or encumbrance upon the Bank Property other than as set forth in the Property Assessment and Warranty approved by the Signatory Agencies, and Property Owner shall not execute, renew, or extend any lien, lease, license, or similar recorded or unrecorded right or interest in the Bank Property without the prior written consent of the Signatory Agencies.
6. It shall not construct or install any structure or improvement on, or engage in any activity or use of, the Bank Property, including mineral exploration or development, excavation, draining, dredging, or other alteration of the Bank Property that is not consistent with and in accordance with this BEI and its Exhibits.
7. Bank Sponsor shall ensure that the Bank Property is managed and maintained in accordance with the Interim Management Activities set forth in the Development Plan, this BEI, and its Exhibits.
8. Property Owner shall allow, or otherwise provide for, access to the Bank Property by the Bank Sponsor, Grantee, and the IRT, as described in the Conservation Easement.
9. The Property Owner shall grant to Bank Sponsor all rights and authority necessary to carry out, and shall not limit the Bank Sponsor in performing, its responsibilities and obligations on and affecting the Bank Property in accordance with this BEI.
10. The Property Owner shall ensure that the Bank Property is managed and maintained in accordance with the Long-Term Management Plan, this BEI and its Exhibits.

- B. Reasonably foreseeable technical problems, or unanticipated or increased costs or expenses associated with the implementation of actions called for by this BEI, or changed financial or business circumstances in and of themselves shall not serve as the basis for modifications of this BEI or extensions for the performance of the requirements of this BEI.
- C. An extension of one compliance date based upon or related to a single incident shall not extend any subsequent compliance dates. The Bank Sponsor or Property Owner must show cause for any or every delayed step or requirement for which an extension is sought.

Section XI: Responsibilities of the Signatory Agencies

A. Signatory Agencies Oversight

The Signatory Agencies agree to provide appropriate oversight in carrying out provisions of this BEI.

B. Signatory Agency Review

The Signatory Agencies will make a good faith effort to provide comments on the annual reports and Remedial Action plans within 60 days from the date of complete submittal. If the Signatory Agencies are unable to review Remedial Action plans within the time specified, this fact will be reflected in any schedule established for performance of Remedial Action and any evaluation of timely performance of Remedial Action by Bank Sponsor.

C. Compliance Inspections

The Signatory Agencies shall conduct compliance inspections as necessary:

1. To verify the Credits currently available in the Bank; and/or
2. Recommend Remedial Action as needed; or
3. For any other purpose determined by the Signatory Agencies as necessary to assess compliance with this BEI.

Section XII: Other Provisions

A. Force Majeure

1. Neither the Bank Sponsor nor Property Owner shall be responsible for damage or non-compliance caused by Catastrophic Events, events of Force Majeure or Unlawful Acts. In order for any provision of this Section XII to apply, the Bank Sponsor or Property Owner, as appropriate, shall bear the burden of demonstrating all of the following:

- a. That the damage or non-compliance was caused by circumstances beyond the control of the Bank Sponsor, Property Owner, and any person or entity under the direction or control of the Bank Sponsor or Property Owner, including its employees, agents, contractors and consultants;
 - b. That neither the Bank Sponsor, Property Owner, nor any person or entity under the direction or control of the Bank Sponsor or Property Owner, including its employees, agents, contractors and consultants, could have reasonably foreseen and prevented such damage or non-compliance; and
 - c. The period of damage or non-compliance was a direct result of such circumstances.
2. The Bank Sponsor or Property Owner shall notify the IRT within 24 hours of occurrence of a Catastrophic Event, event of Force Majeure, or Unlawful Act, and as promptly as reasonably possible thereafter Bank Sponsor/Property Owner and the IRT shall meet to discuss the course of action in response to such occurrence. In the meantime, Bank Sponsor/Property Owner shall continue to manage and maintain the Bank Property to the full extent practicable.

B. Dispute Resolution

1. The Parties agree to work together in good faith to resolve disputes concerning this BEI, but any of the Parties may seek any available remedy. Unless any of the Parties has initiated legal action, any Party may elect to employ an informal dispute resolution process whereby:
 - a. The electing Party shall notify the other Parties of the dispute, the position of the aggrieved Party (including, if applicable, the basis for contending that a violation has occurred), and the remedies the electing Party proposes;
 - b. The notified Parties shall have 30 days (or such other time as the Parties may mutually agree) to respond. During this time, any such other Parties may seek clarification of the initial notice;
 - c. Within 30 days after such notified Parties' response was provided or due, whichever is later, the Parties shall confer and negotiate in good faith toward a mutually satisfactory resolution, or shall establish a specific process and timetable to seek such resolution; and
 - d. The dispute resolution process may be terminated by any Party upon written notice to all other Parties.

C. Conveyance of Bank Property or Other Interests

1. All transfers of any interest in the Bank Property are subject to the applicable provisions of the Conservation Easement.

2. The Property Owner shall have the right to sell, assign, transfer or convey (each a “transfer”) its interest in the Bank Property at any time; *provided, however*, that any such transfer on or after the execution date of this BEI must be made in accordance with this BEI and the Conservation Easement, and shall be subject to written concurrence by the Signatory Agencies, in coordination with the other members of the IRT. Such concurrence shall be subject to the requirement that the transferee assumes and agrees in writing to observe and perform all of the Property Owner’s obligations pursuant to this BEI and the Conservation Easement. From and after the date of any transfer by Property Owner of its interest in the Bank Property, the transferor shall have no further obligations hereunder and all references to Property Owner in this BEI shall thereafter refer to such transferee, except that the transferor’s liability for acts, omissions, or breaches occurring prior to the transfer shall survive the transfer. Any transfer of the Property Owner’s interest in the Bank Property made without the prior written concurrence of the Signatory Agencies may, at the discretion of the Signatory Agencies, result in the termination of this BEI according to Section XII.D.2.c.
3. The Bank Sponsor may sell or convey its interest in the Bank at any time, provided that Bank Sponsor is in full compliance with all requirements of this BEI (including all financial assurance requirements), and subject to the prior written approval of the Signatory Agencies. If any of the financial assurances required under this BEI are not completely funded at the time the Bank Sponsor requests Signatory Agencies’ approval of a sale or conveyance, then the Signatory Agencies shall not approve such sale or conveyance unless and until either the current Bank Sponsor, or the proposed replacement Bank Sponsor, shall have provided all required financial assurances. In addition, prior to sale or conveyance, the Bank Sponsor shall provide to each member of the IRT a written agreement signed by the replacement Bank Sponsor in which the Bank Sponsor assigns to the replacement Bank Sponsor, and the replacement Bank Sponsor assumes and agrees to perform, all of the responsibilities and obligations of the Bank Sponsor under the BEI. Any such sale or conveyance made without the prior written concurrence of the Signatory Agencies may, at the discretion of the Signatory Agencies, result in the termination of this BEI according to Section XII.D.2.c.

D. Modification and Termination of the BEI

1. Amendment and Modification

This BEI, including its Exhibits, may be amended or modified only with the written approval of the Parties. All amendments and modifications shall be fully set forth in a separate document signed by all Parties that shall be appended to this BEI.

For administrative purposes for CDFW, pursuant to Fish and Game Code 1798.6(a), any person seeking to amend any CDFW bank shall submit to the CDFW the appropriate review fee, a complete bank amendment package containing each of the

original bank agreement package documents, including any prior amendments, as well as any documents proposed to be amended or that would be affected by the proposed amendment.

2. Termination

- a. The Bank Sponsor and Property Owner may jointly withdraw the entire Bank Property and terminate this BEI at any time prior to any Credit Transfer, provided that Waters of the U.S., Waters of the State, and Buffers existing on the Bank Property prior to the initiation of any efforts to restore or enhance the Bank Property shall be preserved in a condition at least equal to that which existed prior to initiation of Bank establishment efforts, and as the Conservation Easement may require.
- b. In the event this BEI is terminated or the Bank is closed prior to the Transfer of all authorized Credits, any remaining Credits shall be extinguished and will no longer be available for Transfer.
- c. The Signatory Agencies may terminate this BEI if the Bank Sponsor or Property Owner sells or conveys the Bank or the Bank Property without the prior written concurrence of the Signatory Agencies, as required by Section XII.C.
- d. The USACE and CDFW may each terminate its participation in this BEI upon 30 days' notice to the other Parties, on the condition that each of the following has occurred:
 - 1) Bank Sponsor or Property Owner has breached one or more covenants, terms or conditions set forth herein;
 - 2) Bank Sponsor or Property Owner, as applicable, has received notice of such breach from the terminating Party in accordance with paragraph XII.B., if applicable, and XII.K.; and
 - 3) Bank Sponsor or Property Owner, as applicable, has failed to cure such breach within 30 days after such notice; provided that in the event such breach is curable in the judgment of the terminating Party, but cannot reasonably be cured within such 30 day period, the terminating Party shall not terminate this BEI so long as Bank Sponsor or Property Owner has commenced the cure of such breach and is diligently pursuing such cure to completion.
- e. If any Signatory Agency so requests, the Party proposing to

terminate participation in the BEI agrees to meet with the other Parties to discuss the reason(s) for such termination, prior to the termination taking effect. Notice of a request for such meeting shall be made by the requesting Signatory Agency not later than 15 calendar days from receipt of the notice of termination.

- f. Termination by one Signatory Agency shall not terminate or affect the other Signatory Agency under this BEI. Remaining Credits authorized under the authority of the withdrawing agency will no longer be available for Transfer.
- g. Nothing in this Section XII.D.2 is intended or shall be construed to limit the legal or equitable remedies (including specific performance and injunctive relief) available to the USACE and CDFW in the event of a threatened or actual breach of this BEI.

E. Default

The Bank Sponsor and/or Property Owner shall be in default if that Party fails to observe or perform any obligations or responsibilities required of it by this BEI. In the event the Bank Sponsor and/or Property Owner realize it is in default, it shall promptly notify the other Parties. Once the Parties receive notification or otherwise become aware that the Bank Sponsor and/or Property Owner is in default, the Parties may elect to either pursue informal dispute resolution consistent with Section XII.B or may cause the holder to draw upon and expend the appropriate financial security as necessary to continue Bank development, management, or operation, as provided in Section VI and VIII.E. In the event the informal dispute resolution process is invoked, the Signatory Agencies shall not draw upon financial securities until such time as the informal dispute resolution process has been terminated. This Section XII.E shall not be construed to modify or limit any specific right, remedy, or procedure in any Section of this BEI or any remedy available under applicable State and/or Federal Law.

F. Controlling Language

The Parties intend the provisions of this BEI and each of the documents incorporated by reference in it to be consistent with each other, and for each document to be binding in accordance with its terms. To the fullest extent possible, these documents shall be interpreted in a manner that avoids or limits any conflict between or among them. However, if and to the extent that specific language in this BEI conflicts with specific language in any document that is incorporated into this BEI by reference, the specific language within the BEI shall be controlling. The captions and headings of this BEI are for convenient reference only, and shall not define or limit any of its terms or provisions.

G. Entire Agreement

This BEI, and all exhibits, appendices, schedules and agreements referred to in this BEI, constitute the final, complete and exclusive statement of the terms of the agreement between and among the Parties pertaining to the Bank, and supersede all prior and contemporaneous discussions, negotiations, understandings or agreements of the Parties. No other agreement, statement, or promise made by the Parties, or to any employee, officer, or agent of the Parties, which is not contained in this BEI or incorporated herein by reference, shall be binding or valid, with respect to the subject matter hereof. No alteration or variation of this instrument shall be valid or binding unless contained in a written amendment in accordance with Section XII.D.1. Each of the Parties acknowledges that no representation, inducement, promise or agreement, oral or otherwise, has been made by any of the other Parties or anyone acting on behalf of any of the Parties unless the same has been embodied herein.

H. Reasonableness and Good Faith

Except as specifically limited elsewhere in this BEI, whenever this BEI requires a Party to give its consent or approval to any action on the part of the other, such consent or approval shall not be unreasonably withheld or delayed. If a Party disagrees with any determination covered by this provision and reasonably requests the reasons for that determination, the determining Party shall furnish its reasons in writing and in reasonable detail within 30 days following the request.

I. Successors and Assigns

This BEI and each of its covenants and conditions shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns subject to the limitations on transfer set forth in this BEI.

J. Partial Invalidity

If a court of competent jurisdiction holds any term or provision of this BEI to be invalid or unenforceable, in whole or in part, for any reason, the validity and enforceability of the remaining terms and provisions, or portions of them, shall not be affected unless an essential purpose of this BEI would be defeated by loss of the invalid or unenforceable provision.

K. Notices

1. Any notice, demand, approval, request, or other communication permitted or required by this BEI shall be in writing and deemed given when delivered personally, sent by receipt-confirmed facsimile, or sent by recognized overnight delivery service, addressed as set forth below, or five days after deposit in the U.S. mail, postage prepaid, and addressed as set forth below.
2. Notice by any Party to any other Party shall be given to all Parties. Such notice shall not be effective until it is deemed to have been received by all Parties.

3. Addresses for purposes of giving notice are set forth below. Any Party may change its notice address by giving notice of change of address to the other Parties in the manner specified in this Section XII.K.

Bank Sponsor:

Wildlands SLR Holdings I, LLC
c/o Wildlands
3855 Atherton Road
Rocklin, CA 95765
Attn: General Counsel
Telephone: 916-435-3555
Fax: 916-435-3556

Property Owner:

Wildlands SLR Holdings I, LLC
c/o Wildlands
3855 Atherton Road
Rocklin, CA 95765
Attn: General Counsel
Telephone: 916- 435-3555
Fax: 916-435-3556

IRT Members:

U.S. Army Corps of Engineers (Signatory Agency)
Los Angeles District
South Coast Branch, Carlsbad Field Office
5900 La Place Court, Suite 100
Carlsbad, CA 92008
Attn: Branch Chief, SPL-2011-00694-SAS
Telephone: 760-602-4829
Fax: 760-602-4848

U.S. Fish and Wildlife Service
Carlsbad Office

2177 Salk Avenue
Carlsbad, CA 92008
Attn: Janet Stuckrath
Telephone: 760-431-9440
Fax: 760-431-5902

U.S. Environmental Protection Agency
Region IX
75 Hawthorne Street
San Francisco, CA 94105
Attn: Director, Water Division
Telephone: 415-947-8707
Fax: 415-947-3549

National Marine Fisheries Service
Southwest Regional Office
501 West Ocean Boulevard
Long Beach, CA 90802-4213
Attn: Area Office Supervisor
Telephone: 562-980-4041
Fax: 562-980-4092

California Department of Fish and Wildlife (Signatory Agency)
South Coast Region
3883 Ruffin Road
San Diego, CA 92123
Attn: Regional Manager
Telephone: 858-467-4201
Fax: 858-467-4299

San Diego Regional Water Quality Control Board
2375 Northside Drive, Suite 100
San Diego, CA 92108
Attn: Alan Monji
Telephone: 619-521-3968

L. Counterparts

This BEI may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute a single executed agreement.

M. No Third Party Beneficiaries

This BEI shall not create any third party beneficiary hereto, nor shall it authorize anyone not a Party hereto to maintain any action, suit or other proceeding, including without limitation, for personal injuries, property damage or enforcement pursuant to the provisions of this BEI. The duties, obligations and responsibilities of the Parties to this BEI with respect to third parties shall remain as otherwise provided by law in the event this BEI had never been executed.

N. Availability of Funds

Implementation of this BEI by the IRT is subject to the requirements of the Anti-Deficiency Act, 31 U.S.C. § 1341, and the availability of appropriated funds. Nothing in this BEI may be construed to require the obligation, appropriation, or expenditure of any money from the U.S. Treasury or the California State Treasury. No agency of the IRT is required under this BEI to expend any appropriated funds unless and until an authorized official affirmatively acts to commit to such expenditures as evidenced in writing.

O. No Partnerships

This BEI shall not make or be deemed to make any Party to this BEI an agent for or the partner or joint venturer of any other Party.

P. Governing Law

This BEI shall be governed by and construed in accordance with the Clean Water Act, 33 U.S.C. § 1251 *et seq.*, the laws of the State of California, including but not limited to the Fish and Game Code, and other applicable federal and State of California laws and regulations.

Section XIII: Execution

Each of the undersigned certifies that he or she has full authority to bind the Party that he or she represents for purposes of entering into this BEI. This BEI shall be deemed executed on the date of the last signature by the Parties.

IN WITNESS WHEREOF, the Parties have executed this BEI as follows:

Bank Sponsor and Property Owner

By: 

Name: Wildlands, Manager
Mark Heintz, Manager

Title: _____

Date: August 19, 2014

U.S. Army Corps of Engineers, Los Angeles District

By: 

Name: David J. Castanon

Title: Division Chief

Date: 8-21-14

California Department of Fish and Wildlife, South Coast Region

By: 

Name: Ed Pert

Title: Regional Manager

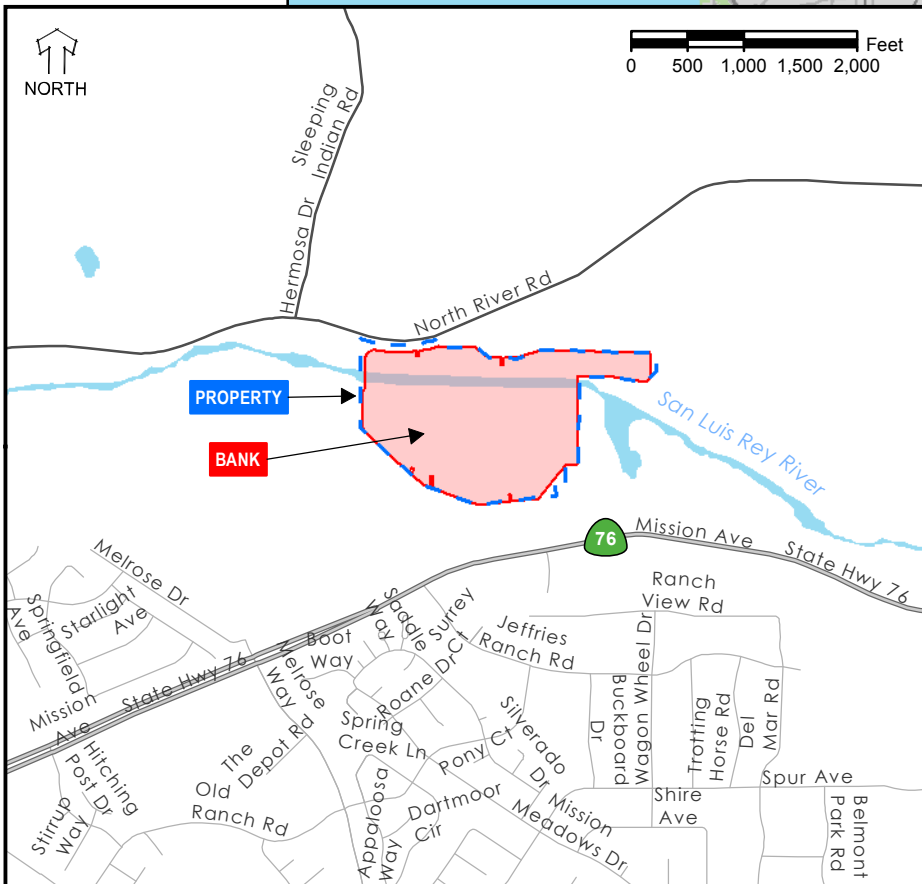
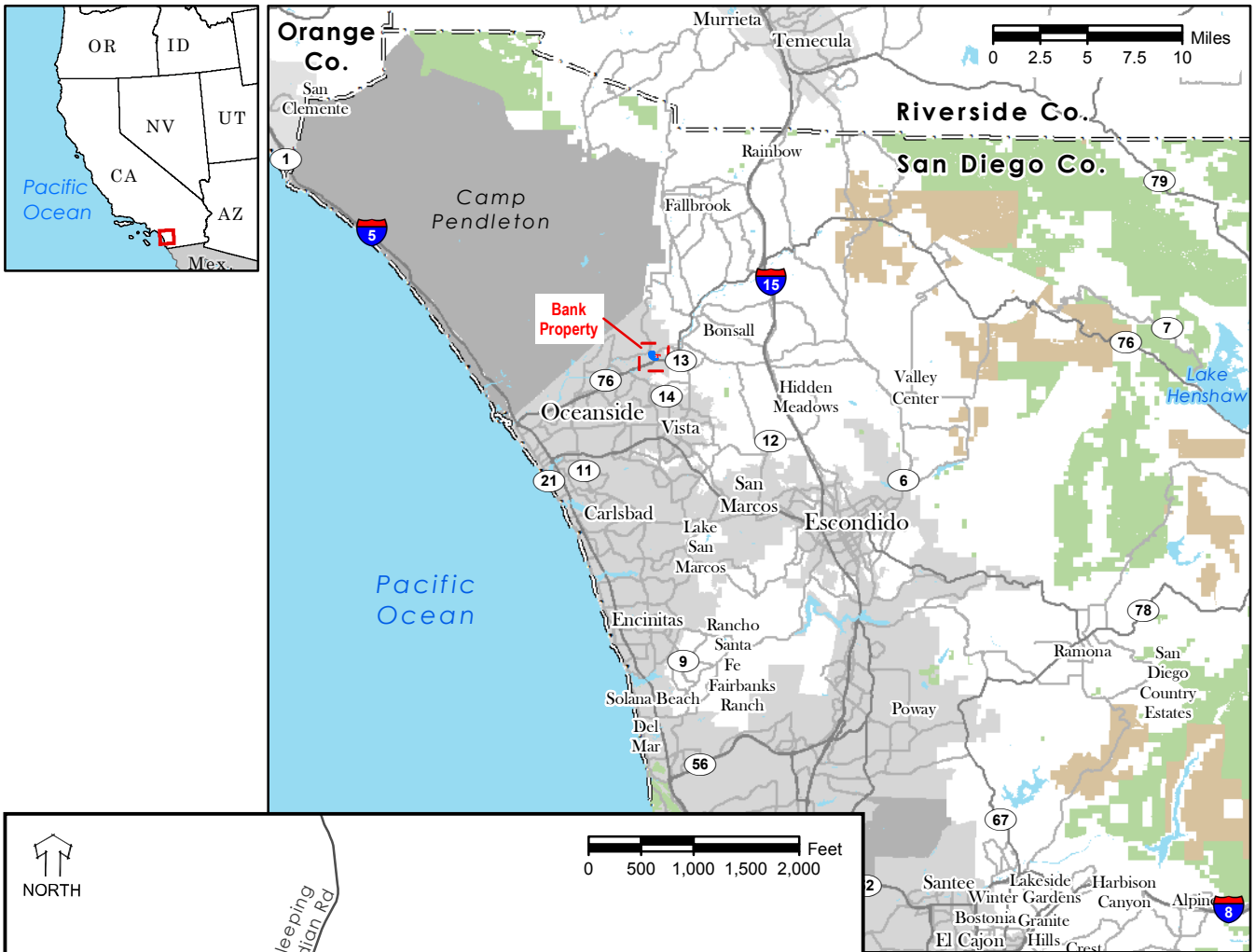
Date: 8-20-14

Exhibit A

Bank Location Maps

CONTENTS

- Exhibit A-1 General Vicinity Map
- Exhibit A-2 Map of Property including Bank Property



LEGEND

- Property Boundary
- Bank Boundary

WILDLANDS

San Luis Rey Mitigation Bank
Bank Enabling Instrument

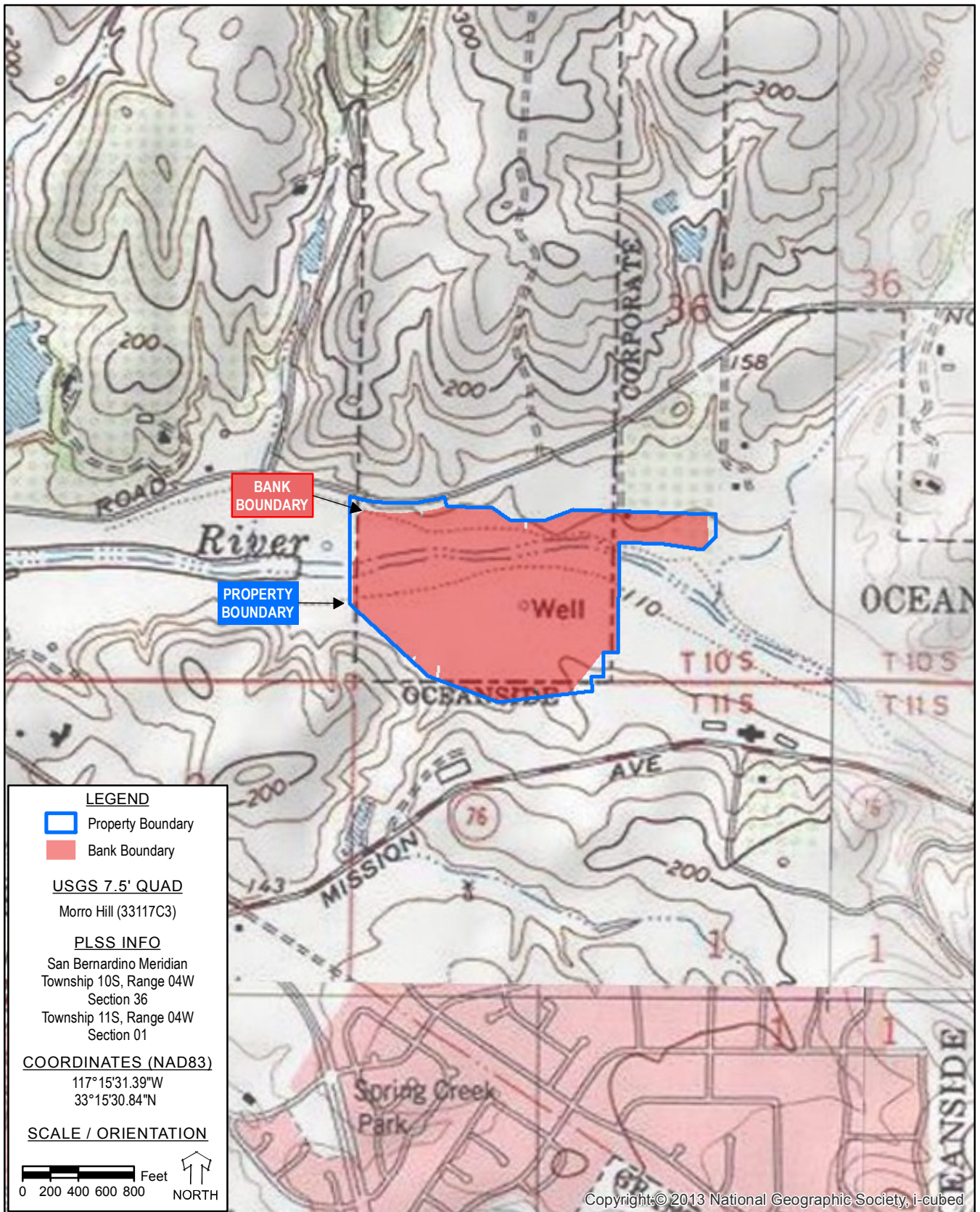
May 14, 2024

Exhibit A-1
General Vicinity Map

Item #7

Page 58 of 73





WILDLANDS

San Luis Rey Mitigation Bank
Bank Enabling Instrument

May 14, 2024

Exhibit A-2
Map of Property including Bank Property

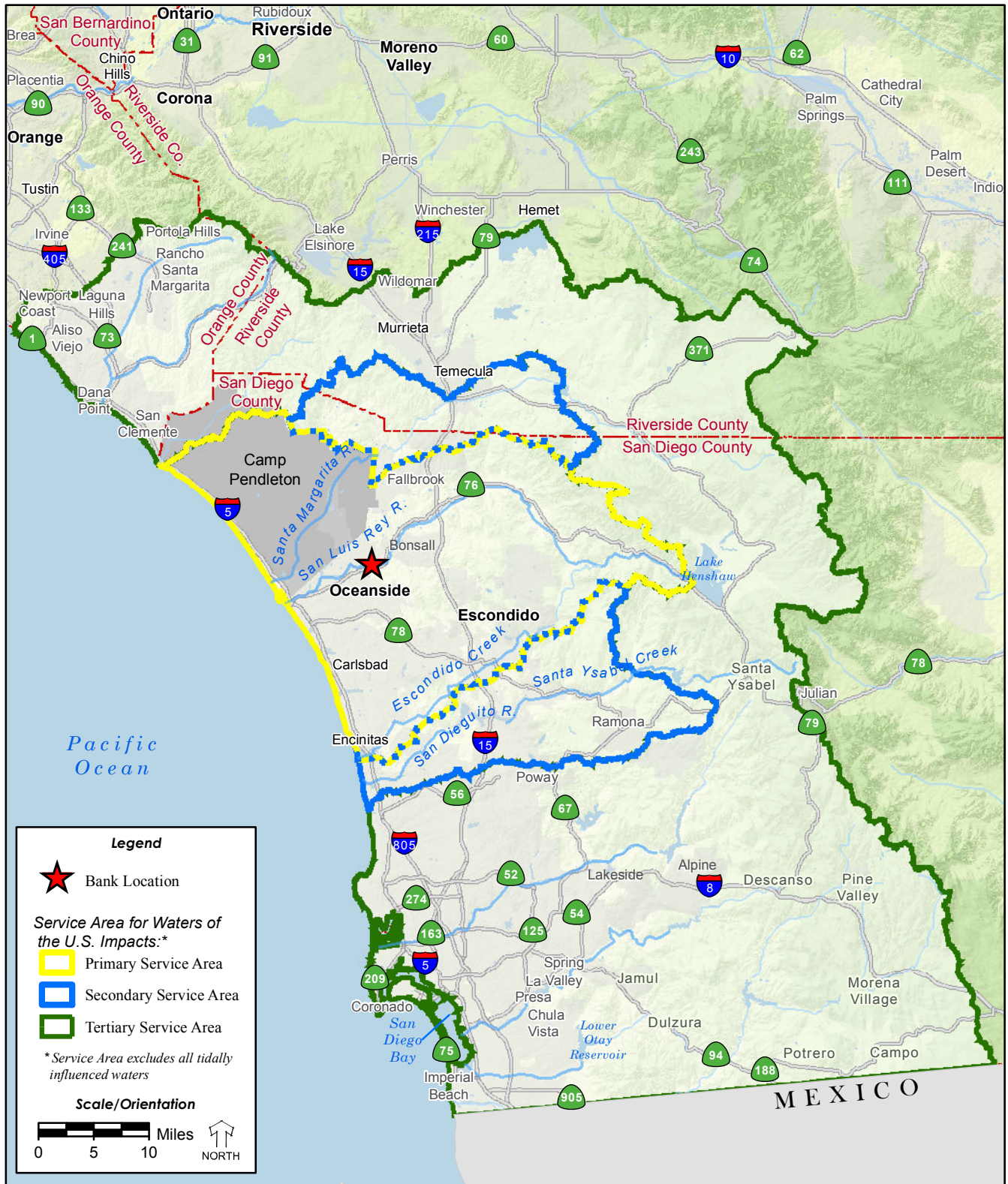
Item #7

Page 59 of 73



Exhibit B

Service Area Map(s) and Description(s)



WILDLANDS

San Luis Rey Mitigation Bank
Bank Enabling Instrument

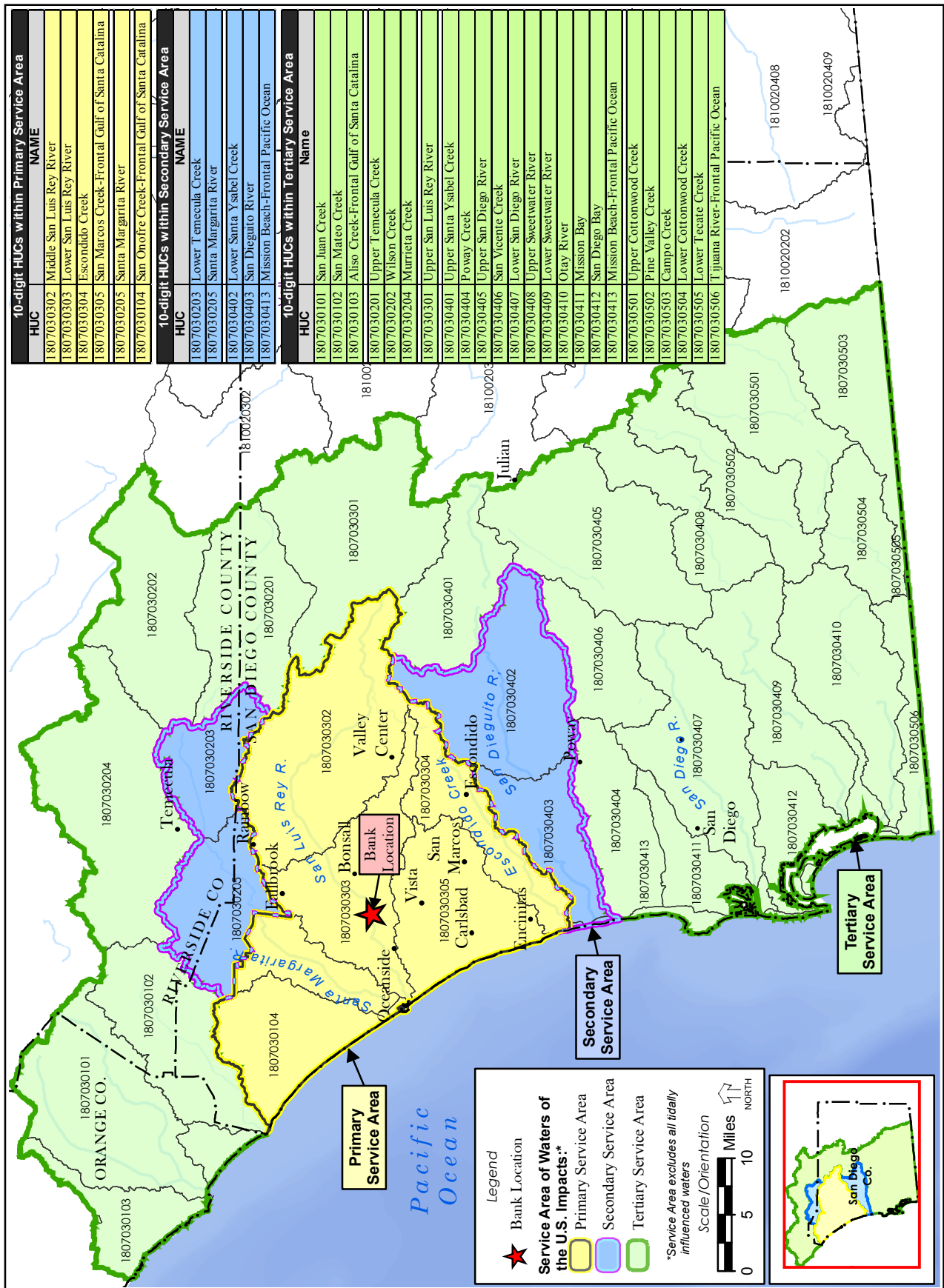
May 14, 2024

Exhibit B-1a
Service Area for Waters of the U.S. Impacts - Regional Context

Item #7

Page 61 of 73





10-digit HUCs within Primary Service Area	
HUC	NAME
1807030302	Middle San Luis Rey River
1807030303	Lower San Luis Rey River
1807030304	Escondido Creek
1807030305	San Marcos Creek-Frontal Gulf of Santa Catalina
1807030205	Santa Margarita River
1807030104	San Onofre Creek-Frontal Gulf of Santa Catalina

10-digit HUCs within Secondary Service Area	
HUC	NAME
1807030203	Lower Temecula Creek
1807030205	Santa Margarita River
1807030402	Lower Santa Ysabel Creek
1807030403	San Dieguito River
1807030413	Mission Beach-Frontal Pacific Ocean

10-digit HUCs within Tertiary Service Area	
HUC	Name
1807030101	San Juan Creek
1807030102	San Mateo Creek
1807030103	Aliso Creek-Frontal Gulf of Santa Catalina
1807030201	Upper Temecula Creek
1807030202	Wilson Creek
1807030204	Murrieta Creek
1807030301	Upper San Luis Rey River
1807030401	Upper Santa Ysabel Creek
1807030404	Poway Creek
1807030405	Upper San Diego River
1807030406	San Vicente Creek
1807030407	Lower San Diego River
1807030408	Upper Sweetwater River
1807030409	Lower Sweetwater River
1807030410	Otay River
1807030411	Mission Bay
1807030412	San Diego Bay
1807030413	Mission Beach-Frontal Pacific Ocean
1807030501	Upper Cottonwood Creek
1807030502	Pine Valley Creek
1807030503	Caumpo Creek
1807030504	Lower Cottonwood Creek
1807030505	Lower Tecate Creek
1807030506	Tijuana River-Frontal Pacific Ocean

Legend

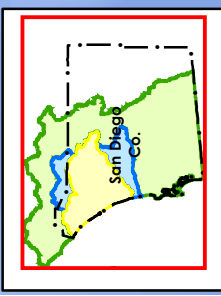
- ★ Bank Location
- Service Area of Waters of the U.S. Impacts:****
 - Primary Service Area
 - Secondary Service Area
 - Tertiary Service Area

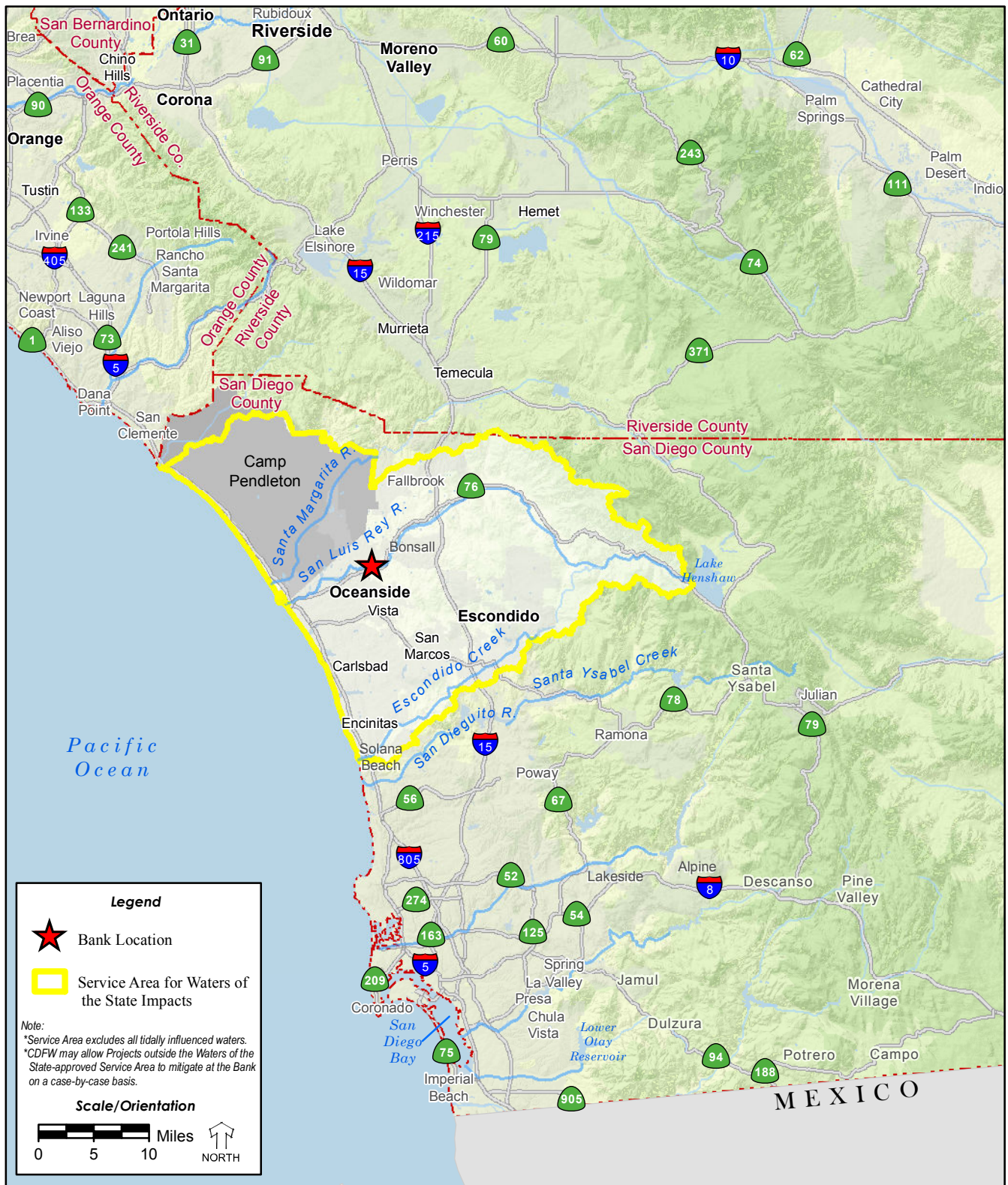
*Service Area excludes all tidally influenced waters

Scale/Orientation

0 5 10 Miles

NORTH





WILDLANDS

San Luis Rey Mitigation Bank
Bank Enabling Instrument

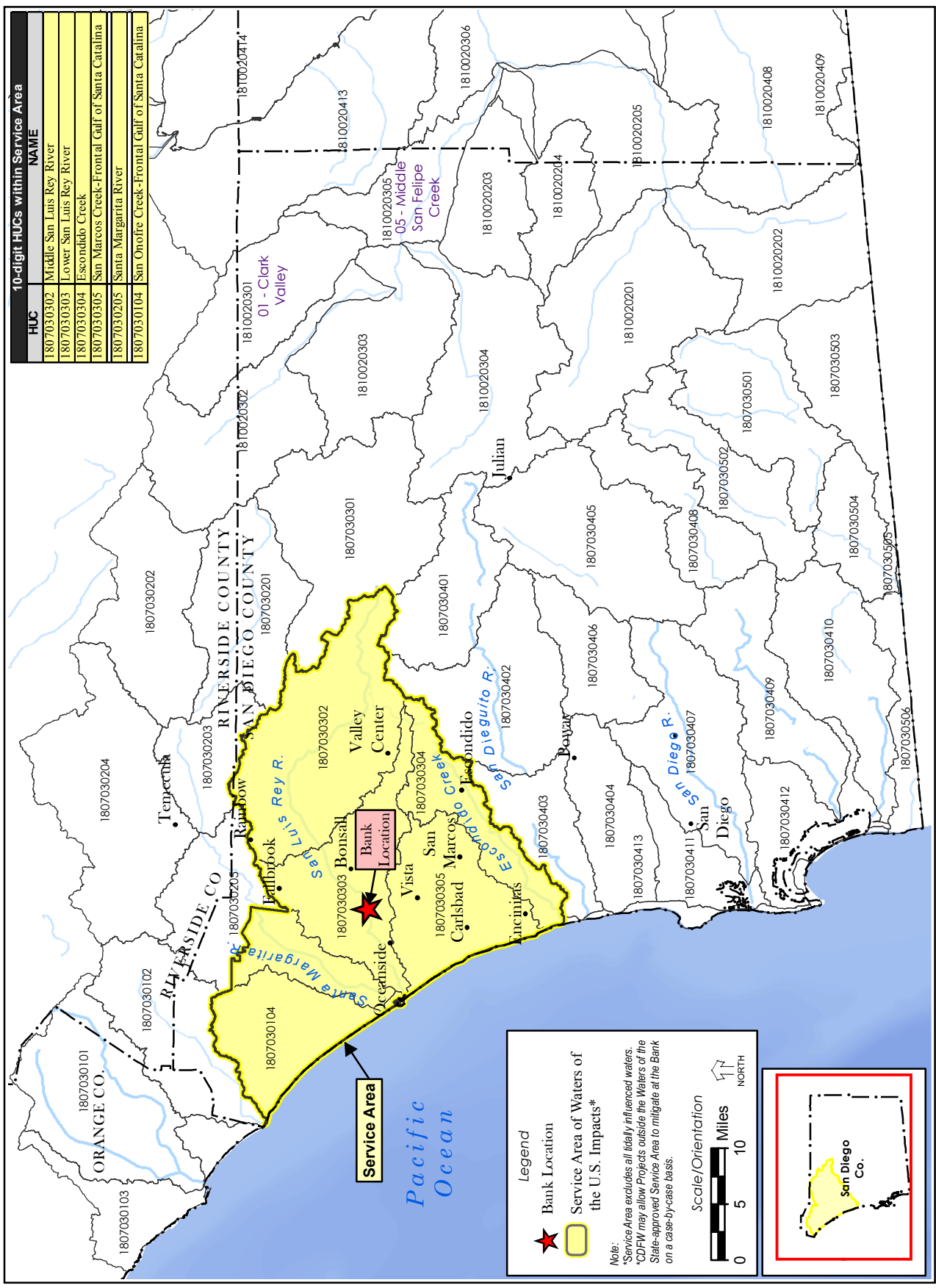
May 14, 2024

Exhibit B-1c
Service Area for Waters of the State Impacts - Regional Context

Item #7

Page 63 of 73





10-digit HUCs within Service Area	
HUC	NAME
1807030302	Middle San Luis Rey River
1807030303	Lower San Luis Rey River
1807030304	Esccondido Creek
1807030305	San Marcos Creek-Frontal Gulf of Santa Catalina
1807030205	Santa Margarita River
1807030104	San Onofre Creek-Frontal Gulf of Santa Catalina

Legend

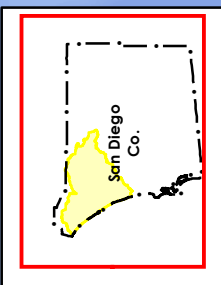
- ★ Bank Location
- ▭ Service Area of Waters of the U.S. Impacts*

Note:
*Service Area excludes all tidally influenced waters.
**CDFW may allow Projects outside the Waters of the State-approved Service Area to mitigate at the Bank on a case-by-case basis.

Scale/Orientation

0 5 10 Miles

↑ NORTH



SERVICE AREA

Service Area Description for Waters of the U.S. Impacts

A “Service Area” is the watershed, ecoregion, physiographic province, and/or other geographic area within which a bank is authorized to provide compensatory mitigation. The Service Area should be appropriately sized to ensure that the aquatic resources provided will effectively compensate for adverse environmental impacts across the entire Service Area.

The 2008 federal mitigation rule requires USACE and EPA to take a watershed approach to compensatory mitigation. The primary factor the USACE and other members of the IRT use in determining a Service Area is the ecological suitability of the bank to provide the aquatic resources to effectively compensate for adverse environmental impacts across the entire Service Area.

The Bank is located within the Laguna-San Diego Coastal drainage unit 180703 that discharges into the Pacific Ocean from and including the Moro Canyon drainage basin in the north near Laguna Beach to the California-Baja California international boundary in the south. This drainage unit covers 3,860 square miles and includes the following five 8-digit hydrologic unit codes (HUCs):

- 18070301 Aliso-San Onofre Area = 498 square miles
- 18070302 Santa Margarita Area = 731 square miles
- 18070303 San Luis Rey-Escondido Area = 766 square miles
- 18070304 San Diego Area = 1,390 square miles
- 18070305 Cottonwood-Tijuana Area = 477 square miles

All of these watersheds are located within the San Diego Planning Area of the South Coast Hydrologic Region as defined by the California Department of Water Resources. Topographically, most of the South Coast Region is composed of several large, undulating coastal and interior plains. Most of the rivers drain into the Pacific Ocean, and many terminate in lagoons or wetlands areas that provide critical coastal habitat. The headwaters for many of the rivers are found in the relatively undeveloped coastal mountain ranges.

The Bank occurs within the San Luis Rey-Escondido 8-digit HUC (18070303) and the Lower San Luis Rey 10-digit HUC (1807030303), as shown on Exhibit B-1.

Exhibit B-1 depicts the Primary, Secondary, and Tertiary Service Areas and identified by 10-digit HUCs. The 8- and 10-digit HUCs within the Service Areas are as follows:

PRIMARY SERVICE AREA

- 18070301 Aliso Creek - San Onofre Creek
 - 1807030104 San Onofre Creek-Frontal Gulf of Santa Catalina

- 18070302 Santa Margarita River
 - 1807030205 Santa Margarita River
- 18070303 Escondido Creek – San Luis Rey River
 - 1807030303 Lower San Luis Rey River
 - 1807030302 Middle San Luis Rey River
 - 1807030304 Escondido Creek
 - 1807030305 San Marcos Creek-Frontal Gulf of Santa Catalina

SECONDARY SERVICE AREA

- 18070302 Santa Margarita River
 - 1807030205 Santa Margarita River
 - 1807030203 Lower Temecula Creek
- 18070304 San Diego River
 - 1807030402 Lower Santa Ysabel Creek
 - 1807030403 San Dieguito River
 - 1807030413 Mission Beach-Frontal Pacific Ocean

TERTIARY SERVICE AREA

- 18070301 Aliso Creek - San Onofre Creek
 - 1807030101 San Juan Creek
 - 1807030102 San Mateo Creek
 - 1807030103 Aliso Creek-Frontal Gulf of Santa Catalina
- 18070302 Santa Margarita River
 - 1807030201 Upper Temecula Creek
 - 1807030202 Wilson Creek
 - 1807030204 Murrieta Creek
- 18070303 Escondido Creek – San Luis Rey River
 - 1807030301 Upper San Luis Rey River
- 18070304 San Diego River
 - 1807030401 Upper Santa Ysabel Creek
 - 1807030404 Poway Creek
 - 1807030405 Upper San Diego River
 - 1807030406 San Vicente Creek
 - 1807030407 Lower San Diego River
 - 1807030408 Upper Sweetwater River
 - 1807030409 Lower Sweetwater River
 - 1807030410 Otay River
 - 1807030411 Mission Bay
 - 1807030412 San Diego Bay
 - 1807030413 Mission Beach-Frontal Pacific Ocean

- 18070305 Cottonwood – Tijuana
 - 1807030501 Upper Cottonwood Creek
 - 1807030502 Pine Valley Creek
 - 1807030503 Campo Creek
 - 1807030504 Lower Cottonwood Creek
 - 1807030505 Lower Tecate Creek
 - 1807030506 Tijuana River-Frontal Pacific Ocean

Service Area Justification for Waters of the U.S. Impacts

The Service Areas for the Bank are based on an ecoregion composed of similar soils, geology, vegetation, land use, physiography, and climate to the 10-digit HUC in which the Bank is located (Exhibit B-1), discussed in detail below for each Service Area: Primary, Secondary, and Tertiary.

Primary Service Area: The portion of the Primary Service Area is located entirely within the coastal portion of the San Diego Planning Area and consists of portions of three 8-digit HUCs (depicted in yellow on Exhibits B-1a and B-1b). These 8-digit HUCs share similar watershed characteristics, climate, soil types, vegetation and wildlife, special status species and critical habitat. The portion of the Santa Margarita River watershed and San Onofre Creek—Frontal Gulf of Santa Catalina watershed (specific 10-digit HUCs listed above) included in the Primary Service Area lies within Camp Pendleton (approximately 38,150 acres and 66,200 acres, respectively). These watersheds are in close proximity, (10 and 20 miles, respectively), to the Bank Property and contains similar watershed characteristics, climate, soil types, vegetation and wildlife, special status species, and critical habitat as the Lower San Luis Rey River HUC and were therefore included within the Primary Service Area. Furthermore, Camp Pendleton has expressed interest in purchasing Credits at an off-site mitigation bank to compensate for waters of the U.S. impacts for their numerous, upcoming military infrastructure projects, further justifying its inclusion into the Primary Service Area for the Bank’s economic viability in accordance with 33 CFR 332.8(d)(6)(ii)(A).

Secondary Service Area: As with the Primary Service Area, although further from the Bank, areas within the 8- and 10-digit HUCs located in the Secondary Service Area have similar soils, geology, vegetation, land use, physiography, and climate to the 10-digit HUC in which the Bank is located (depicted in blue in Exhibit B-1a and B-1b).

Tertiary Service Area: The Tertiary Service Area (depicted in green in Exhibit B-1a and B-1b) for the Bank is located to the north, south, and east of the Primary and Secondary Service Areas. The Corps determined this Service Area based on the limits of the San Diego Regional Water Quality Control Board area of responsibility. While farther from the Bank, the majority of Tertiary Service Area is within the same ecoregion as the Bank with a portion falling in the Southern California Mountains ecoregion. However, many areas within the Tertiary Service Area contain similar soils, geology, vegetation, land use, physiography, and climate to the 10-digit HUC in which the Bank is located.

Use of Credits within Service Area for Waters of the U.S. Impacts

The use of Credits at the Bank for USACE-authorized impacts within the Service Areas shall be approved at the discretion of and the Credit/acreage amount determined by the USACE Project Manager (PM). Waters of the U.S. impact sites should have similar functions and services as those at the Bank for the USACE to authorize to purchase of Credits at the Bank to satisfy compensatory mitigation requirements. Waters of the U.S. impacts requiring authorization under Section 10 of the Rivers and Harbors Act or occurring within tidally influenced habitats (i.e., eelgrass beds, tidal salt marshes and mudflats, lagoons, and estuaries) or rare and sensitive aquatic resources (e.g., vernal pools) may not use the Bank to satisfy compensatory mitigation requirements.

Within the Primary, Secondary, and Tertiary Service Areas, the following types of projects/activities may be authorized to purchase Credits at the Bank for compensatory mitigation requirements determined through the USACE permitting process:

1. Primary Service Area - Permitted impacts to waters of the U.S. may be compensated through the purchase of Credits at the Bank for projects evaluated under the Standard Individual Permit (SIP) or General Permit (GP) processes pursuant to Section 404 of the Clean Water Act.
2. Secondary Service Area - Permitted impacts to waters of the U.S. may be compensated through the purchase of Credits at the Bank for projects evaluated under the GP process pursuant to Section 404 of the Clean Water Act, subject to the following conditions:
 - a. The impact site is not within another Primary Service Area or the same 10-digit HUC for another USACE-approved mitigation bank or in-lieu fee program having available Credits;
 - b. The USACE has determined permittee-responsible mitigation is impracticable and/or inconsistent with a watershed approach; and
 - c. The number of Credits to be purchased would be greater to account for the increased distance from the impact site to the Bank, at the USACE PM's discretion.
3. Tertiary Service Area - Permitted impacts to waters of the U.S. may be compensated through the purchase of Credits at the Bank for projects evaluated under the GP (temporary impacts and permanent impacts less than 0.10 acre) and Regional General Permit No. 63 (*Repair and Protection Activities in Emergency Situations*) processes pursuant to Section 404 of the Clean Water Act, subject to the following conditions:
 - a. The impact site is not within another Primary or Secondary Service Area or the same 10-digit HUC for another USACE-approved mitigation bank or in-lieu fee program having available Credits;
 - i. If another bank or in-lieu fee program is established within the Bank's Tertiary Service Area the primary service area of the other bank or in-lieu fee program shall be excluded from the Bank's Tertiary Service Area.
 - b. The USACE has determined permittee-responsible mitigation is impracticable and/or inconsistent with a watershed approach; and

- c. The number of Credits to be purchased would be greater to account for the increased distance from the impact site to the Bank, at the USACE PM's discretion.

Service Area Description, Justification, and Use of Credits for Waters of the State Impacts

The Waters of the State Service Area for the Bank is located entirely within the coastal portion of the San Diego Planning Area and consists of portions of three 8-digit HUCs (see Exhibits B-1a and B-1b). These 8-digit HUCs share similar watershed characteristics, climate, soil types, vegetation and wildlife, special status species and critical habitat. Flooding in the region is predominately from winter storms that can produce large amounts of water in the steep upper watersheds resulting in sudden and severe flooding in the lowland areas.

The Waters of the State Service Area contains a portion of the Escondido Creek—San Luis Rey River 8-digit HUC excluding that portion to the east of Lake Henshaw (1807030301—Upper San Luis Rey River); plus those portions of the Santa Margarita and Aliso Creek watersheds within Camp Pendleton. The Waters of the State Service Area includes all or portions of the 8- and 10-digit HUCs located listed below.

- 18070303 Escondido Creek—San Luis Rey River
1807030302 Middle San Luis Rey River
1807030303 Lower San Luis Rey River
1807030304 Escondido Creek
1807030305 San Marcos Creek—Frontal Gulf of Santa Catalina
- 18070302 Santa Margarita River
1807030205 Santa Margarita River (within the boundaries of Camp Pendleton)
- 18070301 Aliso Creek—San Onofre Creek
1807030104 San Onofre Creek—Frontal Gulf of Santa Catalina (within the boundaries of Camp Pendleton)

CDFW may allow projects outside the Waters of the State-approved Service Area to mitigate at the Bank on a case-by-case basis.

California Department of Water Resources. 2009. California Water Plan Update 2009. Volume 3, Regional Reports. Chapter 5 South Coast Hydrologic Region. Public Review Draft.

California Protected Areas Database. 2011. <http://calands.org/> Accessed on September 1, 2011.

Exhibit F-1
Credit Evaluation and Credit Table

CREDIT DETERMINATION

Credits are determined based on the USACE and CDFW-approved Credit ratios as described below. Mitigation ratios and number of Credits required for purchase to compensate for impacts to Waters of the U.S. shall be determined by the USACE Regulatory Project Manager on a case-by-case basis.* Mitigation ratios and number of Credits required for purchase to compensate for impacts to Waters of the State or State jurisdictional habitats shall be determined by CDFW.

Credit Type Summary	Available Acres By Mitigation Type	Waters of the U.S. & Buffer Credits (Notes 1, 2, 3, 4, 5, & 7)		Waters of the State Credits (Notes 1, 2, 3, 6, & 7)	
		Credit Determination Ratio (Credits to Acres)*	Waters of the U.S. Credits	Credit Determination Ratio (Credits to Acres)	Waters of the State Jurisdictional Credits
Rehabilitated River: Wetland Waters of the U.S./State	5.28	1:1	5.28	1:1	5.28
Re-established River: Wetland Waters of the U.S./State	35.84	1:1	35.84	1:1	35.84
Re-established Floodplain: Waters of the U.S./State	3.89	1:1	3.89	1:1	3.89
Re-established Floodplain: State jurisdictional/Non-Waters of the U.S.	5.34	1:1**	5.34	1:1	5.34
Re-established Grassland Buffer: Non-Waters of the U.S./State	<u>3.25</u>	1:1**	<u>3.25</u>	1:1	<u>N/A</u>
TOTAL	53.60		53.60		50.35

Notes:

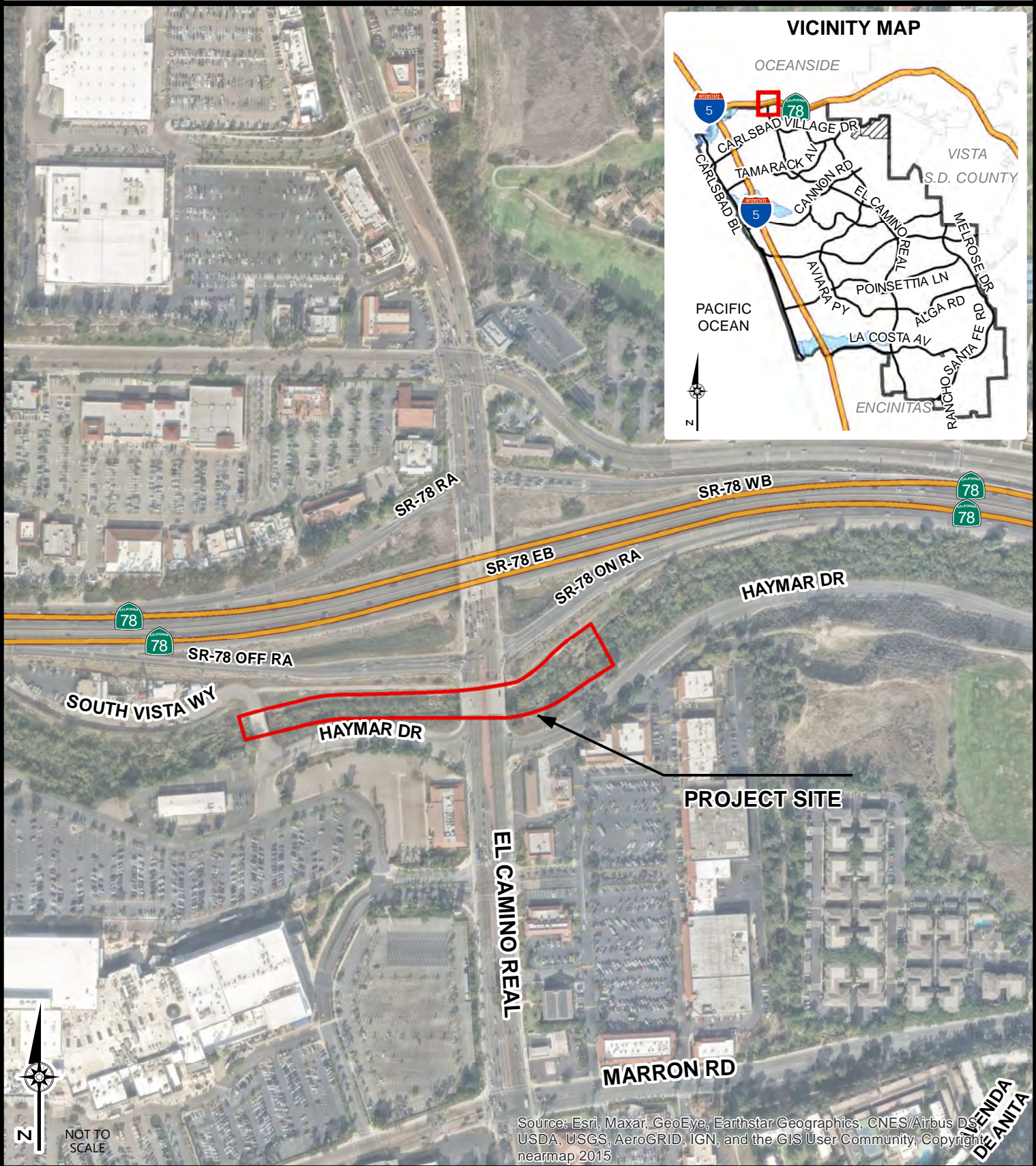
1. All Credit types can be used for permanent and temporary impacts.
2. Bank Sponsor shall submit as-built drawings, with accurate maps of the constructed habitats, no later than 90 calendar days following completion of construction associated with the establishment of the constructed habitats on the Bank Property. The as-built drawings and any attachments must describe in detail any deviation from the Development Plan.
3. Each Credit Release, with the exception of the first and the second, are also contingent upon the Bank Sponsor's submission of an annual report for the current reporting period and a site visit at the appropriate time of the year, as determined by the USACE and CDFW.
4. The final total number of Wetland Waters of the U.S. Credits will be determined based on the year 5 PJD by the USACE.
5. The 53.60 Waters of the U.S. Credits will be sold as:
 - 41.12 Wetland Waters of the U.S. Credits
 - 3.89 Waters of the U.S. Credits
 - 8.59 Buffer Credits
6. Grassland Buffer Credits are not approved by CDFW.
7. A total of 50.35 of the Waters of the U.S./Buffer Credits overlap with the Waters of the State Credits with the Grassland Buffer Credits being the only exception. No greater than 53.60 total Credits can be sold from the Bank.

* The USACE and CDFW determined that the total Credits available for all above listed credit types would equal one Credit of the specific mitigation type to one acre of the specific mitigation type (1:1). To determine the appropriate acreage of compensatory mitigation for impacts to Waters of the U.S. (i.e., compensatory mitigation acreage to impact acreage ratio based on credit type), the USACE Regulatory Project Manager shall use the South Pacific Division's Mitigation Ratio Checklist or current standard operating procedure for determining mitigation ratios within the South Pacific Division and/or Los Angeles District. The appropriate acreage of compensatory mitigation for impacts to Waters of the State will be determined by CDFW on a case-by-case basis.

** Re-established Floodplain: State jurisdictional/Non-Waters of the U.S. and Re-established Grassland Buffer: Non-Waters of the U.S./State do not meet the definition of waters of the U.S. as defined by the USACE. However, these buffer habitats within the floodplain and in the uplands do provide functions and services related to water quality and wildlife habitat and are essential to maintain the ecological viability of the abutting waters of the U.S. The USACE Regulatory Project Manager shall determine the adequate acreage of compensatory mitigation for impacts to Waters of the U.S. using the South Pacific Division's Mitigation Ratio Checklist or current standard operating procedure for determining mitigation ratios within the South Pacific Division and/or Los Angeles District. However, because these buffer habitats are not considered USACE aquatic resources, the acreage of compensatory mitigation required for impacts to Waters of the U.S. shall be higher than that of the aquatic resource credit types. For example, at the time of BEI establishment, the USACE Regulatory Project Manager should consider a minimum of a 6:1 ratio for Re-established Floodplain: State jurisdictional/Non-Waters of the U.S. and a minimum of a 10:1 ratio for the Re-established Grassland Buffer credit type through the "Qualitative" and "Type Conversion" sections of the South Pacific Division's Mitigation Ratio Checklist. The appropriate acreage of compensatory mitigation for impacts to Waters of the State will be determined by CDFW on a case-by-case basis. The Re-established Grassland Buffer: Non-Waters of the U.S./State habitat has not been approved for Credit by CDFW.

LOCATION MAP

Exhibit 4



Source: Esri, Maxar, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community, Copyright nearmap 2015

PROJECT NAME

BUENA VISTA CREEK CHANNEL

EXHIBIT

4



CITY COUNCIL
Staff Report

Meeting Date: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Eric Zielke, Senior Engineer
 eric.zielke@carlsbadca.gov, 442-339-2230

Hossein Ajideh, Engineering Manager
 hossein.ajideh@carlsbadca.gov, 442-339-2756

Subject: Approval of Plans, Specifications and Contract Documents and Authorization to Advertise for Bids for the 2023 Slurry Seal Project, and Approval of a Roadway Reconfiguration and Associated Level of Service for Northbound and Southbound El Fuerte Street from Faraday Avenue to Palomar Airport Road

Districts: All

Recommended Action

Adopt a resolution approving the plans, specifications and contract documents and authorizing the City Clerk to advertise for bids for construction of the 2023 Slurry Seal Project and approving a roadway reconfiguration resulting in a level of service D for northbound and southbound El Fuerte Street from Faraday Avenue to Palomar Airport Road under Mobility Element Section 3-P.15.

Executive Summary

The City of Carlsbad's Pavement Management Program assesses the city's roadway pavement conditions and resurfaces and restripes Carlsbad roads to keep streets, as nearly as possible, in the condition to which they were constructed. This program extends the useful life of city streets and saves money in the long run. This program includes the 2023 Slurry Seal Project, Capital Improvement Program Project No. 6001-23SS.¹

The City Council is being asked to approve the plans, specifications and contract documents and authorize the City Clerk to advertise for bids to resurface the pavement on fourteen arterial and collector streets around the city. This project has been reviewed and approved by the Traffic & Safety Commission.

The project is estimated to cost \$5,680,000, not including a construction contingency or construction management and inspection costs. The City Council's approval of these plans,

¹ Slurry seal is a layer made of asphalt emulsion, aggregate, and other additives that is applied to asphalt pavement to preserve it and provide a new driving surface.

specifications and contract documents is required under Carlsbad Municipal Code Section 3.28.080 – Construction projects, subsection E, because the cost will be more than \$200,000.

The vehicle lane reconfiguration proposed on one segment of roadway also requires the City Council’s approval, as explained below.

Explanation & Analysis

While the streets are being resurfaced, the city also restripes the roadways to provide additional traffic safety benefits including helping to address speeding and to better support all modes of travel.

Addressing unsafe speeds

Speeding has become a bigger problem nationwide in recent years. In Carlsbad, speeding is the No. 1 contributing factor in injury collisions. Slowing traffic down even 5 mph, can make a difference in the severity and survivability of collisions.

Research shows that speed limit signs are not effective in reducing speeding and are even unenforceable if set too low for the conditions, so slowing down drivers requires actual physical changes to the road.

- Changing lanes to more appropriate widths encourages drivers to pay more attention and slow down
- The extra space can then be used to create bike lanes and safety buffers between sidewalks, bike lanes and car lanes, where appropriate and sufficient space exists
- There are national industry guidelines for lane widths, and the city streets included in this project meet those guidelines even after lane restriping
- The lane width is based on several factors, including traffic volume, speed, type of street and location
- Designing appropriate vehicle lane widths also results in lower long-term maintenance costs for the city’s pavement infrastructure and creates a steadier and improved flow of traffic with less delay at traffic signals and improved opportunities for cars turning right
- These changes support the goals of the Mobility Element of the General Plan, the Sustainable Mobility Plan and the Safer Streets Together Plan

Selected streets

Staff selected the 37.7 miles of street for resurfacing based on existing pavement conditions, computerized pavement condition modeling and analysis and further evaluations.

The following arterial and collector streets, encompassing about 10 miles, will be resurfaced and restriped with either new or enhanced bicycle lanes:

- El Camino Real between Marron Road and Chestnut Avenue
- Paseo Del Norte between Cannon Road and Palomar Airport Road
- Paseo Del Norte between Camino de las Ondas and Poinsettia Lane
- The Crossings Drive between Palomar Airport Road and the end of the drive
- El Fuerte Street between Faraday Avenue and approximately 1,000 feet south of Rancho Pancho
- Bressi Ranch Way between El Fuerte Street and Paradise Road
- Batiquitos Drive between Kestrel Drive and Aviara Parkway

- Calle Barcelona between El Camino Real and Calle Acervo
- Rancho Sante Fe Road between Camino Alvaro and Calle Barcelona
- Camino De Los Cochets between Rancho Santa Fe Road and La Costa Avenue
- Harding Street between Grand Avenue and Oak Avenue
- Tamarack Avenue between Knollwood Drive and Saddle Drive
- Faraday Avenue between El Camino Real and Orion Way

Exhibit 2 is a map of these locations.

The project will also resurface about 27.7 miles of mostly residential streets across the city, which are listed in Exhibit 3.

Reconfiguration of El Fuerte Street

As part of its pavement resurfacing work, the city has been reconfiguring city streets so people can get around Carlsbad as easily and safely as possible. These changes in street design are a key priority in Carlsbad’s Mobility Element, the part of the city’s General Plan that covers transportation. The city’s Safer Streets Together Plan also calls for arterial streets like this segment of El Fuerte Street to be reconfigured to improve safety.

Reconfiguring El Fuerte Street includes reducing the number of vehicle lanes to improve safety, calm traffic and provide better mobility and access for all road users. This will provide one 10-foot-wide vehicle lane in each direction plus a center median or two-way left turn lanes, 8-foot-wide bike lanes, and 9-foot-wide buffers between vehicle and bike lanes. Reconfiguring roadways also reduces the long-term pavement maintenance costs and improves the line of sight for users approaching arterials from side streets.

The specific limits of this road segment reconfiguration, where two vehicle lanes in each direction will reduce to one vehicle lane in each direction, are:

- El Fuerte between Faraday Avenue and Loker Avenue
- El Fuerte between Bressi Ranch Way and Greenhaven Drive (northbound side only)
- El Fuerte between Greenhaven Drive to about 1,000 feet south of Rancho Pancho



Staff have studied the traffic in the area and analyzed the impact this change in the lanes will impact traffic. This analysis, as explained in the following section, showed the change will not significantly increase traffic delays in the area.

City's street standards

The Mobility Element in the city's General Plan establishes specific standards for the level of service provided by the city's streets for all forms of travel. These levels of service are graded from A to F, with a grade of E or F noting a failure to meet these standards. They include a roadway's capacity for vehicle travel.

Only the City Council can approve a road reconfiguration that would reduce vehicle capacity to or below a level of service of D, under Mobility Element Section 3-P.15. Staff evaluated the level of service for vehicles of El Fuerte and concluded that the proposed reconfiguration would decrease the vehicle level of service from a C to a D on:

- The northbound side of El Fuerte from Palomar Airport Road to Faraday Avenue in the morning peak hours
- The southbound side of this street segment during the afternoon peak hour

This street segment would continue to operate at a level of service of C or better during all other hours of the day.

This analysis is a conservative assessment of the reconfigured roadways level of service, and staff are confident that there will be no significant change to traffic delays along this segment of El Fuerte Street with the proposed reconfiguration.

(The analysis was conducted using the vehicle level of service methodology based on the latest edition of the Highway Capacity Manual and the city's most recent Service Volume Tables Report, dated June 2021, which is consistent with the methodology set forth in the city's annual Growth Management Plan report.)

The proposed reconfigured roadways will also not change the number of travel lanes at the signalized intersections within the project limits, the areas where traffic delays most often occur.

The city has completed several similar successful road reconfigurations over the last couple of years as a part of the East-West Corridors Project and the reconfiguration of southbound Carlsbad Boulevard between Solamar Drive and Island Way.

Traffic Safety & Mobility Commission recommendations

- At its meeting on Jan. 3, 2023, the Traffic and Mobility Commission voted 4-1-2, to support staff's recommendations to the City Council to reconfigure El Fuerte Street from Faraday Avenue to Loker Avenue, as detailed above. Vice Chair Linke wanted the minutes to reflect that he supported the lane elimination but not the lane width reduction. The approved minutes of the Jan. 3, 2023, Traffic and Mobility Commission meeting are attached as Exhibit 4.
- At its meeting on June 5, 2023, the Traffic and Mobility Commission voted 6-0-1, to support staff's recommendation to the City Council to approve the plans, specifications and contract documents for the 2023 Slurry Seal Project, CIP Project No. 6001-23SS. The

approved minutes of the June 5, 2023, Traffic and Mobility Commission meeting are attached as Exhibit 5.

- The project was brought to the commission, now called the Traffic Safety & Mobility Commission, once again on Feb. 5, 2024, due to additional changes in project locations to coordinate construction activities with a fiber optic cable utility company that is doing work in the project area. The commission voted 6-0-1 to support staff's recommendation to the City Council to approve the plans, specifications and contract documents for the 2023 Slurry Seal Project. The approved minutes of the Feb. 5, 2024, Traffic Safety & Mobility Commission meeting are attached as Exhibit 6.

Staff recommendation

Staff recommend that the City Council approve the plans, specifications and contract documents, authorize the City Clerk to advertise for construction bids for the project and approve a roadway reconfiguration resulting in a level of service of D for northbound and southbound El Fuerte Street from Faraday Avenue to Palomar Airport Road under Mobility Element Section 3-P.15.

Fiscal Analysis

A significant portion of funding set aside for the Pavement Management Program was used to address the East-West Corridors Project included in the city's Safer Streets Together Plan, which was presented to the City Council in September 2022. The Safer Streets Together plan accelerated specific resurfacing schedules ahead of their previous implementation schedule, and the bids for the recently completed work were higher than anticipated possibility due to a high inflationary period. Because of these factors, the current Pavement Management Program does not have sufficient funding to cover the costs of this annual project.

Funding sources for the Pavement Management Program typically consist of fees generated from trash haulers, gas tax funds and funds from the countywide TransNet sales tax for regional transportation projects, rather than from the city's General Fund. To cover the shortfall of \$808,773, staff propose reappropriating gas tax funding currently in the account for the Village and Barrio Traffic Circles Project, Capital Improvement Program Project No. 4015. That project was sufficiently funded with gas tax funds before a federal grant was secured, so the remaining balance of the gas tax funding that was appropriated for the Village and Barrio Traffic Circles Project could be reappropriated for the 2023 Slurry Seal Project.

The available funds and estimated construction costs for the project are shown in the following table:

Pavement Management Program Capital Improvement Program Project No. 6001	
Total appropriation to date	\$58,349,889
Total expenditures/encumbrances to date	-\$51,923,662
Total available funding	\$6,426,227
2023 Slurry Seal Project Capital Improvement Program Project No. 6001-23SS	
Construction contract (engineer’s estimate)	-\$5,680,000
Construction contingency (estimated)	-\$1,030,000
Construction management, inspection and testing (estimated)	-\$525,000
Total estimated construction costs	-\$7,235,000
Remaining balance after Project No. 6001-23SS	-\$808,773
Additional appropriation anticipated to be reappropriated from Project No. 4015 at time of award	\$808,773

Next Steps

Upon the City Council’s approval, staff will advertise a request for bids for construction of the project. Staff will evaluate the bids received and identify the lowest responsive and responsible bidder.

Staff will then return to the City Council with a recommendation to award a construction contract to the identified bidder, which is expected to be in summer 2024. The construction contract for the project provides for three months to construct the project improvements. Construction is expected to begin in late summer 2024 and be completed by the end of 2024.

Environmental Evaluation

The City Planner has determined this project is exempt from the California Environmental Quality Act under CEQA Guidelines Section 15301(c), which covers the repair of existing public structures and facilities involving negligible or no expansion, and no exception to the exemption as set forth in CEQA Guidelines Section 15300.2 applies.

Exhibits

1. City Council resolution
2. Location map
3. Street list table
4. [Minutes of the Jan. 3, 2023, Traffic & Mobility Commission Meeting](#) (on file in the Office of the City Clerk)
5. [Minutes of the June 5, 2023, Traffic & Mobility Commission Meeting](#) (on file in the Office of the City Clerk)
6. [Minutes of the Feb. 5, 2024, Traffic Safety & Mobility Commission Meeting](#) (on file in the Office of the City Clerk)
7. [Plans, specifications and contract documents](#) (on file in the Office of the City Clerk)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPROVING THE PLANS, SPECIFICATIONS AND CONTRACT DOCUMENTS AND AUTHORIZING THE CITY CLERK TO ADVERTISE FOR BIDS FOR CONSTRUCTION OF THE 2023 SLURRY SEAL PROJECT AND APPROVING A ROADWAY RECONFIGURATION RESULTING IN A LEVEL OF SERVICE D FOR NORTHBOUND AND SOUTHBOUND EL FUERTE STREET FROM FARADAY AVENUE TO PALOMAR AIRPORT ROAD UNDER MOBILITY ELEMENT SECTION 3-P.15

WHEREAS, the City Council of the City of Carlsbad, California has determined it necessary, desirable and in the public interest to resurface various city streets as part of the city's Pavement Management Program; and

WHEREAS, the plans, specifications and contract documents for the 2023 Slurry Seal Project, Capital Improvement Program Project No. 6001-23SS have been prepared, are on file at the City Clerk's office and are incorporated herein by reference; and

WHEREAS, the City of Carlsbad Mobility Element 3-P.15 states that the City Council shall have the sole discretion to approve any road diet or vehicle traffic calming improvements that would reduce vehicle capacity to or below a level of service, or LOS, of D; and

WHEREAS, based on the performed level of service analysis, northbound and southbound El Fuerte Street, from Faraday Avenue to Palomar Airport Road, would degrade to LOS D from a LOS C because of the proposed roadway reconfiguration; and

WHEREAS, Carlsbad Municipal Code Section 3.28.080(E) requires the City Council to approve plans, specifications and contract documents for all construction projects that are to be formally bid upon when the value exceeds \$200,000; and

WHEREAS, the cost of the project is estimated to be \$5,680,000, which does not include construction contingency and construction management costs; and

WHEREAS, the current Pavement Management Program project funds are not sufficient to complete the project and staff will request additional appropriations at the time of construction contract award; and

WHEREAS, the City Planner has determined that the project is exempt from the California Environmental Quality Act, or CEQA, review pursuant to CEQA Guidelines Section 15301(c) – minor alteration of existing facilities including streets, sidewalks, gutters, and similar facilities involving

negligible or no expansion, and no exception to the exemption as set forth in CEQA Guidelines Section 15300.2 applies.

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 plans, specifications and contract documents for the 2023 Slurry Seal Project, CIP Project No. 6001-23SS, are hereby approved.
3. That the City Clerk is hereby authorized and directed to publish in accordance with state law, a notice to contractors inviting bids for construction of the 2023 Slurry Seal Project, CIP Project No. 6001-23SS, in accordance with the plans, specifications and contract documents referred to herein.
4. That the roadway reconfiguration of northbound and southbound El Fuerte Street from Faraday Avenue to Palomar Airport Road is approved.

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)

LOCATION MAP

Exhibit 2



Legend

- Resurfacing Limits
- Reconfigure Limits

PROJECT NAME

2023 Slurry Seal Project

PROJECT
NUMBER
6001-23SS

EXHIBIT
2

RESIDENTIAL STREETS TO BE RESURFACED			
STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
PLACEACE	SOUTH END	CADENCIA STREET	4
AMARGOSA DRIVE	LA MACERENA AVENUE	REPRESA CIRCLE	4
AMARGOSA DRIVE	REPRESA CIRCLE	SOMBROSA STREET	4
AMARGOSA DRIVE	REPRESA CIRCLE	LOS PINOS CIRCLE	4
AMARGOSA DRIVE	OLIVENHAIN ROAD (WB)	JACARANDA AVENUE	4
AMARGOSA DRIVE	JACARANDA AVENUE	LA MACERENA AVENUE	4
AMARGOSA DRIVE	SOMBROSA STREET	REPRESA CIRCLE	4
ARBUSTO COURT	LA PLACEUMA LANE	LA PLACEANCHA LANE	4
ATADERO COURT	LOS PINOS CIRCLE	EAST END	4
AVENIDA ANACAPA	CORTE MAZATLAN	CORTE VERA CRUZ	4
AVENIDA ANACAPA	WEST END	CALLE COZUMEL	4
AVENIDA ANACAPA	CORTE VERA CRUZ	CALLE SAN BLAS	4
AVENIDA ANACAPA	CALLE COZUMEL	CORTE MAZATLAN	4
AVENIDA CASTANA	AVENIDA CIRUELA	EAST END	4
AVENIDA CASTANA	PASEO AVELLANO	SITIO PERAL	4
AVENIDA CASTANA	SITIO GRANADO	AVENIDA CIRUELA	4
AVENIDA CASTANA	SITIO PERAL	SITIO GRANADO	4
AVENIDA CIRUELA	VISTA NUEZ	VISTA GUYABA	4
AVENIDA CIRUELA	VISTA GUYABA	AVENIDA CASTANA	4
AVENIDA CIRUELA	SITIO ABRIDOR	SITIO BANIANO	4
AVENIDA CIRUELA	SITIO NISPERO	PASEO ALMENDRO	4
AVENIDA CIRUELA	SITIO BANIANO	SITIO NISPERO	4
AVENIDA CIRUELA	VISTA NUEZ	SITIO ABRIDOR	4
AVENIDA THERESA	VIA EMERADO	SOMBROSA STREET	4
AVENIDA THERESA	WEST END	VIA EMERADO	4
AZAHAR PLACE	SOUTH END	GARBOSO STREET	4
AZAHAR PLACE	GARBOSO STREET	AZAHAR COURT	4
AZAHAR STREET	ROMERIA STREET	AZAHAR PLACE	4
AZAHAR PLACE	AZAHAR COURT	CADENCIA STREET	4
AZAHAR COURT	SOUTHWEST END	AZAHAR PLACE	4
BADAJOS PLACE	SACADA CIRCLE	NORTHEAST END	4
BATIQUITOS DRIVE	BATIQUITOS DRIVE DR	BATIQUITOS DRIVE DR	4
BATIQUITOS DRIVE	AVIARA DR	BATIQUITOS DRIVE DR	4
BATIQUITOS DRIVE	BATIQUITOS DRIVE DR	GOLDEN STAR LANE	4
BATIQUITOS DRIVE	SPOONBILL LANE	SPOONBILL LANE	4
BATIQUITOS DRIVE	GOLDEN STAR LANE	BLACK SWAN PLACE	4
BATIQUITOS DRIVE	BATIQUITOS DRIVE	KESTREL DRIVE	4
BATIQUITOS DRIVE	BATIQUITOS DRIVE	BATIQUITOS DRIVE	4
BATIQUITOS DRIVE	HUMMINGBIRD ROAD	AVIARA PY	4
BATIQUITOS DRIVE	BLACK SWAN PLACE	AVIARA DRIVE	4
BATIQUITOS DRIVE	SPOONBILL LANE	HUMMINGBIRD ROAD	4
BATIQUITOS DRIVE	BATIQUITOS DRIVE	SPOONBILL LANE	4
BOCA STREET	QUITASOL STREET	PENDON COURT	4
BOCA STREET	PENDON COURT	PALENQUE STREET	4
BOLO PLASCE	SOUTH END	PALENQUE STREET	4
BOTELLA PLACE	ROCIO STREET	NORTHEAST END	4
BRAVA STREET	SOUTHEAST END	DEL REY AVENUE	4
BRAVA STREET	DEL REY AVENUE	HATACA ROAD	4
BRAVA STREET	HATACA ROAD	VERDE AVENUE	4

STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
BRESSI RANCH WAY	PARADISE ROAD	BRESSI RANCH WAY	2
BRESSI RANCH WAY	BRESSI RANCH WAY	EL FUERTE STREET	2
BRESSI RANCH WAY	PARADISE ROAD ALLEY	PARADISE ROAD	2
BROOKITE COURT	SOUTHWEST END	MICA ROAD	2
BURGOS COURT	LEVANTE STREET	NORTH END	4
CABO WAY	ESFERA STREET	TRIGO LANE	4
CABO COURT	ESFERA STREET	NORTHWEST END	4
CACATUA STREET	UNICORNIO STREET	EL FUERTE STREET	3
CADENCIA STREET	ROMERIA STREET	ALDEA PLACE	4
CADENCIA STREET	VENADO STREET	PIRAGUA STREET	4
CADENCIA STREET	ALDEA PLACE	AZAHAR PLACE	4
CADENCIA STREET	DEL REY AVENUE	VENADO STREET	4
CALLE ACERVO	RANCHO SANTA FE ROAD	CALLE CORDOBA	4
CALLE ACERVO	CALLE BARCELONA	CORTE VERSO	4
CALLE ACERVO	CAMINO LARGO	PASEO TAXCO	4
CALLE ACERVO	CALLE SAN BLAS	CALLE BARCELONA	4
CALLE ACERVO	PASEO ANCHO	CAMINO CORTE	4
CALLE ACERVO	AVENIDA PANTERA	PASEO ANCHO	4
CALLE ACERVO	CAMINO LINDO	CALLE SAN BLAS	4
CALLE ACERVO	CORTE CURVA	CAMINO LINDO	4
CALLE ACERVO	CORTE VERSO	CAMINO DE LOS COCHES	4
CALLE ACERVO	CAMINO CORTE	CORTE CURVA	4
CALLE ACERVO	PASEO TAXCO	VIA CHICA	4
CALLE ACERVO	VIA CHICA	AVENIDA PANTERA	4
CALLE ACERVO	CALLE CATALONIA	CAMINO LARGO	4
CALLE ACERVO	CALLE CORDOBA	CALLE CATALONIA	4
CALLE BARCELONA	PASEO AVELLANO	PASEO ARRAYAN	4
CALLE BARCELONA	PASEO ALISO	PASEO AVELLANO	4
CALLE BARCELONA	EL CAMINO REAL	PASEO ALISO	4
CALLE BARCELONA	RANCHO SANTA FE ROAD	PASEO ALMENDRO	4
CALLE BARCELONA	PASEO ARRAYAN	PASEO ALMENDRO	4
CALLE COZUMEL	AVENIDA ANACAPA	CAMINO CORONADO	4
CALLE JALISCO	CAMINO CORONADO	CALLE BARCELONA	4
CALLE MADERO	LEVANTE STREET	CASTILLA PLACE	4
CALLE MADERO	CASTILLA PLACE	LA COSTA AVENUE	4
CALLE SAN BLAS	WEST END	AVENIDA ANACAPA	4
CALLE SAN BLAS	VIA ENSENADA	CALLE ACERVO	4
CALLE SAN BLAS	AVENIDA ANACAPA	VIA ENSENADA	4
CALLE TIMITEO	CALLE TIMITEO	CALLE TIMITEO	4
CALLE TIMITEO	CALLE TIMITEO	LA COSTA AVENUE	4
CALLE TIMITEO	CALLE TIMITEO	CALLE TIMITEO	4
CALLE TIMITEO	CALLE TIMITEO	CALLE TIMITEO	4
CALLE TIMITEO	CALLE TIMITEO	CALLE TIMITEO	4
CALLE TIMITEO	CALLE TIMITEO	CALLE TIMITEO	4
CALLE TIMITEO	CAMINO DE LOS COCHES	CALLE TIMITEO	4
CAMINO ALVARO	CORTE PEDRO	SOMBROSA STREET	4
CAMINO ALVARO	CORTE PEDRO	OLIVENHAIN ROAD (WB)	4
CAMINO CORONADO	SITIO CATANA	CALLE JALISCO	4
CAMINO CORONADO	CORTE TIBURON	VIA SAN CLEMENTE	4
CAMINO CORONADO	CALLE JALISCO	NORTHEAST END	4
CAMINO CORONADO	VIA SAN CLEMENTE	SITIO CATANA	4
CAMINO CORONADO	CALLE COZUMEL	CORTE TIBURON	4

STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
CAMINO DE LOS COCHES	RANCHO SANTA FE ROAD	CALLE TIMITEO	4
CAMINO DE LOS COCHES	CALLE ACERVO	CAMINO DE LOS COCHES	4
CAMINO DE LOS COCHES	CALLE TIMITEO	CALLE ACERVO	4
CAMINO DE LOS COCHES	VIA CALLENDO	LA COSTA AVENUE	4
CAMINO DE LOS COCHES	TERRAZA DISOMA	VIA CALLENDO	4
CAMINO DE LOS COCHES	CAMINO DE LOS COCHES	TERRAZA DISOMA	4
CAMINO GATO	CORTE CELESTE	SOMBROSA STREET	4
CAMINO GATO	VIA PEPITA	CORTE CELESTE	4
CANTERO WAY	SOLANO STREET	QUINTA STREET	4
CASTILLA PLACE	WEST END	CALLE MADERO	4
CHORLITO STREET	EL FUERTE STREET	ESTURION STREET	3
CIELO PLACE	DEL REY AVENUE	NORTH END	4
CIMA COURT	WEST END	LEVANTE STREET	4
CIRCULO ADORNO	CALLE ACERVO	CIRCULO ADORNO	4
COLIBRI LANE	EL GAVILAN COURT	FLAMENCO STREET	3
CORINTIA STREET	SOUTHWEST END	CORINTIA STREET	3
CORINTIA STREET	ALGA ROAD	UNICORNIO STREET	3
CORINTIA STREET	CORINTIA STREET	XANA WAY	3
CORINTIA STREET	XANA WAY	MELROSE DRIVE	3
CORTE CAROLINA	CORTE JARDIN	VIA IPANEMA	4
CORTE CAROLINA	VIA IPANEMA	AVENIDA PIMENTERA	4
CORTE CAROLINA	SOUTH END	SOMBROSA STREET	4
CORTE CAROLINA	SOMBROSA STREET	CORTE JARDIN	4
CORTE CELESTE	WEST END	CAMINO GATO	4
CORTE FELIPE	VIA IPANEMA	NORTHEAST END	4
CORTE JARDIN	WEST END	CORTE CAROLINA	4
CORTE MAZATLAN	AVENIDA ANACAPA	NORTH END	4
CORTE MORERA	WEST END	SITIO FRESNO	4
CORTE MORERA	SITIO FRESNO	VIA TECA	4
CORTE PEDRO	CAMINO ALVARO	NORTHEAST END	4
CORTE TIBURON	WEST END	CAMINO CORONADO	4
CORTE VERA CRUZ	SOUTHEAST END	AVENIDA ANACAPA	4
CUMBRE COURT	WEST END	LEVANTE STREET	4
DELFINA PLACE	GALLEON WAY	EAST END	4
DEL REY AVENUE	QUINTA STREET	CIELO PLACE	4
DEL REY AVENUE	BRAVA STREET	CADENCIA STREET	4
DEL REY AVENUE	CIELO PLACE	PUEBLO STREET	4
DEL REY AVENUE	PUEBLO STREET	BRAVA STREET	4
EL ASTILLERO PLACE	SOUTH END	LA DUELA LANE	4
EL BOSQUE AVENUE	MAJANO PLACE	LOS PINOS CIRCLE	4
EL BOSQUE AVENUE	GRADO EL TUPELO	MAJANO PLACE	4
EL CAMINO REAL	CARLSBAD VILLAGE DRIVE	HOSP WAY	1
EL CAMINO REAL	EL CAMINO REAL	CARLSBAD VILLAGE DRIVE	1
EL CAMINO REAL	HOSP WAY	MARRON ROAD	1
EL CAMINO REAL	ARENAL ROAD	AVIARA PARKWAY	4
EL CAMINO REAL	CHESTNUT AVENUE	EL CAMINO REAL	1
EL CAMINO REAL	HOSP WAY	CARLSBAD VILLAGE DRIVE	1
EL CAMINO REAL	CARLSBAD VILLAGE DRIVE	EL CAMINO REAL	1
EL CAMINO REAL	MARRON ROAD	HOSP WAY	1
EL CAMINO REAL	AVIARA PY	ARENAL ROAD	4
EL CAMINO REAL	EL CAMINO REAL	CHESTNUT AVENUE	1

STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
EL FUERTE STREET	POINSETTIA LANE	GREENHAVEN DRIVE	2
EL FUERTE STREET	CHORLITO STREET	RANCHO PANCHO	3
EL FUERTE STREET	GREENHAVEN DRIVE	BRESSI RANCH WAY	2
EL FUERTE STREET	RANCHO PANCHO	POINSETTIA LANE	3
EL FUERTE STREET	GATEWAY ROAD	PALOMAR AIRPORT ROAD	2
EL FUERTE STREET	GATEWAY ROAD	BRESSI RANCH WAY	2
EL FUERTE STREET	LOKER AVENUE EAST	FARADAY AVENUE	2
EL FUERTE STREET	PALOMAR AIRPORT ROAD	LOKER AVENUE EAST	2
EL FUERTE STREET	PRIVATE DY	GATEWAY ROAD	2
EL GAVILAN COURT	COLIBRI LANE	LA PALOMA STREET	3
EL GAVILAN COURT	LA PALOMA STREET	CAYENNE LANE	3
EL PATO COURT	LA GOLONDRINA STREET	NORTHEAST END	3
EL RASTRO LANE	LA GACHA LANE	LOS PINOS CIRCLE	4
EL RASTRO LANE	LOS PINOS CIRCLE	LA NEVASCA LANE	4
ESCENICO TERRACE	LEVANTE STREET	PALACIO DRIVE	4
ESCENICO TERRACE	RUSTICO DRIVE	LEVANTE STREET	4
ESTANCIA STREET	SEGOVIA WAY	SERRANO DRIVE	4
ESTANCIA STREET	SERRANO DRIVE	LEVANTE STREET	4
FARADAY AVENUE	FARADAY AVENUE	ORION STREET	2
FARADAY AVENUE	EL CAMINO REAL	PALMER WAY	2
FARADAY AVENUE	PALMER WAY	FARADAY AVENUE	2
FAROL PLACE	MORADA STREET	EAST END	4
FAROL COURT	WEST END	MORADA STREET	4
FLAMENCO STREET	FLAMENCO PLACE	COLIBRI LANE	3
GABACHO STREET	SEGOVIA WAY	GAVIOTA CIRCLE	4
GALICIA WAY	LEVANTE STREET	MALLORCA PLACE	4
GALICIA WAY	LEVANTE STREET	MALLORCA PLACE	4
GALLEON WAY	DELFINA PLACE	PRIMAVERA WAY	4
GALLEON WAY	LEVANTE STREET	DELFINA PLACE	4
GARBOSO STREET	SOUTH END	GARBOSO STREET	4
GARBOSO STREET	GARBOSO PLACE	AZAHAR PLACE	4
GARBOSO STREET	MORADA STREET	GARBOSO PLACE	4
GARBOSO STREET	ROMERIA STREET	MORADA STREET	4
GAVIOTA CIRCLE	WEST END	GABACHO STREET	4
GAVIOTA CIRCLE	GABACHO STREET	GAVIOTA PLACE	4
GAVIOTA PLACE	SOUTH END	GAVIOTA CIRCLE	4
GAVIOTA CIRCLE	SEGOVIA WAY	GAVIOTA PLACE	4
GEODE LANE	QUARTZ WAY	NORTHEAST END	2
GEODE LANE	TITANITE PLACE	QUARTZ WAY	2
GEODE LANE	WEST END	TITANITE PLACE	2
HARDING STREET	OAK AVENUE	CARLSBAD VILLAGE DRIVE	1
HARDING STREET	CARLSBAD VILLAGE DRIVE	GRAND AVENUE	1
HATACA ROAD	PUEBLO STREET	BRAVA STREET	4
HATACA ROAD	BRAVA STREET	CARLINA STREET	4
JACARANDA AVENUE	LOS PINOS CIRCLE	EAST END	4
JACARANDA AVENUE	AMARGOSA DRIVE	LOS PINOS CIRCLE	4
JACARANDA AVENUE	LA BRUSCA WAY	AMARGOSA DRIVE	4
LA BRUSCA WAY	JACARANDA AVENUE	LA MACERENA AVENUE	4
LA CAPELA PLACE	LAS MIENTES LANE	LA DUELA LANE	4
LA DUELA LANE	EL ASTILLERO PLACE	ROBLE PLACE	4
LA DUELA LANE	ROCOSO LANE	EL ASTILLERO PLACE	4

STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
LA DUELA LANE	ROBLE PLACE	LA CAPELA PLACE	4
LA GACHA LANE	EL RASTRO LANE	SOMBROSA STREET	4
LA GOLONDRINA STREET	LA PALOMA STREET	CAYENNE LANE	3
LA GOLONDRINA STREET	FLAMENCO STREET	LA PALOMA STREET	3
LA GOLONDRINA STREET	CAYENNE LANE	EL PATO COURT	3
LA GOLONDRINA STREET	WEST END	EL PATO COURT	3
LA MACERENA AVENUE	LOS PINOS CIRCLE	AMARGOSA DRIVE	4
LA MACERENA AVENUE	LA BRUSCA WAY	LOS PINOS CIRCLE	4
LA NEVASCA LANE	EL RASTRO LANE	SOMBROSA STREET	4
LA PALOMA STREET	WEST END	LA PALOMA STREET	3
LA PLANCHA LANE	ARBUSTO COURT	LOS PINOS CIRCLE	4
LA PLUMA LANE	ARBUSTO COURT	LOS PINOS CIRCLE	4
LA SELVA WAY	SOMBROSA STREET	LOS PINOS CIRCLE	4
LA TINADA COURT	WEST END	LOS PINOS CIRCLE	4
LADERA COURT	WEST END	LEVANTE STREET	4
LAS MIENTES LANE	LOS PINOS CIRCLE	LA CAPELA PLACE	4
LAS NUECES PLACE	LOS PINOS CIRCLE	NORTH END	4
LEVANTE STREET	SEGOVIA WAY	CALLE MADERO	4
LEVANTE STREET	PRIMAVERA WAY	GALLEON WAY	4
LEVANTE STREET	GALLEON WAY	ROMERIA STREET	4
LEVANTE STREET	ROMERIA STREET	MORADA STREET	4
LEVANTE STREET	CENTELLA STREET	LEVANTE STREET	4
LEVANTE STREET	MORADA STREET	ESTANCIA STREET	4
LEVANTE STREET	ESTANCIA STREET	CENTELLA STREET	4
LEVANTE STREET	CALLE MADERO	PRIMAVERA WAY	4
LEVANTE STREET	LEVANTE STREET	LEVANTE STREET	4
LEVANTE STREET	LEVANTE STREET	LA COSTA AVENUE	4
LOS PINOS CIRCLE	LA PLACEUMA LANE	LA PLACEANCHA LANE	4
LOS PINOS CIRCLE	LA PLACEANCHA LANE	LAS NUECES PLACE	4
LOS PINOS CIRCLE	ROCOSO LANE	AMARGOSA DRIVE	4
LOS PINOS CIRCLE	LAS MIENTES LANE	AMARGOSA DRIVE	4
LOS PINOS CIRCLE	JACARANDA AVENUE	EL RASTRO LANE	4
LOS PINOS CIRCLE	LA TINADA COURT	EL BOSQUE AVENUE	4
LOS PINOS CIRCLE	LA MACERENA AVENUE	LA TINADA COURT	4
LOS PINOS CIRCLE	OLIVENHAIN ROAD (WB)	JACARANDA AVENUE	4
LOS PINOS CIRCLE	LAS NUECES PLACE	ROCOSO LANE	4
LOS PINOS CIRCLE	LA SELVA WAY	LAS MIENTES LANE	4
LOS PINOS CIRCLE	EL BOSQUE AVENUE	LA PLACEUMA LANE	4
LOS PINOS CIRCLE	SOMBROSA STREET	ATADERO COURT	4
LOS PINOS CIRCLE	ATADERO COURT	LA SELVA WAY	4
LOS PINOS CIRCLE	EL RASTRO LANE	SOMBROSA STREET	4
LOWDER LANE	SOUTH END	LOWDER LANE	4
LOWDER LANE	LOWDER LANE	PASEO DEL NORTE	4
MADERA COURT	PUEBLO STREET	EAST END	4
MADERA COURT	WEST END	PUEBLO STREET	4
MAJANO PLACE	EL BOSQUE AVENUE	NORTH END	4
MALLORCA PLACE	GALICIA WAY	NORTH END	4
MARCA PLACE	PALENQUE STREET	NORTHEAST END	4
MICA ROAD	TITANITE PLACE	POINSETTIA LANE	3
MICA ROAD	BROOKITE COURT	TITANITE PLACE	2
MICA ROAD	HALITE PLACE	BROOKITE COURT	2

STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
MORADA STREET	FAROL PLACE	GARBOSO STREET	4
MORADA STREET	LEVANTE STREET	FAROL PLACE	4
NUEVA CASTILLA WAY	LEVANTE STREET	LA CORUNA PLACE	4
NUEVA CASTILLA WAY	LA CORUNA PLACE	LA COSTA AVENUE	4
OVIEDO PLACE	LEVANTE STREET	NORTH END	4
PALACIO DRIVE	ESCENICO TERRACE	NORTH END	4
PALACIO DRIVE	VUELTA COURT	PLACIDO COURT	4
PALACIO DRIVE	PLACIDO COURT	SERENO COURT	4
PALACIO DRIVE	SERENO COURT	ESCENICO TERRACE	4
PALACIO DRIVE	ANILLO WAY	VUELTA COURT	4
PALENQUE STREET	PLAZUELA STREET	BOLO PLACE	4
PALENQUE STREET	ANILLO WAY	MARCA PLACE	4
PALENQUE STREET	BOCA STREET	PLAZUELA STREET	4
PALENQUE STREET	MARCA PLACE	BOCA STREET	4
PASEO ALMENDRO	VIA ROMAZA	AVENIDA CIRUELA	4
PASEO ALMENDRO	CALLE BARCELONA	VIA ROMAZA	4
PASEO AVELLANO	CALLE BARCELONA	AVENIDA CASTANA	4
PASEO AVELLANO	AVENIDA CASTANA	AVENIDA CEREZA	4
PASEO AVELLANO	CAMINO SERBAL	SEGOVIA WAY	4
PASEO AVELLANO	AVENIDA CEREZA	CAMINO SERBAL	4
PASEO DEL NORTE	CAR COUNTRY DRIVE	PASEO DEL NORTE	2
PASEO DEL NORTE	GINGER AVENUE	SUNFLOWER WAY	3
PASEO DEL NORTE	PALOMAR AIRPORT ROAD	CAR COUNTRY DRIVE	2
PASEO DEL NORTE	PASEO DEL NORTE	CANNON ROAD	2
PASEO DEL NORTE	LOWDER LANE	GINGER AVENUE	3
PASEO DEL NORTE	SUNFLOWER WAY	CAMINO DE LAS ONDAS	3
PASEO FRONTERA	PASEO FRONTERA	PASEO FRONTERA	3
PASEO FRONTERA	PASEO FRONTERA	PASEO FRONTERA	3
PASEO FRONTERA	SOUTHWEST END	PASEO FRONTERA	3
PASEO FRONTERA	PASEO FRONTERA	XANA WAY	3
PASEO MEMBRILLO	VIA ROMAZA	EAST END	4
PASEO MEMBRILLO	SOUTH END	VIA ROMAZA	4
PENDON COURT	BOCA STREET	NORTH END	4
PINTORESCO COURT	SOUTHWEST END	REPOSADO DRIVE	4
PIRAGUA STREET	ESFERA STREET	TRIGO LANE	4
PLACIDO COURT	SOUTHWEST END	PALACIO DRIVE	4
PLAZUELA STREET	QUITASOL STREET	PALENQUE STREET	4
PRIMAVERA WAY	LEVANTE STREET	SAN BRISTO WAY	4
PRIMAVERA WAY	SAN BRISTO WAY	GALLEON WAY	4
PUEBLO STREET	MADERA COURT	DEL REY AVENUE	4
PUEBLO STREET	SOLANO STREET	RANA COURT	4
PUEBLO STREET	RANA COURT	HATACA ROAD	4
PUEBLO STREET	DEL REY AVENUE	HATACA ROAD	4
QUARTZ WAY	POINSETTIA LANE	GEODE LANE	3
QUINTA STREET	CANTERO WAY	DEL REY AVENUE	4
QUINTA STREET	LA COSTA AVENUE	CANTERO WAY	4
QUITASOL STREET	BOCA STREET	PLAZUELA STREET	4
RANA COURT	PUEBLO STREET	NORTHWEST END	4
RANCHO SANTA FE ROAD	RANCHO SANTA FE ROAD	CALLE BARCELONA	4
RANCHO SANTA FE ROAD	CALLE BARCELONA	RANCHO SANTA FE ROAD	4
RECODO COURT	PALACIO DRIVE	EAST END	4

STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
REPOSADO DRIVE	SUBIDA TERRACE	SALIENTE WAY	4
REPOSADO DRIVE	PINTORESCO COURT	SALIENTE WAY	4
REPOSADO DRIVE	LEVANTE STREET	PINTORESCO COURT	4
REPRESA CIRCLE	AMARGOSA DRIVE	AMARGOSA DRIVE	4
ROBLE PLACE	SOUTH END	LA DUELA LANE	4
ROCIO STREET	PALENQUE STREET	BOTELLA PLACE	4
ROCIO STREET	ANILLO WAY	BOTELLA PLACE	4
ROCOSO LANE	LOS PINOS CIRCLE	LA DUELA LANE	4
ROMERIA STREET	AZAHAR STREET	LA COSTA AVENUE	4
ROMERIA STREET	GARBOSO STREET	CADENCIA STREET	4
ROMERIA STREET	CADENCIA STREET	AZAHAR STREET	4
RUSTICO DRIVE	SALIENTE WAY	SUBIDA TERRACE	4
RUSTICO DRIVE	ESCENICO TERRACE	SALIENTE WAY	4
SACADA CIRCLE	LEVANTE STREET	BADAJOS PLACE	4
SACADA CIRCLE	LEVANTE STREET	BADAJOS PLACE	4
SALIENTE WAY	RUSTICO DRIVE	REPOSADO DRIVE	4
SEGOVIA WAY	SEGOVIA COURT	ESTANCIA STREET	4
SEGOVIA WAY	QUEBRADA CIRCLE	SEGOVIA COURT	4
SEGOVIA WAY	PASEO AVELLANO	SEGOVIA WAY	4
SEGOVIA WAY	GAVIOTA CIRCLE	QUEBRADA CIRCLE	4
SEGOVIA WAY	GABACHO STREET	GAVIOTA CIRCLE	4
SEGOVIA WAY	PASEO AVELLANO	VIA TECA	4
SEGOVIA WAY	SEGOVIA WAY	NORTH END	4
SEGOVIA WAY	VIA TECA	GABACHO STREET	4
SEGOVIA WAY	ESTANCIA STREET	QUEBRADA CIRCLE	4
SEGOVIA WAY	SEGOVIA WAY	LEVANTE STREET	4
SERENO COURT	WEST END	PALACIO DRIVE	4
SERRANO DRIVE	ESTANCIA STREET	NORTHWEST END	4
SITIO ABRIDOR	SOUTHWEST END	AVENIDA CIRUELA	4
SITIO BANIANO	SOUTH END	AVENIDA CIRUELA	4
SITIO CATANA	CAMINO CORONADO	NORTHWEST END	4
SITIO FRESNO	SOUTH END	CORTE MORERA	4
SITIO GRANADO	SOUTH END	AVENIDA CASTANA	4
SITIO NISPERO	SOUTH END	AVENIDA CIRUELA	4
SITIO PERAL	SOUTH END	AVENIDA CASTANA	4
SOLANO STREET	SOUTH END	CANTERO WAY	4
SOLANO STREET	CANTERO WAY	PUEBLO STREET	4
SOLANO STREET	PUEBLO STREET	NORTH END	4
SOMBROSA STREET	AVENIDA THERESA	CORTE CAROLINA	4
SOMBROSA PLACE	AMARGOSA DRIVE	NORTHWEST END	4
SOMBROSA STREET	LA SELVA WAY	LOS PINOS CIRCLE	4
SOMBROSA STREET	CAMINO ALVARO	AVENIDA THERESA	4
SOMBROSA STREET	LA GACHA LANE	LA SELVA WAY	4
SOMBROSA STREET	CAMINO GATO	CAMINO ALVARO	4
SOMBROSA STREET	LA NEVASCA LANE	CAMINO GATO	4
SOMBROSA STREET	LOS PINOS CIRCLE	LA NEVASCA LANE	4
SOMBROSA STREET	LA GACHA LANE	AMARGOSA DRIVE	4
SUBIDA TERRACE	RUSTICO DRIVE	REPOSADO DRIVE	4
TAMARACK AVENUE	STRATA DRIVE	KNOLLWOOD DRIVE	2
TAMARACK AVENUE	SADDLE DRIVE	STRATA DRIVE	2
THE CROSSINGS DRIVE	THE CROSSINGS DRIVE	NORTH END	2

STREET SEGMENT	FROM INTERSECTION	TO INTERSECTION	COUNCIL DISTRICT
THE CROSSINGS DRIVE	THE CROSSINGS DRIVE	THE CROSSINGS DRIVE	2
THE CROSSINGS DRIVE	HIDDEN VALLEY ROAD	THE CROSSINGS DRIVE	2
THE CROSSINGS DRIVE	THE CROSSINGS DRIVE	THE CROSSINGS DRIVE	2
TITANITE PLACE	GEODE LANE	MICA ROAD	2
TORREJON PLACE	LEVANTE STREET	LEVANTE STREET	4
TRIGO LANE	PIRAGUA STREET	CABO WAY	4
UNICORNIO STREET	CACATUA STREET	PLATINUM PL	3
UNICORNIO STREET	MOONSTONE PL	ZIRCON PL	3
UNICORNIO STREET	VISTA DEL ORO	VISTA DEL ORO	3
UNICORNIO STREET	PEARL PL	MOONSTONE PL	3
UNICORNIO STREET	GARNET PL	HAWKS EYE PL	3
UNICORNIO STREET	HAWKS EYE PL	EMERALD PL	3
UNICORNIO STREET	VISTA DEL ORO	CACATUA STREET	3
UNICORNIO STREET	EMERALD PL	EL FUERTE STREET	3
UNICORNIO STREET	CORINTIA STREET	VISTA DEL ORO	3
UNICORNIO STREET	ZIRCON PL	GARNET PL	3
UNICORNIO STREET	PLATINUM PL	PEARL PL	3
VIA EMERADO	SOUTH END	AVENIDA THERESA	4
VIA ENSENADA	CALLE SAN BLAS	NORTH END	4
VIA IPANEMA	SOUTHEAST END	CORTE FELIPE	4
VIA IPANEMA	CORTE CAROLINA	CORTE FELIPE	4
VIA MARIPOSA	XANA WAY	EAST END	3
VIA PEPITA	WEST END	CAMINO GATO	4
VIA PEPITA	CAMINO GATO	NORTHEAST END	4
VIA ROMAZA	PASEO MEMBRILLO	SOUTHEAST END	4
VIA ROMAZA	PASEO ALMENDRO	PASEO MEMBRILLO	4
VIA SAN CLEMENTE	CAMINO CORONADO	CALLE BARCELONA	4
VIA TECA	SEGOVIA WAY	CORTE MORERA	4
VISTA GUYABA	SOUTHWEST END	AVENIDA CIRUELA	4
VISTA NUEZ	SOUTHWEST END	AVENIDA CIRUELA	4
VUELTA COURT	SOUTHWEST END	PALACIO DRIVE	4
XANA WAY	UNICORNIO STREET	PASEO FRONTERA	3
XANA WAY	ALGA ROAD	XANA WAY	3
XANA WAY	XANA WAY	XANA WAY	3
XANA WAY	XANA WAY	XANA WAY	3
XANA WAY	XANA WAY	CORINTIA STREET	3
XANA WAY	VIA MARINERO	XANA WAY	3
XANA WAY	XANA WAY	XANA WAY	3
XANA WAY	ALGA ROAD	XANA WAY	3
XANA WAY	VIA MARINERO	VIA MARIPOSA	3
XANA WAY	PASEO FRONTERA	XANA WAY	3
XANA WAY	XANA WAY	XANA WAY	3
XANA WAY	VIA MARIPOSA	XANA WAY	3
XANA WAY	WEST END	UNICORNIO STREET	3

Minutes of the Jan. 3, 2023,
Traffic & Mobility Commission Meeting
(on file in the Office of the City Clerk)

Minutes of the June 5, 2023,
Traffic & Mobility Commission Meeting
(on file in the Office of the City Clerk)

Minutes of the Feb. 5, 2024,
Traffic Safety & Mobility Commission Meeting
(on file in the Office of the City Clerk)

Plans, Specifications and Contract Documents
(on file in the Office of the City Clerk)



CITY COUNCIL
Staff Report

Meeting Date: May 14, 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

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.

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 the 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 3 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.
- The City Council continued the emergency proclamation on Feb. 27, 2024.
- The City Council continued the emergency proclamation again on March 12, 2024, approving the plans for the repair work and authorizing additional appropriations in the amount of \$955,000.
- The City Council continued the emergency proclamation on March 19, 2024, March 26, 2024, April 9, 2024, April 16, 2024, April 23, 2024, and May 7, 2024.

Staff are now 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. 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 use the emergency exemption.

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 again to allow for the swift repair of the slope 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, a city contractor, completed emergency protective measures at a cost of \$5,774, which included removing debris and placing 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., or Condon-Johnson, initially provided a cost estimate of approximately \$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 \$2,443,180 for the total cost, which includes the initial estimate of \$870,990 for installation of 26 emergency shore stability pins in Phase 1, which stabilize the slope, and \$1,572,190 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 well as increased steel, additional two pins for Phase 1 and stabilizing the slope by hydroseeding.

- On March 6, 2024, staff issued a notice to proceed to the contractor to perform the emergency work. The emergency work started on March 12, 2024, and is expected to be completed by June 2024.
- On March 19, 2024, in keeping with CMC Section 15.16.060(B)(2) – Work exempt from grading permit, the City Engineer made the determination to exempt the work from the requirement that the project receive a grading permit.
- On March 19, 2024, the consultant indicated that the number of emergency shore stability pins will increase to 28 instead of the initial 26 that was proposed. This change will be reflected in the as-built drawings.
- On March 19, 2024, the contractor, Condon-Johnson, and the City Manager fully executed the contract in the amount of \$870,990.
- On March 20, 2024, the contractor submitted a change order request in the amount of \$1,572,190 for Phases 2-5. Staff have processed a change order in that amount.

Staff recommend that the City Council continue the emergency proclamation again 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.

Fiscal Analysis

Funding for the emergency work in the amount of \$3,317,600 will come from the funding in the General Capital Construction Fund for Capital Improvement Program Project No. 6107. Total project cost for the emergency work has increased to \$2,972,852.

Trieste Drive Slope Repair Project Capital Improvement Program Project No. 6107	
Total appropriated funds to date	\$3,317,600
Total expenditures and encumbrances to date	-\$338,974
Total available funding	\$2,978,626
Emergency work (slope repair) – Condon-Johnson & Associates, Inc.	-\$2,443,180
Design and administrative costs – Engineering Systems Inc.	-\$190,250
Construction management – Infrastructure Engineering Corporation	-\$78,320
Special inspection – Leighton Consulting, Inc.	-\$52,050
Environmental monitoring (estimated) – LSA	-\$50,000
Construction contingency balance	-\$159,052
Total estimated emergency Capital Improvement Program project costs	-\$2,972,852
Emergency protective measures – Urban Corps	-\$905
Staff labor and materials costs	-\$4,869
Total estimated emergency protective measures costs	-\$5,774
Additional appropriation needed	\$0

This emergency work may 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 \$3 million.

On April 4, 2024, staff met with Office of Emergency Services, staff to discuss this emergency project and have provided additional supplemental information. Staff provided CalOES staff additional information as requested on April 11, 2024. Staff also met with Office of Emergency Services, staff on April 25, 2024.

Next Steps

The contractor has begun performing the emergency work with an estimated completion date of June 2024. Staff will return to the City Council again on May 21, 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 under Sections 15301(d) and 15301(f) of the CEQA Guidelines, which apply to projects for the 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. 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

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, on March 12, 2024, the City Council continued the emergency proclamation again, approved the plans and authorized additional appropriations in the amount of \$955,000; and

WHEREAS, on March 19, 2024, March 26, 2024, April 9, 2024, April 16, 2024, April 23, 2024, and May 7, 2024, the City Council continued the emergency proclamation again; and

WHEREAS, on March 19, 2024, the City Engineer made the determination to exempt the work from the requirements of a grading permit, consistent with CMC Section 15.16.060(B)(2); and

WHEREAS, a contractor commenced the emergency work on March 12, 2024, and is expected to complete the work by June 2024; and

WHEREAS, staff request that the City Council continue the emergency proclamation again to enable completion of the work; 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.

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.

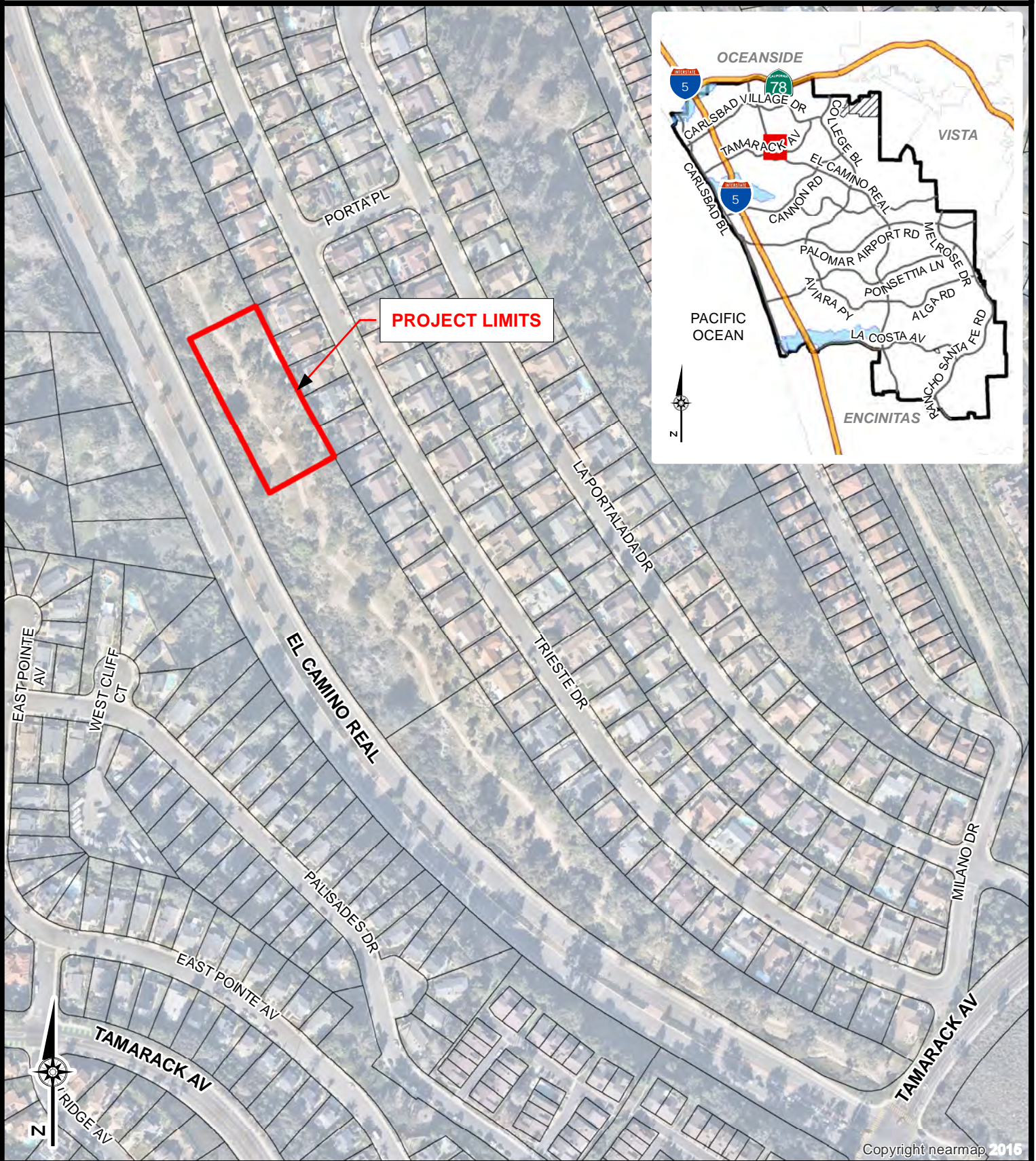
Dated: 14 FEB 24

By:  _____

SCOTT CHADWICK
City Manager/Director of Emergency Services

LOCATION MAP

Exhibit 3



TRIESTE DRIVE SLOPE REPAIR PROJECT

PROJECT
NUMBER
6107

EXHIBIT
3



CITY COUNCIL
Staff Report

Meeting Date: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

Staff Contact: Tammy McMinn, Senior Deputy City Clerk
 tammy.mcminn@carlsbadca.gov, 442-339-2953

Subject: Mayoral Appointment of Two Members to the Historic Preservation Commission

Districts: All

Recommended Action

1. Adopt resolution appointing one member to the Historic Preservation Commission; and
2. Adopt resolution appointing one member to the Historic Preservation Commission.

Executive Summary

The City Council is being asked to appoint two members to the Historic Preservation Commission, which acts in an advisory capacity to the City Council, Planning Commission, and Housing Commission in all matters relating to the identification, protection, retention, and preservation of historic resources within the city. The vacancies are currently in Category A to consist of members who have a background or interest in architecture, archeology, history, biology, engineering, geology, or a related field.

The commission consists of five members appointed by the Mayor and confirmed by the City Council, and one non-voting, ex officio representative from the Planning Commission. Members must be residents of Carlsbad and normally serve four-year terms, unless appointed to fill an unexpired term.

Explanation & Analysis

Commissioner Jamie Jacobs was appointed to the Historic Preservation Commission in April 2022, to fill the unexpired term of Commissioner Robert Prosser for a term ending in April 2024. There is currently a scheduled vacancy on the Arts Commission for a term ending in April 2028. Commissioner Jacobs is eligible for and seeking reappointment.

Commissioner Patty Schreibman was appointed to the Historic Preservation Commission in April 2021, to fill the expired term of Commissioner Anne Estes. There is currently a scheduled vacancy on the Historic Preservation Commission for a term ending in April 2028. Commissioner Schreibman is eligible for and seeking reappointment.

The City Clerk’s Office received four applications from residents wishing to serve on the Historic Preservation Commission. In keeping with City Council Policy No. 88, the Mayor has chosen the following two applicants to advance in the process and interview with the full City Council:

- Jamie Jacobs – District 2 – seeking reappointment
- Patty Schreibman – District 3 – seeking reappointment

Exhibit 3 contains the applications of the applicants moving forward in the interview process.

The Maddy Act (California Government Code Sections 54970-54974) requires that on or before December 31 of each year the legislative body shall prepare a Local Appointments List, which contains the appointive terms of Board and Commission members that will expire in the next calendar year. The name of the incumbent appointee, the date of appointment and the term expiration date is also included on the list. Based on the prepared list, the City Clerk’s Office accepts applications (available on the city’s website and in the City Clerk’s Office) for any upcoming vacancies.

The current members of the Historic Preservation Commission are:

Commission member	District
Raúl Díaz	1
Chad Majer	1
John May	1

Members of the Historic Preservation Commission are subject to the provisions of California’s Political Reform Act of 1974 and must file statements of economic interest each year and complete two hours of ethics training every two years.

Fiscal Analysis

This action has no financial impact.

Next Steps

Following the appointment of two members to the Historic Preservation Commission, the City Clerk’s Office will update the commission roster and coordinate the oaths of office and the filing of the appointees’ statements of economic interest and ethics training certificates.

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 in the environment or a reasonably foreseeable indirect physical change in the environment.

Exhibits

1. City Council resolution appointing one member to the Historic Preservation Commission
2. City Council resolution appointing one member to the Historic Preservation Commission
3. Applications received from residents advancing to the interview process

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPOINTING ONE MEMBER TO THE HISTORIC PRESERVATION COMMISSION

WHEREAS, Commissioner Jamie Jacobs was appointed to the Historic Preservation Commission in April 2022, to fill the unexpired term of Commissioner Robert Prosser for a term ending in April 2024; and

WHEREAS, Commissioner Jacobs is eligible for and seeking reappointment; and

WHEREAS, a scheduled vacancy on the Historic Preservation Commission exists with a term ending in April 2028.

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 following Carlsbad resident is appointed to serve on the Historic Preservation Commission, for a term ending in April 2028, or until a replacement is appointed:

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)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, APPOINTING ONE MEMBER TO THE HISTORIC PRESERVATION COMMISSION

WHEREAS, Commissioner Patty Schreibman was appointed to the Historic Preservation Commission in April 2021 to fill the expired term of Commissioner Anne Estes; and

WHEREAS, Commissioner Schreibman is eligible for and seeking reappointment; and

WHEREAS, a scheduled vacancy on the Historic Preservation Commission exists with a term ending in April 2028.

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 following Carlsbad resident is appointed to serve on the Historic Preservation Commission, for a term ending in April 2028, or until a replacement is appointed:

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:

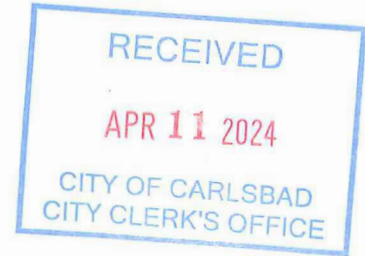
ABSENT:

KEITH BLACKBURN, Mayor

SHERRY FREISINGER, City Clerk
(SEAL)



Boards, Commissions and Committees Application for Appointment



Arts Commission	<input type="checkbox"/>	Housing Commission	<input type="checkbox"/>	Planning Commission	<input type="checkbox"/>
Beach Preservation Committee	<input type="checkbox"/>	Library Board of Trustees	<input type="checkbox"/>	Senior Commission	<input type="checkbox"/>
Historic Preservation Commission	<input checked="" type="checkbox"/>	Parks & Recreation Commission	<input type="checkbox"/>	Traffic Safety & Mobility Commission	<input type="checkbox"/>
Tourism Business Improvement District	<input type="checkbox"/>	Golf Lodging Business Improvement District	<input type="checkbox"/>	Agricultural Mitigation Fee Committee	<input type="checkbox"/>
Community-Police Engagement Commission	<input type="checkbox"/>				

Personal Information

If applying for more than one, please indicate order of preference.

Name Jamie Latiano Jacobs		Date of Birth:
Home Address		District No. 2 <input checked="" type="checkbox"/>
City Carlsbad	ZIP 92010	
Home Phone	Mobile	
E-mail		
Occupation Business Owner & Professor		
Employer Gig Talent		
Employer Address		
City Carlsbad	ZIP 92008	
Work Phone	Mobile	

Acknowledgements

	Yes	No
I am a resident of the City of Carlsbad.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am a registered voter in Carlsbad.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are you currently or have you ever been an officer of or employed by the City of Carlsbad? If yes, please explain below.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are you currently or have you ever been under contract with the City of Carlsbad? If yes, please explain below.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am a Citizens Academy graduate.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
I am familiar with the responsibilities of the board/commission/committee(s) on which I wish to serve.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am willing to be interviewed regarding my qualifications for appointment by the City Council or at the request of an individual Council member.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am willing to file financial disclosure statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am willing to complete two hours of state mandated ethics training every two years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please make sure that your text fits in the box provided or attach an additional sheet if needed.

Explanations

I am a leadership coach and coached multiple city employees as part of the leadership development program in 2018-2019.

Please describe your educational background

I have Bachelors of Arts in History and Political Science from University of California, San Diego (UCSD) and a Master's in Business Administration (MBA) from Chapman University in Orange, CA. I am a certified coach by the Hudson Institute of Coaching. I completed the Leadership Tomorrow program in Orange County which is a nine month designed to expand knowledge, empower citizens and promote community involvement as you learn about all aspects of the community including history, the arts, water and utilities, education, health and human services, local government, housing and transport, justice and public safety and business and community.

Please describe relevant experience

I am a Carlsbad native and have seen the growth and evolution of Carlsbad since 1977. I bought my first home in Carlsbad in 1998 and our current one in 2016 to raise our family here. I am an active member in our community and care deeply about our future and the preservation of our incredible history. I was a history major in college due to my interest in history and am passionate about protecting historical jewels in Carlsbad such as Leo Carrillo Ranch, the village and many others. Additionally, I have significant relevant experience in community organizations and non-profit boards.

Please describe your current or past community involvement

CARLSBAD CHAMBER OF COMMERCE, Member 2018-Current CONSCIOUS CAPITALISM SAN DIEGO, Conscious Cultivist Roundtable Secretary Treasurer of the Board, 2017-2019 Audit Committee Chair Chair Regional Council on Technology WOMENS ECONOMIC VENTURES, Thrive Entrepreneurial Business Coach HRO TODAY, HR Superstar..., Cream of the Crop Winner SAN DIEGO BUSINESS JOURNAL, Women Who Mean Business Award Winner SAN DIEGO HUMAN RESOURCES FORUM, HR Team of Excellence Winner

Please list all service on boards, commissions or committees, private or public agencies, (including non-profit organizations)

National Human Resources Association 2005-Current San Diego Workforce Partnership, Workforce Development Board, 2016-2019 Sage Creek High School Site Council Member, 2016-2018 Orange County Workforce Investment Board, Board of Directors, 2012-2014 Working Wardrobes, Board of Directors 2012 Boys and Girls Clubs of Tustin, Board of Directors, 2005-2011

Additional information or comments

Thank you for considering my application. I'm happy to provide any additional information that would be helpful.

Submission Information

Please select the submit button below to electronically submit application. If you prefer to print, please select "print form" button, sign and mail to:

City of Carlsbad
City Clerk's Office
1200 Carlsbad Village Drive
Carlsbad, CA 92008.

Signature _____

Date 4/11/2024

* Only required to sign if submitting paper form; if submitting electronically your submittal via e-mail is considered acknowledgement.

Clear form

Print form

Submit form



Boards, Commissions and Committees Application for Appointment

RECEIVED
 APR 11 2024
 CITY OF CARLSBAD
 CITY CLERK'S OFFICE

Arts Commission	<input type="checkbox"/>	Housing Commission	<input type="checkbox"/>	Planning Commission	<input type="checkbox"/>
Beach Preservation Committee	<input type="checkbox"/>	Library Board of Trustees	<input type="checkbox"/>	Senior Commission	<input type="checkbox"/>
Historic Preservation Commission	<input checked="" type="checkbox"/>	Parks & Recreation Commission	<input type="checkbox"/>	Traffic Safety & Mobility Commission	<input type="checkbox"/>
Tourism Business Improvement District	<input type="checkbox"/>	Golf Lodging Business Improvement District	<input type="checkbox"/>	Agricultural Mitigation Fee Committee	<input type="checkbox"/>
Community-Police Engagement Commission	<input type="checkbox"/>				

Personal Information

If applying for more than one, please indicate order of preference.

Name Patty Schreiberman		Date of Birth: [Signature]
Home Address		<u>District No.</u> 3 <input checked="" type="checkbox"/>
City Carlsbad	ZIP 92011	
Home Phone	Mobile	
E-mail		
Occupation Land Use Consultant		
Employer Self		
Employer Address N/A		
City N/A	ZIP N/A	
Work Phone N/A	Mobile	

Acknowledgements

	Yes	No
I am a resident of the City of Carlsbad.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am a registered voter in Carlsbad.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are you currently or have you ever been an officer of or employed by the City of Carlsbad? If yes, please explain below.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are you currently or have you ever been under contract with the City of Carlsbad? If yes, please explain below.	<input type="checkbox"/>	<input checked="" type="checkbox"/>
I am a Citizens Academy graduate.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am familiar with the responsibilities of the board/commission/committee(s) on which I wish to serve.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am willing to be interviewed regarding my qualifications for appointment by the City Council or at the request of an individual Council member.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am willing to file financial disclosure statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I am willing to complete two hours of state mandated ethics training every two years.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Please make sure that your text fits in the box provided or attach an additional sheet if needed.

Explanations

I would be very happy to serve on the Historic Preservation Commission, if selected. I have been a resident of Carlsbad for more than 20 years and have been an active member of the community in a variety of activities. I look forward to additional opportunities to serve my community and make use of my experience and skills.

Please describe your educational background

I have Bachelor's Degrees in both Communications and in International Relations. I have also taken numerous post-graduate courses in real estate and land use planning as part of my career development.

Please describe relevant experience

While my specific experience has been with land-use activities within the City of San Diego, I look forward to applying that background to my own Carlsbad Community. I have worked in the real estate and land-use field for more than 30 years in a variety of positions. I am passionate about history and architecture and have been involved with the creation of architectural guidelines and other planning tools with an emphasis on placemaking and creation of community-serving public spaces.

Please describe your current or past community involvement

I was selected and served on the Proposition P Citizens' Advisory Committee several years back, but otherwise have not been active in similar boards or committees within Carlsbad. I have, however, had many opportunities to serve the Carlsbad community as a volunteer through youth-serving activities such as scouting, youth sports, PTA, and other youth-related fundraising and school supporting events.

Please list all service on boards, commissions or committees, private or public agencies, (including non-profit organizations)

Current Member of San Diego Imperial Council Boy Scouts of America Board of Directors. Served as Chair of Mission Valley Unified Planning Committee, Mission Valley Design Advisory Board, and Planned District Ordinance Committee. Served on City of San Diego Committee for development of Transit-Oriented Guidelines. Served on Proposition P Citizens' Advisory Committee for Carlsbad.

Additional information or comments

I believe my background in real estate and land-use and passion for both architecture and history, as well as my desire to serve my Community of Carlsbad, will allow me to make a great addition to the Carlsbad Historic Preservation Commission.

Submittal Information

Please select the submit button below to electronically submit application. If you prefer to print, please select "print form" button, sign and mail to:

City of Carlsbad
City Clerk's Office
1200 Carlsbad Village Drive
Carlsbad, CA 92008.

Signature _____

Date 4/11/2024

* Only required to sign if submitting paper form; if submitting electronically your submittal via e-mail is considered acknowledgement.

Clear form

Print form

Submit form



CITY COUNCIL
Staff Report

Meeting Date: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager

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

Matt Sanford, Economic Development Manager
matt.sanford@carlsbadca.gov, 442-339-5987

Subject: Economic and Financial Update for the Third Quarter of Fiscal Year 2023-24

Districts: All

Recommended Actions

1. Receive a report on the economic and financial update for the third quarter of fiscal year 2023-24 and provide direction as appropriate.
2. Adopt a resolution authorizing the City Manager or designee to appropriate \$5,200,000 from the General Fund to transfer to the Risk Management Fund and to appropriate \$5,200,000 from the Risk Management Fund for claims, settlement and reserves costs to the Fiscal Year 2023-24 Operating Budget.

Executive Summary

The City Manager has committed to providing quarterly updates to the City Council on the city's economic outlook and finances. The update reviews the city's economic and fiscal health and serves as a measure of budgetary performance.

In this report, staff will provide a presentation on:

- National, state, regional and Carlsbad-specific economic data
- The city's most recent financial data

This report also details recent economic trends and information on current impacts on our local economy. In line with regional trends, Carlsbad experienced increases in revenues in almost all categories when compared to the same quarter in the previous fiscal year, and expenditures are in line with the prior year's rate of spending.

Explanation & Analysis

Economic update

Carlsbad's economy is diverse, has strong industry clusters and is a leader in innovation. The City is home to five key industry clusters that are driving growth:

- Life sciences
- Information and communications technologies
- Clean technology¹
- Sports innovation and design
- Hospitality and tourism

Carlsbad ended 2022 with a gross regional product of \$17.1 billion, indicating that Carlsbad has the largest economy in the county behind the City of San Diego. This marks 9.9% growth over the previous year. In addition, among the county's 18 cities, Carlsbad's hospitality and tourism industry generates the second-highest amount of transient occupancy tax, the tax assessed on local hotel, motel and short-term vacation rental stays.

Despite a few notable layoff announcements, the unemployment rate remains at a relatively low 4.4% to end the quarter. The sentiment shared by business leaders suggests that the layoffs that are occurring are a "right-sizing" of operations and that once they are conducted, companies would be in a position to resume growth. Job posting data would suggest this trend is accurate. In the first quarter, there were 1,100 more jobs posted in Carlsbad than the previous quarter, totaling 8,856 unique job postings.

The labor market remains exceptionally tight, with a current ratio of approximately 1.5 open jobs for every available worker. Overall, regional economic indicators suggest a healthy economy with a positive outlook for the coming year, underpinned by strong labor demand and strategic adjustments within key industries.

Commercial office and industrial vacancies have ticked up slightly in the last quarter. On the industrial side, a few large properties account for the majority of the increase, and commercial brokers have not expressed any concern about future leasing. The increase in office properties is partially attributable to employers reducing office space to meet their current needs, leading to an average reduction of about 15%. This is a trend taking place across the country as hybrid work continues. Carlsbad has fared better than most cities in this area, which have experienced a hollowing out in their office tenants, but staff will continue to monitor this trend.

As a whole, the U.S. economy continues to grow, up by 1.6% according to the advance estimate for the first quarter of 2024. Nationally, consumer spending has remained stronger than most forecasts had predicted. This has resulted in inflation increasing slightly to 3.5% nationally while continuing to decrease at the local level, to 3.6% for San Diego County. Both rates are elevated above the Federal Reserve's target level of 2%. Many economists describe the current inflation as stubborn and theorize interest rates will remain at their current level for the foreseeable future, until inflation decreases further.

Some speculation among economists suggests the tumultuous nature of inflation in recent months may be because investors tried to get ahead of a Federal Reserve decision on adjusting

¹ Clean technology refers to a broad range of technologies that are intended to reduce or eliminate negative environmental impacts and protect natural resources.

interest rates. This resulted in financial institutions prematurely lowering rates, which triggered renewed consumer confidence and spending, which then resulted in a rise in inflation.

Despite the elevated interest rates, home values in Carlsbad continue to rise. The current median home price in the city is \$1.54 million, which is a 12% gain in the last year.

To ensure the city remains responsive to the changing landscape, staff have capitalized on greater in-house economic data capabilities and analytics developed over the past year to publish a quarterly economic scan. The complete economic scan for the third quarter of fiscal year 2023-24 is provided as Exhibit 2.

Staff also publish relevant data on the city's economic development site, carlsbadca.gov/doingbusiness.

Financial update

The COVID-19 pandemic created immense uncertainty in the city's revenues, most notably those from the sales tax and transient occupancy tax. The fiscal year 2021-22 adopted budget anticipated continued adverse impacts from the pandemic with moderate recovery. However, General Fund revenues, specifically property, sales and transient occupancy tax revenues, reached historically high levels in fiscal years 2021-22 and 2022-23. This was mainly due to the staggered removal of COVID-19 restrictions, coupled with pent-up demand and inflationary increases.

During the development of the fiscal year 2022-23 adopted budget, unprecedented inflationary increases and its anticipated impacts on disposable income, personal savings, tourism and the housing market drove the need for conservative revenue estimating and budget tightening. As fiscal year 2022-23 came to a close, the primary revenue sources for the city's General Fund continued to persevere through the high inflationary period, sustained by strong consumer demand.

Despite the recent positive historical revenue performance, as we continue through fiscal year 2023-24, monitoring the city's revenues and expenditures and taking necessary proactive steps toward mitigating economic uncertainty is critical.

The March 2024 Financial Status Report is provided as Exhibit 3.

Revenues

The General Fund’s top three revenue sources – property, sales and transient occupancy tax – reached historic highs in fiscal year 2022-23. The fiscal year 2023-24 adopted budget took a conservative approach at estimating these revenue sources because revenue growth appears to be leveling off. However, year-over-year increases for property and sales taxes through the first three quarters of the year are notably positive, given the amount of uncertainty in the economy. The table below shows the differences in revenue when comparing the first half of fiscal year 2023-24 with the same period in the prior fiscal year.

Fiscal year 2023-24 year-to-date revenues as of March 2024 compared to fiscal year 2022-23 as of March 2023

<u>Revenue category</u>	<u>Change (\$)</u>	<u>Change (%)</u>
Transient occupancy tax	-\$1,178,041	-4%
Property tax	\$3,687,255	7%
Sales tax	\$2,459,972	6%
Charges for services	\$1,292,607	14%
Investments, property income	\$1,661,827	36%
Interdepartmental charges	\$252,715	6%
Licenses and permits	-\$41,508	-2%
Other revenue sources	-\$434,474	-42%
Fines and forfeitures	18,189	6%
Intergovernmental	\$741,039	85%
Other taxes	-\$40,212	-0%
Total revenues	\$8,419,369	6%

Major revenue sources

Property tax

The majority of property tax revenue is collected in December and April each year. Increases of \$3.7 million for the first three quarters of the fiscal year are due to an 8.1% increase in assessed property values when compared to last year. Revenue from aircraft taxes has also increased due to an increase in aircraft assessed values combined with an increase in the number of aircrafts housed at the county’s Palomar-McCellan Airport.

Sales tax

For the first three quarters of the fiscal year, sales tax revenue is \$2.5 million higher than the same period in the previous fiscal year. To date, sales tax revenue represents receipts that were collected for the third and fourth quarters of calendar year 2023 as well as the first advance of the city’s sales tax revenue from the first calendar quarter of 2024.

The city experienced accelerated recovery in fiscal year 2021-22, after the impacts of the COVID-19 pandemic. During fiscal year 2022-23, the city experienced historically high levels of sales tax revenue driven by inflation and sustained by unwavering consumer demand. Staff are anticipating that this growth in sales will level off and slow down this fiscal year.

The largest economic segments in the city are automobile dealers, general retail stores and restaurants. Together, they generate approximately 70% of the city's sales tax revenue. For sales occurring in the fourth calendar quarter of 2023, the most recent data available shows key year-over-year gains in new auto sales.

A significant portion of the year-over-year increase is attributed to the auto sales sector, and a correction in methodology for how one taxpayer's respective sales were being assigned and reported to the California Department of Tax and Fee Administration. Staff have determined that this correction will be applied to future reporting quarters (i.e., this correction results in additional on-going revenue).

Although sales tax revenues have increased in total, growth has been tempered in numerous industry groups. As of March 2024, the sale of general retail and food products remained virtually unchanged from the previous year, while construction and business-to-business saw notable declines. Staff will continue to monitor sales tax performance, particularly as inflation is anticipated to continue dropping, and provide reports to the City Council accordingly.

Transient occupancy tax

Year-to-date transient occupancy tax figures represent taxes collected on overnight hospitality stays through the month of February 2024. The revenue received in the first three quarters represents a decrease of \$1.2 million, or -4% when compared to the same year-to-date period last year.

Occupancy rates in January, February and March 2024 averaged 70.6%, and represented nominal change over the previous year, and average daily room rates were about 1% less than the previous year. While occupancy rates remain stable, particularly compared to the decline experienced during the second quarter, it will be important to monitor the impact of average daily room rate fluctuations on occupancy rates moving forward.

Expenditures and encumbrances

Overview

Total General Fund expenditures and encumbrances – those funds either spent or committed for specific expenses – through the month of March 2024 are \$177.1 million, compared to \$165.3 million at the same time last year. The remaining budget available through the fiscal year ending June 30, 2024, is \$64.6 million, or 26.7%.

Excluding transfers out, contingencies, and non-departmental charges, the percentage of available budget that is not earmarked for specific expenses, as of March 31, 2024, is 25.4%, which is slightly less than the 28.3% available on March 31, 2023.

Pension funding

The costs of CalPERS, the state pension system for government employees and pension funding, has been and will continue to be a challenge for participating agencies like the City of Carlsbad. CalPERS administers the city's defined benefit pension plan, and costs have been increasing in past years as CalPERS addresses a structural shortfall in the plan's assets to cover unfunded liabilities.

In support of CalPERS strategies for plan sustainability and as part of the city's strategic, long-term approach to financial management, the city actively manages its unfunded pension liability. The City Council has approved additional discretionary payments of \$56.4 million since

fiscal year 2016-17 to decrease future costs related to the city's unfunded actuarial liability and strive to achieve a pension-funded status of 80% in accordance with City Council Policy 86.

As of June 30, 2022, CalPERS' latest actuarial valuation report indicated the city had a combined pension funded status of 74.6%, reduced from the prior year's status of 86%. This reduction was predominantly driven by CalPERS' fiscal year 2021-22 investment loss of -6.1%. This negative return will not impact the city's required contributions until fiscal year 2024-25.

On Sept. 12, 2023, the City Council approved the establishment of a public agencies post-employment benefits trust (known as a Section 115 Trust). This 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 within the General Fund. The City Council approved an initial trust contribution of \$10 million on Sept. 26, 2023.

As of March 31, 2024, the city's Section 115 Trust had a balance of \$10,702,095, including the initial \$10 million contribution. Considering the assets held by CalPERS as well as the assets held in the city's trust, the combined pension funded status as of March 2024 is 75.8%. Staff will continue to monitor the activities in the trust and report the city's pension-funded status to the City Council quarterly.

Enterprise funds

The city's water and wastewater enterprise funds² continue to operate in line with budgeted expectations. Operations at the city's municipal golf course, The Crossings at Carlsbad, have remained relatively consistent year-over-year.

Risk Management Budget request

The city's Risk Management Fund is responsible for the management of the city's vehicle and general liability insurance and associated insurance, claims, settlement and reserves expenses. Risk management costs vary each year based on the number and type of claims. The majority of claims are resolved quickly; however, some take multiple years to close.

The city closed several large claims during fiscal year 2023-24, some that began more than five years ago. Additional funds and appropriations of \$5,200,000 are needed for the fund to remain solvent. Staff are requesting a one-time transfer from the General Fund to the Risk Management Fund and that the necessary appropriations be allocated to the Risk Management Fund to ensure sufficient funds and budget are available for the remainder of fiscal year 2023-24.

² Enterprise funds are government funds usually used to account for operations that are financed and operated in a manner similar to private business enterprises, with the services provided paid for primarily through user charges.

Fiscal Analysis

There is no fiscal impact associated with the third quarter financial update. However, if the recommended action is approved, a \$5,200,000 transfer from the General Fund to the Risk Management Fund would be made. This transfer would be funded by the General Fund Reserve, which, if approved, would have an estimated reserve ratio of 66% of the city's General Fund annual operating expenditures, or \$56 million above the 40% reserve requirement set by City Council Policy 74.

Next Steps

Staff will continue to develop tools to understand the economy, attract businesses and cultivate talent and provide quarterly updates to the City Council on the economic outlook and the city's finances. Staff will return to the City Council in September 2024 to present a report on carryforward budget items, which carry unspent funds budgeted to be spent in one fiscal year into the budget for the following fiscal year. This report will also provide a comprehensive review of fiscal year 2023-24's fiscal activities.

With the City Council's approval, The General Fund will transfer \$5,200,000 to the Risk Management Fund and appropriations for the increase in claims, settlement and reserves costs will be allocated from the Risk Management Fund for the fiscal year 2023-24 operating budget.

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. Carlsbad Economic Scan Third Quarter, Fiscal Year 2023-2024
3. March 2024 Financial Status Report

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARLSBAD, CALIFORNIA, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO APPROPRIATE \$5,200,000 FROM THE GENERAL FUND TO TRANSFER TO THE RISK MANAGEMENT FUND AND TO APPROPRIATE \$5,200,000 FROM THE RISK MANAGEMENT FUND FOR CLAIMS, SETTLEMENT AND RESERVES COSTS TO THE FISCAL YEAR 2023-24 OPERATING BUDGET.

WHEREAS, the City Council of the City of Carlsbad, California, has determined that risk management costs related to claims, settlements and reserves have been increasing year over year in recent history; and

WHEREAS, the city's Risk Management Fund has annual expenses that exceed the current available funding sources, resulting in an annual fund deficit; and

WHEREAS, the Risk Management Fund requires additional funds and appropriations for the rest of fiscal year 2023-24 in the amount of \$5,200,000 to account for these increasing claims, settlements and reserves costs.

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 or designee shall be authorized to appropriate \$5,200,000 to the General Fund's 2023-24 operating budget to fund a transfer to the Risk Management Fund.
3. That the City Manager or designee shall be authorized to appropriate \$5,200,000 to the Risk Management Fund's 2023-24 operating budget to ensure sufficient budget is available for the additional claims, settlement and reserve costs incurred during fiscal year 2023-24.

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)

Economic Scan

Innovation + Economic Development Department



Third Quarter, Fiscal Year 2023-2024

The following scan provides an overview of key economic indicators for January, February, and March 2024 for the City of Carlsbad. This economic scan is updated quarterly to provide information that is relevant to the health of Carlsbad’s economy. For regularly updated information regarding the Carlsbad economy and economic development visit carlsbadca.gov/doingbusiness.

Released May 14, 2024

GROSS REGIONAL PRODUCT

Carlsbad GRP (Source: Lightcast, 2022. Data revised November 2023)

\$17.1B
Gross Regional Product

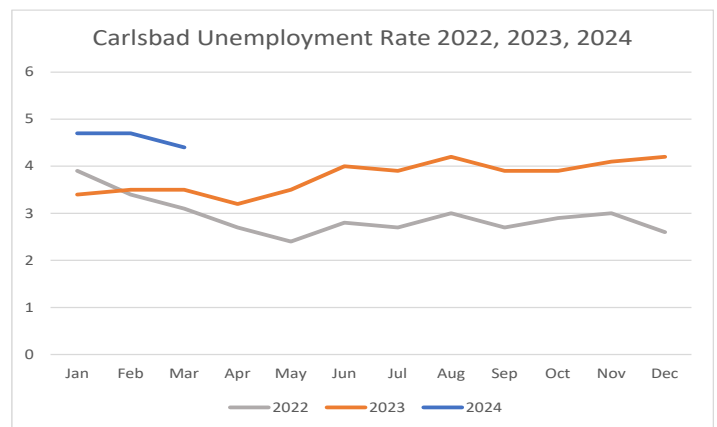
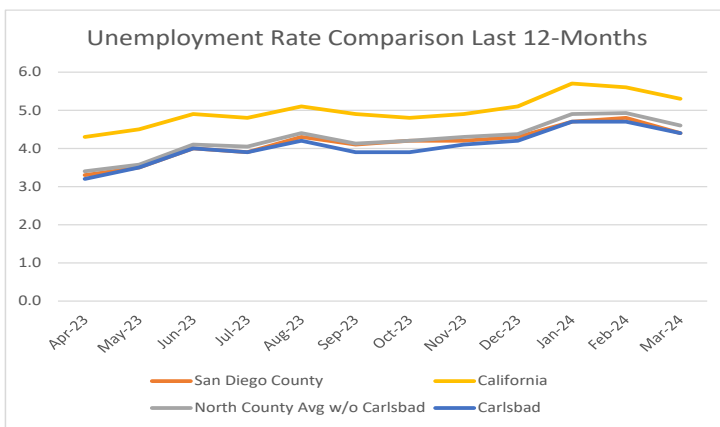


In 2022, Carlsbad had the second largest gross regional product in San Diego County at more than **\$17.1B (revised)**, only trailing the City of San Diego. From 2021 to 2022, Carlsbad’s GRP grew by 9.9%. This growth was seen across almost all industry categories, and was led by manufacturing, wholesale trade, hospitality, and professional, scientific, and technical services.

JOBS

Unemployment Rate (Source: California Employment Development Department, March 2024 Report)

Carlsbad’s unemployment hovered ticked up to 4.7% early in the quarter, but then came back down to end the quarter at **4.4%**. Nationally and locally, unemployment has remained fairly low. Despite a few notable layoffs, overall, unemployment in Carlsbad remains low and employers continue to hire. Job opportunities continue to outnumber available workers, keeping overall unemployment in Carlsbad and the San Diego region down. The unemployment rate in March was **5.3%** at the state level and **4.4%** at the county level.



Job Postings *(Source: Lightcast, Jan. - March 2024)*

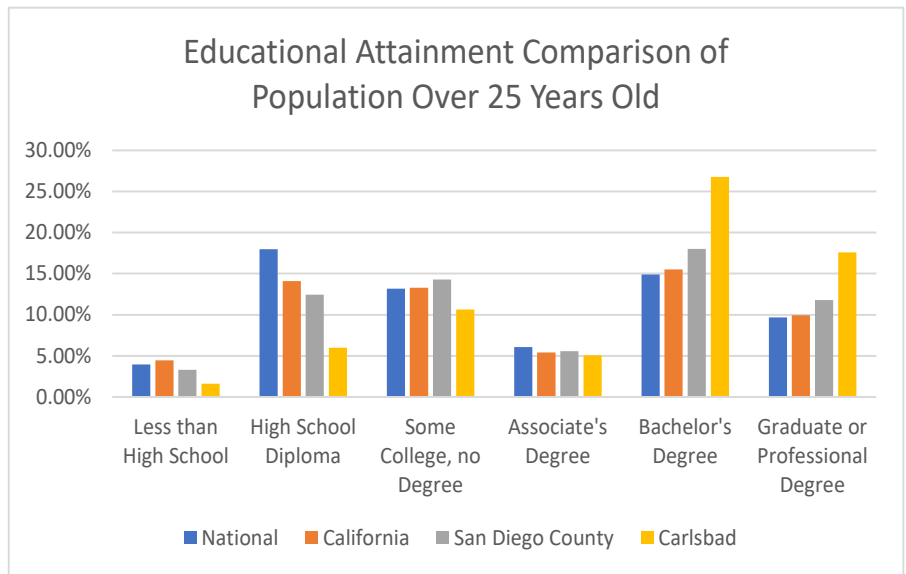
There were **8,856** unique job postings in Carlsbad between January and March, an increase of about 1,100 jobs over the previous quarter. Over the quarter, 1,508 different Carlsbad employers posted open positions, an increase of about 100 employers. The median advertised salary for these postings was **\$50,000**, reversing a trend of declining advertised wages. Of jobs posted, 70% indicated an education requirement of High School/GED or no requirement listed. 68% of postings indicated less than a year of experience or no experience was required, indicating there are a number of entry-level jobs being posted.



TALENT + WORKFORCE

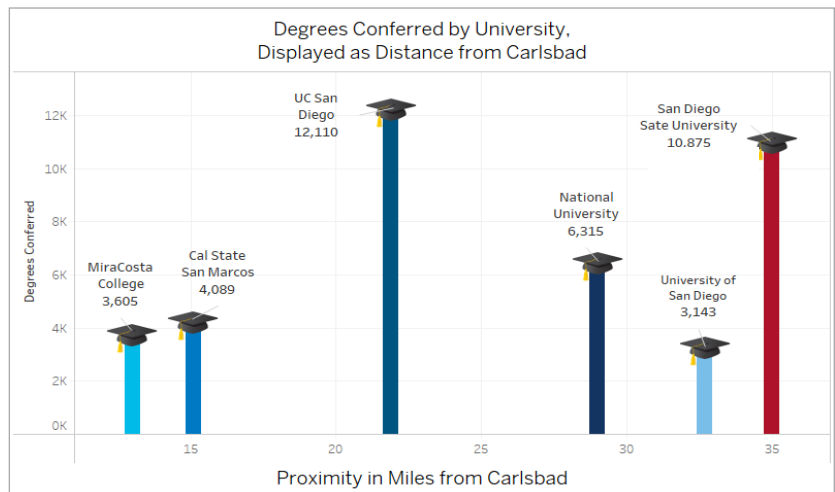
Education *(Source: 2022 ACS 5-Year Estimates, the latest year available)*

Carlsbad has established itself as having the right workforce to fuel innovation in tech and life sciences fields. Carlsbad businesses can access talent from San Diego County, Orange County, and even southwest Riverside County. More than 60% of working-age residents hold a bachelor's degree, with nearly 25% attaining an advanced degree. Outside of some communities in central San Diego, Carlsbad has the heaviest concentration of households with degrees in science, technology, engineering, and math (STEM degrees). This local talent mix is among the leading reasons that firms choose Carlsbad.



Talent Pipeline

Nearby public and private universities offer top-notch programs. Within a 30-mile radius, more than a half-dozen universities and colleges conferred more than **40,100** degrees in 2023, a number which continues to rise on every campus in the region. The Carlsbad business community works closely with higher education partners to align various education tracks with local workforce needs.



CAPITAL

Interest Rates *(Source: U.S. Department of the Treasury, March 2024)*

The Federal Reserve maintained interest rates over the quarter, as both economic output and inflation remained higher than expected. The Fed has signaled reluctance to pursue rate reductions until inflation decreases further, which may be possible in 2024 if the economy slows and consumer spending decreases. In March, one-year rates were **5.03%**. Ten-year rates were **4.2%**. 30-year rates were **4.34%**. As of March, inflation figures for the San Diego area decreased to **3.6%** (3.8% less food and energy) over the past year. Nationally, inflation in March was 3.5% (3.8% less food and energy).

March 2023

One-year interest rate	4.64%
10-year interest rate	3.48%
30-year interest rate	3.67%

March 2024

One-year interest rate	5.03%
10-year interest rate	4.20%
30-year interest rate	4.34%

COMMERCIAL REAL ESTATE

Market Vacancy Rates and Rent per Square Foot *(Source: CoStar, March 2023)*

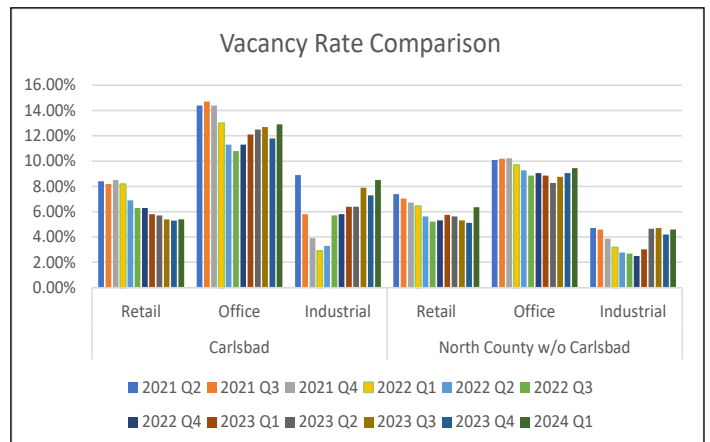
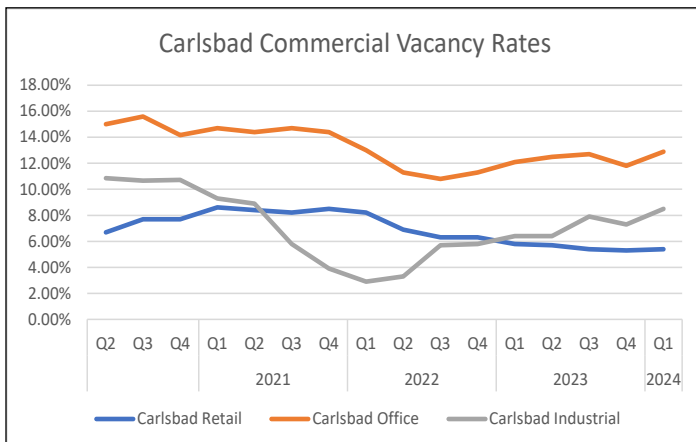
8.2%
Industrial vacancy rate



Commercial vacancy rates dropped across all three categories this quarter. The industrial vacancy rate in March was **8.2%**. The office vacancy rate in March was **13%**. Retail vacancy in March was **5.4%**.

Rental rates were relatively steady across all categories. Average market rents per square foot, per year for office rates in March were **\$38.07**. Industrial rates in March were **\$22.42**. Retail rates in March were **\$46.18**.

While Carlsbad office markets have remained relatively stable, remote and hybrid work are predicted to continue impacting office leases. With uncertain workforce dynamics and tight capital markets, commercial developers are still largely holding off on new office developments. This trend is predicted to continue.



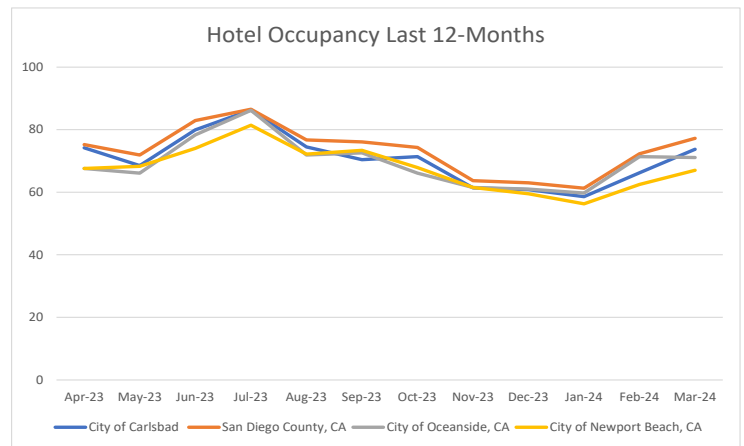
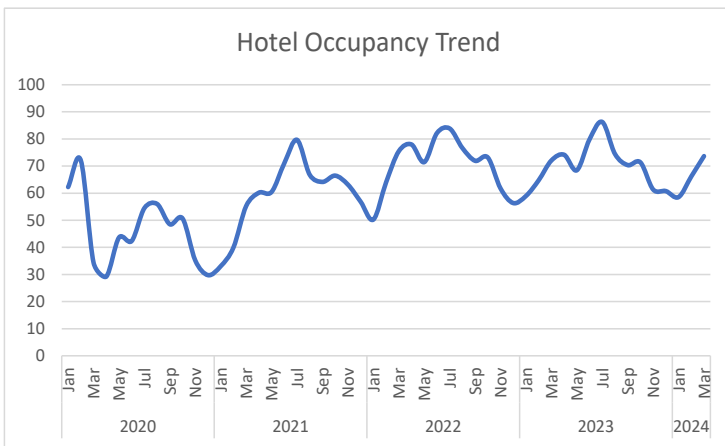
42
Hotels in Carlsbad



With 42 hotels in Carlsbad, tourism is a major industry in terms of employment and economic impact. It is also a major contributor to city revenue, through TOT and sales tax generation. Below are several indicators reflecting the health of the city's tourism economy.

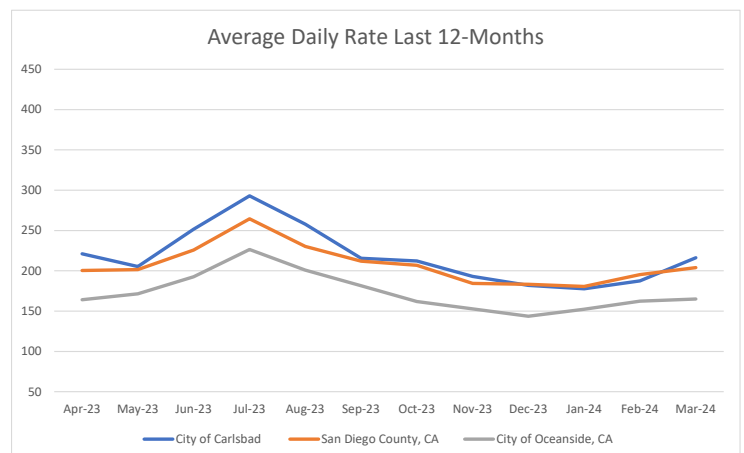
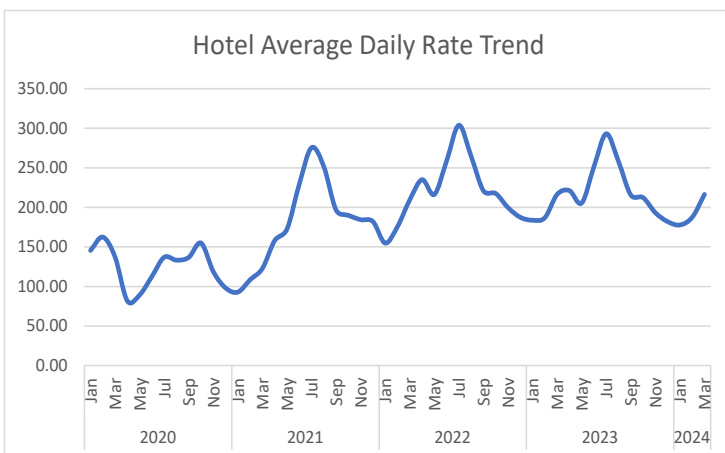
Hotel Occupancy *(Source: Smith Travel Research, March 2024 Report)*

Occupancy averaged **66.16%** in the third quarter, which is an increase over the same quarter for 2022 (65.3%). Over the past year, data indicates a gradual normalizing in the hospitality sector, aligning with broader travel trends and consumer behaviors.



Hotel Average Daily Room Rate *(Source: Smith Travel Research, March 2024 Report)*

Carlsbad's average daily room rate (ADR) remains higher than pre-pandemic levels, but is lower than the same quarter of 2023. ADR averaged **\$193.81** in the third quarter, compared to \$195.63 for the same quarter in 2023. Overall, the ADR trends through the past year indicate a strategic pricing approach by hotels in Carlsbad to navigate the evolving travel landscape, balancing between maximizing revenue during high demand periods and attracting guests during slower months.



INCOME + HOUSING

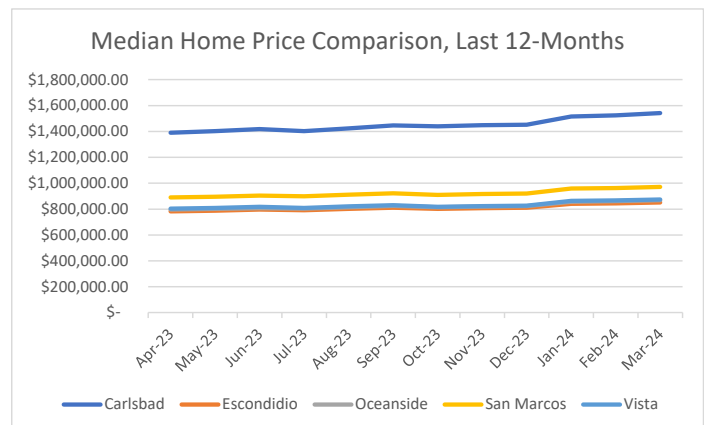
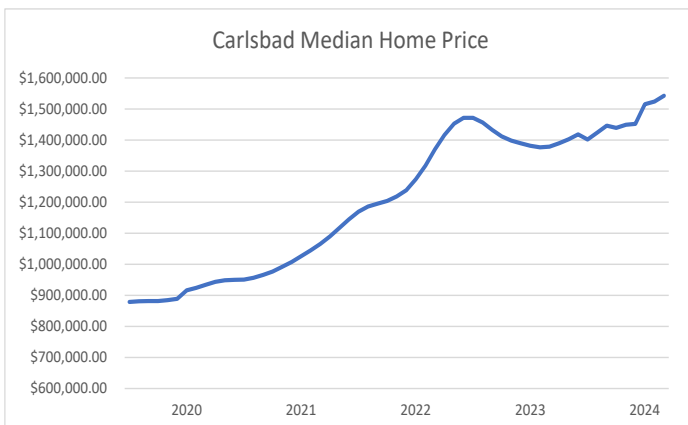
Median Household Income *(Source: 2022 ACS 5-Year Estimates, the latest year available)*

Median household income in Carlsbad continues to exceed county income levels. The median income for a household in Carlsbad in 2022 was **\$146,596**, (adjusted for inflation), which was \$21,927 higher than the previous year, and \$47,668 more than the county median household income. Carlsbad has generally outpaced the region in terms of household income growth.

	2017	2018	2019	2020	2021	2022
City of Carlsbad Median Household Income	\$102,722	\$107,172	\$123,409	\$112,933	\$124,669	\$146,596
County of San Diego Median Household Income	\$70,588	\$74,855	\$79,324	\$82,426	\$91,003	\$98,928
City of Carlsbad per Capita Income	\$52,560	\$55,518	\$63,079	\$57,607	\$65,430	\$66,944
County of San Diego per Capita Income	\$34,350	\$36,156	\$40,389	\$39,737	\$44,377	\$46,957

Median Home Price *(Source: Zillow Home Value Index - March 2024)*

There was a moderate rise in home values this quarter despite elevated interest rates. Steady consumer demand kept values on an upward trajectory for most of the year. The current median home price is **\$1.54 million**, an increase of 12% over the last year. Residential Realtors expect an uptick in home sales over the next quarter as home buyers start to resume looking for new homes, reversing a trend of home buyers holding off until interest rate decreases.

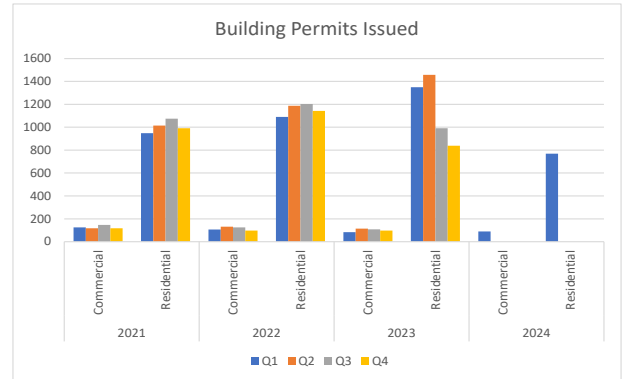


BUSINESS ACTIVITY

Building Permits *(Source: City of Carlsbad, March 2024)*

Between January and March, permit activity continued to decrease for residential building permits (**769**). Residential permits issued continues to fall, a trend largely attributable to a decline in demand for new photo-voltaic systems as a result of the State of California’s changes to net-metering rules.

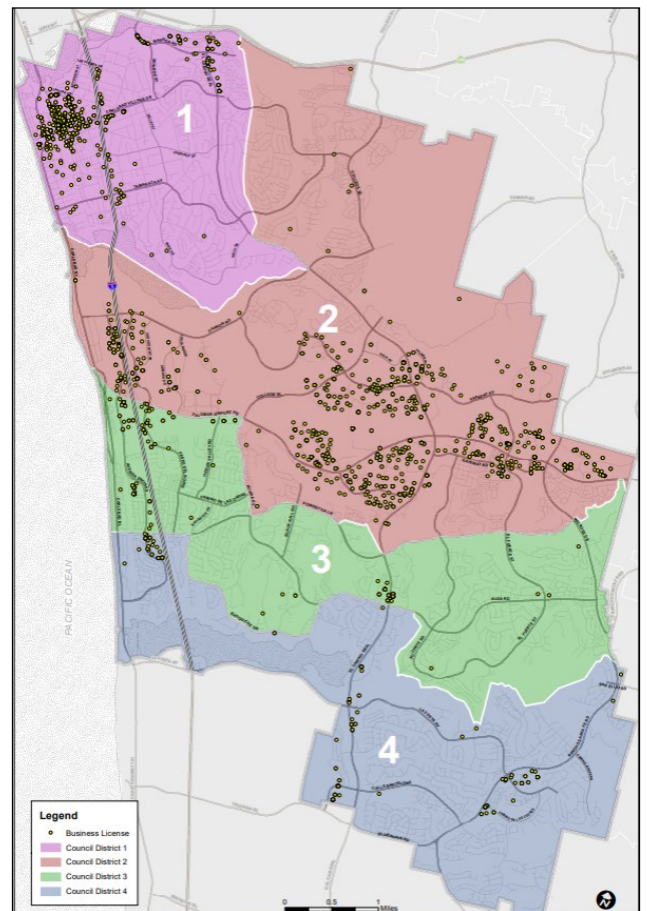
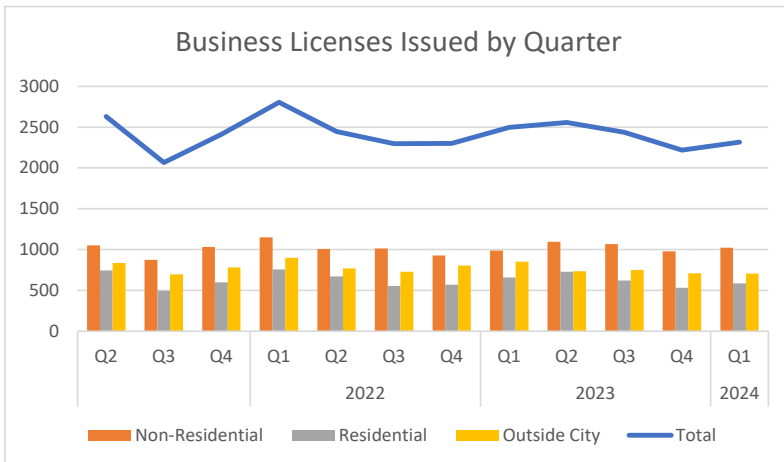
Commercial permits issued (**89**) marked a slight increase over the same quarter of 2022.



Business Licenses *(Source: City of Carlsbad, March 2024)*

There were a total of **2,316** business licenses issued last quarter, including **1,024** non-residential, **585** residential, and **707** outside-the-city licenses. This is an overall decrease of 181 total businesses over the same quarter of 2023.

The number of licenses issued does not reflect the number of businesses in Carlsbad as a business may carry multiple licenses, short-term vacation rentals are required to get a license, and businesses outside of Carlsbad that do business in the city or with the city are required to get a license. It is estimated that there are approximately **6,630** businesses in Carlsbad, an increase of 241 total businesses over the previous year.



Carlsbad Businesses by City Council District

Business License Activity by District

	District 1	District 2	District 3	District 4	Shared
New Businesses	41	46	22	19	0
Renewed Businesses	66	770	251	250	1
Total Businesses	708	816	273	269	1

BUSINESS ACTIVITY Continued

Largest Employers *(Source: City of Carlsbad, March 2024)*

The following is a list of the largest employers by City Council district based on information about total employment as submitted by a business during the business license process.

District 1

- Pretty Please Fashion
- Carlsbad Village Yoga Co-Op
- Laguna Estates
- Carlsbad By the Sea
- Bayshire Carlsbad

District 3

- Costco
- Aerotek
- Hilton Garden Inn
- The Neurology Center of SoCal
- Vons

District 2

- Viasat Inc
- Legoland California
- Thermo Fisher
- Ionis Pharmaceuticals
- North Coast Medical

District 4

- Omni La Costa
- La Costa Glen Carlsbad CCRC
- Glenbrook HC
- Ralphs Grocery Company
- Vons

New Businesses in Carlsbad *(Source: City of Carlsbad, March 2024)*

New business are defined as entities that have received a license for a location where they previously did not exist. This could also include existing businesses that have changed ownership or business license type. The information below includes new non-home-based businesses in the city according to business license filings.

District 1

Harding Street Apartments
The Exercise Coach of Carlsbad
Poki Poki-boba and Brewski
Paradise Pizza
Prim and Pawper
Edible Arrangements
Campground

Kirstyn Odle Therapy
Aesthetic Rituals
Hair by Sue Carcione
Happy Healthy Food
Ashley Aga
Cv Beauty Collective
Sheilene Caron

Retro Nostalgia Collectibles
Seaside Holistic Healing
Faded Barbershop
Super Fun Bungee
Lashed by Malia

District 2

Vuori Inc
Axiom Materials
The Mini Donut Company
Generations Escrow Corporation
Tires by the Sea
Fidelity National Title Company
Hyderabad Cafe Indian Cuisine
Pho Central
Anna Crooks
Resonance Partners Consulting
Schingler Law

Gwl Direct 3209 Lionshead
Balanced Beast Physical Therapy
Nicole Heeren
Blessed Beyond Entertainment
Shoppiego
Paige Thompson PsyD Psychologist
June Skin Therapy
Hanjitech
Styles by Diana
Angie's Place
Sugar Plus Shine

Modern Blonde Salon
Reece Roman Law
Siren Floral Co
Lateral Flow Consulting
O959 Solaris
Partow Technologies
Grantyougreatness Licensed Clinical
Social Worker
Sunset Therapy

District 3

Mainstrem West Bar and Grill
Valeries Taco Shop
United Medical Doctors
Firstlight Homecare of Carlsbad

Happy Trails Auto Sales
Freedom Jiu Jitsu Academy
Sandip Madhav Md Medical Corp
Therapy Up

Searchablecopy
United Surgery Center Carlsbad

District 4

A Line Boutique
May 14, 2024

Megan Bendett

About Face
Item #11

INDUSTRY CLUSTERS

Life Sciences *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

The Life Sciences industry cluster employs **6,657** workers across **134** firms and experienced a 2.6% increase in employment between 2018 and 2020. The cluster is 5.51 times more concentrated in Carlsbad than the national average and annual wages per worker average \$123,702.

San Diego County and California have experienced parallel employment growth in the Life Sciences cluster between 2010 and 2020. In the same ten-year period, employment in Carlsbad grew by 75%. Between 2016 and 2018, Carlsbad experienced over 40% growth. Over the past two years (2018-2020), however, employment growth tapered off compared to years prior.

Technology *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

The Information and Communications Technologies (ICT) cluster employs **9,008** workers across **343** firms in Carlsbad and is 2.75 times more concentrated in Carlsbad than the national average. Annual wages per worker average \$136,254, and the ICT industry cluster experienced a 3.3% increase in the number of jobs between 2018 and 2020.

San Diego County and California experienced steady parallel growth in the ICT cluster between 2010 and 2020. In the same ten-year period, Carlsbad experienced an initial decline in employment between 2012 and 2015; between 2015 and 2020, employment in the ICT cluster has steadily trended upwards.

Cleantech *(Source: 2022 2022 Biennial Business Survey and Industry Cluster Update)*

Between 2018 and 2020, the number of workers employed at Cleantech firms increased by 22.2%. By 2019, the **48** Cleantech firms in Carlsbad employed more than **872** people. The average annual wage per worker is \$109,779, and the Cleantech industry cluster in Carlsbad is 4.66 times more concentrated than the national average.

Between 2010 and 2012, Carlsbad experienced an initial employment drop for the Cleantech industry followed by steady growth between 2012 and 2020. Employment growth in California peaked in 2013 and has been on a steady decline since. Growth in San Diego County also peaked in 2013, dropping by over 25% between 2013 and 2017. Since 2017, employment in the Cleantech cluster for San Diego County has been on a steady increase.

Sports Innovation & Design *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

The Sports Innovation & Design industry cluster employs **1,804** workers across **116** firms and experienced a 16.3% decrease in employment between 2018 and 2020. The cluster is 5.06 times more concentrated in Carlsbad than the national average and annual wages per worker average \$75,652.

Employment in the Sports Innovation & Design cluster has steadily declined since 2013 in Carlsbad. Both San Diego County and California have declined steadily since 2015 and experienced sharp declines between 2019 and 2020, likely due to the COVID-19 pandemic.

Hospitality & Tourism *(Source: 2022 Biennial Business Survey and Industry Cluster Update)*

Carlsbad's Hospitality & Tourism cluster is about 1.35 times more concentrated in Carlsbad than the national average and employs **9,179** people across **467** businesses. Hospitality & Tourism experienced a sharp 34% decrease in employment between 2018 and 2020, driven by the effects of the COVID-19 pandemic between 2019 and 2020. Average annual wages per worker remain low relative to other key industry clusters, with workers earning \$31,315 on average.

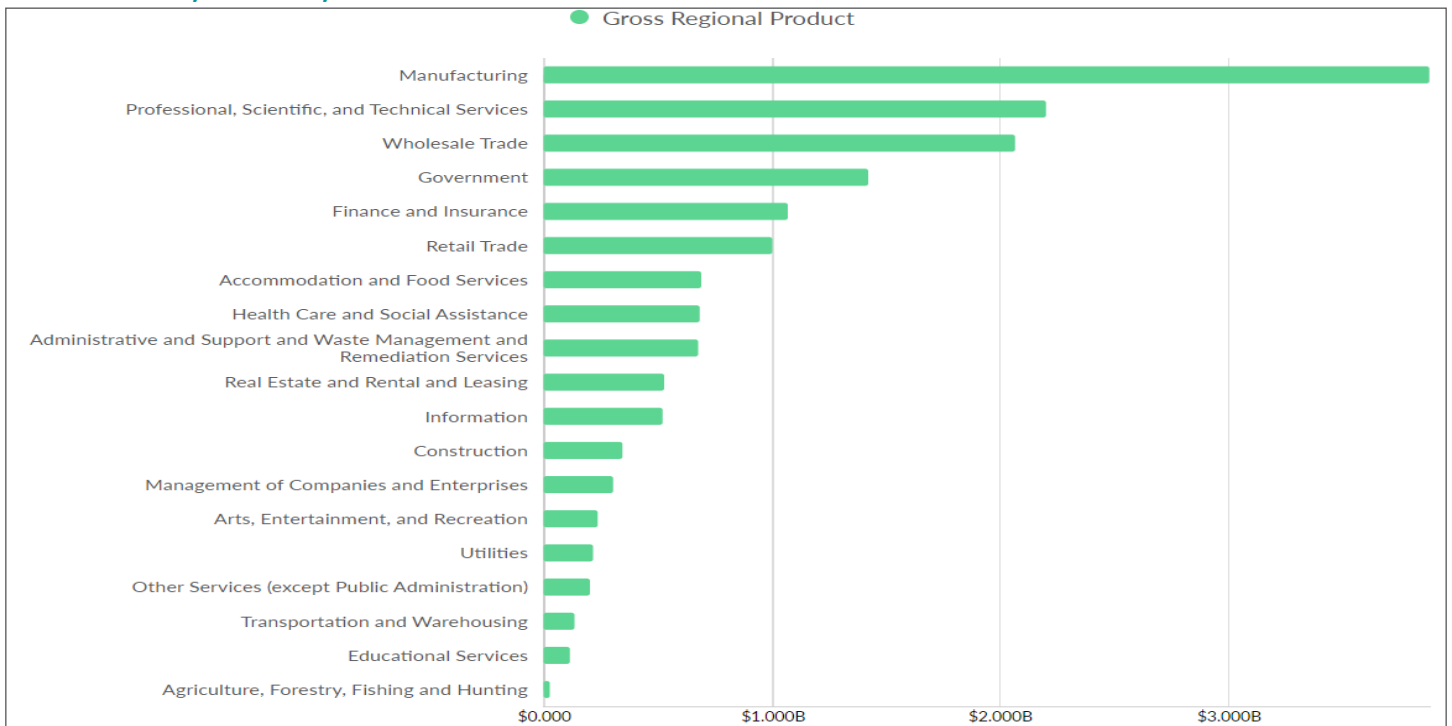
Carlsbad, San Diego County, and California experienced sharp declines between 2019 and 2020, during which sub-clusters like Theater Companies and Dinner Theaters, Amusement and Theme Parks, and Amusement Arcades were shut down to mitigate the effects of the COVID-19 pandemic.

INDUSTRY IMPACT

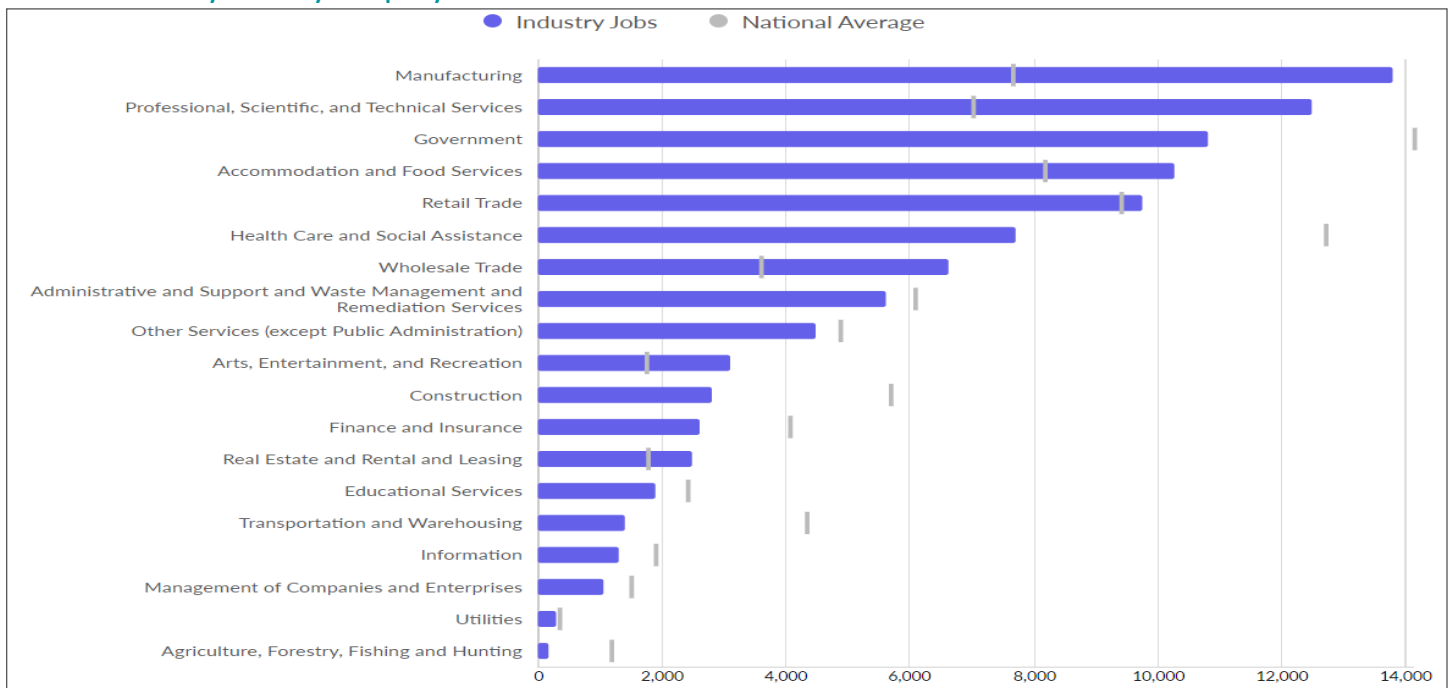
Largest Industries *(Source: Lightcast, March 2024)*

Carlsbad's economy significantly exceeds the national average for jobs in manufacturing, accommodation & food services, and professional, scientific & technical services. These sectors, which would include tech, life sciences, and other innovation industries are generally more resilient to recessions, also represent significant job growth in the economy.

GRP by Industry



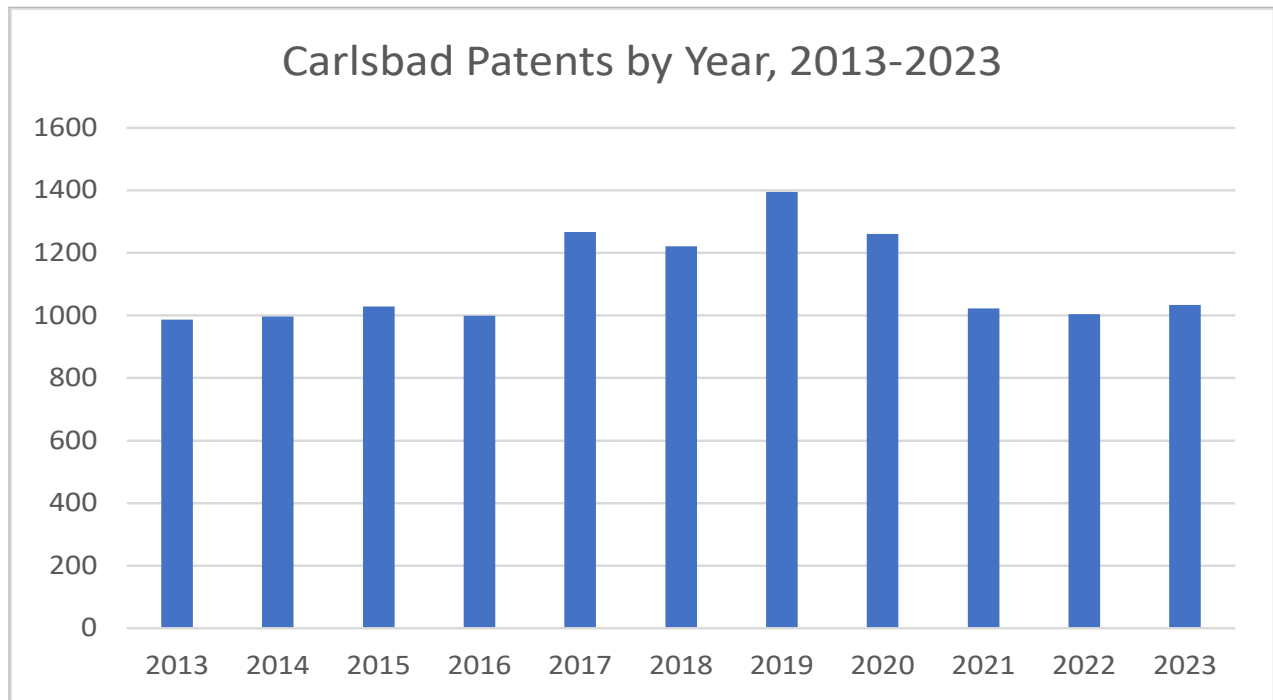
Industry size by employment



INNOVATION

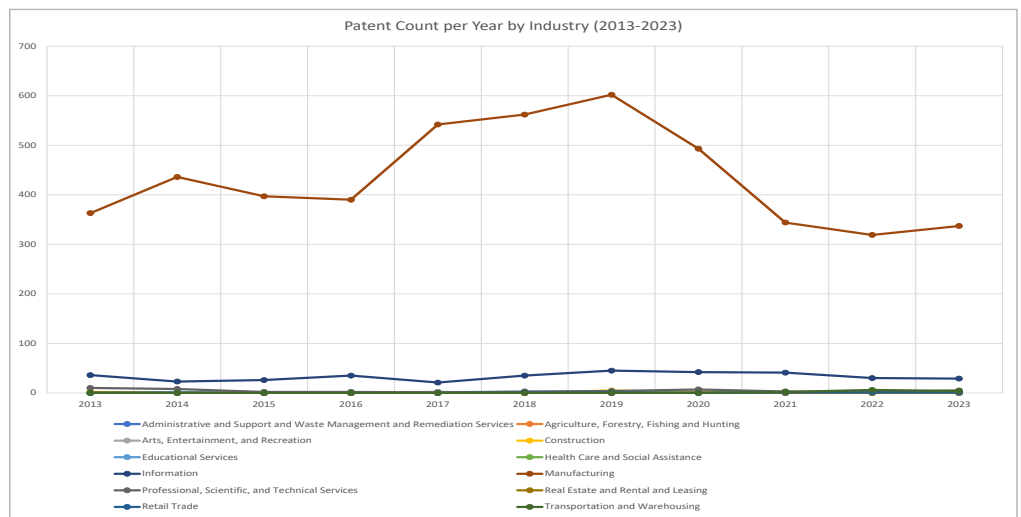
Patents *(Source: 2024 Carlsbad Patent Study)*

The Carlsbad innovation economy is powered by the key industry clusters of Life Sciences, Information & Communications Technology, Sports Innovation & Design and Clean Technology. The figure below shows consistently strong patent activity over the past decade with an elevated level from 2017-2020. Patents are a key indicator of economic competitiveness and growth. In the case of Carlsbad it also demonstrates the diversity of the economy along with other economic drivers such as tourism.



Carlsbad Patents by Industry

The highest number of patents are issued in the broad manufacturing category which includes technology, electronics, apparel, sporting goods, and transportation. Complimenting this are the patents issued in the information category which includes satellite, wireless, and wired telecommunications. Patents in these two categories demonstrate a vibrant innovation ecosystem.



Released May 14, 2024

The quarterly economic scan is developed by the City of Carlsbad Innovation & Economic Development Department. For more information, visit carlsbadca.gov/doingbusiness, or contact the team at business@carlsbadca.gov.

PREPARED BY THE FINANCE DEPARTMENT

Financial *Status Report*



March 31, 2024

This report summarizes the City of Carlsbad's General Fund revenues and expenditures through March 31, 2024. It compares revenues and expenditures for the first nine months of fiscal year 2023-24 and fiscal year 2022-23. In addition, the financial status of the Water, Wastewater and Golf Course Enterprise Funds are included. This report is for internal use only. The figures presented here are unaudited and have not been prepared in accordance with Generally Accepted Accounting Principles.

General Fund Revenues



Property Taxes (\$56.4 million) – The majority of property tax revenue is collected in December and April each year. According to the County of San Diego Assessor's Office, assessed values in Carlsbad have increased by 6.26% for fiscal year 2023-24. This is the 11th year in a row that Carlsbad's assessed values have increased from year to year, and in line with assessed value increases with other cities in San Diego County for the year. The increase in this year's assessed values

is due to increases in the assessed values of residential and commercial properties in the city; the city saw a smaller increase in industrial property values for the year. This is the ninth year in a row since the Great Recession ended that the city saw increases in assessed values in all three property components (residential, commercial and industrial). Although increases in residential assessed values were recorded for fiscal year 2023-24, the county is now experiencing historically low for-sale housing inventory with housing prices remaining steady.

The property taxes for the nine months of the fiscal year have increased by 7% as compared to the prior fiscal year. The primary reasons for the increase are:

- Current taxes are up by \$1.6 million or 8.1% mainly due to increased assessed property values.
- Aircraft taxes are also up \$1.1 or 55% due to an increase in aircraft assessed values (32%) combined with an increase in the number of aircrafts being housed at the airport.



Sales Taxes (\$44.8 million) – For the nine months of the fiscal year, sales tax revenues are \$2.5 million higher than the same period in the previous fiscal year. Sales tax revenues to date for the current fiscal year represent the city's sales tax revenues for the second, third and fourth calendar quarters of calendar year 2023 and the first advance for the first calendar quarter of 2024.

In fiscal year 2021-22, the city experienced accelerated recovery after the impacts of the COVID-19 pandemic. Fiscal year 2022-23 saw historically high levels of sales tax revenues driven by inflation and sustained by consumer demand. The city is anticipating that this growth in sales will level off and slowdown this fiscal year.

For sales occurring in the fourth calendar quarter of 2023 (the most recent data available), key year-over-year gains were seen in new auto sales. The largest economic segments in the city are automobile dealers, general retail stores, and restaurants. Together, they generate approximately 70% of the city's sales tax revenues.

A significant portion of the year-over-year increase is attributed to the auto sales sector and a correction in methodology for how respective sales were being assigned and reported. It has been determined that this correction will be applied to future reporting quarters, i.e., this correction results in additional on-going revenue.

Although sales tax revenues have increased in total, growth has been tempered in numerous industry groups. As of March 2024, general retail and food products remained virtually unchanged from the previous year and construction and business-to-business saw notable declines. Staff will continue to monitor sales tax performance, particularly as inflation is anticipated to continue dropping, and report out to the City Council accordingly.



Transient Occupancy Tax (\$25.3 million) – The city’s third highest General Fund revenue source on an annual basis is Transient Occupancy Tax (TOT or hotel tax), estimated at \$32.8 million for the current fiscal year. A tax of 10% of the rent amount is collected on all occupancies less than 30 days (transient) in duration. Year-to-date TOT figures represent taxes collected on hotel receipts through the month of February 2024. TOT collected for the first half of the fiscal year reflects a decrease of \$1.2 million or 4%, when compared to the previous year.

Currently, there are 4,768 hotel rooms in service (5,059 total rooms built in the city) and 446 registered short-term vacation rentals. The average occupancy of hotel rooms over the most recent 12 months has been 70.6% which is essentially the same percentage when compared to this time last year (70.9% last year). Average daily room rates in January, February and March of 2024 were 1% lower than the previous year on average. While occupancy rates remain stable, it will be important to monitor the impact of average daily room rate fluctuations on occupancy rates moving forward.

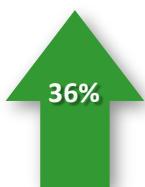


Business License Tax (\$4.9 million) – All entities doing business in the City of Carlsbad are required to have a valid business license. Business license revenue is estimated at \$6.4 million for the current fiscal year. Business license revenues are up \$159,700, or 3%, from the previous fiscal year. The increase is due to an increase in license renewal revenue offset by a slight reduction in penalty revenue from overdue business license renewals when compared to the prior year.

There are currently 9,529 licensed businesses operating within the city, 63 less than the prior year. The majority of taxed businesses (6,630 businesses) are located in Carlsbad, with 2,465 of these businesses home-based.



Interdepartmental Charges (\$4.6 million) – Interdepartmental charges are up by \$252,700 when compared with the same period last year. These charges are generated through engineering services charged to capital projects (up \$166,000 due to more staff time charged to capital projects); reimbursed work from other funds; and miscellaneous interdepartmental expenses charged to funds outside the General Fund for services performed by departments within the General Fund.



Income from Investments and Property (\$6.3 million) – For the first nine months of the fiscal year, income from investments and property is up \$1.7 million compared to the previous fiscal year. This increase is due to several factors including a 40% rise in yield from 1.75% as of March 2023 to 2.45% as of March 2024 along with a 2.9% increase in the average cash balance held in the General Fund as well as interest earned of \$710,000 fiscal year to date on the

city’s Section 115 Pension Trust. The City Council approved the establishment of a Section 115 Pension Trust in 2023 for purposes of mitigating CalPERS’ volatility, maintaining local control over city assets and

preparing for potential future decreases in CalPERS' discount rate. An initial contribution of \$10 million was authorized by the City Council and deposited to the trust.

Throughout the pandemic, the Federal Reserve had maintained an effective benchmark interest rate between 0 and 0.25%. However, inflation which had been on a historic rise for much 2022 and into 2023 which resulted in the Federal Reserve increasing benchmark rates all the way to a target range of 5.25%-5.5% as of July 2023. Recent indicators suggest that economic activity has been expanding at a solid pace, and although inflation has eased over the past year and prices have started to come down, the Federal Reserve continues to hold interest rates steady at the target range of 5.25 to 5.5%, the highest it has been in more than 20 years. It is expected that rates will hold steady with the intent to reduce as inflation decreases.



Recreation Fees (\$2.4 million) – Recreation fees are generated through instructional classes, camps, youth and adult sports, special events, parent participation preschool, senior programs, and various aquatic programs. Recreation revenues are up by \$166,500 compared to last year at this time. Half of this increase is attributable to an increase in aquatic lesson revenue and the other half is related to an increase in instructional class revenue.



Development Related Revenues (\$3.1 million) – Development related revenues, which include building permits, planning fees, building department fees, and engineering fees, reflect a 10% decrease for the first nine months of the fiscal year.

Development related fees are paid by developers to cover a portion of the cost of reviewing and monitoring development activities, such as plan checks and inspections. Engineering plan check fees are one of the first fees paid during the initial stages of development. Activity during the third quarter fiscal year 2023-24 included permits associated with the new residential construction of 12 second dwelling units, 15 condominiums (12 units for Garfield Beach Homes and three units for The Roosevelt), one single family home and various homeowner improvements. There was no commercial or industrial permit activity during the third quarter to report.

One source of development related revenue is building permits, which are \$1.4 million for the current fiscal year compared to \$1.5 million from the prior fiscal year, an 11% decrease. The year-to-date valuation of new construction in the current fiscal year is \$243 million. This represents a \$49 million, or 25%, increase in valuation over the previous fiscal year.



Franchise Tax (\$2.6 million) – Franchise taxes are generated from public utility sources, such as San Diego Gas & Electric (SDG&E), trash collection franchises, and cable franchises conducting business within city limits. Franchise tax revenue is estimated to be at \$7.1 million for the current fiscal year. Year-to-date franchise taxes are \$30,000 higher when compared to the same period last year.

Cable television franchise revenues (Spectrum and AT&T) are down \$90,500 representing a decrease in the number of subscription service subscribers (premium video, equipment rental, on-demand, and programming services). An increase in trash collection revenue of \$155,700 resulted from the city's most recent contract with Republic Services, the city's waste services provider.

SDG&E pays franchise taxes for the use of public land over which they transport gas and electric services. In addition, SDG&E pays an "in-lieu" franchise tax based on the value of gas and electricity transported through SDG&E lines but purchased from another source. The "in-lieu" tax was put in place to capture the franchise taxes on gas and electricity that is transported using public lands, but which would not otherwise be included in the

calculations for franchise taxes. Approximately 46% of the city's franchise taxes are anticipated to be received from SDG&E in April 2024.



Ambulance Fees (\$5.0 million) – The city bills any individual who is transported in one of the city's ambulances. Through March 2024, receipts from ambulance fees are up \$1.1 million, or 29%, compared to last fiscal year. The increase in revenue for the first nine months of the fiscal year is mainly due to changes to the ambulance fee schedule that the City Council approved in June 2023 along with an increase in the number of billable transports, 5,525 in the first nine months of fiscal year 2023-24 versus 5,639 at the same time in the prior fiscal year.



Other Revenue Sources (\$595,100) – Other revenue sources have decreased by \$435,000 and include revenues received by the city to offset the costs of special studies or projects for developers; reimbursements for damage done to city streets, rights-of-way, and other city-owned property; donations; and miscellaneous reimbursed expenses. The decrease to date is related to lower amounts received for developer funded studies and miscellaneous reimbursed expenses in the current fiscal year when compared to the current fiscal year.



Other Licenses and Permits (\$864,100) – Other licenses and permits consist of fire protection services, right-of-way, lagoon, grading, hazardous uses, and other miscellaneous permit revenues. These permits usually increase/decrease along with increases/decreases in development activity. Other licenses and permit revenues can vary throughout the year. To date, the increase of \$140,000 over the prior year is primarily a result of increased right of way, coastal development and grading permits when compared to the same period last year.



Fines and Forfeitures (\$319,600) – Fines and forfeitures represent fees collected for code violations, parking citations, overdue fines, and returned checks. The city recognizes revenues when the citizen pays the fine or forfeiture, as opposed to when the fine is imposed. The increase to date of \$18,200 is mainly due to increases in code violation assessments (\$8,900) and parking citations (\$9,800) when compared to the previous fiscal year.



Intergovernmental Revenues (\$1.6 million) – Intergovernmental revenues include homeowners property tax exemption revenue and miscellaneous receipts and grants received from the state or federal governments, as well as local school districts. Various miscellaneous receipts comprise the \$1.6 million received this year which represents an increase of 85% over the same period last year. This increase is mainly due to state reimbursements received for two planning related state grant awards and one state fire reimbursement.



Transfer Taxes (\$229,600) – When real property is sold, the County Assessor's Office charges a transfer tax. The transfer tax rate in San Diego County is \$0.0011 multiplied by the selling price of the property. The city receives 50% of the transfer tax charged for sales within the City of Carlsbad. Revenues have decreased over the same period last year due to a decrease in property transfers.



Other Charges or Fees (\$1.2 million) – Other charges or fees are generated through the sale of city documents, such as staff reports, blueprints and copies; general fees collected for false alarms, easements and agreements, weed abatement and kiosk signs; and general services, such as mutual aid response, mall police services, emergency response services, reports, etc. These fees are up by \$171,300, or 17% mainly due to an increase in false alarm response fees and mutual aid response reimbursements when compared to the prior fiscal year.

A detailed schedule of General Fund revenues is provided on the following below:

**GENERAL FUND
REVENUE COMPARISON**

	REVENUE BUDGETED FOR FY 2023-24	REVENUE EXPECTED THROUGH 03/31/24	ACTUAL FY 2023 AS OF 03/31/23	ACTUAL FY 2024 AS OF 03/31/24	CHANGE FROM YTD 2023 TO YTD 2024	PERCENT CHANGE
TAXES						
PROPERTY TAX	\$84,246,868	\$50,888,295	\$52,678,138	\$56,365,393	\$3,687,255	7%
SALES TAX	51,064,943	38,486,313	42,346,454	44,806,426	2,459,972	6%
TRANSIENT OCCUPANCY TAX	32,861,193	25,367,244	26,462,680	25,284,639	(1,178,041)	-4%
FRANCHISE TAX	7,084,717	2,372,608	2,623,485	2,653,170	29,685	1%
BUSINESS LICENSE TAX	6,435,502	4,778,218	4,719,788	4,879,458	159,670	3%
TRANSFER TAX	1,624,950	1,110,107	934,212	704,645	(229,567)	-25%
TOTAL TAXES	183,318,173	123,002,785	129,764,757	134,693,731	4,928,974	4%
INTERGOVERNMENTAL						
VEHICLE LICENSE FEES	83,951	83,951	118,477	141,689	23,212	20%
HOMEOWNERS EXEMPTIONS	353,000	174,824	168,461	162,187	(6,274)	-4%
OTHER REIMBURSEMENT	616,084	178,941	587,742	1,311,843	724,101	123%
TOTAL INTERGOVERNMENTAL	1,053,035	437,716	874,680	1,615,719	741,039	85%
LICENSES AND PERMITS						
BUILDING PERMITS	1,250,000	895,507	1,577,122	1,395,822	(181,300)	-11%
OTHER LICENSES & PERMITS	850,500	625,413	724,367	864,159	139,792	19%
TOTAL LICENSES & PERMITS	2,100,500	1,520,920	2,301,489	2,259,981	(41,508)	-2%
CHARGES FOR SERVICES						
PLANNING FEES	442,000	296,080	395,491	568,619	173,128	44%
BUILDING DEPARTMENT FEES	861,000	677,440	750,031	515,531	(234,500)	-31%
ENGINEERING FEES	774,000	591,760	757,505	635,716	(121,789)	-16%
AMBULANCE FEES	6,798,000	6,096,337	3,917,891	5,055,891	1,138,000	29%
RECREATION FEES	2,598,600	1,857,220	2,235,009	2,401,480	166,471	7%
OTHER CHARGES OR FEES	1,584,245	1,186,294	993,975	1,165,272	171,297	17%
TOTAL CHARGES FOR SERVICES	13,057,845	10,705,131	9,049,902	10,342,509	1,292,607	14%
FINES AND FORFEITURES	276,200	206,622	301,440	319,629	18,189	6%
INCOME FROM INVESTMENTS & PROPERTY	5,948,225	4,009,212	4,655,445	6,317,272	1,661,827	36%
INTERDEPARTMENTAL CHARGES	5,746,232	4,190,026	4,368,935	4,621,650	252,715	6%
OTHER REVENUE SOURCES	987,000	478,991	1,029,582	595,108	(434,474)	-42%
TRANSFERS IN	10,000	0	0	0	0	0%
TOTAL GENERAL FUND	\$212,497,210	\$144,551,403	152,346,230	\$160,765,599	\$8,419,369	6%

(1)

(1) Calculated General Fund revenues are 11% above estimates as of March 31, 2024.

Expenditures

Total General Fund expenditures and encumbrances-those funds either spent or committed for specific expenses- through the month of March 2024 (the first nine months of the fiscal year) are \$177.1 million, compared to \$165.3 million at the same time last year. The remaining budget available through the fiscal year ending June 30, 2024, is \$64.6 million, or 26.7%. If funds were spent in the same proportion as the previous year, the General Fund would have 27.6% or \$62.9 million available. Excluding transfers out, contingencies, and non-departmental charges, the percentage available on March 31, 2024, is 25.4%, 2.9% less than the 28.3% available on March 31, 2023.

The fiscal year 2023-24 budget was developed with a focus on resiliency over the long-term and reflects a call for departments to increase efficiency and find new ways to reduce ongoing spending. In addition to lowering base spending in the General Fund by \$2.3 million at a time when inflation is 6%, the adopted budget reduced city staffing by the equivalent of 12 positions.

With the development and adoption of the city's fiscal year 2023-24 budget, the city forecasted that ongoing spending would exceed ongoing revenues as soon as fiscal year 2025-26. Since the adoption of this year's budget and the close of fiscal year 2022-23, staff presented an updated forecast at the City Council meeting on October 24, 2023, that showed this shortfall is now projected to occur in fiscal year 2028-29, which was primarily driven by stronger-than-expected revenue performance. This year's budget scales back custodial services, nonessential park maintenance, printing and other administrative expenses, travel and training for city staff, and city cell phone use, among other areas expected to have a minimal impact on the community.

The adopted General Fund budget for fiscal year 2023-24 increased by 9.3% or \$18.5 million when compared to last fiscal year due to:

- Increased personnel costs (increase of \$6 million or 4.8%):
 - \$5.2 million in salaries and wages due to negotiated salary increases offset by a reduction in total full-time equivalent positions of 12.06.
 - \$0.2 million in health insurance and retirement benefits costs.
 - \$0.6 million increase in other personnel costs (Medicare, unemployment and disability benefits).
- Increased maintenance and operations costs (increase of \$5.6 million):
 - Overall, total maintenance and operations costs are projecting an increase, however, this category includes a one-time appropriation of \$5.22 million from General Fund reserves toward regional efforts to lower the railroad tracks in Carlsbad. Excluding this one-time use of reserves, the maintenance and operations costs are projected to increase just 0.7% for fiscal year 2023-24 when compared to fiscal year 2022-23. With year-over-year increases in inflation of 8.2% and 6.4%, respectively, this relatively minor increase in maintenance and operations is a tremendous achievement that was accomplished through a strategic analysis of budget reductions.
- Increase in transfers to other city funds (increase of \$8.3 million):
 - The city annually budgets 6% of General Fund revenues as a transfer to the Infrastructure Replacement Fund, General Capital Construction Fund and The Technology Investment Capital Fund to help fund major new construction, maintenance and replacement of city infrastructure and facilities and the city's future technology needs.
 - \$7.4 million in additional transfers was budgeted for the General Capital Construction Fund and funded by the General Fund's budgeted operating surplus. The General Capital Construction Fund is funded by the General Fund and includes many capital projects programmed in the future. The level of funding necessary to fully fund these projects is an increasing concern. This one-time transfer amount will assist with funding the city's general capital construction into the future.

CalPERS and pension funding has been and will continue to be a challenge for participating agencies. CalPERS administers the city's defined benefit pension plan and costs have been increasing in past years as CalPERS addresses a structural shortfall in plan assets to cover unfunded liabilities. In support of CalPERS strategies for plan sustainability and as part of the city's strategic, long-term approach to financial management, the city actively manages its unfunded pension liability. Since fiscal year 2016-17, the City Council has approved additional discretionary payments of \$56.4 million to decrease future costs of the city's unfunded actuarial liability and strive to achieve a funded status of 80% in accordance with City Council Policy Statement No. 86.

CalPERS latest actuarial valuation report (as of June 30, 2022), the city had a combined pension funded status of 74.6%, reduced from the prior year's status of 86%. This reduction was predominantly driven by CalPERS' fiscal year 2021-22 investment loss of -6.1%. This negative return will not impact the city's required contributions until fiscal year 2024-25.

The City Council approved the establishment of a Public Agencies Post-Employment Benefits Trust (Section 115 Trust) on September 12, 2023. This 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 within the General Fund. The City Council approved an initial trust contribution of \$10 million on September 26, 2023. As of March 31, 2024, the city's Section 115 Trust had a balance of \$10,702,095. Considering the assets held by CalPERS as well as the assets held in the city's trust, the combined pension funded status as of March 2023 is 75.8%.

City staff will continue to provide regular financial updates to the City Council throughout fiscal year 2023-24. Identifying a potential structural deficit early has allowed the city to take a thoughtful approach to solutions, exploring new ways to reduce spending and increase revenue.

A detailed schedule of General Fund expenditures is provided on the next page.

**GENERAL FUND
EXPENDITURE STATUS BY DEPARTMENT**

DEPARTMENT DESCRIPTION	ADOPTED	WORKING	AS OF 03/31/24		
	BUDGET FY 2023-24	BUDGET FY 2023-24 (a)	AMOUNT COMMITTED (b)	AVAILABLE BALANCE	% AVAILABLE (c)
POLICY AND LEADERSHIP GROUP					
CITY ATTORNEY	\$2,115,596	\$2,115,596	\$1,596,773	\$518,823	24.5%
CITY CLERK	1,274,455	1,298,267	896,218	402,049	31.0%
CITY COUNCIL	607,078	612,882	391,038	221,844	36.2%
CITY MANAGER	2,184,823	2,298,394	1,784,703	513,691	22.3%
CITY TREASURER	279,149	279,149	152,208	126,941	45.5%
COMMUNICATIONS & ENGAGEMENT	1,953,098	2,265,467	1,617,660	647,807	28.6%
TOTAL POLICY AND LEADERSHIP GROUP	8,414,199	8,869,755	6,438,600	2,431,155	27.4%
ADMINISTRATIVE SERVICES					
ADMINISTRATION	784,107	807,692	549,237	258,455	32.0%
FINANCE	5,323,368	5,726,992	4,084,393	1,642,599	28.7%
HUMAN RESOURCES	5,029,995	5,238,274	3,480,629	1,757,645	33.6%
INNOVATION & ECONOMIC DEVELOPMENT	2,608,489	2,812,757	1,954,713	858,044	30.5%
TOTAL ADMINISTRATIVE SERVICES	13,745,959	14,585,715	10,068,972	4,516,743	31.0%
PUBLIC SAFETY					
POLICE	55,615,155	60,637,415	45,612,315	15,025,100	24.8%
FIRE	37,882,886	41,689,777	32,483,244	9,206,533	22.1%
TOTAL PUBLIC SAFETY	93,498,041	102,327,192	78,095,559	24,231,633	23.7%
COMMUNITY SERVICES					
COMMUNITY SERVICES ADMINISTRATION	585,411	733,802	598,266	135,536	18.5%
COMMUNITY DEVELOPMENT	11,012,958	13,516,576	9,972,137	3,544,439	26.2%
HOUSING & HOMELESS SERVICES	2,765,195	3,224,743	2,355,440	869,303	27.0%
LIBRARY & CULTURAL ARTS	13,637,285	14,374,638	10,184,181	4,190,457	29.2%
PARKS & RECREATION	21,055,565	22,052,001	16,844,605	5,207,396	23.6%
TOTAL COMMUNITY SERVICES	49,056,414	53,901,760	39,954,629	13,947,131	25.9%
PUBLIC WORKS					
PUBLIC WORKS ADMINISTRATION	1,562,272	1,595,344	1,166,854	428,490	26.9%
CONSTRUCTION MANAGEMENT & INSPECTIONS	3,257,906	3,341,081	2,260,427	1,080,654	32.3%
ENVIRONMENTAL SUSTAINABILITY	1,178,783	1,580,542	1,116,630	463,912	29.4%
FACILITIES	7,497,115	8,752,270	6,758,630	1,993,640	22.8%
TRANSPORTATION	9,732,215	10,896,475	7,789,819	3,106,656	28.5%
TOTAL PUBLIC WORKS	23,228,291	26,165,712	19,092,360	7,073,352	27.0%
NON-DEPARTMENTAL & CONTINGENCY					
(d) OTHER NON-DEPARTMENTAL	1,356,700	1,912,213	703,865	1,208,348	63.2%
VILLAGE TRENCHING	5,220,000	5,220,000	0	5,220,000	100.0%
OPERATING TRANSFERS OUT	21,910,000	28,210,000	22,732,497	5,477,503	19.4%
CONTINGENCY	500,000	492,000	0	492,000	100.0%
TOTAL NON-DEPT & CONTINGENCY	28,986,700	35,834,213	23,436,362	12,397,851	34.6%
TOTAL GENERAL FUND	\$216,929,604	\$241,684,347	\$177,086,482	\$64,597,865	26.7%

(a) Working budget includes the adopted budget, open encumbrances from the end of the prior fiscal year, approved carry forwards of the prior fiscal year and all other mid-year council approvals.

(b) Actual expenditures on a budgetary basis include encumbrances and exclude non-budgeted items.

(c) Amount available would be 27.6% if funds were spent in the same proportion as the previous year.

(d) Other non-departmental includes property tax administration fees, assessment district administration, citywide litigation expenses, and other items not attributed to a specific department.

Council Contingency

The City Council has allocated \$500,000 out of the General Fund budget for unanticipated emergencies or unforeseen program needs. Below is a listing of the City Council's contingency:

CONTINGENCY ACCOUNT USE OF FUNDS

EXPLANATION	AMOUNT
ADOPTED BUDGET	\$500,000
USES:	
Transfer to City Council travel budget (Resolution 2023-279)	(3,000)
Winning Teams Grant for Carlsbad High School Lancer Dancers Team	(5,000)
TOTAL USES	<u>(8,000)</u>
AVAILABLE BALANCE	<u><u>\$492,000</u></u>

Note 1 - City Council Policy 51 gives authorization to the City Manager, or designee, to approve Winning Teams and Community Spirit Grants up to \$5,000 per grant.

Donations

Carlsbad Municipal Code 2.08.100 authorizes the city manager to accept donations on behalf of the city in an amount or of value of up to \$5,000 per donation. These donations shall be used in accordance with the donor's intent or added to the city's contingency account. Below is a listing of all donations, that have been accepted during fiscal year 2023-24:

Donations Fiscal Year 2023 - 24

Department	Intention	Qtr. 1	Qtr. 2	Jan.	Feb	Mar	Qtr. 3	Total
Parks & Recreation	Leo Carrillo Ranch Cash Donations	\$3,500	\$4,341	\$383	\$505	\$7,117	\$8,005	\$15,846
Parks & Recreation	Opportunity Grant Donations	2,011	1,896	453	838	2,334	3,625	7,532
Parks & Recreation	Senior Center Cash Donations	629	1,408	30	1,000	385	1,415	3,452
Parks & Recreation	Senior Meals Cash Donations	6,399	7,166	2,478	1,826	2,823	7,127	20,692
Parks & Recreation	Senior Transportation Cash Donations	403	461	281	153	134	568	1,432
Parks & Recreation	Special Events Cash Donations	1,000	0	0	0	0	0	1,000
Parks & Recreation	Teen Program Cash Donations	1	2	45	660	1,495	2,200	2,203
Parks & Recreation	Parks Maintenance Cash Donations	1,850	0	0	0	0	0	1,850
Subtotal - Parks & Recreation		\$15,793	\$15,274	\$3,670	\$4,982	\$14,288	\$22,940	\$54,007
Library & Cultural Arts	Book Purchases	\$0	\$100	\$0	\$0	\$1,500	\$1,500	\$1,600
Library & Cultural Arts	Support Library Programs and Services	102	4,387	0	25	13	38	4,527
Subtotal - Library & Cultural Arts		\$102	\$4,487	\$0	\$25	\$1,513	\$1,538	\$6,127
Fire	Food gifts for crews	\$24	\$880	\$0	\$0	\$0	\$0	\$904
Fire	Stuffed animals for ambulances	0	90	0	0	0	0	90
Fire	Clothing	0	0	4,000	0	0	4,000	4,000
Fire	Fire prevention books	0	0	0	0	100	100	100
Subtotal - Fire		\$24	\$970	\$4,000	\$0	\$100	\$4,100	\$5,094
Total Donations		\$15,919	\$20,731	\$7,670	\$5,007	\$15,901	\$28,578	\$65,228

Water Enterprise

WATER OPERATIONS FUND					
March 31, 2024					
	BUDGET FY 2023-24	YTD* 3/31/2023	YTD* 3/31/2024	CHANGE FROM YTD 2022-23 TO YTD 2023-24	PERCENT CHANGE
REVENUES:					
WATER DELIVERY	\$ 41,688,000	\$ 29,881,589	\$ 30,039,349	\$ 157,760	0.5%
INTEREST	389,000	393,020	555,324	162,304	41.3%
MISC. SERVICE CHARGES	441,000	228,511	294,889	66,378	29.0%
PROPERTY TAXES	4,729,000	3,138,013	1,916,969	(1,221,044)	-38.9%
FINES, FORFEITURES & PENALTIES	411,000	283,142	296,737	13,595	4.8%
OTHER REVENUES	491,000	383,125	344,090	(39,035)	-10.2%
TOTAL OPERATING REVENUE	48,149,000	34,307,400	33,447,358	(860,042)	-2.5%
EXPENSES:					
STAFFING	4,782,779	3,143,919	3,464,154	320,235	10.2%
INTERDEPARTMENTAL SERVICES	3,765,584	2,371,338	2,824,607	453,269	19.1%
PURCHASED WATER	30,805,000	18,674,264	20,885,056	2,210,791	11.8%
MWD/CWA FIXED CHARGES	7,550,000	5,098,290	5,206,689	108,399	2.1%
OUTSIDE SERVICES/MAINTENANCE	3,141,059	619,764	598,367	(21,397)	-3.5%
DEPRECIATION/REPLACEMENT	5,000,000	3,749,999	3,739,460	(10,539)	-0.3%
MISCELLANEOUS EXPENSES	986,543	641,638	525,470	(116,168)	-18.1%
CAPITAL OUTLAY	194,302	32,776	60,936	28,160	85.9%
TOTAL OPERATING EXPENSES	56,225,267	34,331,989	37,304,739	2,972,750	8.7%
OPERATING INCOME/(LOSS)	\$ (8,076,267)	\$ (24,589)	\$ (3,857,381)	\$ (3,832,792)	15587.6%

*Adjusted to reflect timing differences for water purchases and depreciation.

Revenues



- Increase in water operating revenues due to increase in user rates effective January 2024, offset by 1.9% decrease in water volume sales.
- Interest earnings increased due to a 35.2% increase in the yield of the Treasurer's portfolio offset by an 8.1% decrease in the monthly average cash balance.
- The increase in misc. service charges is due to reimbursement for interdepartmental labor charges.
- The decrease in other revenues is from higher revenue in prior year due to a loss recovery.
- The decrease in property taxes is primarily due to an allocation to recycled water starting July 2023 offset by an increase in assessed property values.

Expenses



- The increase in staffing expenses due to negotiated increases in salary.
- Higher interdepartmental expenses resulted from increased personnel related costs, and general liability insurance.
- Purchased water expenses have increased from the prior year due to a 9% rate increase in the variable cost of water purchased from the San Diego County Water Authority (SDCWA) offset by a 0.1% decrease in the amount of water purchased.
- Outside services decreased from asphalt repairs in prior year.
- Miscellaneous expense decreased due to decrease in parts purchased.
- Capital outlay increase due to excavator purchase.

Wastewater Enterprise

WASTEWATER OPERATIONS FUND					
March 31, 2024					
	BUDGET	YTD*	YTD*	CHANGE FROM	PERCENT
	FY 2023-24	3/31/2023	3/31/2024	YTD 2022-23 TO	CHANGE
				YTD 2023-24	
REVENUES:					
CHARGES FOR CURRENT SERVICES	21,939,000	13,953,238	16,682,573	2,729,335	19.6%
INTEREST	110,000	107,439	215,230	107,791	100.3%
OTHER REVENUES	307,000	280,600	355,650	75,050	26.7%
TOTAL OPERATING REVENUE	22,356,000	14,341,277	17,253,453	2,912,176	20.3%
EXPENSES:					
STAFFING	3,322,088	2,000,376	2,400,788	400,412	20.0%
INTERDEPARTMENTAL SERVICES	1,929,134	1,133,334	1,445,754	312,420	27.6%
ENCINA PLANT SERVICES	6,000,000	4,423,161	4,802,145	378,984	8.6%
OUTSIDE SERVICES/MAINTENANCE	1,993,412	291,529	314,523	22,994	7.9%
DEPRECIATION/REPLACEMENT	5,300,000	3,974,999	3,962,481	(12,518)	-0.3%
MISCELLANEOUS EXPENSES	827,614	507,183	491,067	(16,116)	-3.2%
CAPITAL OUTLAY	24,651	0	572	572	100.0%
TOTAL OPERATING EXPENSES	19,396,899	12,330,582	13,417,330	1,086,748	8.8%
OPERATING INCOME/LOSS	2,959,101	2,010,695	3,836,123	1,825,428	90.8%

* Adjusted to reflect timing differences for Encina quarterly invoices and depreciation.

Revenues



- Charges for current services are higher than in the prior year due primarily to a 20% rate increase that went into effect in January 2024.
- Interest earnings increased due to a 35.2% increase in the yield of the Treasurer’s portfolio combined with a 29.7% increase in the monthly average cash balance.
- The increase in other revenues reimbursement for interdepartmental labor charges.

Expenses



- The increase in staffing expenses is driven by negotiated salary increases.
- Higher interdepartmental expenses resulted from increased personnel related costs, and general liability insurance.
- Lower miscellaneous expenses from purchase of parts.

Golf Course Enterprise

GOLF COURSE FUND					
March 31, 2024					
	BUDGET	YTD	YTD	CHANGE FROM	PERCENT
	FY 2023-24	3/31/2023	3/31/2024	YTD 2022-23 TO	CHANGE
				YTD 2023-24	
REVENUES:					
GOLF COURSE	5,271,000	3,981,050	4,024,589	43,539	1.1%
FOOD & BEVERAGE	4,025,000	3,466,250	3,506,753	40,503	1.2%
PRO SHOP	434,000	342,482	329,568	(12,914)	-3.8%
PRACTICE CENTER	355,000	286,730	382,227	95,497	33.3%
OTHER REVENUES	164,500	250,471	451,066	200,595	80.1%
TOTAL OPERATING REVENUE	10,249,500	8,326,983	8,694,203	367,220	4.4%
EXPENSES:					
GENERAL & ADMINISTRATIVE	5,801,000	2,974,230	3,343,778	369,548	12.4%
COURSE & GROUNDS	1,311,000	876,123	855,021	(21,102)	-2.4%
FOOD & BEVERAGE	348,000	260,956	271,265	10,309	4.0%
PRO SHOP	97,000	69,342	54,486	(14,856)	-21.4%
COST OF SALES	1,207,000	947,335	966,239	18,904	2.0%
DEPRECIATION/REPLACEMENT	750,000	2,550,001	562,500	(1,987,501)	-77.9%
MISCELLANEOUS EXPENSES	347,040	190,150	137,748	(52,403)	-27.6%
CAPITAL OUTLAY	1,092,226	412,144	714,196	302,052	73.3%
TOTAL OPERATING EXPENSES	10,953,266	8,280,281	6,905,233	(1,375,049)	-16.6%
OPERATING INCOME/LOSS	(703,766)	46,701	1,788,970	1,742,269	3730.7%

Revenues



- Primary operating revenues at the golf course have remained relatively consistent year over year. Slight decrease in demand offset by increase in rates.
- Other revenues increased notably over the prior period due to timing adjustments related to interest earnings on cash and investments on hand.

Expenses



- General & Administrative costs increased over the prior period as a result of cost of living increases and lingering inflation.
- This increase was absorbed by prudent operational spend over grounds maintenance and the pro shop.
- Depreciation has decreased by 78% when compared to the prior year. This is due to the fact that the original course land improvements are now fully depreciated.
- Miscellaneous expenses slightly decreased from prior year invoices for utility cost savings.
- Capital outlay higher from bunker renovation in addition to mower and cart replacements.



CITY COUNCIL
Staff Report

Meeting Date: May 14, 2024

To: Mayor and City Council

From: Scott Chadwick, City Manager
Cindie McMahan, City Attorney

Staff Contact: Allegra Frost, Senior Assistant City Attorney
allegra.frost@carlsbadca.gov, 442-339-2891
Zach Korach, Finance Director
zach.korach@carlsbadca.gov, 442-339-2127

Subject: Report Reevaluating Proposition H, Based on a Recommendation from the Carlsbad Tomorrow: Growth Management Citizens Committee and in Response to City Council Motion

Districts: All

Recommended Action

Receive a report addressing City Council's July 18, 2023, motion to discuss reevaluating Proposition H, based on a recommendation from the Carlsbad Tomorrow: Growth Management Citizens Committee, and provide direction.

Executive Summary

In March 2022, the City Council formed a resident-led advisory committee to initiate work on the City Council's goal to develop an updated approach to manage growth in Carlsbad. The group's charge was to identify the key elements of a new plan to manage growth in Carlsbad in a way that maintains an excellent quality of life while also complying with newer state housing laws.

The Carlsbad Tomorrow: Growth Management Citizens Committee presented its recommendations to the City Council on July 18, 2023. One of the recommendations was:

Due to increased project costs since 1982, consider a ballot measure to increase the \$1 million general fund expenditure limit, and index it to something like the Consumer Price Index so it can increase over time.

This recommendation refers to Proposition H, which was adopted by the voters in 1982. It requires voter approval for real property purchases or improvement projects if the cost exceeds \$1 million in city funds. Given inflation over the past 42 years, nearly all major improvement projects and land acquisitions not otherwise exempt from Proposition H would cost over \$1 million today and would be subject to a public vote. The committee's recommendation stems

from a concern that Proposition H has become a hurdle, making it more difficult and time-consuming for the city to pursue projects to maintain Carlsbad’s quality of life.

In response to the committee’s recommendation, the City Council approved a motion directing staff “to bring back to the City Council an agenda item to discuss options related to Proposition H, which could include a ballot measure.”

Explanation & Analysis

Proposition H history

In 1982, the proponents of Proposition H explained that the passage of Proposition 13 in 1978, followed in 1979 by the Gann Initiative spending limitation,¹ caused city resources to become more constrained. In response, Carlsbad voters decided to put Proposition H on the ballot to ensure the city did not spend large amounts of money to purchase or develop property without adequate review and input by the public.

1	It is the intent of this ordinance to provide the citizens
2	and taxpayers of Carlsbad with an opportunity to express directly
3	their preference by vote prior to major city expenditures for the
4	purchase or development of land;
5	It is not the intent of this ordinance to interfere with the
	normal day to day administration of the City or with routine
	ongoing capital expenditures;

The measure, passed by the voters in 1982, requires voter approval for real property purchases or improvement projects if the cost exceeds \$1 million in city funds.² Proposition H states, in pertinent part:

The city shall make no real property acquisition and/or no improvement to real property the cost of which exceeds one million dollars in city funds, unless the proposed acquisition and/or improvement project and the cost in city funds is first placed upon the ballot and approved by a majority of the voters voting therein at an election.

Although many cities place bonds on the ballot to pay for projects, Proposition H’s expenditure limitation is unique because it asks for voter permission to spend money the city already has. City staff are not aware of other cities with a similar limitation. Proposition H was incorporated into the City Charter when the charter was adopted in 2008. Section 400 of the City Charter states,

Subject to the expenditure limitation established by the citizens of Carlsbad Proposition H in 1982, the City shall have the power to utilize revenues from the general fund to encourage, support and promote economic and community development in the City.

¹ The Gann initiative, a result of Proposition 13, imposed a cap on local government revenue that can be appropriated in any given fiscal year.

² Proposition H is codified as Chapter 1.24 of the Carlsbad Municipal Code and allows the City Council to adopt reasonable guidelines to implement Proposition H. The City Council adopted guidelines implementing Proposition H in 1983 and 2005.

Implementing guidelines

Following the passage of Proposition H, the City Council convened a citizens committee to recommend implementation guidelines to help clarify what projects require a Proposition H vote. Based on this input, the City Council voted in 1983 to approve regulations implementing Proposition H. On July 19, 2005, the City Council approved an additional implementing regulation.

Real property acquisitions and improvements to real property are subject to voter approval if the cost exceeds \$1 million in city funds. “City funds” are defined as,

City of Carlsbad general fund moneys; federal general revenue sharing moneys and all other moneys, but shall not include categorical federal and state grants available to the city for specific purposes. City funds shall not include special assessments. (Carlsbad Municipal Code Section 1.24.020.)³

The regulations clarify that “city funds” are tax monies, collected citywide, that are subject to the limitations of Proposition 13 and the Gann Initiative. Fees received from new development to provide additional facilities are exempt. For example, planned local drainage fees, park-in-lieu fees, public facilities fees, water funds and sewer connection funds are not considered city funds. Because of that, certain projects that cost more than \$1 million may be exempt from the Proposition H voter approval requirement due to their funding sources.

“Improvements to real property” are defined by the regulations as excluding replacement, repair, maintenance, routine refurbishment or upgrades of existing facilities, because they are considered to be routine ongoing capital expenditures necessary to carry out the normal, routine business of the city. That means that certain types of replacement or repair projects that cost more than \$1 million may also be exempt from the Proposition H’s voter approval requirement.

Ballot measures under Proposition H

The City Council has placed several measures on the ballot since 1982 to obtain voter approval of projects exceeding \$1 million in city funds, including the purchase of Hosp Grove, a golf course, a tennis complex, two multipurpose athletic fields, an enclosed soccer facility, a portion of Cannon Road (Reach 4), the Safety Training Center, Alga Norte Aquatic Center, Fire Station 2 and, most recently, the Monroe Street Pool renovation project.

The cost to place the Monroe Street Pool renovation project on the ballot was \$38,812. Future projects that may require voter approval include, Fire Station 7, Robertson Ranch Park and the Zone 5 Park. The cost of a ballot measure to obtain voter approval for these projects depends on the election date and the number of other items on the ballot. Information on the cost to place a measure on the November 2024 General Election ballot is provided in the Fiscal Analysis section below.

³ The city’s community facilities districts, which collect fees to pay for certain improvements, are a form of special assessment.

In 2002, the City Council considered options to revise the Proposition H expenditure limitation and voted to place two items on the 2002 ballot:

- Proposition B, repealing the \$1 million expenditure limitation set forth in Proposition H,
- Proposition C, authorizing the city to spend city funds in an amount over \$1 million to construct capital facilities including a swimming pool complex, trails linkages and open space, the Public Safety Training Center and a portion of Cannon Road, east of College (Reach 4).

Proposition B failed with a vote of 33.7 percent in favor. Proposition C passed with a vote of 59.7 percent in favor. As a result of Proposition C's passage, construction of trail linkages and open space may also be exempt from the Proposition H voter approval requirement.

Committee's recommendation

The Carlsbad Tomorrow: Growth Management Citizens Committee recommended the City Council consider a ballot measure to increase the \$1 million General Fund expenditure limitation and index the amount so that it increases over time. The recommendation stemmed from a concern that the \$1 million limit was hampering the city's efforts to provide projects needed to ensure the city's future quality of life.

As noted above, after reviewing the committee's recommendations at the July 18, 2023 City Council meeting, the City Council directed staff to return with an agenda item to discuss options related to Proposition H.

Fiscal Analysis

The cost for placing a measure on the November 2024 General Election ballot would likely cost between \$135,000 and \$170,000.

Options

To facilitate the City Council's discussion, staff have developed the following options for consideration:

1. Propose an amendment to Proposition H

To change the \$1 million expenditure limitation enacted by Proposition H, the City Council could place an item on the ballot requesting voter approval to revise it. The city's charter references the Proposition H spending limit established in 1982, so the city will also need to amend the City Charter. This amendment would clarify that the city's powers to use General Fund revenues are subject to the expenditure limitation established in Proposition H, which may be amended from time to time by the voters.

There are a variety of ways in which Proposition H could be amended by the voters to increase the expenditure limitation. For example, such changes could:

- Increase the \$1 million limit and tie it to an index, so that the limit increases over time to keep up with inflation (the Growth Management Citizens Committee's recommendation).
- Exempt categories of projects from the \$1 million limit, such as:
 - Parks and recreational facilities, public safety facilities, libraries, etc.
 - Projects necessary to comply with the standards in the city's Growth Management plan.
 - Renovations and expansions of existing facilities.

2. Propose the repeal of Proposition H

City Council could propose a ballot measure repealing Proposition H entirely, as was done in 2002. A repeal would require voter approval to amend the City Charter by removing the Proposition H limitation.

3. Put both options on the ballot, with language indicating which one takes precedence if both are approved by voters

4. Take no action

The City Council could take no action on the recommendation from the Carlsbad Tomorrow: Growth Management Citizens Committee. Future non-exempt real property acquisition and improvement projects that require expenditures of greater than \$1 million in city funds would continue to require voter approval.

Next Steps

If the City Council chooses Options 1, 2, or 3 above, staff will return with a proposed ballot measure reflecting the City Council's direction. The deadline to place an item on the ballot for the November 2024 General Election is August 9, 2024.

Environmental Evaluation

The City Planner has determined that this action is exempt from the requirements of the California Environmental Quality Act in accordance with Guidelines Section 15378(b)(5), in that receiving a report and providing direction to staff does not meet the definition of a project. The action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

Exhibits

None