City of Garden Grove

WEEKLY CITY MANAGER'S MEMO

January 12, 2017

TO: Honorable Mayor and City Council FROM: Scott C. Stiles, City Manager Members

I. DEPARTMENT ITEMS

- A. <u>INVESTMENT REPORT FOR NOVEMBER 2016</u>
 Kingsley Okereke's Investment Report memo outlines the financial institutions, types of investment instruments, monthly transactions, current month interest received, and the par and fair market value of investments held for November 2016.
- B. <u>EMPLOYMENT AND PROMOTIONAL OPPORTUNITIES</u>
 Liane Kwan's email lists the employment and promotional opportunities available at Garden Grove.
- C. PROJECT UPDATES REGARDING HARBOR DEVELOPMENT AND INVESTEL Scott Stiles provides an update on the latest developments regarding the Harbor Development/ Investel/ Site C project.

II. ITEMS FROM OTHER GOVERNMENTAL AGENCIES, OUTSIDE AGENCIES, BUSINESSES AND INDIVIDUALS

- A. The League of California Cities report on Governor Brown's recently unveiled State Budget is included for your information.
- **B.** Southern California Gas Company letter updating policy makers and community leaders on the progress the company is making to complete a Comprehensive Safety Review on Aliso Canyon is included.

OTHER ITEMS

- NEWSPAPER ARTICLES
 Copies of the local newspaper articles are attached for your information.
- MISCELLANEOUS ITEMS
 Items of interest are included.

SCOTT C. STILES City Manager

Mc. Ath

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:

Scott Stiles

From: Kingsley Okereke

Dept:

City Manager

Dept:

Finance

Subject:

INVESTMENT REPORT

Date:

January 5, 2016

FOR NOVEMBER 2016

Enclosed is the November 2016 Investment Report which shows the financial institutions, types of investment instruments, monthly transactions, current month interest received, and the par and fair market value of investments held. The month-end cash in the bank and petty cash balances are also listed on the Cash and Investment Report. The pie chart (please see chart on attachment A) reflects the investment instruments as a percentage of the total portfolio.

This investment portfolio meets State guidelines and adheres to the City's investment policy. As of November 2016, the City's total portfolio is invested in:

Type of Investment	Total Investment	% of Investment
US Treasury	\$30,000,000	14.766%
Fed Home Loan Banks	\$36,250,000	17.842%
Fed Farm Credit Banks	\$25,500,000	12.551%
Fed Nat Mort Assoc	\$47,000,000	23.133%
City LAIF	\$44,072,181	21.692%
Cash with Fiscal Agents	\$20,353,099	10.018%
Total	\$203,175,280	100.000%

The cash with fiscal agents is restricted as they are funds held and invested by an outside fiscal agent. The restrictions were set forth in the related bond indentures. As of November 2016, 10.018% of the portfolio is restricted.

In summary, the investment portfolio is secured and the City has the necessary cash to pay its pills for six months in a timely manner. Please call me at extension #5060 if you have any questions.

KINGSLEY OKEREKE

Assistant City Manager/Finance Director

KO/EC/CF/RM

Attachments

cc: Monica Neely

CASH AND INVESTMENT REPORT PERIOD ENDING NOVEMBER 30, 2016

	BEGINNING INVESTMENT PURCHASES RATE % DATE	AMOUNT	CURRENT MONTH PURCHASES DATE	AMOUNT	CURREN MATU DATE	CURRENT MONTH MATURITIES DATE AMOUNT	ENDII P DATE	ENDING INVESTMENT MATURITIES AMOUNT	PERIOD INTEREST RECEIVED	PAR VALUE	MARKET VALUE	LAST INT REC'D DATE
	0.500	46,572,181.37		ā		8,500,000.00		44,072,181.37				
	1	46,572,181.37		4,000,000.00	ļ	6,500,000.00	l	44,072,181.37				
U.S. TREASURY		SHARES/ UNITS HELD										
U.S. TREASURY		3,000,000,00					07/31/17	3,000,000,00		3,000,000,00	2,995,200,00	08/01/16
U.S. TREASURY	0.625 08/07/16	3,000,000.00					11/30/17	3,000,000,00	0 375 0	3,000,000,00	2,996,250,00	41/30/16
U.S. TREASURY		3,000,000,00					06/30/18	3,000,000.00		3,000,000,00	3,015,480.00	06/30/16
U.S. TREASURY		3,000,000,00					07/31/18	3,000,000,00		3,000,000,00	3,015,120.00	08/01/16
U.S. TREASURY		3,000,000,00					08/31/16	3,000,000.00		3,000,000,00	3,020,650.00	08/31/18
U.S. TREASURY		3,000,000,00					10/31/18	3,000,000,00		3,000,000,00	3,097,740.00	10/31/16
U.S. TREASURY		3'000'000'0					03/31/19	3,000,000,00		3,000,000.00	3,028,590.00	09/30/16
U.S. TREASURY		3,000,000,000					07/31/19	3,000,000.00		3,000,000,00	2,965,200.00	08/01/16
U.S. TREASURY	1.375 11/05/15	3,000,000,00					03/31/20	3,000,000,00		3,000,000.00	2,986,410.00	09/30/16
				,	ŀ				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
		30,000,000,00		*				30,000,000,00	9,375.00	30,000,000.00	30,022,980.00	
FEDERAL HOME LOAN BANKS												
FHLB	1.300 12/02/11	3,900,000,00			11/30/16	3,000,000,00	11/30/16	,	39,000.00	٠		11/30/16
FHLB	1,300 12/02/11	3,000,000.00			11/30/16	3,000,000,00	11/30/18	r				
FHL®	1.000 06/25/13	3,000,000,00					06/09/17	3,000,000.00		3,060,000.00	3,003,780,00	06/09/16
FHLB		3,000,000,00					07/28/17	3,000,000,00		3,000,000.00	3,006,330,00	07/28/16
FHL9		3,000,000,00					09/08/17	3,000,000.00		3,000,000.00	3,032,490.00	09/08/16
FHLB	_	3,000,000,00					03/10/17	3,000,000.00		3,000,000.00	3.002,520.00	08/12/16
FHLB		3,000,000.00					09/14/18	3,000,000,00		3,000,000,00	3,044,820.00	09/14/16
FHLB		3,500,000,00					03/13/19	3,000,000,00		3,000,000,00	3,002,970.00	09/13/16
FHLB	_	3,000,000,00					09/13/19	3,000,000.00		3,000,000,00	3,044,460.00	09/13/16
FHLB		3,000,000,00					06/14/19	3,000,000,00		3,000,000.00	3,019,710.00	06/14/16
FHLB		3,000,000,00					06/12/20	3,000,000,00		3,000,000,00	3,016,260.00	06/13/16
FHCB	_	3,000,000.00					03/19/18	3,000,000,00		3,000,000,00	2,993,880.00	09/19/16
FHLB	2.375 10/07/16	3,000,000,00		•			09/10/21	3,000,000,00		3,000,000,00	3,050,250.00	
FHLB	2.000		11/10/16	3,250,000.00			11/10/21	3,250,000.00		3,250,000.00	3,268,980,00	
		39,000,000,00		3,250,000,00	İ	6,000,000.00		36,250,000.00	39,000.00	38,250,000.00	36,486,450.00	

CASH AND INVESTMENT REPORT PERIOD ENDING NOVEMBER 30, 2018

	BEGINNING INVESTMENT		CURRENT MONTH		CURRENT MONTH	HI.	ENDING INVESTMENT	- :	PERIOD	PAR		LAST
TYPE INVESTMENT/ FINANCIAL INSTITUTION	PURCHASES RATE % DATE	AMOUNT	PUNCHASES DATE	AMOUNT	MATORINES DATE AMOUNT	S UNT DATE	AMOUNT	≟ n₹	RECEIVED	VACUE	VALUE	DATE
FEDERAL FARM CREDIT BANKS												
FFCB	1.000 05/16/12	3,000,000,00				05/16/17	3,000,000.00	00.00	15,000,00	3,000,000.00	3,004,200.00	11/16/16
FFCB	1,160 01/23/14	3,000,000,00				10/23/17	3,000,000.00	00.00		3,000,000.00	3,008,100,00	10/24/16
FFCB	0.750 06/07/16	3,000,000,00				02/15/18	3.000,000.00	00.00		3,000,000.00	2,986,860.00	08/16/16
8044	1.590 10/01/14	3,000,000,00				10/01//8	1/18 3,000,000.00	90.00		3,000,000.00	3,019,560,00	10/03/16
FFCB	1.460 06/05/14	3,000,000,00				11/21/18	3.000,000.00	00:00	21,900.00	3,000,000.00	3,012,500.00	11/21/16
FFCB	1.300 08/06/16	3,000,000,00				06/06/19	3,000,000,00	00'00		3,000,000.00	2,989,560.00	
FFCB	2.060 07/28/15	1,500,000.00				08/01/19	1,500,000.00	00.00		1,500,000.00	1,524,300.00	08/01/16
FFCB	1,500 08/11/15	3,000,000,00				08/05/19	3,000,000.00	00.00		3.000,000.00	3,006,000.00	08/01/16
FFCB	1.280 10/06/16	3,000,000,00		٠		09/29/21	3,600,009.00	00.00		3,000,000.00	2,907,150.00	
		1	ı									
		25,500,000.00		ı			25,500.000.00	00.00	36,900.00	25,500,000.00	25,458,330.00	,
FED NAT MORT ASSOC												
FNMA	0.875 01/16/14	3,000,000,00				08/28/17	3,000,000,00	00'00		3,600,600.60	3,000,720.00	08/29/16
FNMA		3,000,000,00				10/26/17		00:00		3,000,000.00	2,999,880.00	10/26/16
FNRA	0.875 01/09/14	3,000,000,00				02/08/18		30.00		3,000,000,00	2,995,470.00	08/06/16
FINMA	-	3,000,000,00				05/21/18	.,	30.00	13, 125.00	3,000,000,00	2,992,050,00	11/21/16
FNMA		3.000,000.00				09/28/18		90,00		3,000,000,00	3,003,870,00	09/20/18
FNMA		3,000,000.00				11/27/18		00.00	24,375.00	3,000,000.00	3,026,580,00	11/28/16
FNMA	_	3,000,000.00				02/27/19		00.00		3,000,000,00	3,000,120.00	08/29/16
FNMA		3,000,000,00				09/18/19		00.00		3,000,000,00	3,003,870,00	09/18/16
FINMA		2,000,000.00				10/22/19		00.00		2,000,000.00	1,992,140.00	10/24/16
FNMA		3,000,000,00				11/28/19		00,00	28,250.00	3,000,000,00	3,025,440.00	11/28/16
FNMA	-	3,000,000,00				06/30/20		00.00		3,000,000,00	3,003,780,00	06/30/16
FINA	1.500 12/23/15	3,000,000,00				11/30/20	_	00.00	22,500,00	3,000,000,00	2,976,420.00	11/30/16
FNMA	1.520 07/28/16	3,000,000,00				07/28/21	3,000,000.00	00.00		3,000,000,00	2,903,850,00	
FNMA	1.000 08/24/16	3,000,000,00				08/24/21	3,200,000.00	90.00		3,000,000.00	2,971,170.00	
FNMA	1,100 10/17/16	3,000,000.00		٠		10/17/19	119 3,000,000.00	00.00		3,000,000.00	2,962,200.00	
FNMA	1.375 10/07/16	3,000,000,00		ď.		10/07/21	21 3,000,000.00	00.00		3,000,000.00	2,917,230.00	
		1	3		and the second second					- opposite property and a second		
		47,000,000.00		1			47,000,000.00	00.00	86,250,00	47,000,000.00	46,774,790.00	
ns	SUBTOTAL	188,072,181.37		7,250,000,00	12,500	12,500,000.00	182,822,161.37	31.37	171,525.00	138,750,000.00	138,742,550.00	

CASH AND INVESTMENT REPORT PERIOD ENDING NOVEMBER 30, 2016

LAST	INT REC'D	DATE
	MARKET	VALUE
PAR	VALUE	
PERFOD	INTEREST	RECEIVED
DING INVESTMENT	MATURITIES	AMOUNT
ENDIN	M	DATE
URRENT MONTH	MATURITIES	DATE AMOUNT
CURRE	MAT	DATE
		AMOUNT
CURRENT MONTH	PURCHASES	DATE AMOUNT
		AMOUNT
NG INVESTMENT	RCHASES	RATE % DATE
BEGINN	PU	MATERIAL NATIONAL DESIGNATION AND ANALYSIS ANALYSIS AND ANALYSIS AND ANALYSIS AND ANALYSIS AND ANALYSIS AND ANALYSIS AND ANALYSIS ANALYSIS ANALYSIS ANALYSIS ANALYSIS ANALYSIS
	TYPE INVESTMENT!	FINANCIAL INSTITUTION RATE % DATE AMOUNT

TYPE INVESTMENT!	PURCHASES		!	PURCHASES	!	MATU	MATURITIES	MATURITIES	UTIES	INTEREST	VALUE
FINANCIAL INSTITUTION KALE AMOUNT LANCE AMOUNT WATE AMOUNT WATE AMOUNT RECEIVED.	KAIE %	DA(E	AMOUNT	VAIE	Amount	DAIR	AMOUNT	DAIR	AMOON	HECENTED IN THE PROPERTY OF TH	
				CASH W	CASH WITH FISCAL AGENTS	GENTS					
CITY RESTRICTED INVESTMENTS											
2006 SEWER		11/30/16	1,505,508.54		ı		•	11/30/16	1,505.508,54		
2010 WATER		11/30/16	696,948.22		•		1	11/30/18	595,948.22		
2015 Refunding		11/30/16	4,01		•		•	11/30/16	4:01		
Z015A COP		11/30/16	9,261,520,09		٠			11/30/16	9,261,520.09		
SUBTOTAL	TAL		11,463,980,86	• 1	_		,		11,463,990.86		
SUCCESSOR RESTRICTED INVESTMENTS											
2006 Katella Cottages (VanKampen)		11/30/16	175,517.17		1		·	11/30/15	175,517.17		
OBOC		11/30/16	1,173,864.69		٠			11/30/16	1,173,864,69		
2014 TARB		11/30/16	3,942,329,90		٠		,	11/30/16	3,942,328,90		
2016 TAB		11/30/16	3.597,406.49					11/30/18	3,597,406.49		
SUBTOTAL	TAL		8,889,118,25		1		3		8,889,118.25		
TOTAL INVESTMENTS	612		206,425,280.48		7,250,000.90	1	12,500,000.00		203,175,280,48		

CASH AND INVESTMENT REPORT PERIOD ENDING NOVEMBER 38, 2016

PAR LAST VALUE MARKET INTREC'D VALUE DATE				
PERIOD PA INTEREST VAL				
	Ending Cash Balance	161,513.82 17,132.66	22,260,46 9,039,293,67 216,72 96,065,25 75,999,39 73,447,18 163,737,18 163,737,18 163,737,18 3,690,00 3,000,00 3,590,00 3,590,00 3,590,00 43,530,00	***************************************
ENDING II MATI		†1/30/16 †1/30/16	11/30/16 11/30/16 11/30/16 11/30/16 11/30/16 11/30/16 11/30/16 11/30/16 11/30/16 11/30/16 11/30/16	
CURRENT MONTH CURRENT MONTH MATURITIES FAXE AMOUNT DATE AMOUNT DATE AMOUNT				
FRICA	der			
CURRENT MONTH PURCHASES	Minimum managaran da managaran d		204220163B 2042850020 2042436554 204214021 204230365 2042203571 2042237764 2740032316	
TAILOUR	Ending Cash Balance	161.513.82 17,132.68	22,260,48 9,539,293,67 216,22 96,082,26 75,983,99 733,447,18 10,310,669,67 3,680,00 3,690,00 3,550,00 3,550,00 3,550,00 43,830,00	
Ē.,	Į	11/30/16 11/30/16	11780/16 11750/16 11750/16 11750/16 11750/16 11750/16 11750/16 11750/16 11750/16 11750/16 11750/16	
	CASH IN BANK	COMMERCIAL BANK-Willowick WELLS FARGO BANK - Civic Center Housing	UNION BANK OF CALEORNIA Cherge Back Account General Account Housing Authority (Accounting) Housing Authority Escrew Lability Workers Comp Successor Agency Change Fund France Change Fund France Departments Police Dept-Drug Police Dept-Reg	

WEIGHTED AVERAGE MATURITIES November 2016

	Yield	UBOC	Trois III reine Trois 1 or other Court	Date of	No. Days	Weighted	Weighted
Investment	(Rate)	Held	Amount	Maturity	to Mat.	Average	# of Days
iologiskuus ja muusi kuudinen soo				och sigi	11/30/2016		
			(a)		(b)	(a / total a = c)	(bxc)

TREASURY U.S.TREASURY	0,500		3,000,000	07/31/17	243	1.5400.407	6.007
U S TREASURY	0.625	*	3,000,000	08/31/17	274	1.64094% 1.64094%	3.987 4.496
U S TREASURY	0.625	*	3,000,000	11/30/17	365	1.64094%	5,989
U S TREASURY	1.375	*	3,000,000	06/30/18	577	1.64094%	9,468
U S TREASURY	1.375	*	3,000,000	07/31/18		1.64094%	9.977
U S TREASURY U S TREASURY	1.500 1.250	*	3,000,000	08/31/18 10/31/18		1.64094% 1.64094%	10.486 11.487
U S TREASURY	1.625	*	3,000,000	03/31/19		1.64094%	13.964
U S TREASURY	0.875	*	3,000,000	07/31/19	973	1.64094%	15,966
U S TREASURY	1,375	*	3,000,000	03/31/20	1,217	1.64094%	19.970
CITY							
FHLB	1.000	-	3,000,000	06/09/17	191	1.64094%	3,134
FHLB	1.125	*	3,000,000	07/28/17	240	1.54094%	3,938
FHLB	2.250	*	3,000,000	09/08/17	282	1.64094%	4.627
FHLB	0.875	*	3,000,000	03/10/17	100	1.64094%	1.641
FHLB FHLB	2.000 1.500	*	3,000,000	09/14/18 03/13/19	653 833	1.64094% 1.64094%	10.715
FHLB	2.000	*	3,000,000	03/13/19	1,017	1,64094%	13.669 16.688
FHLB	1.625	Ŧ	3,000,000	06/14/19		1.64094%	15.195
FHLB	1.750	*	3,000,000	06/12/20	1,290	1.64094%	21.168
FHLB	0.875	*	3,000,000	03/19/18	474	1.64094%	7.778
FHLB	2.375 2.000		3,000,000 3,250,000	09/10/21 11/10/21	1,745 1,806	1.64094%	28.634
THE	2.000		3,230,000	11/10/21	1,000	1.77768%	32.105
FFCB	1.000	*	3,000,000	05/16/17	167	1.64094%	2.740
FFCB	1.160	*	3,000,000	10/23/17		1.64094%	5.366
FFCB	0.750	*	3,000,000	02/16/18		1.64094%	7.269
FFCB	1.590 1.460	*	3,000,000	10/01/18		1.64094%	10.994
FFCB	1.300	*	3,000,000	11/21/18 06/06/19		1.64094% 1.64094%	11.831 15.064
FFCB	2.060	*	1,500,000	08/01/19		0.82047%	7.991
FFCB	1.500	*	3,000,000	08/05/19		1,64094%	16.048
FFCB	1.280	*	3,000,000	08/06/19	979	1.64094%	16.065
FNMA	0.875	*	3,000,000	08/28/17	271	1.64094%	
FNMA	0.875		3,000,000	10/26/17	330	1.64094%	4,447 5,415
FNMA	0.875	*	3,000,000	02/08/18		1.64094%	7.138
FNMA	0.875	*	3,000,000	05/21/18		1.64094%	8,812
FNMA	1.000	*	3,000,000	09/28/18		1.64094%	10.945
FNMA .	1.625 1.375	*	3,000,000	11/27/18 02/27/19		1.64094% 1.64094%	11.930
FNMA	1.500	*	3,000,000	09/18/19		1.64094%	13.439 16.770
FNMA	1.320	*	2,000,000	10/22/19		1.09396%	11.552
FNMA	1.750	*	3,000,000	11/26/19	1,091	1.64094%	17.903
FNMA	1,800	*	3,000,000	06/30/20		1.64094%	
FNMA FNMA	1.500 1.520	,	3,000,000	11/30/20 07/28/21	1,461 1,701	1.64094% 1.64094%	23,974
FNMA	1,000	*	3,000,000	08/24/21		1.64094%	27,912 28,355
FNMA	1.100	*	3,000,000	08/25/21		1.64094%	28.372
FNMA	1.375	*	3,000,000	08/26/21		1.64094%	28.388
		 -					
LAIF/REPO/COMMERCIAL PAPER	0.500	-	44,072,181	11/30/16		24.10658%	0.000
	000	†	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1756/10		27.1000070	0.000
			182,822,181		38,793	100.00000%	625
							Wtd. Avg. Maturity
RESTRICTED	A service of the service of	COMPANY TO SE	Arigoritalidada ler territ	in der miljil filler i Selvici		a Specific described to the second se	
2008 Katella Cottages 2008 UBOC		<u> </u>	175,517	11/30/16		0.86236%	0.000
2008 UBOC 2006 Sewer		 	1,173,865 1,505,509	11/30/16 11/30/16		5.76750% 7.39695%	0.000
2010 Water		1	696,948	11/30/16		3,42429%	0.000
2014 TARB			3,942,330	11/30/16		19,36968%	0.000
2015 TARB			4	11/30/16		0.00002%	0.000
			9,261,520	11/30/16		45.50423%	0.000
2015A COP's				11/30/16	-	17.67498%	0.000
2015A COP's 2016 TAB		ļ	3,597,406	1730/10		17.07.10070	4,223
				11/30/10			
			20,353,099	11/30/10	-	100.00000%	
				1730/10	-		

Zimbra

sstiles@ci.garden-grove.ca.us

Garden Grove Employment and Promotional Opportunities

From: Liane Kwan < lianek@ci.garden-grove.ca.us>

Tue, Jan 10, 2017 09:10 AM

Subject : Garden Grove Employment and Promotional

14 attachments

Opportunities

To: Liane Kwan < lianek@ci.garden-grove.ca.us>

The Human Resources Department is currently accepting on-line applications for the classifications listed below. Please visit our website at www.ci.garden-grove.ca.us/hr to apply on-line, view the job flyer, and obtain detailed information for each recruitment. We encourage all employees to take advantage of our employment opportunities.

- Business Tax Supervisor
- Lateral Police Officer
- Police Recruit
- Police Recruit Academy Enrolled
- Police Cadet
- · Police Office Aide
- Reserve Police Officer, Academy Trained
- Reserve Police Officer, Level I
- Reserve Police Officer, Level II
- · Reserve Police Officer, Level III
- Senior Real Property Agent

For Promotional-only/Internal Opportunities listed below, please visit the intranet to apply online, view the job flyers, and obtain detailed information for each recruitment. The intranet can be accessed at http://remote.garden-grove.org.

- Fire Engineer
- Police Sergeant

For Transfer Opportunities, please submit a letter of interest to Liane Kwan, Recruitment and Classification Supervisor, indicating to what position you are interested in transferring. For detailed information, please contact me at ext. 5011 or via e-mail at: lianek@ci.garden-grove.ca.us.

Thank you,

Liane Kwan
Recruitment and Classification Supervisor
City of Garden Grove
714.741.5011
lianek@ci.garden-grove.ca.us

- GG Job Bulletin Business Tax Supv 1-2017.pdf 139 KB
- GG Job Bulletin Senior Real Property Agent 1-2017.pdf
 142 KB
- GG Job Bulletin Fire Engineer 3-2017.pdf 133 KB
- GG Job Bulletin Lateral Police Officer 1-2017.pdf
- GG Job Bulletin Police Cadet 1-2017.pdf
- GG Job Bulletin Police Office Aide 1-2017.pdf
- GG Job Bulletin Police Recruit 1-2017.pdf
- GG Job Bulletin Police Recruit-Academy Enrolled 1-2017.pdf
 165 KB
- GG Job Bulletin Police Sergeant 1-2017.pdf 149 KB
- GG Job Bulletin Reserve Police Officer-Academy Trained 1-2017.pdf
 161 KB
- GG Job Bulletin Reserve Police Officer-Level I 1-2017.pdf
- GG Job Bulletin Reserve Police Officer-Level II 1-2017.pdf 163 KB
- GG Job Bulletin Reserve Police Officer-Level III 1-2017.pdf
- NEOGOV Application Instructions v2.pdf
 1 MB

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:

Honorable Mayor and City

Council Members

From:

Scott C. Stiles

City Manager

Dept:

PROJECT UPDATES RE: HARBOR

Dept: Date:

January 12, 2017

Subject:

DEVELOPMENT/ INVESTEL

I want to update you on the latest developments regarding the Harbor Development/ Investel/ Site C project.

The developer of Site C, Investel (the entity created by Land & Design and SCG America), and City staff continue to implement the Grove Resort Hotel Development Agreement (GRHDA). Work teams are meeting on a weekly basis to move the project forward. The City has completed the demolition work and the land for the site has been transferred from the Agency to the City. The Developer has been working diligently to secure the first two hotel franchises with positive indication that an announcement will be made within the 60-90 days. The weekly meetings include work on a Parcel/Tract Map, the Development Agreement, and Condition Covenants and Restrictions. It is anticipated these action items will be considered by the Planning Commission sometime in second quarter 2017. The Developer continues to adhere to the GRHDA Agreement Schedule of Performance and has indicated that they are on track to start construction by early 2018.

In an earlier report to City Council, we identified the possible need for a visit to Shanghai. However, staff now feels all work can continue here in the U.S., and consequently, we will not be planning any overseas travel.

We will keep you updated as the project progresses. Please feel free to contact me if you have any questions. This memorandum is for informational purposes only. No action of the City Council is required.

SCS:scs

Cc: Lisa Kim, Director, Community & Economic Development



GOVERNOR UNVEILS PROPOSED FY 2017-18 BUDGET WITH \$1.6 BILLION DEFICIT PROJECTED

Proposal Includes \$4.3 Billion for Transportation but No New Funding for Affordable Housing

Volatility and prudence were the words of the day during Governor Jerry Brown's annual January budget release press conference in Sacramento this morning. Similar to recent years, the Governor repeatedly cautioned about the dangers of overspending and the pending recession that will likely follow the last eight years of economic expansion. His words were stronger this year because after four years of balanced budgets with small budget surpluses, this one projects a \$1.6 billion deficit for the fiscal year that starts July 1. The proposed FY 2017-18 budget he unveiled includes \$122.5 billion General Fund and \$179.5 billion total spending.

State revenues are still growing and projected to grow in FY 2017-18 according to the Governor's budget proposal. However, the trajectory of that growth is declining and the budget lays out some tough choices to rein in spending in the face of the deficit and lower growth.

The proposed budget includes \$3.2 billion in budget solutions. The unappropriated \$400 million in the FY 2016-17 budget — set aside to be exchanged for approval of the by right proposal — is counted as savings. The state will also hold back from transferring \$300 million to modernize state buildings in FY 2017-18. The Proposition 98 constitutional guarantee for K-14 funding will be at its minimum. The Middle Class Scholarship program will not be extended to new students, rate increases for child care will not occur and a number of other spending proposals will not be funded.

California faced a \$27 billion deficit when Governor Brown assumed his third term of office in January 2011. The coming year's deficit is dramatically smaller, however, the Governor is worried that it can quickly grow if it is not immediately addressed. In the midst of the dire warnings, he showed his softer side in calling on the Legislature to "Save some biscuits for a rainy day" in honor of his beloved recently deceased First Dog Sutter Brown. To that end, the Governor stressed the importance of the state's Rainy Day Fund, which is projected to reach \$7.9 billion in FY 2017-18.

Several factors make state budgeting in California challenging. Although the state has the most progressive tax structure in the nation, that in turn results in more volatility because of the reliance on capital gains. Income, sales and corporation taxes comprise the "big three" revenue sources for California.

This year there is more uncertainty resulting from the impacts of unknown changes to be made by the incoming Trump Administration. The Governor's budget did not account for how the new president's policies will impact California, but he did say that his May Revise could be based on very different numbers depending on what happens between now and then. He used

this portion of his remarks as another opportunity to remind the Legislature that California must be fiscally prudent and wise this year.

The Governor's proposed budget does reflect several of the League's 2017 strategic goals. He reiterated his commitment to transportation funding by including a 10 year, almost \$43 billion transportation infrastructure investment plan. The funding goes to the entire system, state and local and transit. The Fix Our Roads Coalition, of which the League is a member, issued a statement early Tuesday afternoon commending the Governor for his continued engagement in crafting a sustainable transportation funding package while reinforcing the need for at least \$6 billion annually to stop the deterioration of the system.

California's affordable housing crisis and homelessness were both also addressed. Governor Brown spoke about the need to reduce the per unit affordable housing construction cost, currently averaging \$322,000 per unit. However, the League is disappointed that the Governor chose to emphasize the need to streamline the process and adjust requirements at the local level rather than provide much needed funding. The budget contains no new funding for affordable housing, and principles presented by the Governor for any funding negotiations include "No Impact to the General Fund."

On a positive note, the League-supported No Place Like Home program will be funded in FY 2017-18 to construct and rehabilitate permanent supportive housing for California's most chronically homeless mentally ill.

The Governor focused on the Cap-and-Trade program and wants to withhold any additional allocations until after the Legislature stabilizes the fund through a two-thirds vote. Early auctions generated significantly more revenues than those held in May and August of last year, which total produced approximately \$18 million. The last auction in November 2016 produced \$364 million.

Details on these and other budget areas of importance to cities are outlined below.

Transportation Funding

While the regular and special session on transportation funding came to a close last year without resolution, the Governor's new transportation funding proposal provides an increase to \$43 billion over the next 10 years.

Of the \$4.3 billion in new funding for transportation in FY 2017-18, \$1.16 billion goes to local streets and roads for maintenance and rehabilitation. Additionally, the Governor's proposal includes the following annual investments in the coming 10 years:

- > \$100 million for the Active Transportation Program.
- > \$25 million for sustainable (SB 375) transportation grants.
- > \$270 million for Corridor Mobility Improvements on congested commute corridors.
- > \$25 million for the freeway service patrol program.
- > \$400 million for the Transit and Intercity Rail Capital Program.
- > \$1.8 billion for highway repairs and maintenance on the state highway system.
- > \$250 million for the state's major trade corridors.

These investments will be supported through the following revenue sources:

- > \$2.1 billion Road Improvement Charge from \$65 fee on all vehicles, including electric and hybrid.
- ➤ \$1.1 billion from eliminating the annual adjustments to the gasoline excise tax and resetting the tax to the FY 2013-14 rate of 21.5 cents, adjusted annually for inflation.
- > \$425 million from an 11 cent increase to the diesel excise tax, adjusted annually for inflation.
- > \$500 million in additional cap and trade proceeds.
- > \$100 million in Caltrans efficiencies.
- > \$706 million in loan repayments.

The Governor's budget transportation proposal represents a smaller package than existing legislative proposals in AB 1 (Frazier) and SB 1 (Beall), which generate \$6 billion annually upon full implementation. With a commitment from this Legislature and Administration, the benefits of a comprehensive transportation funding proposal will far exceed the costs for Californians. These modest increases will help ease the costs drivers are already paying, an average of \$762 annually, to fix their vehicles due to poor road conditions.

The Governor's budget proposal assumes adoption of the proposal. Local streets and roads will continue to deteriorate without a new funding package.

Housing

The League was very disappointed to see that the Governor did not include a meaningful funding proposal for affordable housing. The Governor took it a step further in his proposal and clearly stated that the General Fund was completely off the table as a possible source of funding to help spur housing production, including affordable housing. Governor Brown also eliminated the \$400 million set aside in the 2016-17 Budget Act for affordable housing in exchange for approval of the by right proposal. The funds have not been appropriated because the Legislature has not acted on his proposal.

Instead of bringing forward a balanced proposal that comprises significant permanent housing funding and appropriate project streamlining, the Governor unveiled a list of housing policy principles that largely focus on "reforms" at the local level. These "reforms" could dramatically limit plan review, public input, impact fees, and tie housing production to unrelated infrastructure funding, such as much needed transportation dollars.

The Governor's Housing Policy Principles are as follows:

- > Streamline Housing Construction. Reduce local barriers to limit delays and duplicative reviews, maximize the impact of all public investments, and temper rents through housing supply increases.
- > Lower Per-Unit Costs. Reduce permit and construction policies that drive up unit costs.
- ➤ Production Incentives. Those jurisdictions that meet or exceed housing goals, including affordable housing, should be rewarded with funding and other regulatory benefits. Those jurisdictions that do not build enough to increase production should be encouraged by tying housing construction to other infrastructure-related investments.
- Accountability and Enforcement. Compliance with existing laws such as the housing element should be strengthened.

> No Impact to the General Fund. No new costs, or cost pressures, can be added to the state's General Fund, if new funding commitments are to be considered. Any permanent source of funding should be connected to these other reforms.

Curiously, given all of the recent debate in the Capitol about what has led to the rise in home prices, the Governor's "reform" principles make no mention of CEQA, prevailing wage, high land costs, market conditions, or a number of other factors that put pressure on housing costs.

Homelessness

The only new funding for housing or homelessness comes from the No Place Like Home Program, which allocates \$262 million for permanent supportive housing for persons who are eligible for services under Prop. 63 (2004) and are homeless, chronically homeless, or at risk of chronic homelessness. Grant guidelines are still being developed by the Department of Housing and Community Development, and grant approvals are not expected until 2018.

Workforce Development

The January Budget Proposal includes:

- > \$248 million to expand career technical education courses through the Strong Workforce Program at California community colleges.
- > \$500 million for the Adult Education Block Grant Program to support programs that assist adult learners with courses to complete high school diplomas, general education equivalent, and English as a Second Language courses.
- > \$68 million for apprenticeship programs that offer a clear pathway to obtain classroom instruction and on-the-job training skills leading to gainful employment.
- A policy statement linking the importance of local libraries to workforce development. The state librarian will work with stakeholders to integrate libraries into the state's workforce strategy.

Cap-and-Trade

Governor Brown proposes legislation authorizing the state Air Resources Board (ARB) to administer Cap-and-Trade auctions beyond 2020. This proposal is meant to address volatility in auction revenues in 2016, which many speculate are the result of legal challenges to the validity of the program beyond 2020. Governor Brown also announced that any appropriation of Cap-and-Trade funds is contingent on passage of the proposed legislation to extend the Cap-and-Trade authority.

Should this proposal receive the two-thirds it needs in both the Senate and Assembly, the budget proposes the following \$2.2 billion Cap-and-Trade Expenditure Plan:

Continuous Appropriation (60 percent of annual auction proceeds):

- > \$375 million for the High-Speed Rail Project.
- > \$75 million for Low Carbon Transit Operations.
- > \$150 million for the Transit and Intercity Rail Capital Program.
- > \$300 million for the Affordable Housing and Sustainable Communities Program.

One-time Appropriation (40 percent of annual auction proceeds):

- > \$500 million to the Transportation Agency for Transit and Intercity Rail Capital Program and to Caltrans for Active Transportation (See Transportation Funding section above).
- ➤ \$363 million for ARB's Low Carbon Transportation Program to provide incentives for low carbon freight and passenger transportation, including rebates for zero emission cars, vouchers for hybrid trucks and zero-emission trucks and other uses.
- > \$142 million for the Strategic Growth Council to administer the Transformational Climate Communities Program as well as to provide technical assistance.
- ➤ \$95 million cumulatively to ARB for black carbon woodsmoke, to CalRecycle for waste diversion, and to the Department of Food and Agriculture for dairy digesters.
- ➤ \$127.5 million cumulatively to CALFIRE for healthy forests and urban forestry programs, to the Department of Food and Agriculture for Climate Smart Agriculture Healthy Soils, and to the Natural Resources Agency for urban greening.
- ➤ \$27.5 million cumulatively to the Department of Community Services and Development for energy efficiency upgrades and weatherization and to the Department of Food and Agriculture for the State Water Efficiency and Enhancement Program.

Should the Governor's proposal not be approved, programs that receive a continuous appropriation will go forward but with significantly less funding. The programs that received one-time appropriations would not be funded in FY 2017-18.

Beverage Container Recycling Program Reform

In his budget, the Governor highlights the 30-year old Beverage Container Recycling Program as ripe for reform. Depending on the proposed reforms, cities could potentially lose funding that supported recycling programs at the local level. The League will monitor this issue closely as discussions develop.

Environmental Quality

Emergency Drought Response

The Governor's budget proposes an additional \$178.7 million in one-time funding to provide immediate responses to the drought. This budget assumes drought conditions continue, although the administration will continue to monitor drought conditions and make any necessary changes in the May revision to the January budget proposal. Appropriations are proposed in the categories below.

Protecting water supplies and water conservation:

- > \$5 million to the Department of Water Resources (DWR) for local assistance to small communities for emergency drinking water.
- ➤ \$5.3 million to the State Water Resources Control Board (SWRCB) for water rights management.
- > \$7 million to the DWR for drought management and response.
- > \$2 million to the DWR for the Save Our Water campaign.

Emergency response for fire protection and tree mortality:

> \$91 million to CALFIRE for enhanced fire protection, including continuation of increase firefighter surge capacity, extended fire season, surge helicopter pilots, California

- Conservation Corps fire suppression crews, increased vehicle maintenance, and exclusive use of large and very large air tankers.
- > \$52.7 million to the Office of Emergency Services (OES) for the California Disaster Assistance Act.
- ➤ \$4 million to OES for the State Operations Center.

Protecting Fish and Wildlife:

- > \$8.2 million to the Department of Fish and Wildlife (DFW) for emergency fish rescues and monitoring.
- ➤ \$3.5 million to the DWR for implementation of the Delta Smelt Resiliency Strategy including aquatic week control, adaptive food management and distribution, and wetlands flood and drain operations.

California Water Action Plan

The Governor proposes several funding increases to further the goals of the 2014 California Water Action Plan. The proposed allocations below assume drought conditions in the state continue.

- ➤ \$248 million (Prop. 1 funding) to DWR for integrated regional water management projects that are regionally driven multi-benefit projects that help meet long-term water needs.
- ➤ \$1 million (Waste Discharge Permit Funds) and five new positions for the SWRCB, in coordination with the Department of Food and Agriculture, to address contamination of groundwater basins from agricultural practices.
- > \$1.9 million (Prop. 1 funding) increase to DFW for the Water Investment Storage Program for initial outreach and technical review of the ecosystem benefits of the water storage project proposals submitted to the California Water Commission.
- \$2.3 million increase (Water Rights Fund) for five new positions at the SWRCB and \$1.5 million in contract funds to enforce reporting requirements and protect local groundwater resources beginning in July 1, 2017. The proposal targets high or medium-priority groundwater basins that fail to form local governance structures, as required by the Sustainable Groundwater Management Act (SGMA).

Department of Fish and Wildlife

For the Fish and Game Preservation Fund to fully support the commercial fishing program, the budget proposes an increase of \$12.3 million from commercial fish landing fees and redirecting \$10.6 million on a one-time basis from the Lifetime License Account.

Department of Parks and Recreation

In recent years, the Department of Parks and Recreation has undertaken reform and innovation efforts, although the administration notes that the Department has long-term structural shortfalls. The budget proposes a one-time increase of \$12.6 million from the State Parks and Recreation Fund and \$4 million from the Environmental License Plate Fund to maintain existing service levels at state parks.

Local Public Safety

The Governor's Budget Proposal includes:

- ➤ \$114.9 million for Community Corrections Performance Incentive Grants: Continued from previous years to fund county efforts to reduce the number of felony probationers going to state prison.
- ➤ \$11 million for Post-Release Community Supervision: For county probation departments supervising temporary increase in offenders resulting from Prop. 57 and court-ordered population control measures.
- Policy changes to reduce the number of programs supported by State Penalty Fund due to declining revenues in recent years.
 - O The following programs will no longer be supported by the fund: California Gang Reduction, Intervention and Prevention Program (GRIP) with Board of State and Community Corrections; Internet Crimes Against Children Task Forces, OES; Local Public Prosecutors and Public Defenders Training Program, OES; and, Motorcyclist Safety Program, California Highway Patrol (training, education and outreach activities).
 - O Funds will continue to be available to the following programs: Driver Training Program; Peace Officer Standards and Training; Standards and Training for Corrections; Victim Witness and Assistance Programs; Restitution Fund; CA Witness Relocation and Protection Program; Traumatic Brain Injury Program; and Fish and Game Prevention Program.
- A repeal of the Drivers License Suspension Program: Eliminates provisions in law providing for suspending a person's drivers license for failure to pay fines/penalties.

Corrections: Proposition 57 Implementation

Prop. 57 (2016) is estimated to reduce average daily adult inmate population by 2,000 in FY 2017-18, and by a total of 9,500 by FY 2020-21. It facilitates removal of all out-of-state inmates in one of the two remaining prison facilities in FY 2017-18. The Governor's proposal promises to provide substance abuse treatment at all state correctional facilities by the end of the year. The proposal anticipates savings of \$22.4 million in FY 2017-18 with a net savings of \$140 million by FY 2020-21.

Specific provisions of the Governor's Budget Proposal include:

Parole Process — Eligibility for Non-Violent Offenders

The budget provides for non-violent second strikers to go before the Board of Parole Hearings, which will evaluate their threat to public safety. An estimated 5,000 inmates will qualify, only eligible after serving 50 percent of the longest possible term for their sentence. In practice, this will affect approximately 500 – 600 inmates. It also increases and standardizes goo-time credit earnings.

Inmates who are not eligible include:

- ➤ Violent inmates (defined by Penal Code Sec. 667.5).
- > Third Strikers.
- > Inmates with sentence enhancements violent acts.
- Inmates with in-custody infractions for drugs/gang-related behavior.

Milestones and Mentors

Milestone credits are good-time credits for specified activities. The goal is to award enhanced milestone credits for earned academic and vocational achievements including accredited high school courses, vocational programs certified by the trades, and an AA or BA Degree.

The Offender Mentor Program (approximately 400 programs throughout the program) will require that inmates go through courses and tests to get credits.

While rehabilitation programs are traditionally open only to non-violent inmates, the Governor proposes to open them to all inmates regardless of committed offense in FY 2017-18. This has been shown to be an effective anti-recidivism tool. The California Department of Corrections and Rehabilitation (CDCR) has found that inmates are 31.2 percent less likely to re-offend if they complete an in-prison substance abuse disorder treatment program. Under the proposal, substance abuse program will be available at all prisons by the end of the year.

Funding for Inmate Rehabilitation and Re-Entry

The budget includes \$440 million to division or rehabilitative programs, which represents an increase from \$300 million in FY 2012-13. Support for in-custody rehabilitative programming will include: cognitive behavioral therapy, re-entry/transition programs, Long Term Offender Program, Offender Mentor Certification Program, and self-help programs. Participation will be incentivized by grants of up to one month off prison sentence for completion of 208 program hours.

Division of Juvenile Justice

There is an anticipated increase of 72 wards due to Prop. 57's shift of authority regarding charging minors as adults from district attorneys to judges. The budget includes \$4.9 million to reactivate two Department of Juvenile Justice living units to accommodate this expected population increase. In addition, juvenile prosecutions in adult court expected to decline and average daily inmate population on the adult side expected to decline by 81 in FY 2017-18. Counties are expected to experience related increased costs as probation departments will provide greater assistance in juvenile court proceedings and County probation departments will pay the state \$24,000 per year per ward for certain juvenile commitments.

Other Programs

The Budget Proposal also includes funding for the following programs:

- ➤ Because 80 percent of lifers released on parole need or request transitional housing, CDCR is developing a 300-bed program for six months of transitional housing.
- > Continued funding for Drug and Contraband Interdiction.
- > Continued funding for Segregated Housing Unit Conversion at Pelican Bay.
- Funding for 647 beds in community re-entry facilities. This is an increase of 187 beds over current levels.
- ➤ Funding for the California Leadership Academy, aimed at reducing recidivism among 18 25 year old inmates.

Cannabis Regulation

Generally, the Administration has decided on a single regulatory structure for both medical and recreational marijuana. However, it has not yet committed to whether that structure will look more like Prop. 64, or the Medical Marijuana Regulation and Safety Act, which the League supported. Another unknown factor is how the federal government may change enforcement of existing federal law.

For now, the Administration plans to move forward with Prop. 64 implementation and has proposed \$52.2 million in FY 2017-18 for cannabis regulation, processing of licenses, and enforcement. As revenues from the tax included in Prop. 64 will not be collected until 2018, this appropriation is structured as a loan from the General Fund, to be repaid in FY 2018-19.

Specific appropriations in this area include:

- ➤ Department of Consumer Affairs (lead agency): \$22.5 million to Bureau of Medical Cannabis Regulation for regulation of transportation, sale, storage and distribution of cannabis.
- ➤ Department of Food and Agriculture: \$23.4 million for administrative oversight, promulgation of regulations, issuance of cultivation licenses.
- > Department of Public Health: \$1 million for licensing and regulation of manufacturing facilities.
- ➤ Board of Equalization: \$5.3 million for educating businesses on new tax requirements and updating information technology systems.
- ➤ Department of Health Care Services: \$5 million for public information program specified in Prop. 64.

State Retiree Health and Pension Costs

The budget includes \$5.3 billion dollars (\$2.8 billon General Fund) specifically for state employee contributions. The Department of Finance (DOF) attributes the increased contributions to several factors including a maturing fund and increased life expectancy combined with significantly lower than expected investment returns. These factors, in part, contributed to the recent decision made by the CalPERS board to lower its assumed rate of return (discount rate) from 7.5 percent down to 7 percent effective immediately for the state — with a one year delay for local agencies. The immediate action will result in a modest contribution increase of \$172 million (\$105 million General Fund) in FY 2017-18 year. Given the phased-in approach adopted by the CalPERS board, the true impacts of a 7 percent rate will not impact the state's budget until the FY 2023-24, when state contributions are projected to reach \$9.7 Billion (\$5.6 billion General Fund). The Governor called the recent move by the Board "another major step [in reducing costs]".

The Governor did not announce any plans to seek a legislative remedy to further tackle the state's rapidly growing unfunded pension and retiree healthcare liability. However, he did not close the door on seeking a legislative approach this year. "This will continue to be a lively topic this year ... we will continue to take advantage of other opportunities as they come up".

Public Utilities Commission (PUC) Reform

The Governor's budget proposal includes a commitment from the Administration to continue to work on some of the PUC reforms that were enacted last year, including a directive for the

Administration to work with the PUC to develop a reorganization plan to transfer regulatory oversight over transportation network companies and charter party carrier vehicles (shuttles, limousines, etc.) to departments within the California Transportation Agency.

Census Address Program

The budget includes \$7 million for the Local Update of Census Address Program. The program will provide grants ranging from \$7,500 to \$125,000 to cities and counties to encourage their voluntary participation in efforts to ensure the accuracy of the Census Bureau's Master List of addresses.

Redevelopment Dissolution

The Governor's proposed budget summary reports that since FY 2011-12 and projected through FY 2017-18, redevelopment dissolution will have returned a total of \$8.6 billion in property taxes to K-14 schools. This consequently allows the state to reduce its General Fund expenditures under Prop. 98 education funding requirements by a similar amount.

The cumulative total received by counties, special districts and cities over this same period is projected to be \$6.32 billion. Cities are anticipated to receive \$733 million over FY 2016-17 and FY 2017-18. The Administration makes no new proposals in this area for FY 2016-17.

Special Needs Housing

While the Governor's budget does not include additional funding for the Community Based Transitional Housing Program, the Department of Finance reminded local governments on a budget conference call that grant applications are currently open. This program was created in the 2016-17 Budget Act, and seeks to encourage local communities to support housing that provides treatment and reentry programming to individuals who will benefit from those services. To date, zero grant applications have been received. More information and grant applications are available on the <u>DOF's</u> website.

Next Steps

The Department of Finance will begin releasing draft trailer bill language in the next month that will include details of the proposal. The Assembly and Senate Budget committees will also begin hearings to review program-specific details. In May the Governor will release his revised budget proposal for the coming fiscal year that must be passed by June 15 to take effect July 1.

TONY CARDENAS

Public Affairs Regional Manager Orange County Division League of California Cities (714) 766-9290

Tcardenas@cacities.org





Rodger Schwecke Vice President Gas Transmission & Storage

555 W. 5th Street, GT21C3 Los Angeles, CA 90013-1011

Tel: 213.244.2140

RSchwecke@semprautilities.com

January 12, 2017

Dear Policymaker/Community Leader:

This letter is to update you on the progress we are making in cooperation with DOGGR and the California Public Utilities Commission (CPUC) to complete a Comprehensive Safety Review and to meet the region's electricity and natural gas needs.

Over the last year, SoCalGas has taken the steps required by state law and regulations to resume injections and replenish the supply of natural gas at Aliso Canyon. SoCalGas has made extensive physical, technological, and safety enhancements at the Aliso Canyon facility. This includes the replacement of the inner metal tubing of every well approved for injection—totaling almost 50 miles of new steel piping installed. We have introduced real-time pressure monitoring of each well, installed a fenceline methane monitoring system, and launched a new community notification system. More information on all of the enhancements to the field is available at https://www.socalgas.com/stay-safe/pipeline-and-storage-safety/aliso-canyon-storage-facility.

State Regulators and Independent Experts Confirm that Aliso Canyon is Necessary
State regulators and independent experts have determined that the Aliso Canyon facility is necessary
to maintain energy reliability in the greater Los Angeles area. In a report dated August 22, 2016, the
CPUC, the California Energy Commission, California Independent System Operator (CAISO), and the
Los Angeles Department of Water and Power confirm this.

We continue to cooperate with the CPUC and DOGGR to determine the withdrawal capacity, number of wells, and inventory at the field necessary to safely and reliably meet the region's energy needs. The CPUC is required to open a proceeding by July 1, 2017 to determine whether and to what extent the facility will be used in the future. We look forward to participating in that proceeding and will continue to keep you updated on important developments.

Comprehensive Safety Review Update

Well inspections continue in compliance with applicable regulations and state law. As of Friday, January 6, 2017:

- 114 (or 100 percent) of the active wells at Aliso Canyon have completed the first phase of required tests;
 - 34 wells have passed all of the required tests and have received final DOGGR approval;
 - 68 wells are mechanically sealed off from the reservoir and await the second phase of tests; and
 - 11 wells are currently undergoing the second phase of tests.

On November 1, 2016, SoCalGas requested authority from DOGGR to resume injection operations at the field through approved wells only. While Aliso continues to stand ready to withdraw gas today if needed to meet energy reliability, no natural gas has been injected into the field since October 25,

2015. We will not resume injections until after DOGGR and the CPUC have completed their review and granted approval.

The Need for Aliso Canyon

While our service region has experienced mild temperatures in the late summer and fall of this year, weather changes here and outside of California could still cause natural gas shortages in the coming months and into the summer if SoCalGas is not permitted to inject additional natural gas supplies at Aliso Canyon. In the past, Aliso Canyon has proven invaluable to preserving service during periods of high demand or supply shortages, when the flow of natural gas coming into the state was low due to market conditions beyond SoCalGas' control, such as well freeze-offs in the producing basins or other gas supply disruptions.

During winter peak days in the past, our region has relied heavily on supplies from Aliso Canyon to keep homes warm and generate electricity. In fact, between 2012 and 2015, natural gas withdrawals from Aliso Canyon were used on 84 percent of winter days to meet the energy needs of our customers.

As mandated by the CPUC, the amount of natural gas available in the Aliso Canyon storage facility currently stands at approximately 15 billion cubic feet (bcf), or 17 percent of capacity—a level that has never been so low at this time of year.

Already this winter, we have had to further rely on our storage capabilities at our three other storage fields, which increases the risk of curtailments later this year. We have had to purchase additional supplies from the interstate natural gas market, exposing our customers to potential price spikes, which could lead to higher bills. We have also had to call a curtailment watch as part of our "SoCalGas Advisory" program. Similar to what is done for Flex Alerts on the electric side, a SoCalGas Advisory asks customers to voluntarily reduce their energy consumption at times when supplies are low. We have enrolled over 1,800 customers in this demand response program, including both residential and large customers.

Moving Forward

We recognize that it is important for DOGGR and CPUC to complete their detailed analysis and review so that they can independently confirm that Aliso Canyon is safe. We continue to make our personnel available to the regulatory agencies to support a transparent and expeditious review process.

SoCalGas supports and recognizes the importance of the public process outlined in SB 380. We remain committed to keeping the community informed of the status of the facility and have improved our communications tools through our new notification system available to the public through our website.

As we move forward to the public meeting required under SB 380, we thank you for your continued engagement throughout this process. I am happy to answer any questions you may have.

Sincerely,

Rodger Schwecke

Lody K. Ehwal

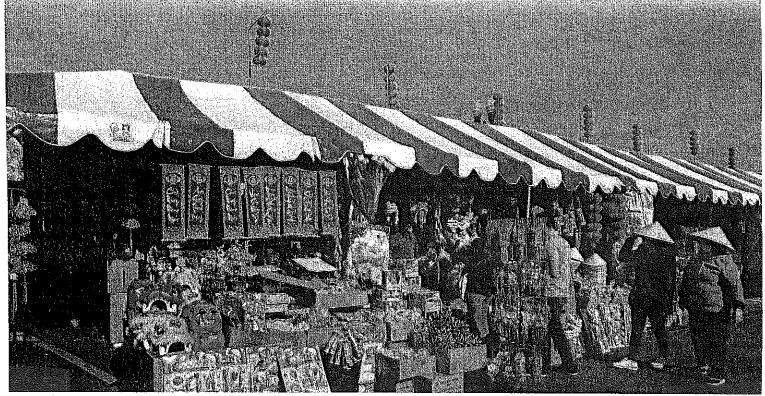
Vice President, Gas Transmission & Storage

SoCalGas

NEWS ARTICLES

Register
Fountain Valley View
Jan. 12, 2017
1 of 4

AMEN YEAR BLOOMS IN LITTLE SALGON



PHOTOS: MINDY SCHAUER, STAFF PHOTOGRAPHER

The Flower Festival in Westminster features flowers, plants, fruit and traditional Vietnamese Lunar New Year gifts.

Register
Fountain Valley View
Jan. 12, 2017
2 of 4

AN ORCHID PRICED AT \$2,000 IS AMONG THE HIGHLIGHTS OF THE 14TH ANNUAL FLOWER FESTIVAL.

By NATHAN PERCY STAFF WRITER

WESTMINSTER • When WESTMINSTER • When Steve Cooper, a Vietnam War veteran, was introduced to Little Saigon through veteran buddies in 2014, he was surprised by the size of the Vietnamese community.

Nearly three years later, Cooper, a 70-year-old Anaheim resident, still has a desire to learn about Vietnamese culture.

Cooper and his girlfriend, Victoria Kim, were among the first wave of patrons Saturday on the second day of the 14th annual Flower Festival, a 20-day fair that started Friday and kicks off the Lunar New Year.

For Cooper, it was a chance to dig deeper into the Vietnamese New Year celebrations.

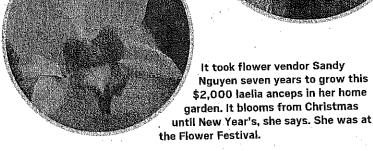
"We get to look at the flowers," he said.
"It's cool to see this side of the culture."

Cooper and Kim met at the Westminster Vietnam Veteran's Memorial in 2014. Kim, 62, came to the United States from Vietnam and became a U.S. citizen five years ago.

The couple went to the Asian Market Mall to have Kim's bracelet restored and decided to peruse booths of 33 local vendors at the festival, selling flowers – some for as much as \$2,000 – other plants, vases, produce, toys and cards.

An eye-catching red bromeliad flower attracts attention at the Trai Cay Ngon booth during the Flower Festival in Westminster on Saturday.





SEE FLOWER • PAGE 4

FROM PAGE 1

take a year off and come back stronger in 2018."

Instead, Supervisor Andrew Do, who helped bring Nguyen and the county together to make the 2016 festival happen and who was anticipating a permit being submitted for this year, will conduct a Tet concert Jan. 28, said Brian Probolsky, his chief of staff.

"The supervisor plans on having a full festival in years ahead," Probolsky said.

The Lunar New Year, known as Tet to Vietnamese, is Jan. 28. In the Little Saigon community—the largest concentration of Vietnamese outside of Southeast Asia—Tet is traditionally a time to celebrate Vietnamese culture and look forward to the year ahead.

Orange County has had two large Tet festivals since 2014. That year, the Union of Vietnamese Student Associations left Garden Grove, where it had its well-attended festival for decades, because of a contract dispute. It relocated to the OC Fair & Event Center.

But leaving Garden Grove created a vacuum, with several Vietnamese American organizations lamenting the lack of a festival in Little Saigon.

In stepped the Vietnamese Community of Southern California, which struck a deal to host a festival of its own in Garden Grove Park. The group struggled to make money in 2014 and 2015 – unable, at one point, to reimburse Garden Grove \$27,000 for park maintenance and security costs.

When Garden Grove refused to renew a permit for the 2016 festival, county leaders offered up Mile

Square Park.

The festival included a cultural village, petting zoo, Vietnamese food vendors and a lineup of Vietnamese singers.

In 2016, the festival brought in \$150,000, Nguyen said. But its expenses were more than double that and it struggled to pay back two-thirds of its vendors, including singers and the company that built the stage.

"We have now paid back most of the vendors," Nguyen said Thursday. "And we are paying back the rest. They are happy with the arrangement."

During the summer, Nguyen broke away from the Vietnamese Community of Orange County and created the nonprofit OC Tet Festival Inc.

"I want to make it on our own," he said, adding, "We prefer Mile Square Park.

"We'll be back next year," he said. "I'll have more time to plan."

Officials for the Union of Vietnamese Student Associations said they encourage multiple activities to celebrate Vietnamese culture. They will attend a smaller festival staged by a tutoring center Feb. 4-5 at Garden Grove Park to show their support, said Arlene Ho, chairwoman of the UVSA Tet Festival scheduled for Jan. 27-29 at the fairgrounds.

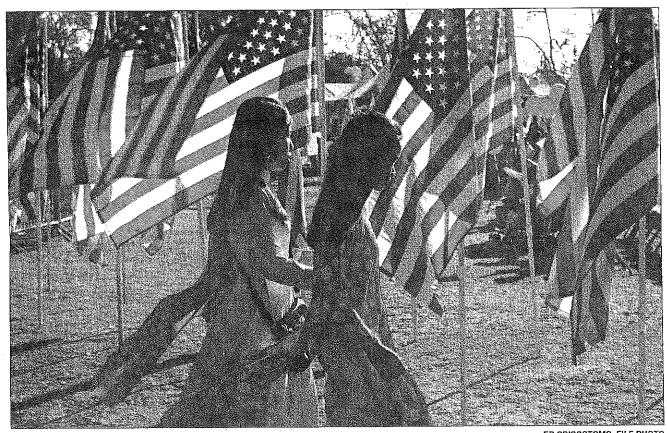
UVSA officials acknowledge attendance at their festival had tapered off in recent years because of the competition a second large festival brought.

"A lot of organizations that went with the other festival last year," said Billy Le, a spokesman for the UVSA Tet Festival, "are coming back this year. ... We always hope for a lot of people to attend."

CONTACT THE WRITER:

714-796-6979 or chaire@scng.com Register Fountain Valley View Jan. 12, 2017 3 of 4

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ED CRISOSTOMO, FILE PHOTO

People gather during the 2016 OC Tet Festival in Fountain Valley. The festival won't be held this year, but organizers plan to return with the celebration in 2018. A Tet event is scheduled Jan. 27-29 at the OC Fair & Event Center.

Populary eatery re-opens after fire



Photo by Brady Rhoades

Kaye's Kitchen, a favorite of locals, is back in business. The restaurant — best loved for its delicious breakfasts — held a soft opening on Dec. 28 after being closed for 15 months after a fire damaged the kitchen. The fire occurred on Sept. 28, 2015. The menu is the same and no structural changes were made. "We have been real busy thanks to our loyal and patient customers," said owner Jim Schierberl. Kaye's is at 12939 Main St. in Garden Grove.

Orange County News Jan. 11, 2017

Sister City

It's a sister kind of thing.
The Sister City Association of Garden Grove is pleased to welcome 10 high school students representing Anyang, Republic of Korea as part of the 28th annual Sister City Exchange.
Program.

The students arrived on Jan. 7 to begin a 10-day tour of Garden Grove and Los Angeles with local host families.

Scheduled activities include meeting Garden Grove's mayor and City Council, touring city facilities, spending time at local high schools, a day at Knott's Berry Farm, enjoying a bonfire in Huntington Beach, sight-seeing at Los Angeles areas of interest, and visiting the University of Southern California.

The students were recognized by the Garden Grove City Council during a reception on Jan. 10, followed by a Community Spotlight at 6:30 p.m., in the Community Meeting Center. High school students from the Garden-Grove Unified School District will be visiting Anyang on April 6, For more information about the Sister City Association, call Kevin Voeller at 7:14-5:14-1499

Restaurant Week!

The Garden Grove Chamber of Commerce and City of Garden Grove are excited to be invited by VisitCalifornia to participate in "California Restaurant Month," which takes place this month.

This is an annual event that has taken place for six years that has about 50 cities involved. Garden Grove will hold "Garden Grove Restaurant Week" on Jan. 15-22. Visit www.ci.gardengrove.ca.us/restaurantweek for more information.

If you are a Garden Grove restaurant owner and want to participate, contact Cindy Spindle at the Garden Grove Chamber at ceo@gardengrovechamber.com.

Arts exhibit

The Boys & Girls Clubs of Garden Grove will present an Exhibit of the Arts from 6 to 7:30 p.m. on Thursday, Jan. 12 at the Courtyard Community Center.
12732 Main St. in Garden Grove.

The artistic talents of club members — mostly fine arts and digital photography — will be on display.

Refreshments will be served.

The event is open to the public. For more information, call 714-638-7950.

City of Garden Grove

Request for Proposals (RFP)

RFP No. S-1207

Notice is hereby given that sealed proposals will be received at the office of the Purchasing Agent for the City of Garden Grove, Room 220, 11222 Acacia Parkway, Garden Grove, CA 92842 To Provide Twenty-Seven (27) New and Unused Multi-Function Digital Copiers and related Supplies, Maintenance and Support Services for various departments for the City of Garden Grove. Contractors interested in submitting a proposal for this project are required to attend a MANDATORY pre-proposal meeting scheduled for 10 a.m. on Wednesday, February 1, 2017, in the 3rd Floor Training Room located in Garden Grove City Hall; at 11222 Acacia Parkway, Garden Grove, CA 92842. A copy of the RFP document may be obtained from the City of Garden Grove's website by registering as a vendor. Questions can be directed in writing to Sandy Segawa at sandras@ci.garden-grove.ca.us. Proposals are due in the office of the Purchasing Agent at 4:00 p.m. on Wednesday, February 22, 2017. Proposals received after that exact time will not be considered.

Dated: January 11, 2017

Sandy Segawa Purchasing Agent City of Garden Grove 11222 Acacia Parkway Garden Grove, CA 92840

Orange County News 17-60000 Publish Jan. 11, 18, 2017

City of Garden Grove

Notice Inviting Sealed Bids (IFB)

IFB No. S-1211

Notice is hereby given that sealed bids will be received at the office of the Purchasing Agent for the City of Garden Grove, Room 220, 11222 Acacia Parkway, Garden Grove, CA 92840 to Provide 180 HP ProDesk 600 G2 SFF computers per the bid specifications. A copy of the bid document may be obtained from the City of Garden Grove's website. Please direct any questions regarding this bid process to Sandra Segawa via email sandras@ci.garden-grove.ca.us. Bids are due and will be opened in the office of the Purchasing Agent at 2:00 p.m., local time, on Monday, February 13, 2017. Bids received after that exact time will not be considered.

Dated: January 11, 2017

Sandra Segawa, C.P.M., CPPB Purchasing Agent City of Garden Grove 11222 Acacia Parkway Garden Grove, CA 92840 Orange County News 17-60023 Publish Jan. 11, 18, 2017 Register Jan. 7, 2017 1 of 2

Tet festival not coming to Mile Square Park

By CHRIS HAIRE STAFF WRITER

FOUNTAIN VALLEY • The Tet festival that moved to Mile Square Park in 2016 after two bumpy years in Garden Grove has been scrapped for 2017, leaving a carnival in Costa Mesa as the only major Lunar New Year festival in Orange County.

OC Parks never received a permit application to stage the OC Tet Festival, as the Fountain Valley event is known, at the park, county spokeswoman Carrie Braun said.

Tuan Nguyen, the chairman of the festival, said he wanted to stage an event this year but would not detail why his group, OC Tet Festival Inc., could not arrange the celebration, saying it "was political" and deferring

to county officials.

"It was not my decision," Nguyen said. "But we'll take a year off and come back stronger in 2018."

Instead, Supervisor Andrew Do, who helped bring Nguyen and the county together to make the 2016 festival happen and who was anticipating a permit being submitted for this year, will conduct a Tet concert Jan. 28, said Brian Probolsky, his chief of staff.

"The supervisor plans on having a full festival in years ahead," Probolsky said.

The Lunar New Year, known as Tet to Vietnamese, is Jan. 28. In the Little Saigon community – the largest concentration of Vietnamese outside of South-

SEE TET • PAGE 6

FROM PAGE 1

east Asia - Tet is traditionally a time to celebrate Vietnamese culture and look forward to the year ahead.

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But leaving Garden Grove created a vacuum, with several Vietnamese American organizations lamenting the lack of a festival in Little Saigon.

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ED CRISOSTOMO, FILE PHOTO

Mai Thy, then 2, of Garden Grove mimics a performance during the 2016 OC Tet Festival in Fountain Valley.

curity costs.

When Garden Grove refused to renew a permit for the 2016 festival, county leaders offered up Mile Square Park.

The festival included a cultural village, petting zoo, Vietnamese food vendors and a lineup of Vietnamese singers.

In 2016, the festival brought in \$150,000, Nguyen said. But its expenses were more than double that and it struggled to pay back two-thirds of its vendors, including singers and the company that built the stage.

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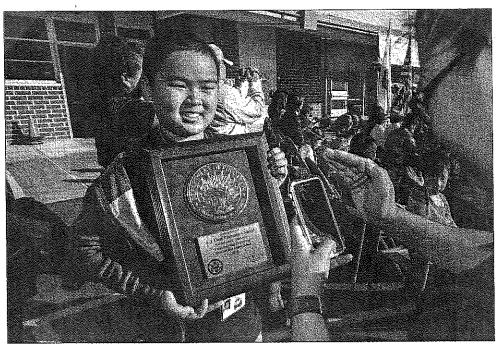
Officials for the Union of Vietnamese Student Associations said they encourage multiple activities to celebrate Vietnamese culture. They will attend a smaller festival staged by a tutoring center Feb. 4-5 at Garden Grove Park to show their support, said Arlene Ho, chairwoman of the UVSA Tet Festival scheduled for Jan. 27-29 at the fairgrounds.

UVSA officials acknowledge attendance at their festival had tapered off in recent years because of the competition a second large festival brought.

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CONTACT THE WRITER:

714-796-6979 or chaire@scng.com



MARK RIGHTMIRE, STAFF PHOTOGRAPHER

Phillip Phi, student council president at A.J. Cook Elementary in Garden Grove, holds the plaque citing the school a National Blue Ribbon school during a celebration Friday.

Blue Ribbon reason to party

A.J. Cook Elementary School celebrated Friday its recognition as a National Blue Ribbon school.

The Garden Grove school was one of three Orange County elementary schools to receive the honor in 2016. The others were Tustin Memorial Academy in North Tustin and Hopkinson Elementary in Rossmoor.

In 2016, 29 California public and private elementary, middle and high schools were recognized as Blue Ribbon schools; nationally, the U.S. Department of Education named 279 public schools and 50 private schools.

The National Blue Ribbon Schools Program has presented this award for 34 years to institutions where students achieve very high learning standards or are making notable improvements.

Dog left at fire station has new family

A pit bull found in Garden Grove on Christmas Day has been adopted.

By JONATHAN WINSLOW STAFF WRITER

GARDEN GROVE · An unexpected Christmas present found at the Garden Grove Fire Department may have been homeless for the holidays, but it found a home Friday through OC Animal Care.

At 8:45 a.m. on Christmorning, Garden Grove firefighters found an 11-month-old pit bull outside the Acacia Parkway station with a red bow tied



COURTESY OF GARDEN GROVE FIRE DEPARTMENT

An II-month-old pit bull found by Garden Grove firefighters on Christmas morning has been adopted.

around his neck and no couldn't remember the last sign of how he got there. The dog did not have a tag.

Having animals dropped off is very rare for the station, Capt. Thanh Nguyen said, adding that he

time it happened. With the bow, the pup almost felt like an intentional present, he said.

"Even I couldn't tie a bow like that," he joked.

MORE ON DOGS

Yorba Linda ready to build its first dog park, LOCAL 5

Following procedure, the firefighters contacted OC Animal Care, which picked up the dog the same day. After five days of waiting to see if owners would claim the dog, it was put up for adoption.

Nguyen said the dog arrived at a station full of animal lovers - one paramedic offered to foster the puppy should no one be interested in adopting him from the shelter.

As it turns out, that gesture wasn't necessary as the Fire Department announced Wednesday the dog had been adopted. neatly tying the doggy drama up with a bow.

Orange County News Jan. 6, 2017 1 of 2



Ongoing

Overachievers, check this out Achievers Club 9331 is hosting communication and leadership meetings featuring professional speakers at the Crystal Cathedral Tower of Hope, 12141 Lewis St. Meetings will be held every Thursday except during Thanksgiving, Christmas, and New Year's holiday weeks. For more information, call Barbara Barrientas at 714-971-4123, e-mail bbarrientas@crystalcathedral.org or visit www.orgsites.com/ca/achievers9331.

Chamber holds Friday meetings The Garden Grove Chamber's Governmental Affairs Committee meets the second Friday of the month from 7:30 to 9 a.m. at the Community Meeting Center, 11300 Stanford Ave. in Garden Grove. For more information, call the chamber at 714-638-7950.

Grief support
The Grief Share Support Group
is for mothers who have lost
children of every age.
The group meets Thursday
evenings at 12831 Olive St.,
Garden Grove.

For more information, call 714-892-1520 or 714-343-7516.

Learn about Alzheimer's The Alzheimer's Association of Orange County hosts a support group to provide an opportunity to meet other caregivers and families, share experiences and exchange ideas. These meetings are free and open to all caregivers and family members of individuals with dementia. All groups listed are in compliance with chapter and national standards. This is a faith-based meeting and may include prayer or pastoral speaker, and will take place at 1 p.m. Saturdays at the Crystal Cathedral Arboretum, 12141 Lewis St. in Garden Grove. For more information, call Peggy Woelke at 714-634-2161.

Dance Center hosts social
Join the staff of the Cedarbrook
Dance Center for nights of
square dancing, line dancing,
round dancing (pre-choreographed social dancing) and
salsa. The Dance Center is at
12812-Garden Grove Blvd. For
more information on classes, call

see CALENDAR, next page

Orange County News Jan. 6, 2017 2 of 2

CALENDAR:

Continued from previous page

Eileen Silvia at (949) 637-4169.

Eco-friendly storytime
Family storytime all through the summer will highlight books about our environment and the animals that live in rivers, oceans and icy places. All ages are encouraged to attend at 7 p.m. every Tuesday at the Garden Grove Regional Library, 11200 Stanford Ave. in Garden Grove. For more information, call 714-530-0711.

Rotary Club to meet
The Rotary Club of Garden
Grove meets at 12:10 p.m.
Wednesdays at The Marriott
Hotel, at Chapman Avenue and
Harbor Boulevard in Garden
Grove.

GG Kiwanis to meet
The Kiwanis Club of Garden
Grove hosts dinner meetings at
7 p.m. Thursdays at Kiwanisland,
9840 Larson Ave. Social hour
begins at 6 p.m. Call 714-8927267.

City Hall to be shuttered The Westminster City Hall, at 8200 Westminster Blvd., will be closed on alternating Fridays.

Join preschool storytime hour Join the Westminster Public Library for stories, songs, and crafts at 10:30 a.m. each Wednesday with your preschoolaged child. The Westminster

Library is at 8180 13th St. in Westminster. Contact the children's librarian, Anna, with questions at 714-893-5057.

Cartoonist lessons offered Artists ages 6-12 will have fun drawing and coloring a myriad of expressive characters while learning how to stay on task, follow directions, and be visually, spatially organized. There will be new lessons each week, even for previous students. The next class will be held at 5 p.m. on Tuesdays in the Westminster Civic Center craft room, 8200 Westminster Blvd. in Westminster.

City Council to meet
Anaheim City Council meetings
are held in City Hall Council
Chambers, 200 S. Anaheim
Blvd., first floor. Public session
commences at 5 p.m. the second and fourth Tuesdays of the
month. The meetings are broadcasted on local cable Channel
3 and can also be viewed live
online at www.anaheim.net.

Ready, young Rembrandts? Elementary and preschool students are eager to learn and a joy to teach. Your young artist will learn to draw using our step-by-step process in this class, held on Tuesdays at the Westminster Civic Center craft room, 8200 Westminster Blvd. in Westminster. Give your child a head start in being handwriting-ready by developing his/her fine motor skills. There will be

see CALENDAR, page 4

Orange County News Jan. 6, 2017

City of Garden Grove

Request for Proposals (RFP)

RFP No. S-1206

Notice is hereby given that sealed proposals will be received at the office of the Purchasing Agent for the City of Garden Grove, Room 220, 11222 Acacia Parkway, Garden Grove, CA 92842 Provide Ambulance Transportation and Billing Services for the City of Garden Grove. Those companies interested in submitting a proposal for this project are required to attend a MANDATORY pre-proposal meeting scheduled at 10:00 a.m., local time, on Thursday, January 19, 2017, at the Garden Grove Community Meeting Center, Founders Room, located at 11300 Stanford Avenue, Garden Grove, CA. A copy of the RFP document may be obtained from the City of Garden Grove's website by registering as a vendor. Questions can be directed in writing to Sandy Segawa at sandras@ci.garden-grove. ca.us. Proposals are due in the office of the Purchasing Agent no later than 2:00 p.m., local time, on Monday, February 6, 2017. Proposals received after that exact time will not be considered.

Dated: January 6, 2017

Sandy Segawa, C.P.M., CPPB Purchasing Agent City of Garden Grove 11222 Acacia Parkway Garden Grove, CA 92840 Orange County News 17-60013 Publish Jan. 6, 13, 2017

PUBLIC NOTICE NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE GARDEN GROVE HOUSING AUTHORITY will hold a Public Hearing on Tuesday, March 28, 2017, at 6:30 p.m. or as soon thereafter as the matter may be heard at the Garden Grove Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California 92840.

THE PURPOSE OF THE PUBLIC HEARING IS to provide citizens, public agencies and other interested parties an opportunity to provide input for the Garden Grove Housing Authority Annual Plan for Fiscal Year 2017-2018.

ALL INTERESTED PARTIES are invited to attend said Public Hearing and express opinions related to the Annual

The Annual Plan for the Garden Grove Housing Authority will be available for public view by February 28, 2017 at:

> Garden Grove Housing Authority 12966 Euclid Street, Suite 150 Garden Grove, CA 92840

The Garden Grove Housing Authority's business hours are Monday through Thursday 7:30 a.m. to 5:30 p.m. The office is closed every other Friday with business hours of 7:30 a.m. to 5:00 p.m. on the open Friday.

PUBLIC HEARING DATE: Tuesday, March 28, 2017 at 6:30 p.m.

LOCATION: *

Community

Meeting Center.

11300 Stanford

Avenue

Garden Grove,

California 92840

Any person or organization may file written testimony on the Annual Plan with the City Clerk's office, located at 11222 Acacia Parkway, P.O. Box 3070, Garden Grove, CA 92840.

/s/ TERESA POMEROY, CMC Secretary.

DATE: January 3, 2017

PUBLISH: January 6, 2017, and January 13, 2017 **Orange County News** 17-60014 Publish Jan. 6, 13, 2017

Orange County News Jan. 6, 2017

Navy aviator to speak at **Garden Grove Elks**

Garden Grove Elks Lodge #1952 will host a lunch and presentation by Marc Liebman. Naval aviator and author. The event will take place at 11:30 a.m. on Thursday, 12 January, at the lodge located at 11551 Trask Ave in Garden Grove.

Topic: Grampaw Pettibone Squadron of the Association of Naval Aviation. Navy Combat Search & Rescue and Special Operations over North Vietnam. Marc retired as a Captain after twenty-four years in the Navy and a career that took him all over the world. He is a Naval Aviator and helicopter pilot with just under 6,000 hours of pilot-incommand/co-pilot flight time: in a variety of tactical military and civilian fixed and rotary wing aircraft. He is a combat veteran of both Vietnam and Desert Shield/Desert Storm where he flew combat search and rescue and special operations missions. Captain Liebman has worked with the armed forces of Australia, Canada, Japan, Thailand, Republic of Korea, the Philippines and the U.K.

In the business world, Marc has been a partner in two different consulting firms; the CEO of an aerospace and defense manufacturing company;

a corporate officer for a Fortune 1000 firm; an associate editor of a national magazine; and a copywriter for an adver-

tising agency.

Mare has authored four novels, the most recent one is Forgotten. When Marc and Betty, his wife of 47 years live. in North Texas, and they travel extensively in their RV with their three dogs. They also spend a lot of time visiting his four grandchildren.

Join us to hear Captain. Liebman share his story based on his experience as: a helicopter pilot during the Vietnam War. Very few people know about Navy helicopter operations in and around the northern part of the Gulf of Tonkin North Vietnam and when heeded, over the coast. Reservations required, please call (562) 287-4846, no later. than noon on Monday 9 January Cost is \$15 including buffet lunch:

GARDEN GROVE

Exchange students: Ten high school students from Garden Grove's sister city, Anyang, South Korea, will arrive on Saturday for a 10-day trip around Southern California. The students will visit Knott's Berry Farm, local high schools, USC and various Los Angeles tourist spots. Garden Grove students will go to Anyang in April. Chris Haire, 714-796-6979 chaire@scng.com

Register Jan. 6, 2017

GARDEN GROVE

Recognition: The City Council on Tuesday will likely proclaim Friday as Korean American Day to recognize the contributions Korean Americans have made to the community and to encourage its residents to celebrate diversity.

Chris Haire, 714-796-6979 chaire@scng.com

Register Jan. 7, 2017

GARDEN GROVE

Council honors: The City Council on Tuesday will present a certificate of recognition to the 10 high school students who are visiting Southern California from Anyang, South Korea. Anyang is Garden Grove's sister city. The Anyang students will tour the region for 10 days. In April, Garden Grove students will visit South Korea. Chris Haire, 714-796-6979 chaire@scng.com

Register Jan. 9, 2016

GARDEN GROVE

First speech: New Mayor Steve Jones will give his first keynote address on recent achievements and future challenges during the State of the City Luncheon scheduled for II a.m. to 1 p.m. Feb. 2 at the Great Wolf Lodge Southern California, 12681 Harbor Blvd. Tickets are \$40; sponsorships go as high as \$5,000. Information: 714-638-7950. Chris Haire, 714-796-6979 chaire@scnq.com

Register Jan. 10, 2017

GARDEN GROVE

Street closures: Several streets in Garden Grove will be closed Sunday morning for the Star Wars Half Marathon. Harbor and Garden Grove boulevards, Chapman and Lampson avenues and Euclid Street are among the roadways that will be closed. The closure time varies by street, but they will all reopen by 10 a.m. Chris Haire, 714-796-6979 chaire@scng.com

Register Jan. 11, 2017

GARDEN GROVE

Students honored: The City Council this week honored 10 students visiting Garden Grove from Anyang, South Korea. Anyang is Garden Grove's sister city, and the two towns send students to visit one another every year. The Anyang students will visit various points around Los Angeles and Orange County during their 10-day trip. Chris Haire, 714-796-6979 chaire@scng.com

Register Jan. 12, 2017



CONTACT: Ana Pulido (714) 741-5280 Supervisor, Office of Community Relations

FOR IMMEDIATE RELEASE Public Information Office (714) 741-5280

Cindy Spindle (714) 638-7950 Garden Grove Chamber of Commerce

Thursday, January 12, 2017

GET A TASTE OF GARDEN GROVE DURING RESTAURANT WEEK

Bring your appetite to the upcoming Garden Grove Restaurant Week, a week-long celebration of Garden Grove's rich and diverse cuisines. Starting Sunday, January 15 through Sunday, January 22, prized restaurants from the Vietnamese community, Historic Main Street, and the Grove District – Anaheim Resort will offer local and regional foodies an exclusive culinary experience for a special price.

Participating restaurants have created a unique, three-course meal that showcase their authentic, signature recipes. Among them are entrees like Garlic Butter Grilled Seabass or Shaken Beef Filet Mignon from the award-winning Garlic and Chives, located in the Little Saigon area of Garden Grove, 9892 Westminster Avenue, Ste. #311.

Other "taste of" events happening during Garden Grove Restaurant Week include an opportunity to cook with Executive Chef Hany Ali from the Lodge Wood Fired Grill, located within the Great Wolf Lodge Southern California, 12681 Harbor Boulevard.

To see the full list of participating restaurants, menus, and prices, visit www.garden-grove.org/restaurantweek. Follow the City of Garden Grove on Facebook and Twitter for updates and highlights during Garden Grove Restaurant Week.

-more-

Get a Taste of Garden Grove During Restaurant Week 2-2-2

Garden Grove Restaurant Week is part of Visit California's 2017 California Restaurant Month. The City of Garden Grove is among more than 50 destination partners hosting restaurant weeks throughout the month of January.

For more information about California Restaurant Month, visit http://www.visitcalifornia.com/california-restaurant-month.

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CITY OF GARDEN GROVE
NEWS

FOR IMMEDIATE RELEASE

Public Information Office (714) 741-5280

CONTACT: Nate Robbins (714) 741-5206

Community and Economic Development Department

Thursday, January 11, 2017

OPENINGS AVAILABLE FOR SENIOR HOME IMPROVEMENT GRANT

Grants are now available for the senior home improvement grant program.

Residents, 62 years of age or older, qualify for the home improvement grant of up to \$5,000 to address code violations, substandard conditions, and necessary health and safety improvements to your home.

This grant is qualified for households with a gross annual income at, or below, 80 percent of the County's median household income limits. Income level is based on all adults living in the home.

For details on median household income limits, or to start the process visit https://www.ci.gardengrove.ca.us/commdev/neighborhoodimprovement/seniorgrant.

For more information about the program, please contact Nate Robbins at (714) 741-5206 or email nater@garden-grove.org.

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CONTACT:
Cindy Spindle, CEO
Garden Grove Chamber of Commerce
(714) 638-7950

FOR IMMEDIATE RELEASE

Public Information Office (714) 741-5280

Kim Huy, Director Community Services Department (714) 741-5200

Wednesday, January 11, 2017

MAYOR JONES TO MAKE FIRST OFFICIAL ADDRESS AT STATE OF THE CITY EVENT

The new year brings a fresh start for Garden Grove as Mayor

Steven R. Jones delivers his first official address at the State of the City luncheon on Thursday, February 2, 2017. The event, hosted by the Garden Grove Chamber of Commerce, takes place from 11:00 a.m. to 1:00 p.m., at the Great Wolf Lodge Southern California, at 12681 Harbor Boulevard. Tickets are \$40 per person through Thursday, January 19, 2017.

Mayor Jones will discuss the City's recent accomplishments, as well as the vision for the coming year. Mayor Jones will address his goals relating to the role of local government, community engagement, business partnerships, and economic growth, among others. The Mayor will inform attendees of upcoming events, major developments, and other areas of progress in the city.

A complete transcript of the Mayor's speech will be available on the City of Garden Grove website at www.ci.garden-grove.ca.us following the event.

For tickets and information, or for sponsorship opportunities, contact the Garden Grove Chamber of Commerce at (714) 638-7950, or visit www.gardengrovechamber.com.

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FOR IMMEDIATE RELEASE

Public Information Office (714) 741-5280

CONTACT: Monica Covarrubias (714) 741-5144

Project Manager

Community and Economic Development Department

Wednesday, January 11, 2017

CITY INVITES POTENTIAL BUSINESS OWNERS TO STATE OF CALIFORNIA WORKSHOP

Openings are available for potential business owners to attend the "Doing Business with the State of California" workshop. The workshop will take place on Tuesday, January 24, 2017, from 9:00 a.m. to 12:00 p.m., at the Garden Grove Courtyard Center, located at 12732 Main Street.

The workshop will provide information on how to get certified, using the State's database to get solicitations, becoming a California Multiple Award Schedule (CMAS) contractor, and how to market your business to multiple state agencies.

The workshop is hosted by the City of Garden Grove in partnership with the Orange County Small Business Development Center.

To sign up for the workshop, go to https://www.eventbrite.com/e/doing-business-with-the-state-of-california-tickets-30931379589. For more information, please call (657) 278-3672.

SOCIAL MEDIA HIGHLIGHTS

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Come out and support Boys & Girls Clubs of Garden Grove, Thursday, January 12, at the 2017 Exhibit of the Arist	· 8 Užras	& . On Foot	Ön Storas		
The event will take place at the Courtyard Center from 6:00 p.m. to 7:30 p.m. #GardenGrove	0 ID-bestimer iks	Ö On Frist	: 0 : Car Shaces		
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Garden Grove City Hall
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We are less than a week away from #GardenGreve Restaurant Weekf Starting Sunday, January 15 through Sunday, January 22, 2017, prized restaurants from the Vietnamese and Korean communities, Historic Main Street Garden Grove, CA, and the Grove District - Anaheim Resort will be featured during Garden Grove Restaurant Week!

For more information and a list of participating restaurants, visit the Garden Grove Restaurant Week page- https://www.ct.garden-grove.ca.us/restaurantweek, or call the City's Office of Community Relations at (714) 741-5289 or the Garden Grove Chamber of Commerce at (714) 638-7950.

RESTAURA

California Kicks Off 2017 With Seventh Annual California Restaurant Month

SACRAMENTO, Calif., Dec. 19, 2016 (PRNewswire) - The Golden State invites visitors to start off the new year by...

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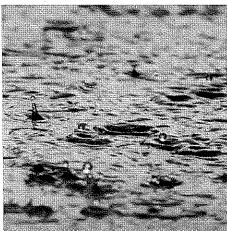
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Be careful as you drive to work or school this morning, #GardenGrove.



Garden Grove Fire Department January 8 of 5.25(45): 48

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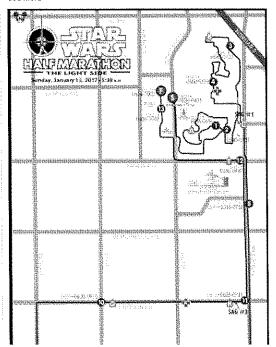
Garden Grove City Hall

Garden Grove City non-Printiched by Messy Missendoza (1) - January R vt Rittmin- M

#GardenGrove, in one week the Star Wars Half Marathon will take place! On Sunday, January 15, 2017, GardenGrove streets will be affected between the hours of 4:00 a.m. and 10:00 a.m.! Please share this

information with anyone who might be affected by the temporary road closures. Thank you!

https://www.ci.garden-grove.ca.as/.../road-closures-for-sizir-..... See More



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Post Details

Garden Grove City Hall
Published by Mhay M Merziota IM January 7 at 8 than 18

Today we welcome ten high school students representing Anyang. Republic of Korea as part of the 28th annual Sister City Exchange Programi

Enjoy meeting Garden Grove's Mayor and City Council, touring City facilities, spending time at local high schools, a day at Knott's Berry Farm. and much more. Welcome to #GardenGrovel

Exchange Students Arrive in Garden Grove from Anyang, Republic of Korea | City of Garden Grove

The Sister City Association of Garden Grove is pleased to welcome ten high school students representing Anyang, Republic of Korea as part of the 26th annual Sister City Exchange Program. The students arrive on Saturday, January 7 to begin a 10day four of Garden Grove and Los Angeles with local host...

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Garden Grove City Hall
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HIT & RUN MAJOR INJURY TRAFFIC COLLISION, SEEKING WITNESSES

Any person that may have witnessed the accident that occurred on Friday, December 30, 2016, at approximately 4:00 a.m. in the atea of Fern Street and Garden Grove Boulevard, are asked to contact the Garden Grove Police Department at (714) 741-5828

For full defails, please click on the link below. Thank you, #GardenGrove



www.ci.garden-grove.ca.us

On Wednesday, December 30, 2016, at approximately 4100 s.m., a Garden Grove Police Department officer was patrolling the area of Fern Streef and Garden Grave Boulevard and discovered a female motorcyclist had been involved in a mt and...

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Garden Grove City Hall snared Garden Grove Fixe Department's post.

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ife Like Page

IT WAS OCTOBER 12 BEFORE ..

9:00 p.m. when a fire started in an upstairs apartment. The fire quickly grew and threatened the surrounding units. Three of our Cit...

See More



Garden Grove Police officers recognized for assistance on recent apartment complex fire

"The fire just grew rapidly, it just like tripled in size," said Wasinger, who had been parked less than a mile away doing patrol paperwork when the call.

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Garden Grove City Hall
Published by Nilesy 16 Mendeza (14 Jerszary 5 xt Nillipm @

Get ready, #GardenGrove. Gas prices are going up. Orange County Register



Fill 'er up: \$3 gas prices are on the horizon Ready to say goodbye to \$2 gas?

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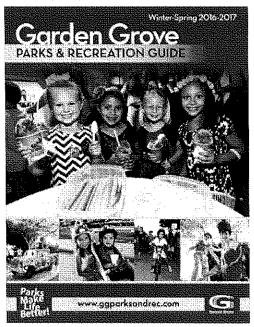
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Garden Grove City Hall
Published by Missy & Narodosa (2) January 6 of 12 (10)cm &

#GardesGrove, we've also got a new Parks and Recreation Guide for you this new year!

You can check out all of the upcoming events and recreational classes offered this winter and spring.

https://www.ct.garden-grove.ca/us/commserv/ParksAndRecGuide



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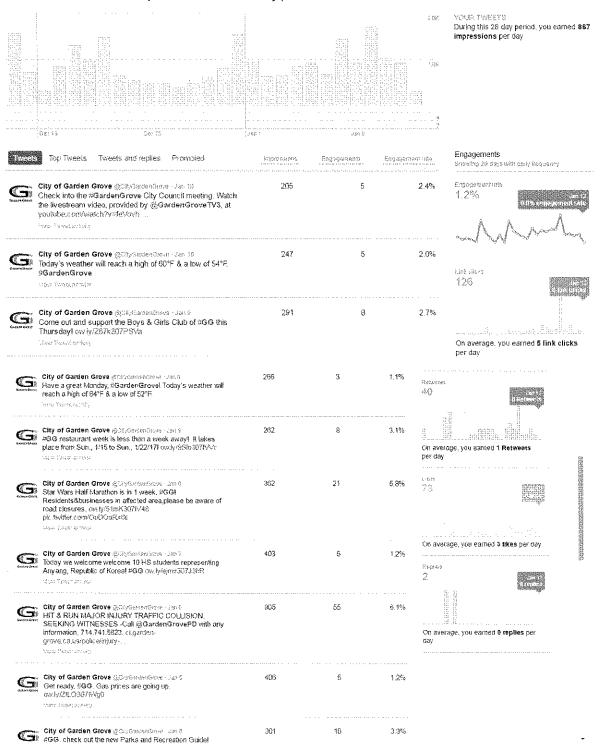
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MISCELLANEOUS ITEMS

January 12, 2017

- 1. Calendar of Events
- 2. Notice of Cancellation for the January 19, 2017 Planning Commission meeting.
- 3. Minutes for the July 20, 2016 Naval Weapons Station Seal Beach Restoration Advisory Board and Community Meeting, as well agenda for the January 11, 2017 meeting.
- 4. Southern California Association of Governments Regional Council Newsletter dated January 5, 2017.
- 5. League of California Cities, "CA Cities Advocates" dated January 6 and January 10, 2017.



CALENDAR OF EVENTS

January 12, 2017 – January 20, 2017

Thursday	January 12	9:00 a.m.	Main Street Commission Meeting CMC Constitution Room CANCELLED
		9:00 a.m.	Zoning Administrator Meeting City Hall, 3 rd Floor Training Room <i>CANCELLED</i>
		6:00 p.m.	Parks, Recreation and Arts Commission Meeting CMC Constitution Room CANCELLED
		6:00 p.m 7:30 p.m.	Exhibit of the Arts hosted by Boys & Girls Clubs of Garden Grove, Courtyard Center
		7:00 p.m.	Planning Commission Special Meeting CMC B Room
Sunday	January 15	4:00 a.m 10:00 a.m.	3 rd Annual Star Wars Half Marathon Disneyland Resort - Anaheim/Garden Grove (Harbor Blvd./Garden Grove Blvd./Main St./Euclid St./Chapman Ave.)
Monday	January 16		City Hall Closed
Tuesday	January 17	10:30 a.m 11:30 a.m.	H. Louis Lake Senior Center's "Home & Safety Security" hosted by GGPD Senior Center Dining Room
Wednesday	January 18	6:00 p.m.	Parks, Recreation and Arts Commission Special Meeting, CMC Constitution Room
Thursday Janua	January 19	January 19 10:00 a.m Noon	H. Louis Lake Senior Center's Pajama Party Senior Center Dining Room
		7:00 p.m.	Planning Commission Meeting, CMC B Room CANCELLED
Friday	January 20		City Hall Closed



NOTICE OF CANCELLATION OF THE

GARDEN GROVE PLANNING COMMISSION

JANUARY 19, 2017

REGULAR MEETING

NOTICE IS HEREBY GIVEN that the Regular Meeting of the Garden Grove Planning Commission scheduled for Thursday, January 19, 2017, at 7:00 p.m. in the Council Chamber of the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, is hereby cancelled pursuant to the attached Cancellation Notice.

DATED:

January 12, 2017

ANDREW KANZLER VICE CHAIR



NOTICE OF CANCELLATION

The Regular Meeting of the

Garden Grove Planning Commission

Scheduled for January 19, 2017

has been cancelled.

JUDITH MOORE SECRETARY

Zimbra

teresap@ci.garden-grove.ca.us

SCAG Spotlight, January 2017

From: SCAG Spotlight <spotlight@scag.ca.gov>

Thu, Jan 05, 2017 04:56 PM

Sender: SCAG Spotlight <spotlight=scag.ca.gov@cmail20.com>

Subject: SCAG Spotlight, January 2017

To: Kathy Bailor < CityClerk@ci.garden-grove.ca.us>

Reply To: spotlight@scag.ca.gov

VIEW IN BROWSER | FORWARD TO A FRIEND





January 5, 2017

IN THIS ISSUE

- RC APPROVES
 2017 LEGISLATIVE
 PRIORITIES
- TC RELEASES

 DRAFT 2016
 RTP/SCS
 AMENDMENT FOR
 PUBLIC REVIEW
- SUSTAINABILITY
 PLANNING GRANT
 PROGRAM
 UPDATE

NEWS FROM THE EXECUTIVE DIRECTOR

- SCAG STRATEGIC PLAN UPDATE
- CALL FOR NOMINATIONS: 2017 SCAG

HIGHLIGHTS FROM THE MEETING



Edle Chang, Deputy Executive Officer at the California Air Resources Board, gives an update to SCAG's Regional Council and Policy Committees on the 2030 Target Scoping Plan Discussion Draft, which will be released later this month for public review and comment.

ACTION

RC APPROVES 2017 LEGISLATIVE PRIORITIES

Like Tweet

The Regional Council today adopted the agency's 2017 Legislative Priorities, which encompass broad, policy-oriented objectives for the agency at both the state and federal levels. The slate of priorities incorporates momentum already begun

AWARDS

 SCAG SEEKS COMMUNITY INPUT FOR LINE EXTENSION STUDY

SUSTAINABILITY in Sacramento to address transportation infrastructure funding, housing and affordable housing development, revenue and funding under the state's cap-and-trade programs, as well as increased support in Washington for funding to bolster the nation's transportation system and freight infrastructure. These priorities build upon long-standing NORWALK GREEN Regional Council-adopted policies, as well as those supported by partner agencies throughout Southern California. SCAG's 2017 Legislative Priorities can be viewed here: www.scag.ca.gov/programs/Pages/Programs/Legislation.aspx.

ABOUT

The Regional Council ACTION

is the governing board of the Southern California Association of Governments and consists of 86 elected officials representing 191 cities, six counties, county transportation commissions, transportation corridor agencies, tribal governments and air districts in Southern California.

AGENDA For current and archived Regional Council meeting agendas and videos, visit: bit.ly/AgendaRC.

TC RELEASES DRAFT 2016 RTP/SCS AMENDMENT FOR **PUBLIC REVIEW**

Like Tweet

The Transportation Committee moved today to authorize the release of the Draft 2016 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) Amendment No. 1 and Draft 2017 Federal Transportation Improvement Program (FTIP) Consistency Amendment No. 17-03 for public review and comment. The Regional Council adopted the 2016 RTP/SCS in April 2016, and has since received requests from several county transportation commissions (CTCs) to amend the 2016 RTP/SCS to reflect additions or changes to project scopes, costs and schedules. SCAG staff has worked with the CTCs to include these project changes in the 2016 RTP/SCS amendment as well as a concurrent consistency amendment to the 2017 FTIP. The draft amendments will be released for a 30-day public review and comment period beginning Jan. 6 and ending Feb. 6. SCAG staff will seek a TC recommendation to the RC to approve the proposed final amendments at the March 2 meeting.

INFORMATION

SUSTAINABILITY PLANNING GRANT PROGRAM UPDATE

Like Tweet

Today's staff report included an update on SCAG's 2016 Sustainability Planning Grant program. SCAG received a total of 139 project proposals requesting approximately \$35.5M, across all project categories – active transportation, green region and integrated land use. This is a multi-year funding program designed to support and implement the policies and initiatives of the 2016 RTP/SCS and continues the themes of the previous round of grant-funded projects. Proposal rankings and funding recommendations will be presented to the Regional Council at its Feb. 2 meeting. Greater details on

eligibility, selection criteria and the evaluation process can be found on the program's webpage: sustain.scag.ca.gov/Pages/DemoProiApplication.aspx.

NEWS FROM THE EXECUTIVE DIRECTOR

SCAG STRATEGIC PLAN UPDATE

Like Tweet

SCAG is undergoing an update to its Strategic Plan – last adopted in 2009 – to be more responsive to the changing needs of the region. The initiative, led by President Michele Martinez, builds upon the previous plan, which helped lay the foundation for SCAG's current success. A President's Strategic Plan Committee has been formed and is supported by a staff committee. The first meeting of the President's Strategic Plan Committee was held on Dec. 7 and an assessment survey emailed to board members and stakeholders last month. The survey assesses SCAG's communications and services and what issues SCAG should be addressing in the future. Survey participants have until Friday, Jan. 6 to provide feedback. The President's Strategic Plan Committee plans to present an updated plan to the Regional Council in April and to the full General Assembly in May.

CALL FOR NOMINATIONS: 2017 SCAG SUSTAINABILITY AWARDS

Like Tweet

SCAG is now accepting nominations for the 2017 SCAG Sustainability Awards. Each year, SCAG recognizes outstanding sustainable planning efforts and development projects in Southern California. Nominations are open to projects that coordinate land use and transportation actions and that improve the mobility, livability, prosperity and sustainability of the region. Eligible submittals include plans, projects and programs completed or adopted after Jan. 1, 2013, and prior to Dec. 20, 2016. Nominations are open to all parties, including local governments, non-profits and private developers. Winning projects will be presented at the 2017 Regional Conference and General Assembly, to be held at the JW Marriott Desert Springs Resort & Spa on May 4-5. Please visit sustain.scag.ca.gov/Pages/Awards.aspx for more information and to download the nomination packet. Nomination packets must be submitted no later than Tuesday, Jan. 23, at 2:00 p.m. If you have questions, please contact India Brookover at brookover@scag.ca.gov.

SCAG SEEKS COMMUNITY INPUT FOR NORWALK GREEN LINE EXTENSION STUDY

Like Tweet

SCAG, in coordination with the Los Angeles County Metropolitan Transportation Authority (Metro) and the Cities of Norwalk and Santa Fe Springs, is conducting a planning study to identify and evaluate feasible alternatives for extending the Metro Green Line east from the Norwalk Station to connect to the Norwalk/Santa Fe Springs Metrolink Station. This study will evaluate alternative routes and potential station locations and identify ways to provide safe and convenient "first/last mile" access to stations. The study will also identify and evaluate opportunities to develop transit-oriented land uses around the stations that support community needs and goals. SCAG is seeking input from residents, businesses and stakeholders to understand the benefits and costs of the project and to help shape the development of transportation and land use strategies so that they best support local and regional goals. SCAG will hold two community "open house" meetings, on Saturday, Jan. 7, from 1:00 p.m. to 3:00 p.m. and on Wednesday, Jan. 11, from 6:00 p.m. to 8:00 p.m. Further information is available at www.scag.ca.gov/norwalkgreenlinestudy.

UPCOMING MEETINGS

January

7th Community Open House #1 - Norwalk Green Line Extension Study

11th Community Open House #2 - Norwalk Green Line Extension Study

16th Dr. Martin Luther King, Jr. Holiday, SCAG Offices Closed

17th Legislative/Communications & Membership Committee

18th PUBLIC HEARING: Draft 2016 RTP/SCS Amendment #1

24th Transportation Conformity Working Group

25th Modeling Task Force

December

2nd Regional Council & Policy Committee Meetings

20th President's Day Holiday, SCAG Offices Closed

21st Legislative/Communications & Membership Committee

28th Transportation Conformity Working Group



CONNECT WITH US



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DEPARTMENT OF THE NAVY

NAVAL WEAPONS STATION SEAL BEACH BOO SEAL BEACH BOULEVARDITY OF GARDEN GROVE SEAL BEACH, CA 90740-5000 CITY CLERK'S OFFICE IN REPLY REFER TO:

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Dear Community Member:

On July 20, 2016, Naval Weapons Station Seal Beach held the 104th Restoration Advisory Board (RAB) meeting. Minutes from the meeting are in enclosure (1).

The next RAB meeting is scheduled for Wednesday, January 11, 2017, at 6:00 pm at the City of Seal Beach Council Chambers, 211 8th Street, Seal Beach. Enclosure (2) is the agenda.

To improve communications and responsiveness between the community and the station, we welcome you to contact us either by telephone or e-mail. The primary points of contact are:

Pei-Fen Tamashiro

(562) 626-7897

pei-fen.tamashiro@navy.mil

Gregg Smith

(562) 626-7215

gregg.smith@navv.mil

To support the station's sustainability initiative, we request that you participate in our E-Communication Program for all future RAB-related correspondences. If you agree to participate, please send me an e-mail (see above), indicating you would like to participate in the E-Communication Program for the Installation Restoration Program at Naval Weapons Station Seal Beach. Once I receive your e-mail, you will receive future meeting agendas, minutes, and other communications via e-mails only. However, if you decide that you cannot participate in this program for whatever reason, we will continue to communicate with you through postal mails.

Please contact me, if you have any questions concerning the RAB or other environmental issues.

PEI-FEN TAMASHIRO

IRP, MRP, MMR Media Manager

By direction of the Commanding Officer

Enclosures: 1. July 20, 2016, IRP/MRP RAB Meeting Minutes

2. January 10, 2017, RAB Meeting Agenda

MINUTES NAVAL WEAPONS STATION (NAVWPNSTA) SEAL BEACH RESTORATION ADVISORY BOARD (RAB) AND COMMUNITY MEETING

City of Seal Beach Fire Station # 48
July 20, 2016

Participants:

Bettencourt, Phillip/Community Member

Cummings, Esther/Friends of Seal Beach National Wildlife Refuge (NWR)

Hoaker, Pete/Friends of Seal Beach NWR

Kovacs, Robert/Geosyntec

Lee, Larry/RAB Member

Lieberman, Tara/Richard Brady & Associates

Niou, Stephen/California Department of Toxic Substances Control

Reese, Brenda/Remedial Project Manager (RPM), Naval Facilities Engineering Command Southwest (NAVFAC SW)

Smith, Gregg/Public Affairs Officer, NAVWPNSTA Seal Beach

Smith, Patti/Friends of Seal Beach NWR

Tamashiro, Pei-Fen/RAB Navy Co-Chair, NAVWPNSTA Seal Beach

Thorpe, Darwin/RAB Member

Vesely, Gene/RAB Member

Vance, Carolyn/Friends of Seal Beach NWR

WELCOME

Pei-Fen Tamashiro commenced the meeting at 6:00 pm at the City of Seal Beach Fire Station # 48 by welcoming all participants. Attendees were asked to introduce themselves and to sign-in and collect handouts at the front table. P. Tamashiro then introduced Brenda Reese, RPM, to present an overview of the Project Highlights

Brenda Reese presented an update on site work on the Defense Environmental Restoration Program (DERP) which consists of the Installation Restoration Program (IRP) and Munition Response Program (MRP). The current status of the sites was discussed in detail by B. Reese:

- Site 7, Station Landfill Semiannual Landfill Cover Inspections and Maintenance
- Site 40, Concrete Pit/Gravel Area Annual Long Term Monitoring
- Site 70, Research, Testing, and Evaluation Remedial Action Operating
- Site 74, Skeet Range Feasibility Study/Proposed Plan
- Site 75, KAYO-SB Ag Well Navy Legal Investigation for Potentially Responsible Parties (PRPs).

She concluded by briefly discussing the MRP Remedial Investigation status.

Questions and answers discussed during the Project Highlights are summarized below.

Question: At the AOC 2, do you have any idea when the drop tower will come

down?

Answer: Because the tower is within the AOC, we first need to close the AOC. We need to go through the investigation phase first. Of the three sites, there is

a good possibility that AOC 2 will be closed before the other sites. We did find small items there, so we need to make sure that there are no other munitions constituents on site. We hope that after this round of sampling, which should be finished by the end of February, and after communications with the regulators, which may take up to a year, we should be able to close the site. We are hoping this will happen before the end of 2017/ the beginning of 2018. We will work with NAVWPNSTA Seal Beach Public Works and the U.S. Fish and Wildlife Service to determine the best way take the tower down. There is some concern that the tower may be a perching point for predator birds. (The field work for the project

has been postponed to Fall 2017 since the RAB meeting.)

Question: Are you going to investigate all three sites at once, or the easiest first?

Answer: They will occur at the same time because it is the most economical that way. They can mobilize once, and coordinate sampling between the sites.

The field investigations will occur simultaneously, but we may be able to

accelerate the closure for AOC 2.

Question: What is the latest report on material coming out of the shooting range?

Answer: It has been about a year since the renovation finished (August 2015), and

monitoring occurred in February 2016 and May 2016. During monitoring we found some small pieces of fragments, but we are not finding many new bullets out there. In each of the two monitoring events, we only found 1 or 2 new bullets along Case Road. The amount of onput away from the range has been reduced significantly. We have started looking into what could be the cause of the additional items. We are looking into the maintenance cycle of the range, such as raking the impact zone, monitoring more frequently, and also looking into shots from shot gun rounds. We are also looking into restricting where they can shoot shotguns from inside the range. The road will still be closed most of the time due to safety concerns when the range is hot. For monitoring purposes, it is also easier if the road is closed. Are there any concerns about the road closure?

Response: No, we just go around.

Question: On item 9 at Site 70, the remedial action objective (RAO) will be

achievable in 15 years based on funding?

Answer: The total operation will take 50 years to achieve the RAO. The 15 years

specified is the time required for treatment based on a computer modeling result. After the first 15 years, natural attenuation is supposed to take

care of the degradation of the contaminants till it reaches the RAO.

Question: Is the range closed to Navy operations during cleanup operations?

Answer: During the cleanup activities, we will coordinate with the range to make

sure the workers are safe to carry on the cleanup activities.

Question: Is the range only open to Navy personnel?

Answer: At this point, yes. There have been discussions with outside agencies

requesting to use the range, especially law enforcement agencies. We are considering this, but they will have to abide by Navy's operation rules. We

are still in discussions, and no decision has been reached.

Question: On Site 75, who is the end user of these waters? Is this in the Seal Beach

water system?

Answer: The groundwater at the site was never used for potable water. It was used

for agriculture irrigation until the well was closed.

Question: Has the Navy been absolved of responsibility for the contamination?

Answer: The Regional Water Quality Control Board (RWQCB) concurred with our

conclusion that the contamination found at Site 75 was not caused by the Navy's operations. RWQCB is working with the Potentially Responsible

Parties (PRPs) to continue to delineate the contamination.

Question: In the wildlife refuge, will the diving activities disturb the existing grass or

the grass growth?

Answer: The divers will be briefed of the constraints. The contractor, diving team,

and underwater geophysical survey team will meet with Kirk Gilligan of the United States Fish and Wildlife to discuss these concerns. The impact to eel grass and sea turtles will be mitigated during the diving operation. We are also planning on conducting an eel grass survey before we start fieldwork to get a better idea of the distribution of eel grass so that we can strategize about how to dive around and to choose the most suitable geophysical survey method during the investigation. If the water is

shallow enough, we may consider using a floatation device on the water to

prevent disturbing the eel grass.

Question: On Site 40, how many monitoring wells are currently active? Also, I am

curious about indoor air sampling, how it is done and where.

Answer: We are going to do an entire presentation on this site coming up next.

Your questions should be answered during that presentation.

Question: At Site 70, when was the last emulsified vegetable oil (EVO) injection?

Answer: The last EVO inject at Site 70 was done two years ago.

Question: Will the plume reduce in size or dissolve?

Answer: The purpose of the in-situ treatment is to treat contaminants in place. We

inject EVO, and it attaches to the formation soil particles in the aquifer. When groundwater flows through, it starts dechlorinate the solvents. This will diminish the plume size over time. We may see some migration of contaminants because when you inject EVO it may push some contaminants out. We have not really seen too much pushed out based on the amount of EVO injected so far. Most has been absorbed and not much

has been pushed out.

Question: Has anyone found natural petroleum seeps outside of the Site 70 area?

Answer: There are some gas stations (UST Sites) up gradient of Site 70. In our

monitoring report, MTBE was detected at Site 70. This is an additive in gasoline, so this is a UST problem from upgradient of the site. However, the concentrations are not high enough, and the shallow zone is not a

drinking water source, so there is not much of a concern.

Comment: In Long Beach, at Site 9, north of Seal Beach Boulevard, there is a very

similar thing occurring. Seeps can come from 15 miles away, there is a lot

of petroleum underground.

Answer: We did not see a significant amount of petroleum caught up in Site 70

groundwater.

Question: On the Active Sites map, there are two sites shown that have not been

discussed.

Answer: Yes, those are two UST sites (UST 229 and UST 500) that have been

closed over the last couple of years. The map will be updated next time.

P. Tamashiro thanked the community members for the comments and questions and said the Navy will continue to report out to the community of the status report for all of the active sites. P. Tamashiro then presented the Site 40 Long Term Monitoring Update.

P. Tamashiro reviewed the site location and history, a summary of remedial action and monitoring activities, and then provided details on the soil vapor monitoring, risk analysis, air sampling and upcoming activities.

Questions and Answers discussed during the Site 40 Presentation are summarized below:

Question: In terms of soil vapor monitoring, are there still concentrations trapped in

the vadose zone? Are there standards for determining that risk?

Answer: You are referring to the risk assessment. Yes, some solvents are trapped in

the vadose zone in vapor form. That's why we collected vapor samples to evaluate if vapor intrusion was occurring at levels exceeding regulatory

thresholds.

Question: Is that below or above the lower explosive limit (LEL) of 50,000 parts per

million (PPM)?

Answer: You are referring to LEL and upper explosive limit (UEL) for methane?

The LEL is 5%, the UEL is 15%. There are some areas where methane is 40%, this is too rich to be considered an explosion hazard. During our annual monitoring, we would walk around the site to determine if there is any leakage of vapors around the site, especially at locations near utility openings or cracks on the ground. We have not detected such leakages.

Most vapors are trapped in the ground without an exposure pathway.

Question: When you have drought conditions like we do now, is the plume less likely

to move?

Answer: The drought conditions change the groundwater table elevations but not

the gradient. That is the same with Site 70. Groundwater flow pretty much follows the same pattern even when groundwater level has dropped a foot

or two in the drought condition.

Question: In 2014, the soil vapor monitoring, I am curious about methane at 40.6%

by volume. What does that mean?

Answer: Methane was trapped in the soil formation above the groundwater table.

The 40.6% was measured from a vapor monitoring well tapped into the ground. However, when the measurement was taken from the ambient level, or the breathing zone, methane gas was not detected, which meant that the methane gas dissipated very quickly once it left the vapor monitoring well. Eventually, we will have to try to release the methane gas in the ground, but at this point, no one is exposed to the methane gas trapped in the ground. The methane gas is a by-product of the

groundwater treatment.

Question: The locomotives are gone, have you cleaned the road bed or tracks?

Answer: We have gradually started removing the tracks from the station.

Question: There is not a plan to deal with the soils under the roadbed?

Answer: No, not at this point.

Question: The buildings, are they in an industrial area, are they used for Navy

purposes? Or only industrial purposes? Are they eligible for training or

use for storage?

Answer: The site is in an industrial and non-explosive administrative area of the

base. This area will most likely not be used for military operations.

Question: Because it is a non-explosive district?

Answer: The area is not for explosive operations, and the Navy will most likely not

introduce explosives operations or allow military operations in this area. The only occupied building on the site is used as a warehouse and office

space and will likely continue to be used for these purposes.

Question: So you would not introduce spark generating operations?

Answer: No, there is no such plan. The environmental office review all projects on

this base related to land use change. We will most likely advise against

any spark generating activities being brought into this area.

Question: Do the buildings contain sprinklers?

Answer: There is an emergency sprinkler system in the building.

Question: Is this water suitable for irrigation purposes or firefighting, or is it

harvested?

Answer: No, the shallow aquifer at Site 40 does not produce enough for it to be

used for irrigation or firefighting.

Question: Have you noticed or smelled methane on the site?

Answer: No, we have not smelled anything. The methane was introduced from

injections in 2000.

ANNOUNCEMENTS

- P. Tamashiro announced that the next RAB meeting will likely be in January of 2017. RAB COMMUNITY CO-CHAIR ELECTION
- P. Tamashiro requested non-RAB community members to exit the meeting room, so the RAB community members can elect their next chairperson. After the ballots were tallied, Mr. Phillip Bettencourt was elected as the new RAB Chair. Mr. Bettencourt thanked the fellow RAB members for their votes.

ADJOURNMENT

P. Tamashiro adjourned the meeting at approximately 7:10 p.m.

Note: This is a meeting summary, not an actual transcript.

AGENDA

NAVAL WEAPONS STATION SEAL BEACH RESTORATION ADVISORY BOARD (RAB) AND COMMUNITY MEETING 11 January 2017 6:00 P.M.

City of Seal Beach Council Chambers

6:00 p.m. Welcome

Pei-Fen Tamashiro, P.G., Navy Co-Chair Naval Weapons Station Seal Beach

Philip Bettencourt, Community Co-Chair

6:05 p.m. Project Highlights

Brenda Reese, P.E., Remedial Project Manager Naval Facilities Engineering Command Southwest

- 6:20 p.m. Annual IR Budget Summary

 Brenda Reese, P.E., Remedial Project Manager

 Naval Facilities Engineering Command

 Southwest
- 6:50 p.m. Break
- 7:00 p.m. Installation Restoration Program Site 70 Remedial Action Progress Update
 Tony Ford, Project Manager, Insight ECC, Inc.
- 7:30 p.m. Community Forum
 Questions and Answers for Recent Reports
- 7:35 p.m. Future Agenda Items
- 7:40 p.m. Meeting Adjourned

Jan. 6, 2017 Issue #1

IN THIS ISSUE:

Page 3: ILG Offers Free Public Engagement Training in the Inland Empire ILG Hosts 2017 Out-of-School Time Nutrition Summits BBK Offers Three Part Webinar on How to Deal with Dangerous Dwellings in Your City

Deadline Extended to Monday, Jan. 9 to Submit 2017 Annual Conference Session Proposals

There is still time to submit a session proposal for the League of California Cities® 2017 Annual Conference, which will be held Sept. 13–15 in Sacramento. Jan. 9 is the deadline to submit session proposals. For more, see Page 2.

Registration Open for the Planning Commissioners Academy

Do you know someone who might be interested in attending the 2017 Planning Commissioners Academy? Registration is now open for this event that will be held March 1–3 at the Los Angeles Airport Marriott. Don't miss your chance to secure a spot for this premier training opportunity. The deadline to register and reserve a hotel is Tuesday, Feb. 7. For more, see Page 2.

U.S. Communities Announces New Contract for Waste and Recycling Solutions

U.S. Communities, the League of California Cities® and the California State Association of Counties sponsored government purchasing alliance, is excited to announce that Rehrig Pacific Company has been awarded a multi-year contract to provide waste carts, recycling carts and related products and services. For more, see Page 2.

'AC Proposals' Continued from Page 1...

City officials have great ideas that make great learning opportunities that can be shared. The League's Annual Conference is organization's conference that brings together elected and appointed officials and staff and stakeholders for three days of educational sessions, workshops and networking.

Proposal Session Submission Instructions

Submissions, non-commercial in nature, from any individual, group, business or organization, on any topic are welcome. The Annual Conference Program Planning Committee will consider the educational value of each proposal and the extent to which it presents new and/or significant information. Sessions should not be product or vender commercialization oriented.

Proposals may be submitted <u>online</u> only. For questions, please contact <u>Katie Sacco</u> at (916) 658-8251.

'Planners' Continued from Page 1...

For professionals of all career levels, this academy offers participants the opportunity to learn about the major planning and land use issues facing California cities. Concurrent sessions will be offered, featuring fundamental basics and nuts & bolts sessions, as well as emerging issues and innovative ideas for more seasoned professionals.

The full conference registration includes:

- Two and a half days of important educational sessions;
- AB1234 Ethics Training;
- Many networking opportunities;
- A keynote presentation by distinguished research professor Donald Shoup on the high cost of free parking;
- · Words of wisdom from the curator of cool, Shaheen Sadeghi of LAB Holding, LLC; and
- Electronic access to all program materials.

The <u>announcement</u>, <u>full list of sessions</u>, and other useful information can be found on the <u>Planning Commissioners Academy</u> page of the League website.

Please contact <u>Megan Dunn</u> for conference and registration question and <u>Caitlin Cole</u> for any other questions.

'Contract' Continued from Page 1...

This contract was awarded through a competitive solicitation process conducted by the lead public agency, Miami-Dade County, Florida. The initial contract term is for five years through Sept. 30, 2021, with the option to renew the contract for five additional one year periods. To learn more, register for a complimentary 30-minute webinar.

Through this contract, agencies will have access to durable products at a competitive price. Rehrig Pacific uses a consultative approach to identify how they can best serve your communities, integrate technology to eliminate waste and enhance the customer's experience, and provide simple and easy to implement solutions with a focus on sustainability such as:

- Highly engineered roll-out carts, commercial containers and recycling bins;
- · Actionable business intelligence in truck and container assets; and
- On-street services such as assembly and distribution, container maintenance and route auditing.

To learn more about this new contract with Rehrig Pacific join one of the 30-minute webinars. If you are unable to attend one of the webinar dates, <u>contact U.S. Communities</u> for additional information.

Webinars

Tuesday, Jan. 17, 8 a.m. Register online.

Wednesday, Jan. 18, 10 a.m. Register online.

For additional information on Experian or the U.S. Communities Government Purchasing Alliance visit www.uscommunities.org or contact Amanda Cadelago with the League at (916) 658-8226.

About U.S. Communities

The U.S. Communities Government Purchasing Alliance, a strategic partner of the League of California Cities, is a government purchasing cooperative that reduces the cost of goods and services by aggregating the purchasing power of public agencies nationwide. U.S. Communities provides world class procurement resources and solutions to local and state government agencies, school districts (K-12), higher education, and nonprofits. State and local governments have access to a broad line of competitively solicited contracts with best in class national suppliers.

ILG Offers Free Public Engagement Training in the Inland Empire

The Institute for Local Government is offering free public engagement training for local government teams in the Inland Empire, Jan. 31–Feb. 31. The training will showcase a new step-by-step framework to effectively engage residents. While networking with other local cities, counties and special districts, participants will have the opportunity to learn about the public engagement challenges they experience and brainstorm solutions together. The training is designed to provide skills that to help agencies overcome barriers, challenging situations and political roadblocks in public engagement efforts.

To learn more about this training opportunity contact Madeline Henry or visit ILG's website.

ILG Hosts 2017 Out-of-School Time Nutrition Summits

Out-of-school time presents a unique opportunity for city leaders to lead community-wide collaborations to keep youth healthy and on the right track. Join ILG and the Summer Meal Coalition for a day of learning, networking and sharing ideas about leveraging USDA summer and after school meal programs to build healthy, connected communities when school is out.

Summits will be held in Northern and Southern California and will convene leaders from across disciplines to discuss new opportunities for programming and partnerships, ideas to engage local leaders and youth, tips for effective outreach and ways to address challenges.

These free events are open to all agencies with an interest in supporting low-income youth when school is out.

Register online.

Contact Patrice Chamberlain for more information.

BBK Offers Three Part Webinar on How to Deal with Dangerous Dwellings in Your City

Series will be held Jan. 19, 26 and Feb. 2

Within the jurisdiction of every municipality are nuisance residential and commercial properties that create serious problems for the surrounding community. These properties often take the form

of hoarder houses, drug houses or unsafe commercial buildings riddled with state and local law violations and a magnet for criminal activity. If left unchecked, these blighted properties become a chronic drain on the time and resources of cities and counties — and can lead to deadly consequences.

In this three-part webinar series presented by Best Best & Krieger LLP attorneys, and featuring the perspectives of city and county staff and court-appointed receivers, municipalities will be presented with proven administrative, criminal and civil tools to rehabilitate these problem properties and return them to productive use.

Mark Easter, a partner with more than 25 years of experience in eminent domain, real estate and receivership litigation, will serve as moderator.

The series is designed for:

- · City managers;
- Council members;
- City attorneys;
- Building officials;
- Community development directors;
- · Planning directors; and
- Police/fire chiefs.

Webinar Details

Webinar #1: Administrative Remedies, Thursday, Jan. 19, 12-1 p.m.

This segment will address various administrative remedies available to local entities to address public nuisance structures or activities. This includes the administrative citation process and permit and license revocations. The webinar will also cover the cost recovery and cost effectiveness of this approach. Attorneys Christy Marie Lopez and Joshua Nelson from BB&K will provide guidance and explore administrative remedies.

Webinar #2: Criminal Prosecution, Thursday, Jan. 26, 12–1 p.m.

This webinar will cover the potential criminal remedies available that can be effective in achieving compliance with various codes. This panel will focus on how criminal penalties can be used as an effective tool, while often being time efficient and cost effective. City prosecutors Christy Marie Lopez and Charlene Wynder from BB&K will provide guidance for the appropriate use of the criminal enforcement mechanism by local entities.

Webinar #3: Injunctions, Receiverships and Other Court-Approved Remedies, Thursday, Feb. 2, 12–1 p.m.

This segment will explore the different civil solutions available for combating nuisance commercial and residential properties with insights from a knowledgeable panel including attorneys <u>Mark Easter</u> and <u>Samuel Emerson</u> from BB&K, court-appointed receiver Kevin Randolph, San Bernardino County Code Enforcement Chief Andy Wingert and the former city attorney for the city of Riverside and current county counsel for the county of Riverside, Greg Priamos.

Register online.

For questions about these webinars, please contact Ashley Fernandez.

Jan. 10, 2017 Issue #2

Governor Unveils Proposed FY 2017-18 Budget with \$1.6 Billion Deficit Projected Proposal Includes \$4.3 Billion for Transportation

างposal includes จ4.3 billion for Transportation but No New Funding for Affordable Housing

Volatility and prudence were the words of the day during Gov. Jerry Brown's annual January budget release press conference in Sacramento this morning. Similar to recent years, the Governor repeatedly cautioned about the dangers of overspending and the pending recession that will likely follow the last eight years of economic expansion. His words were stronger this year because after four years of balanced budgets with small budget surpluses, this one projects a \$1.6 billion deficit for the fiscal year that starts July 1. The proposed FY 2017-18 budget he unveiled includes \$122.5 billion General Fund and \$179.5 billion total spending.

State revenues are still growing and projected to grow in FY 2017-18 according to the Governor's budget proposal. However, the trajectory of that growth is declining and the budget lays out some tough choices to rein in spending in the face of the deficit and lower growth.

The proposed budget includes \$3.2 billion in budget solutions. The unappropriated \$400 million in the FY 2016-17 budget — set aside to be exchanged for approval of the by right proposal — is counted as savings. The state will also hold back from transferring \$300 million to modernize state buildings in FY 2017-18. The Proposition 98 constitutional guarantee for K-14 funding will be at its minimum. The Middle Class Scholarship program will not be extended to new students, rate increases for child care will not occur and a number of other spending proposals will not be funded.

California faced a \$27 billion deficit when Governor Brown assumed his third term of office in January 2011. The coming year's deficit is dramatically smaller, however, the Governor is worried that it can quickly grow if it is not immediately addressed. In the midst of the dire warnings, he showed his softer side in calling on the Legislature to "Save some biscuits for a rainy day" in honor of his beloved recently deceased First Dog Sutter Brown. To that end, the Governor stressed the importance of the state's Rainy Day Fund, which is projected to reach \$7.9 billion in FY 2017-18.

Several factors make state budgeting in California challenging. Although the state has the most progressive tax structure in the nation, that in turn results in more volatility because of the reliance on capital gains. Income, sales and corporation taxes comprise the "big three" revenue sources for California.

This year there is more uncertainty resulting from the impacts of unknown changes to be made by the incoming Trump Administration. The Governor's budget did not account for how the new president's policies will impact California, but he did say that his May Revise could be based on very different numbers depending on what happens between now and then. He used this portion of his remarks as another opportunity to remind the Legislature that California must be fiscally prudent and wise this year.

The Governor's proposed budget does reflect several of the League's 2017 strategic goals. He reiterated his commitment to transportation funding by including a 10 year, almost \$43 billion transportation infrastructure investment plan. The funding goes to the entire system, state and local and transit. The Fix Our Roads Coalition, of which the League is a member, issued a statement early Tuesday afternoon commending the Governor for his continued engagement in crafting a sustainable transportation funding package while reinforcing the need for at least \$6 billion annually to stop the deterioration of the system.

California's affordable housing crisis and homelessness were both also addressed. Governor Brown spoke about the need to reduce the per unit affordable housing construction cost, currently averaging \$322,000 per unit. However, the League is disappointed that the Governor chose to emphasize the need to streamline the process and adjust requirements at the local level rather than provide much needed funding. The budget contains no new funding for affordable housing, and principles presented by the Governor for any funding negotiations include "No Impact to the General Fund."

On a positive note, the League-supported <u>No Place Like Home</u> program will be funded in FY 2017-18 to construct and rehabilitate permanent supportive housing for California's most chronically homeless mentally ill.

The Governor focused on the Cap-and-Trade program and wants to withhold any additional allocations until after the Legislature stabilizes the fund through a two-thirds vote. Early auctions generated significantly more revenues than those held in May and August of last year, which total produced approximately \$18 million. The last auction in November 2016 produced \$364 million.

Details on these and other budget areas of importance to cities are outlined below.

Transportation Funding

While the regular and special session on transportation funding came to a close last year without resolution, the Governor's new transportation funding proposal provides an increase to \$43 billion over the next 10 years.

Of the \$4.3 billion in new funding for transportation in FY 2017-18, \$1.16 billion goes to local streets and roads for maintenance and rehabilitation. Additionally, the Governor's proposal includes the following annual investments in the coming 10 years:

- \$100 million for the Active Transportation Program.
- \$25 million for sustainable (SB 375) transportation grants.
- \$270 million for Corridor Mobility Improvements on congested commute corridors.
- \$25 million for the freeway service patrol program.
- \$400 million for the Transit and Intercity Rail Capital Program.
- \$1.8 billion for highway repairs and maintenance on the state highway system.
- \$250 million for the state's major trade corridors.

These investments will be supported through the following revenue sources:

- \$2.1 billion Road Improvement Charge from \$65 fee on all vehicles, including electric and hybrid.
- \$1.1 billion from eliminating the annual adjustments to the gasoline excise tax and resetting the tax to the FY 2013-14 rate of 21.5 cents, adjusted annually for inflation.
- \$425 million from an 11 cent increase to the diesel excise tax, adjusted annually for inflation.
- \$500 million in additional cap and trade proceeds.
- \$100 million in Caltrans efficiencies.
- \$706 million in loan repayments.

The Governor's budget transportation proposal represents a smaller package than existing legislative proposals in AB 1 (Frazier) and SB 1 (Beall), which generate \$6 billion annually upon full implementation. With a commitment from this Legislature and Administration, the benefits of a comprehensive transportation funding proposal will far exceed the costs for Californians. These modest increases will help ease the costs drivers are already paying, an average of \$762 annually, to fix their vehicles due to poor road conditions.

The Governor's budget proposal assumes adoption of the proposal. Local streets and roads will continue to deteriorate without a new funding package.

Housing

The League was very disappointed to see that the Governor did not include a meaningful funding proposal for affordable housing. The Governor took it a step further in his proposal and clearly stated that the General Fund was completely off the table as a possible source of funding to help spur housing production, including affordable housing. Governor Brown also eliminated the \$400 million set aside in the 2016-17 Budget Act for affordable housing in exchange for approval of the by right proposal. The funds have not been appropriated because the Legislature has not acted on his proposal.

Instead of bringing forward a balanced proposal that comprises significant permanent housing funding and appropriate project streamlining, the Governor unveiled a list of housing policy principles that largely focus on "reforms" at the local level. These "reforms" could dramatically limit plan review, public input, impact fees, and tie housing production to unrelated infrastructure funding, such as much needed transportation dollars.

The Governor's Housing Policy Principles are as follows:

- Streamline Housing Construction. Reduce local barriers to limit delays and duplicative reviews, maximize the impact of all public investments, and temper rents through housing supply increases.
- Lower Per-Unit Costs. Reduce permit and construction policies that drive up unit costs.
- Production Incentives. Those jurisdictions that meet or exceed housing goals, including
 affordable housing, should be rewarded with funding and other regulatory benefits. Those
 jurisdictions that do not build enough to increase production should be encouraged by
 tying housing construction to other infrastructure-related investments.
- Accountability and Enforcement. Compliance with existing laws such as the housing element should be strengthened.
- No impact to the General Fund. No new costs, or cost pressures, can be added to the state's General Fund, if new funding commitments are to be considered. Any permanent source of funding should be connected to these other reforms.

Curiously, given all of the recent debate in the Capitol about what has led to the rise in home prices, the Governor's "reform" principles make no mention of CEQA, prevailing wage, high land costs, market conditions, or a number of other factors that put pressure on housing costs.

Homelessness

The only new funding for housing or homelessness comes from the No Place Like Home Program, which allocates \$262 million for permanent supportive housing for persons who are eligible for services under Prop. 63 (2004) and are homeless, chronically homeless, or at risk of chronic homelessness. Grant guidelines are still being developed by the Department of Housing and Community Development, and grant approvals are not expected until 2018.

Workforce Development

The January Budget Proposal includes:

- \$248 million to expand career technical education courses through the Strong Workforce Program at California community colleges.
- \$500 million for the Adult Education Block Grant Program to support programs that assist adult learners with courses to complete high school diplomas, general education equivalent, and English as a Second Language courses.
- \$68 million for apprenticeship programs that offer a clear pathway to obtain classroom instruction and on-the-job training skills leading to gainful employment.
- A policy statement linking the importance of local libraries to workforce development. The state librarian will work with stakeholders to integrate libraries into the state's workforce strategy.

Cap-and-Trade

Governor Brown proposes legislation authorizing the state Air Resources Board (ARB) to administer Cap-and-Trade auctions beyond 2020. This proposal is meant to address volatility in auction revenues in 2016, which many speculate are the result of legal challenges to the validity

of the program beyond 2020. Governor Brown also announced that any appropriation of Capand-Trade funds is contingent on passage of the proposed legislation to extend the Cap-and-Trade authority.

Should this proposal receive the two-thirds it needs in both the Senate and Assembly, the budget proposes the following \$2.2 billion Cap-and-Trade Expenditure Plan:

Continuous Appropriation (60 percent of annual auction proceeds)

- \$375 million for the High-Speed Rail Project.
- \$75 million for Low Carbon Transit Operations.
- \$150 million for the Transit and Intercity Rail Capital Program.
- \$300 million for the Affordable Housing and Sustainable Communities Program.

One-time Appropriation (40 percent of annual auction proceeds)

- \$500 million to the Transportation Agency for Transit and Intercity Rail Capital Program and to Caltrans for Active Transportation (See Transportation Funding section above).
- \$363 million for ARB's Low Carbon Transportation Program to provide incentives for low carbon freight and passenger transportation, including rebates for zero emission cars, vouchers for hybrid trucks and zero-emission trucks and other uses.
- \$142 million for the Strategic Growth Council to administer the Transformational Climate Communities Program as well as to provide technical assistance.
- \$95 million cumulatively to ARB for black carbon woodsmoke, to CalRecycle for waste diversion, and to the Department of Food and Agriculture for dairy digesters.
- \$127.5 million cumulatively to CALFIRE for healthy forests and urban forestry programs, to the Department of Food and Agriculture for Climate Smart Agriculture — Healthy Soils, and to the Natural Resources Agency for urban greening.
- \$27.5 million cumulatively to the Department of Community Services and Development for energy efficiency upgrades and weatherization and to the Department of Food and Agriculture for the State Water Efficiency and Enhancement Program.

Should the Governor's proposal not be approved, programs that receive a continuous appropriation will go forward but with significantly less funding. The programs that received one-time appropriations would not be funded in FY 2017-18.

Beverage Container Recycling Program Reform

In his budget, the Governor highlights the 30-year old Beverage Container Recycling Program as ripe for reform. Depending on the proposed reforms, cities could potentially lose funding that supported recycling programs at the local level. The League will monitor this issue closely as discussions develop.

Environmental Quality

Emergency Drought Response

The Governor's budget proposes an additional \$178.7 million in one-time funding to provide immediate responses to the drought. This budget assumes drought conditions continue, although the administration will continue to monitor drought conditions and make any necessary changes in the May revision to the January budget proposal. Appropriations are proposed in the categories below.

Protecting water supplies and water conservation:

- \$5 million to the Department of Water Resources (DWR) for local assistance to small communities for emergency drinking water.
- \$5.3 million to the State Water Resources Control Board (SWRCB) for water rights management.
- \$7 million to the DWR for drought management and response.
- \$2 million to the DWR for the Save Our Water campaign.

Emergency response for fire protection and tree mortality:

- \$91 million to CALFIRE for enhanced fire protection, including continuation of increase firefighter surge capacity, extended fire season, surge helicopter pilots, California Conservation Corps fire suppression crews, increased vehicle maintenance, and exclusive use of large and very large air tankers.
- \$52.7 million to the Office of Emergency Services (OES) for the California Disaster Assistance Act.
- \$4 million to OES for the State Operations Center.

Protecting Fish and Wildlife:

- \$8.2 million to the Department of Fish and Wildlife (DFW) for emergency fish rescues and monitoring.
- \$3.5 million to the DWR for implementation of the Delta Smelt Resiliency Strategy including aquatic week control, adaptive food management and distribution, and wetlands flood and drain operations.

California Water Action Plan

The Governor proposes several funding increases to further the goals of the 2014 California Water Action Plan. The proposed allocations below assume drought conditions in the state confinue.

- \$248 million (Prop. 1 funding) to DWR for integrated regional water management projects that are regionally driven multi-benefit projects that help meet long-term water needs.
- \$1 million (Waste Discharge Permit Funds) and five new positions for the SWRCB, in coordination with the Department of Food and Agriculture, to address contamination of groundwater basins from agricultural practices.
- \$1.9 million (Prop. 1 funding) increase to DFW for the Water Investment Storage
 Program for initial outreach and technical review of the ecosystem benefits of the water storage project proposals submitted to the California Water Commission.
- \$2.3 million increase (Water Rights Fund) for five new positions at the SWRCB and \$1.5 million in contract funds to enforce reporting requirements and protect local groundwater resources beginning in July 1, 2017. The proposal targets high or medium-priority groundwater basins that fail to form local governance structures, as required by the Sustainable Groundwater Management Act (SGMA).

Department of Fish and Wildlife

For the Fish and Game Preservation Fund to fully support the commercial fishing program, the budget proposes an increase of \$12.3 million from commercial fish landing fees and redirecting \$10.6 million on a one-time basis from the Lifetime License Account.

Department of Parks and Recreation

In recent years, the Department of Parks and Recreation has undertaken reform and innovation efforts, although the administration notes that the Department has long-term structural shortfalls. The budget proposes a one-time increase of \$12.6 million from the State Parks and Recreation Fund and \$4 million from the Environmental License Plate Fund to maintain existing service levels at state parks.

Local Public Safety

The Governor's Budget Proposal includes:

- \$114.9 million for Community Corrections Performance Incentive Grants: Continued from previous years to fund county efforts to reduce the number of felony probationers going to state prison.
- \$11 million for Post-Release Community Supervision: For county probation departments supervising temporary increase in offenders resulting from Prop. 57 and court-ordered population control measures.
- Policy changes to reduce the number of programs supported by State Penalty Fund due to declining revenues in recent years.

- The following programs will no longer be supported by the fund: California Gang Reduction, Intervention and Prevention Program (GRIP) with Board of State and Community Corrections; Internet Crimes Against Children Task Forces, OES; Local Public Prosecutors and Public Defenders Training Program, OES; and, Motorcyclist Safety Program, California Highway Patrol (training, education and outreach activities).
- Funds will continue to be available to the following programs: Driver Training Program; Peace Officer Standards and Training; Standards and Training for Corrections; Victim Witness and Assistance Programs; Restitution Fund; CA Witness Relocation and Protection Program; Traumatic Brain Injury Program; and Fish and Game Prevention Program.
- A repeal of the Drivers License Suspension Program: Eliminates provisions in law providing for suspending a person's drivers license for failure to pay fines/penalties.

Corrections: Proposition 57 Implementation

Prop. 57 (2016) is estimated to reduce average daily adult inmate population by 2,000 in FY 2017-18, and by a total of 9,500 by FY 2020-21. It facilitates removal of all out-of-state inmates in one of the two remaining prison facilities in FY 2017-18. The Governor's proposal promises to provide substance abuse treatment at all state correctional facilities by the end of the year. The proposal anticipates savings of \$22.4 million in FY 2017-18 with a net savings of \$140 million by FY 2020-21.

Specific provisions of the Governor's Budget Proposal include:

Parole Process — Eligibility for Non-Violent Offenders

The budget provides for non-violent second strikers to go before the Board of Parole Hearings, which will evaluate their threat to public safety. An estimated 5,000 inmates will qualify, only eligible after serving 50 percent of the longest possible term for their sentence. In practice, this will affect approximately 500 – 600 inmates. It also increases and standardizes goo-time credit earnings.

Inmates who are not eligible include:

- Violent inmates (defined by Penal Code Sec. 667.5).
- Third Strikers.
- Inmates with sentence enhancements violent acts.
- Inmates with in-custody infractions for drugs/gang-related behavior.

Milestones and Mentors

Milestone credits are good-time credits for specified activities. The goal is to award enhanced milestone credits for earned academic and vocational achievements including accredited high school courses, vocational programs certified by the trades, and an AA or BA Degree.

The Offender Mentor Program (approximately 400 programs throughout the program) will require that inmates go through courses and tests to get credits.

While rehabilitation programs are traditionally open only to non-violent inmates, the Governor proposes to open them to all inmates regardless of committed offense in FY 2017-18. This has been shown to be an effective anti-recidivism tool. The California Department of Corrections and Rehabilitation (CDCR) has found that inmates are 31.2 percent less likely to re-offend if they complete an in-prison substance abuse disorder treatment program. Under the proposal, substance abuse program will be available at all prisons by the end of the year.

Funding for Inmate Rehabilitation and Re-Entry

The budget includes \$440 million to division or rehabilitative programs, which represents an increase from \$300 million in FY 2012-13. Support for in-custody rehabilitative programming will include: cognitive behavioral therapy, re-entry/transition programs, Long Term Offender Program,

Offender Mentor Certification Program, and self-help programs. Participation will be incentivized by grants of up to one month off prison sentence for completion of 208 program hours.

Division of Juvenile Justice

There is an anticipated increase of 72 wards due to Prop. 57's shift of authority regarding charging minors as adults from district attorneys to judges. The budget includes \$4.9 million to reactivate two Department of Juvenile Justice living units to accommodate this expected population increase. In addition, juvenile prosecutions in adult court expected to decline and average daily inmate population on the adult side expected to decline by 81 in FY 2017-18. Counties are expected to experience related increased costs as probation departments will provide greater assistance in juvenile court proceedings and County probation departments will pay the state \$24,000 per year per ward for certain juvenile commitments.

Other Programs

The Budget Proposal also includes funding for the following programs:

- Because 80 percent of lifers released on parole need or request transitional housing, CDCR is developing a 300-bed program for six months of transitional housing.
- Continued funding for Drug and Contraband Interdiction.
- Continued funding for Segregated Housing Unit Conversion at Pelican Bay.
- Funding for 647 beds in community re-entry facilities. This is an increase of 187 beds over current levels.
- Funding for the California Leadership Academy, aimed at reducing recidivism among 18

 25 year old inmates.

Cannabis Regulation

Generally, the Administration has decided on a single regulatory structure for both medical and recreational marijuana. However, it has not yet committed to whether that structure will look more like Prop. 64, or the Medical Marijuana Regulation and Safety Act, which the League supported. Another unknown factor is how the federal government may change enforcement of existing federal law.

For now, the Administration plans to move forward with Prop. 64 implementation and has proposed \$52.2 million in FY 2017-18 for cannabis regulation, processing of licenses, and enforcement. As revenues from the tax included in Prop. 64 will not be collected until 2018, this appropriation is structured as a loan from the General Fund, to be repaid in FY 2018-19.

Specific appropriations in this area include:

- Department of Consumer Affairs (lead agency): \$22.5 million to Bureau of Medical Cannabis Regulation for regulation of transportation, sale, storage and distribution of cannabis.
- Department of Food and Agriculture: \$23.4 million for administrative oversight, promulgation of regulations, issuance of cultivation licenses.
- Department of Public Health: \$1 million for licensing and regulation of manufacturing facilities.
- Board of Equalization: \$5.3 million for educating businesses on new tax requirements and updating information technology systems.
- Department of Health Care Services: \$5 million for public information program specified in Prop. 64.

State Retiree Health and Pension Costs

The budget includes \$5.3 billion dollars (\$2.8 billion General Fund) specifically for state employee contributions. The Department of Finance (DOF) attributes the increased contributions to several factors including a maturing fund and increased life expectancy combined with significantly lower than expected investment returns. These factors, in part, contributed to the recent decision made by the CalPERS board to lower its assumed rate of return (discount rate) from 7.5 percent down to 7 percent effective immediately for the state — with a one year delay for local agencies. The

immediate action will result in a modest contribution increase of \$172 million (\$105 million General Fund) in FY 2017-18 year. Given the phased-in approach adopted by the CalPERS board, the true impacts of a 7 percent rate will not impact the state's budget until the FY 2023-24, when state contributions are projected to reach \$9.7 Billion (\$5.6 billion General Fund). The Governor called the recent move by the Board "another major step [in reducing costs]".

The Governor did not announce any plans to seek a legislative remedy to further tackle the state's rapidly growing unfunded pension and retiree healthcare liability. However, he did not close the door on seeking a legislative approach this year. "This will continue to be a lively topic this year... we will continue to take advantage of other opportunities as they come up".

Public Utilities Commission (PUC) Reform

The Governor's budget proposal includes a commitment from the Administration to continue to work on some of the PUC reforms that were enacted last year, including a directive for the Administration to work with the PUC to develop a reorganization plan to transfer regulatory oversight over transportation network companies and charter party carrier vehicles (shuttles, limousines, etc.) to departments within the California Transportation Agency.

Census Address Program

The budget includes \$7 million for the Local Update of Census Address Program. The program will provide grants ranging from \$7,500 to \$125,000 to cities and counties to encourage their voluntary participation in efforts to ensure the accuracy of the Census Bureau's Master List of addresses.

Redevelopment Dissolution

The Governor's proposed budget summary reports that since FY 2011-12 and projected through FY 2017-18, redevelopment dissolution will have returned a total of \$8.6 billion in property taxes to K-14 schools. This consequently allows the state to reduce its General Fund expenditures under Prop. 98 education funding requirements by a similar amount.

The cumulative total received by counties, special districts and cities over this same period is projected to be \$6.32 billion. Cities are anticipated to receive \$733 million over FY 2016-17 and FY 2017-18. The Administration makes no new proposals in this area for FY 2016-17.

Special Needs Housing

While the Governor's budget does not include additional funding for the Community Based Transitional Housing Program, the Department of Finance reminded local governments on a budget conference call that grant applications are currently open. This program was created in the 2016-17 Budget Act, and seeks to encourage local communities to support housing that provides treatment and reentry programming to individuals who will benefit from those services. To date, zero grant applications have been received. More information and grant applications are available on the <u>DOF</u>'s website.

Next Steps

The Department of Finance will begin releasing draft trailer bill language in the next month that will include details of the proposal. The Assembly and Senate Budget committees will also begin hearings to review program-specific details. In May the Governor will release his revised budget proposal for the coming fiscal year that must be passed by June 15 to take effect July 1.