



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

Call to Order



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**

Mayor



**VILMA CUELLAR  
STALLINGS**

Vice Mayor



**ISABEL AGUAYO**

Councilmember



**LAURIE GUILLEN**

Councilmember



**PEGGY LEMONS**

Councilmember

Pledge of Allegiance



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

Invocation: Pastor Larry Jameson



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember

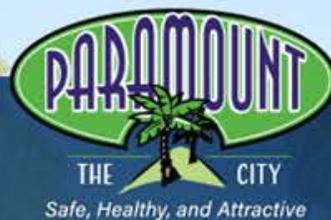


**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

## Roll Call of Councilmembers



# Mayor's Award of Excellence

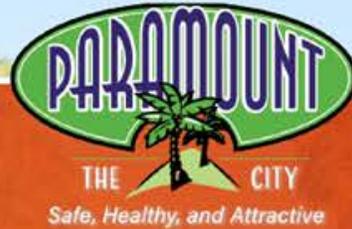
City Council  
July 6, 2021

ITEM NO. 1



# Proclamation: Park and Recreation Month

ITEM NO. 2



# Certificate of Recognition: COVID-19 Vaccine Community Partners

July 6, 2021  
City Council

ITEM NO. 3



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

## City Council Public Comment Updates



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

## Public Comments



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

## Consent Calendar



# Assessment of Charges for Delinquent Refuse Collection

City Council  
July 6, 2021

ITEM NO. 8



# Award of Contract Housing Rehabilitation Construction Services 15157 Castana Avenue

ITEM NO. 9



# Background

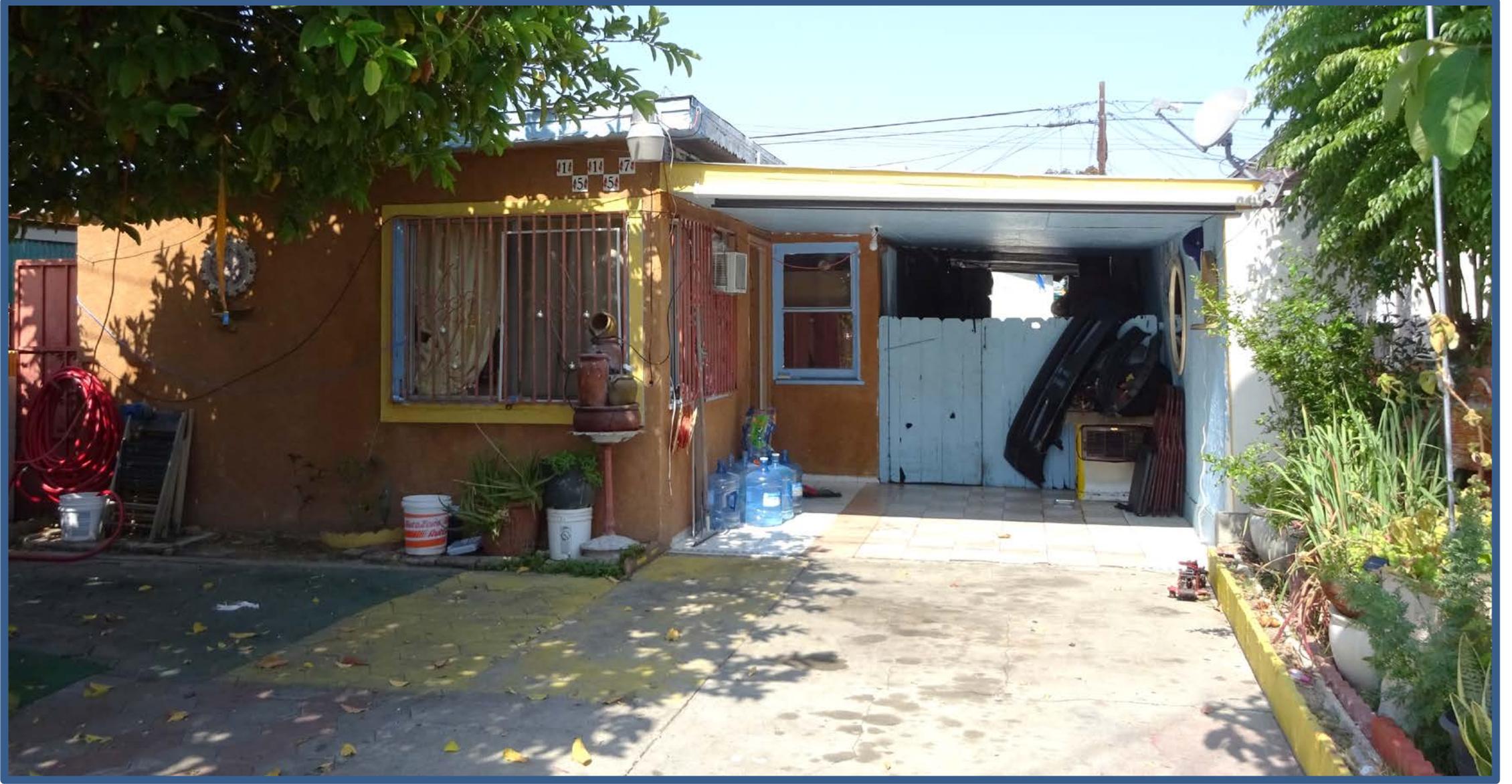
- Award of contract for housing rehabilitation construction services
- 15157 Castana Avenue
- Home Improvement Program
  - Federal HOME funds
  - Provides repairs for owner-occupied single-family detached dwellings
  - Household must be low-to-moderate income



# Project Description

- Homeowner solicited 3 construction bids
- VV&G Construction selected as the lowest qualified contractor
- Improvements to be completed:
  - Exterior paint
  - New water heater
  - Re-roof
  - Remove window security bars
  - New windows
- City contributes 90% up to \$24,300 for construction
- Property owner contributes 10% for construction

ITEM NO.9



ITEM NO. 9

# Recommendation

- Award the contract for housing rehabilitation construction services in the amount of \$49,415 at 15157 Castana Avenue through the Home Improvement Program

ITEM NO.9



CITY OF PARAMOUNT



# Award of Contract Housing Rehabilitation Construction Services 15157 Castana Avenue

ITEM NO. 9



Resolution No. 21:023  
Operating Covenant Agreement  
Lyons Building, LLC  
14488-14538 Garfield Ave

July 6, 2021  
City Council

ITEM NO. 10



# Request

- Approve an Operating Covenant Agreement between the City of Paramount and Lyons Building LLC
- 14488-14538 Garfield Avenue
- M-2 (Heavy Manufacturing ) zone
- 10.78-acre property (formerly Lakewood Pipe and Supply location)
  - 22 suites
  - Average suite size – 11,479 square feet
  - For comparison, Kroger facility on Garfield Avenue contains 550,000 square feet



# Background

- In 2018 - the City Council adopted Ordinance No. 1106 updating the Paramount Municipal Code to require a conditional use permit (CUP) for warehouse and distribution uses in the M-1 and M-2 zone
- Since 2018 the Planning Commission, has approved the following three warehouse-related CUPs in the Lyons Business Center:
  - Sept. 2020 –CUP No. 891 D& L Packaging, a business specializing in the warehouse/wholesale of packaging supplies
    - 3 weekly shipments via UPS; once-weekly shipments from 20-foot box truck
  - Oct. 2020- CUP No. 893, TrekLine Motorsports, a warehouse for an auto parts ecommerce business
    - 1 delivery weekly to the site and 3-weekly from the site via FedEx and USPS
  - Nov. 2020 –CUP No. 892, HGG Corp., warehouse/distribution business with storage, packing, and shipping services
    - 2 daily deliveries from FedEx and UPS; ships once daily by UPS

ITEM NO. 10

# Background continued

- With the review of smaller warehouse uses, under 11,000 square feet, becoming commonplace, the primary ownership approached the City about a “Master Conditional Use Permit” for:
  - Lyons Business Center
  - Somerset Business Center



ITEM NO. 10

# Lyons Building, LLC/14488-14538 Garfield Avenue



## Property Detail:

- 22 suites
- 252,537 square feet total floor area
- Average suite size: 11,479 square feet

ITEM NO. 10

# Operating Covenant Agreement

- The proposed covenant agreement contains identical conditions that would be part of a conditional use permit
- The covenant simply reduces the amount of time to review and approve warehouse uses in this industrial park

**Business license:** Each tenant must obtain and maintain a Paramount business license.

**Planning review:** The Planning Department would review a proposed tenant and determine if a separate CUP would be required. Would be based on the size of the suite for a proposed warehouse use and number trucks associated with a business.

ITEM NO. 10

# Operating Covenant Agreement continued

**Appeal:** The property owner and/or a business can appeal a staff decision to the Planning Commission.

ITEM NO. 10



# Operating Covenant Agreement continued

**Truck parking:** Trucks must park in the truck well or other City-approved truck parking area onsite.

**Electric vehicle (EV) charging stations:** Two EV chargers would be provided at each site before the agreement takes effect.

ITEM NO. 10

# Operating Covenant Agreement continued

**Anti-idling:** A sign shall be installed and maintained at each site stating that truck drivers shall limit idling of diesel-powered vehicles to less than five minutes.

**Workforce development:** All new tenants shall make all reasonable efforts to hire Paramount residents. Such new tenants shall maintain contact with the workforce development board (SELACO).

ITEM NO. 10



# Operating Covenant Agreement continued

**Indoor work and storage:** all work must be indoors. Outdoor storage is prohibited.

**Loading:** All loading and unloading must be within private property.

ITEM NO. 10

# Operating Covenant Agreement continued

**Truck engines:** Promote the use of non-diesel Truck engines.

**Indemnity:** The agreement includes indemnification and hold harmless provisions for the City.

ITEM NO. 10

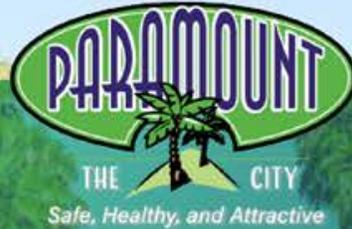
# Recommendation

- It is recommend that the City Council read by title only and adopt Resolution No. 21:023

ITEM NO. 10



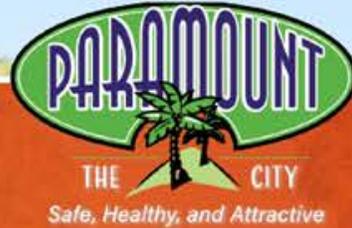
CITY OF PARAMOUNT



Resolution No. 21:023  
Operating Covenant Agreement  
Lyons Building, LLC  
14488-14538 Garfield Ave

July 6, 2021  
City Council

ITEM NO. 10



Resolution No. 21:024  
Operating Covenant Agreement  
Somerset Business Partners, L.P.  
7611 Somerset Boulevard

July 6, 2021  
City Council

ITEM NO. 11



# Request

- Approve an Operating Covenant Agreement between the City of Paramount and Somerset Business Partners, L.P.
- 7611 Somerset Boulevard
- M-2 (Heavy Manufacturing ) zone
- 8.59-acre property
  - 25 suites
  - Average square footage – 11,806 square feet
  - For comparison, the Kroger Facility on Garfield contains 550,000 square feet



# Background

- In 2018 - the City Council adopted Ordinance No. 1106/Zone Text Amendment No. 8 updating the Paramount Municipal Code to require a conditional use permit (CUP) for warehouse and distribution uses in the M-1 and M-2 zone
- Since 2018 the Planning Commission, has approved the following four warehouse-related CUPs in the Lyons Business Center:
  - Dec. 2020 – CUP No. 896, J Enterprises, a household goods distribution business
    - 14-foot box truck and ¾-ton delivery van; 3 shipments per day
  - Feb. 2021 - CUP No. 901, Vesperis, warehouse/distribution business of pest control materials and equipment
    - 24-foot van; 15 outgoing trips per day
  - April 2021– CUP No. 903, FuzzYard North America, LLC., warehouse distribution business specializing in pet apparel and related products
    - 2 monthly outgoing deliveries and once-monthly incoming from 20-foot box trucks
  - June 2021 – CUP No. 903, Industrial Caster & Wheel Co., Warehouse/distribution business specializing in caster wheels and related products
    - 1 pick-up truck; 2 outgoing shipments daily

ITEM NO. 11

# Background continued

- With the review of smaller warehouse uses, under 11,000 square feet, becoming commonplace, the primary ownership approached the City about a “Master Conditional Use Permit” for:
  - Lyons Business Center
  - Somerset Business Center
- For comparison purposes, the Kroger Warehouse on Garfield Avenue contains 550,000 square feet



ITEM NO. 11

# Somerset Business Partners/7611 Somerset Boulevard



## Property Detail:

- 25 suites
- 295,141 square feet total floor area
- Average suite size: 11,806 square feet

ITEM NO.11

# Operating Covenant Agreement

- The proposed covenant agreement contains identical conditions that would be part of a conditional use permit
- The covenant simply reduces the amount of time to review and approve warehouse uses in this industrial park

**Business license:** Each tenant must obtain and maintain a Paramount business license.

**Planning review:** The Planning Department would review a proposed tenant and determine if a separate CUP would be required. Would be based on the size of the suite for a proposed warehouse use and number trucks associated with a business.

ITEM NO.11

# Operating Covenant Agreement continued

**Appeal:** The property owner and/or a business can appeal a staff decision to the Planning Commission

ITEM NO.11



# Operating Covenant Agreement continued

**Truck parking:** Trucks must park in the truck well or other City-approved truck parking area onsite.

**Electric vehicle (EV) charging stations:** Two EV chargers would be provided at each site before the agreement takes effect

ITEM NO.11



# Operating Covenant Agreement continued

**Anti-idling:** A sign shall be installed and maintained at each site stating that truck drivers shall limit idling of diesel-powered vehicles to less than five minutes

**Workforce development:** All new tenants shall make all reasonable efforts to hire Paramount residents. Such new tenants shall maintain contact with the workforce development board (SELACO).

ITEM NO.11



# Operating Covenant Agreement continued

**Indoor work and storage:** all work must be indoors. Outdoor storage is prohibited.

**Loading:** All loading and unloading must be within private property

ITEM NO.11



# Operating Covenant Agreement continued

**Truck engines:** Promote the use of non-diesel trucks.

**Indemnity:** The agreement includes indemnification and hold harmless provisions for the City.

ITEM NO.11



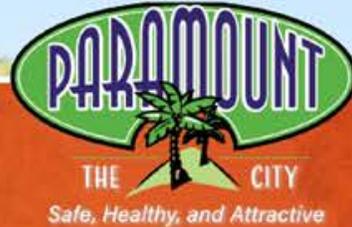
# Recommendation

- It is recommend that the City Council read by title only and adopt Resolution No. 21:023

ITEM NO.11



CITY OF PARAMOUNT



Resolution No. 21:024  
Operating Covenant Agreement  
Somerset Business Partners, L.P.  
7611 Somerset Boulevard

July 6, 2021  
City Council

ITEM NO. 11

# City of Paramount

## Water Rate & Cost of Service Study

Overview & Summary of Findings

City Council Meeting July 6, 2021



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

# Water Enterprise Overview

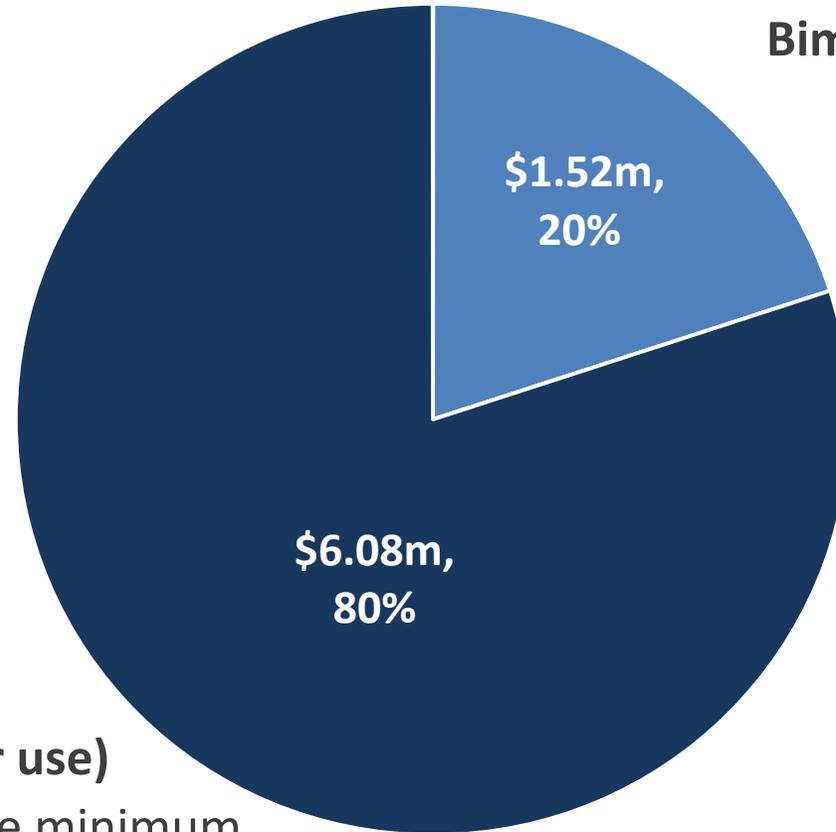
## Revenues

- Rates have not been increased since 2016 (5 years)
- Rates are low compared to surrounding communities
  - *Water fund is facing an annual deficit*
- Current rate structure is complex and vulnerable to legal challenge
  - *Rates should be simplified and updated to reflect the cost of water service*

## Expenditures

- Significant capital improvements needed
  - Discovered PFAS in one well:
    - \$6m treatment project or \$7.5m new well construction
    - High purchased water cost until project is complete
    - *Potential grant funding from ARP*

# Current Water Rate Structure



## Bimonthly Minimum Charges

- Vary by meter size and customer class
- Some water use included (10 hcf for typical single family)

## Volumetric Charges (per hcf water use)

- Two tiers of water use above minimum
- Vary by customer class and season



# Current Water Rate Example, SFR

Account Type	Meter Size	Minimum Charge	Minimum Units*	1st Tier (\$ per unit)	2nd Tier (\$ per unit)	Units*					
						January-April		May-August		September-December	
						1st Tier	2nd Tier	1st Tier	2nd Tier	1st Tier	2nd Tier
Single Family Residential	5/8"	\$19.21	10	\$3.25	\$4.37	11-54	55+	11-60	61+	11-49	50+
	3/4"	\$19.21	10	\$3.25	\$4.37	11-50	51+	11-51	52+	11-34	35+
	1"	\$36.06	15	\$3.25	\$4.37	16-91	92+	16-92	93+	16-73	74+
	1 1/2"	\$48.07	20	\$3.25	\$4.37	21-68	69+	21-97	98+	21-80	81+

# Current Water Rate Schedule

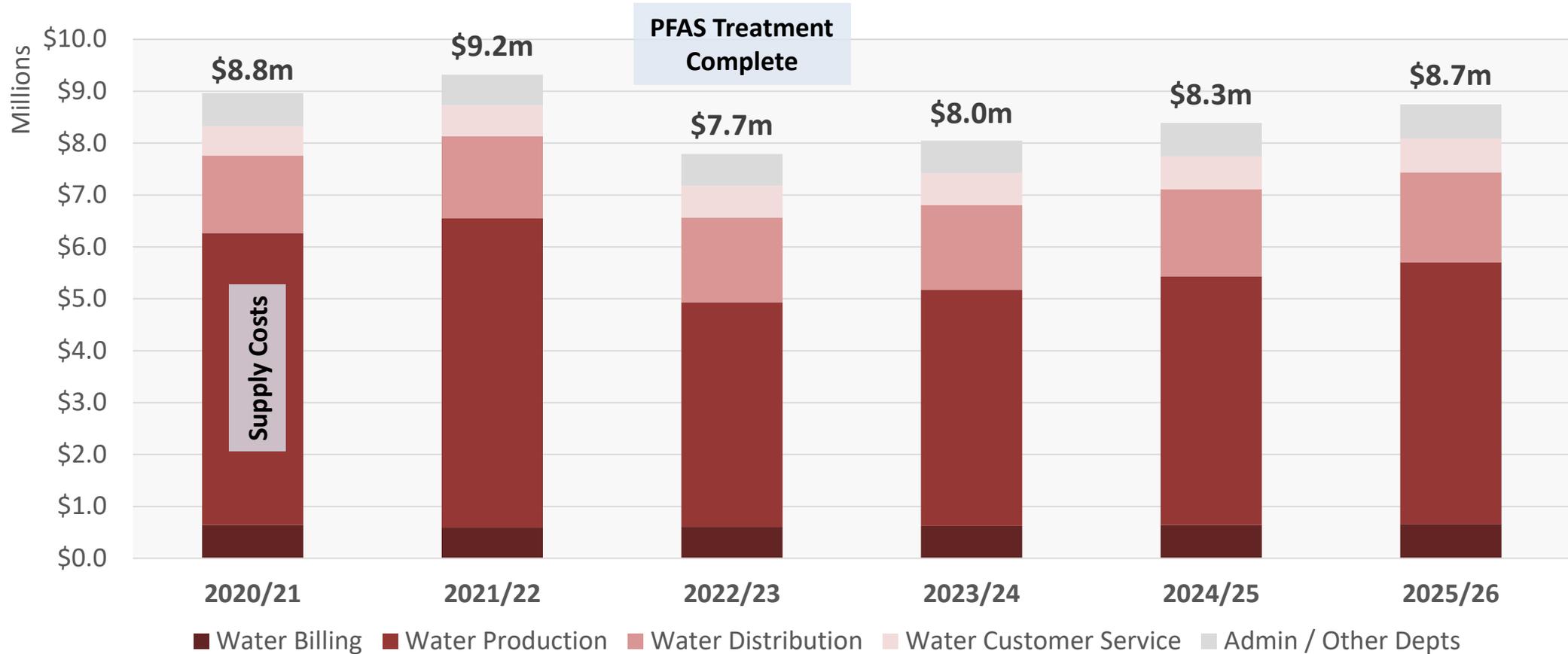
Account Type	Meter Size	Minimum Charge	Minimum Units*	Units*																	
				1st Tier (\$ per unit)	2nd Tier	January-April		May-August		September-December		1st Tier	2nd Tier								
						1st Tier	2nd Tier	1st Tier	2nd Tier	1st Tier	2nd Tier										
Single Family Residential	5/8"	\$19.21	10	\$3.25	\$4.37	11-54	55+	11-60	61+	11-49	50+										
	3/4"	\$19.21	10	\$3.25	\$4.37	11-50	51+	11-51	52+	11-34	35+										
	1"	\$36.06	15	\$3.25	\$4.37	16-91	92+	16-92	93+	16-73	74+										
	1 1/2"	\$48.07	20	\$3.25	\$4.37	21-68	69+	21-97	98+	21-80	81+										
Senior Citizen Residential**	5/8"	\$18.51	12	\$3.10	\$4.37	13-40	41+	13-50	51+	13-35	36+										
	3/4"	\$18.51	12	\$3.10	\$4.37	13-35	36+	13-33	34+	13-49	50+										
	1"	\$34.72	17	\$3.10	\$4.37	18-88	89+	18-94	95+	18-51	52+										
Multi-family Residential (Sing	5/8"	\$19.21	10	\$3.25	\$4.37	11-72	73+	11-99	100+	11-60	61+										
	3/4"	\$19.21	10	\$3.25	\$4.37	11-47	48+	11-61	62+	11-49	50+										
	1"	\$36.06	15	\$3.25	\$4.37	16-91	92+	16-128	129+	16-70	71+										
Multi-family Residential (Com	5/8"	\$19.21	10	\$3.25	\$4.37	11-138	139+	11-146	147+	11-161	162+										
	3/4"	\$19.21	10	\$3.25	\$4.37	11-79	80+	11-82	83+	11-49	50+										
	1"	\$36.06	15	\$3.25	\$4.37	16-211	212+	16-214	215+	16-196	197+										
	1 1/2"	\$48.07	20	\$3.25	\$4.37	21-384	385+	21-403	404+	21-378	379+										
	2"	\$72.07	30	\$3.25	\$4.37	31-653	654+	31-692	693+	31-678	679+										
	3"	\$144.12	60	\$3.25	\$4.37	61-1,368	1,369+	61-1,032	1,033+	61-1,138	1,139+										
	4"	\$240.04	100	\$3.25	\$4.37	101-1,313	1,314+	101-1,099	1,100+	101-1,464	1,465+										
	6"	\$720.11	200	\$3.25	\$4.37	201-2,269	2,270+	201-2,851	2,852+	201-3,860	3,861+										
	8"	\$1,442.53	400	\$3.25	\$4.37	401-2,300	2,301+	401-2,900	2,901+	401-3,900	3,901+										
Detached Houses (Common M	5/8"	\$19.21	10	\$3.25	\$4.37	11-105	106+	11-231	232+	11-91	92+										
	3/4"	\$19.21	10	\$3.25	\$4.37	11-69	70+	11-97	98+	11-87	88+										
	1"	\$36.06	15	\$3.25	\$4.37	16-213	214+	16-163	164+	16-177	178+										
	1 1/2"	\$48.07	20	\$3.25	\$4.37	21-315	316+	21-310	311+	21-282	283+										
	2"	\$72.07	30	\$3.25	\$4.37	31-629	630+	31-583	584+	31-460	461+										
	3"	\$144.12	60	\$3.25	\$4.37	61-1,404	1,405+	61-1,700	1,701+	61-1,088	1,089+										
Commercial/Retail	5/8"	\$19.76	10	\$3.40	\$4.62	11-83	84+	11-95	96+	11-83	84+										
	3/4"	\$19.76	10	\$3.40	\$4.62	11-42	43+	11-60	61+	11-30	31+										
	1"	\$37.08	15	\$3.40	\$4.62	16-174	175+	16-193	194+	16-163	164+										
	1 1/2"	\$49.39	20	\$3.40	\$4.62	21-706	707+	21-879	880+	21-865	866+										
	2"	\$74.12	30	\$3.40	\$4.62	31-739	740+	31-808	809+	31-585	586+										
	3"	\$148.17	60	\$3.40	\$4.62	61-854	855+	61-1,010	1,011+	61-376	377+										
	6"	\$740.32	200	\$3.40	\$4.62	201-269	270+	201-292	293+	201-282	283+										
Industrial/Manufacturing	5/8"	\$19.76	10	\$3.40	\$4.62	11-78	79+	11-190	191+	11-76	77+										
	3/4"	\$19.76	10	\$3.40	\$4.62	11-23	24+	11-18	19+	11-12	13+										
	1"	\$37.08	15	\$3.40	\$4.62	16-252	253+	16-213	214+	16-183	184+										
	1 1/2"	\$49.39	20	\$3.40	\$4.62	21-448	449+	21-513	514+	21-432	433+										
	2"	\$74.12	30	\$3.40	\$4.62	31-1,059	1,060+	31-773	774+	31-609	610+										
	3"	\$148.17	60	\$3.40	\$4.62	61-913	914+	61-1,161	1,162+	61-858	859+										
	4"	\$246.78	100	\$3.40	\$4.62	101-9,014	9,015+	101-10,339	10,340+	101-10,013	10,014+										
	6"	\$740.32	200	\$3.40	\$4.62	201-9,429	9,430+	201-12,803	12,804+	201-14,237	14,238+										
	8"	\$1,482.96	400	\$3.40	\$4.62	401-7,893	7,894+	401-7,293	7,294+	401-9,206	9,207+										
	10"	\$2,223.28	600	\$3.40	\$4.62	601+		601+		601+											

Irrigation	5/8"	\$19.21	10	\$3.29	\$4.48	11-90	91+	11-97	98+	11-80	81+
	3/4"	\$19.21	10	\$3.29	\$4.48	11-117	118+	11-88	89+	11-118	119+
	1"	\$36.06	15	\$3.29	\$4.48	16-94	95+	16-105	106+	16-68	69+
	1 1/2"	\$48.07	20	\$3.29	\$4.48	21-681	682+	21-650	651+	21-482	483+
	2"	\$72.07	30	\$3.29	\$4.48	31-681	682+	31-724	725+	31-685	686+
	3"	\$144.12	60	\$3.29	\$4.48	61-1,846	1,847+	61-2,726	2,727+	61-1,703	1,704+
	4"	\$240.04	100	\$3.29	\$4.48	101-2,618	2,619+	101-3,309	3,310+	101-4,265	4,266+
Reclaimed - Commercial/Reta	5/8"	\$19.76	10	\$2.73	\$3.69	11-83	84+	11-95	96+	11-83	84+
	3/4"	\$19.76	10	\$2.73	\$3.69	11-42	43+	11-60	61+	11-30	31+
	1"	\$37.08	15	\$2.73	\$3.69	16-174	175+	16-193	194+	16-163	164+
	1 1/2"	\$49.39	20	\$2.73	\$3.69	21-706	707+	21-879	880+	21-865	866+
	2"	\$74.12	30	\$2.73	\$3.69	31-739	740+	31-808	809+	31-585	586+
	3"	\$148.17	60	\$2.73	\$3.69	61-854	855+	61-1,010	1,011+	61-376	377+
	6"	\$740.32	200	\$2.73	\$3.69	201-269	270+	201-292	293+	201-282	283+
Reclaimed - Industrial/Manuf	5/8"	\$19.76	10	\$2.73	\$3.69	11-78	79+	11-190	191+	11-76	77+
	3/4"	\$19.76	10	\$2.73	\$3.69	11-23	24+	11-18	19+	11-12	13+
	1"	\$37.08	15	\$2.73	\$3.69	16-252	253+	16-213	214+	16-183	184+
	1 1/2"	\$49.39	20	\$2.73	\$3.69	21-448	449+	21-513	514+	21-432	433+
	2"	\$74.12	30	\$2.73	\$3.69	31-1,059	1,060+	31-773	774+	31-609	610+
	3"	\$148.17	60	\$2.73	\$3.69	61-913	914+	61-1,161	1,162+	61-858	859+
	4"	\$246.78	100	\$2.73	\$3.69	101-9,014	9,015+	101-10,339	10,340+	101-10,013	10,014+
	6"	\$740.32	200	\$2.73	\$3.69	201-9,429	9,430+	201-12,803	12,804+	201-14,237	14,238+
	8"	\$1,482.96	400	\$2.73	\$3.69	401-7,893	7,894+	401-7,293	7,294+	401-9,206	9,207+
	10"	\$2,223.28	600	\$2.73	\$3.69	601+		601+		601+	
Reclaimed - Irrigation	5/8"	\$19.21	10	\$2.64	\$3.59	11-90	91+	11-97	98+	11-80	81+
	3/4"	\$19.21	10	\$2.64	\$3.59	11-117	118+	11-88	89+	11-118	119+
	1"	\$36.06	15	\$2.64	\$3.59	16-94	95+	16-105	106+	16-68	69+
	1 1/2"	\$48.07	20	\$2.64	\$3.59	21-681	682+	21-650	651+	21-482	483+
	2"	\$72.07	30	\$2.64	\$3.59	31-681	682+	31-724	725+	31-685	686+
	3"	\$144.12	60	\$2.64	\$3.59	61-1,846	1,847+	61-2,726	2,727+	61-1,703	1,704+
	4"	\$240.04	100	\$2.64	\$3.59	101-2,618	2,619+	101-3,309	3,310+	101-4,265	4,266+
Construction Meter	2"	\$61.79	1+	\$3.40							
Fire Services	2"	\$52.06	na								
	3"	\$69.72	na								
	4"	\$103.91	na								
	6"	\$155.89	na								
	8"	\$207.88	na								
	10"	\$260.17	na								
	12"	\$322.61	na								

\* 1 unit = 100 cubic feet = 748 gallons

\*\* Senior citizens, 62 years or older, who live in a single family residence

# Water O&M Expense Projection



# Capital Improvement Plan

Description	Budget	1	2	3	4	5	6	7
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
New Well No. 16	\$4,637,000	\$2,585,000						
Install VFD at Well 15	\$90,000							
Small Main Replacement Program			\$350,000	\$350,000				
PFAS Treatment Systems - Well 14 & 16		6,000,000						
New Well No. 17							2,500,000	5,000,000
Recycled Main Extensions								
Installation of Services/Hydrants	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Annual Valve Replacement	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
<b>Total</b>	<b>\$4,827,000</b>	<b>\$8,685,000</b>	<b>\$450,000</b>	<b>\$450,000</b>	<b>\$100,000</b>	<b>\$940,000</b>	<b>\$4,010,000</b>	<b>\$6,510,000</b>
<i>Loan Funding (Proposed Loans In Blue)</i>	<i>\$6,700,000</i>	<i>\$6,000,000</i>					<i>\$5,000,000</i>	

**Total 8-year CIP: \$25.9 million**



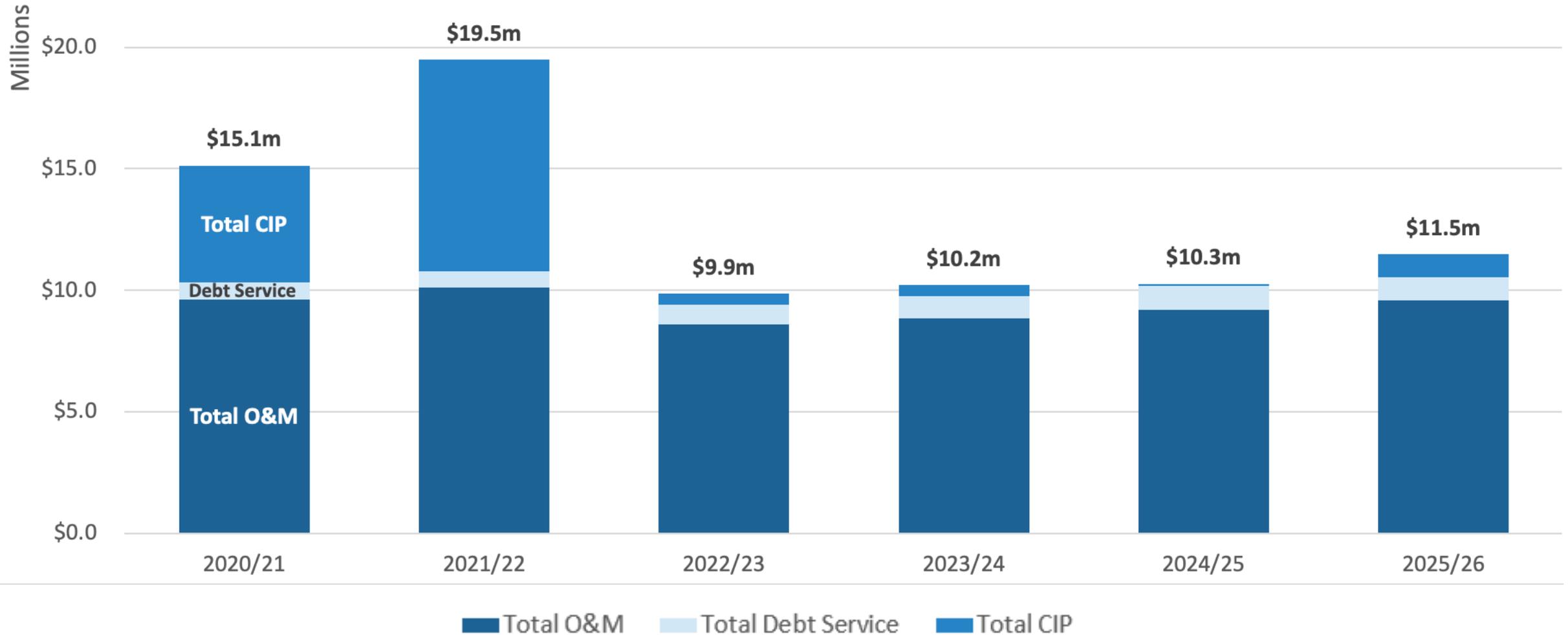
# Current & Proposed Debt Service

<i>Rate Study Year</i>		1	2	3	4	5
<i>Payment Schedule (FY)</i>	2020/21	2021/22	2022/23	2023/24	2024/25	2024/26
IBank Loan 1 (2010)	308,273	307,722	307,153	306,564	305,957	305,957
IBank Loan 2 (2018)	366,008	365,466	364,907	364,332	363,739	363,739
Proposed Loan	0	0	153,058	256,116	306,116	306,116
<b>Total Debt Service</b>	<b>\$674,282</b>	<b>\$673,188</b>	<b>\$825,118</b>	<b>\$927,012</b>	<b>\$975,812</b>	<b>\$975,812</b>

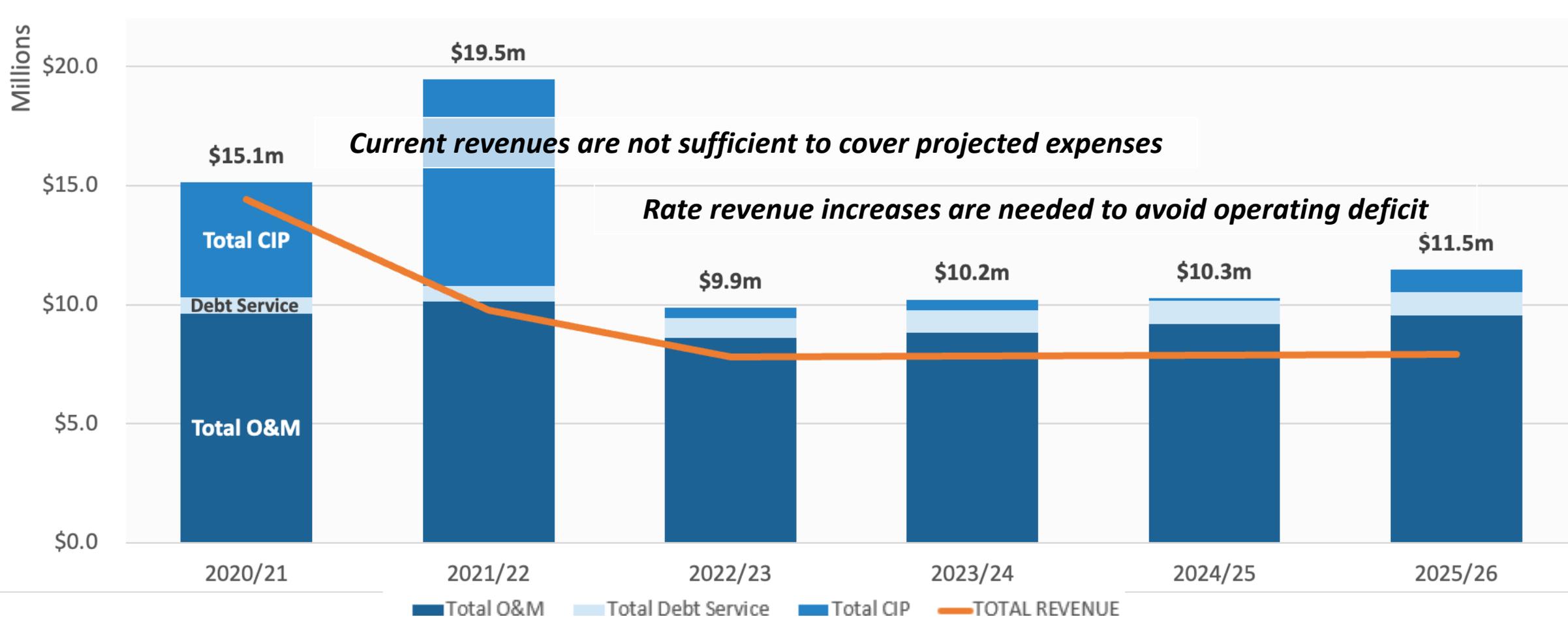
*Proposed loan to fund PFAS treatment: \$6 million*  
*Assumed low-interest I-Bank Loans*  
*1.5% interest, 30 year term*



# Total Water Expense Projection



# Total Water Expense Projection



# Financial Plan Objectives

---

Full O&M, CIP & debt service funding

Fund Balance: at least 90 days annual operating costs

Debt Service Coverage Requirement: 1.1x Net Operating Revenues

Rate increases smoothed over 5 years, avoid shock to customer bills



# No Rate Increase Scenario

Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>% Rate Revenue Increase</b>		<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Operating Net Revenue	(\$1,055,859)	\$526,144	\$84,565	(\$119,236)	(\$435,847)	(\$771,055)
Total Net Revenue	(\$708,200)	(\$11,716,138)	(\$1,921,623)	(\$2,124,296)	(\$2,089,744)	(\$3,263,751)
<b>Ending Fund Balance</b>	<b>\$10,681,458</b>	<b>(\$1,034,680)</b>	<b>(\$2,956,302)</b>	<b>(\$5,080,598)</b>	<b>(\$7,170,342)</b>	<b>(\$10,434,093)</b>
Minimum Fund Balance (90 Days O&M)	\$2,166,485	\$2,278,702	\$1,903,627	\$1,963,117	\$2,050,467	\$2,142,448
# Days Funded	444	(41)	(140)	(233)	(315)	(438)
<b>Total Debt Service Coverage (Minimum 1.1x)</b>		<b>0.78</b>	<b>0.13</b>	<b>(0.18)</b>	<b>(0.65)</b>	<b>(1.15)</b>
Coverage Target Met		<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>	<i>no</i>

***Debt service coverage will not be met, reserves will be depleted in Year 1.***

*\*Includes O&M debt subordination \$850k per year*

# Cash Funded CIP Scenario

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>% Rate Revenue Increase</b>		20.0%	20.0%	10.0%	5.0%	5.0%
Operating Net Revenue	(\$1,055,859)	\$2,042,229	\$2,521,944	\$2,834,965	\$2,798,996	\$2,753,750
Total Net Revenue	(\$708,200)	(\$10,200,053)	\$509,156	\$826,605	\$1,139,984	\$254,033
<b>Ending Fund Balance</b>	<b>\$10,681,458</b>	<b>\$481,405</b>	<b>\$990,561</b>	<b>\$1,817,166</b>	<b>\$2,957,151</b>	<b>\$3,211,184</b>
Minimum Fund Balance (90 Days O&M)	\$2,166,485	\$2,278,702	\$1,903,627	\$1,963,117	\$2,050,467	\$2,142,448
# Days Funded	444	19	47	83	130	135
<b>Total Debt Service Coverage (Minimum 1.1x)</b>		<b>3.03</b>	<b>3.75</b>	<b>4.22</b>	<b>4.17</b>	<b>4.11</b>
Coverage Target Met		yes	yes	yes	yes	yes

*High rate increases needed to meet minimum reserve fund levels*

*\*Includes O&M debt subordination \$850k per year*

# Proposed Rate Increase Scenario

Year	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<b>% Rate Revenue Increase</b>		9.0%	9.0%	9.0%	9.0%	9.0%
Operating Net Revenue	(\$1,055,859)	\$1,208,382	\$1,143,682	\$1,337,256	\$1,439,547	\$1,545,855
Total Net Revenue	(\$708,200)	(\$5,033,899)	(\$1,018,533)	(\$926,889)	(\$526,672)	\$3,737,307
<b>Ending Fund Balance</b>	<b>\$10,681,458</b>	<b>\$5,647,558</b>	<b>\$4,629,025</b>	<b>\$3,702,136</b>	<b>\$3,175,464</b>	<b>\$6,912,771</b>
Minimum Fund Balance (90 Days O&M)	\$2,166,485	\$2,278,702	\$1,903,627	\$1,963,117	\$2,050,467	\$2,142,448
# Days Funded	444	223	219	170	139	290
<b>Total Debt Service Coverage (Minimum 1.1x)</b>		<b>1.79</b>	<b>1.38</b>	<b>1.44</b>	<b>1.47</b>	<b>1.58</b>
Coverage Target Met		yes	yes	yes	yes	yes

***All targets met***

***Rates are smoothed over time with proposed loans and 9% annual increases***

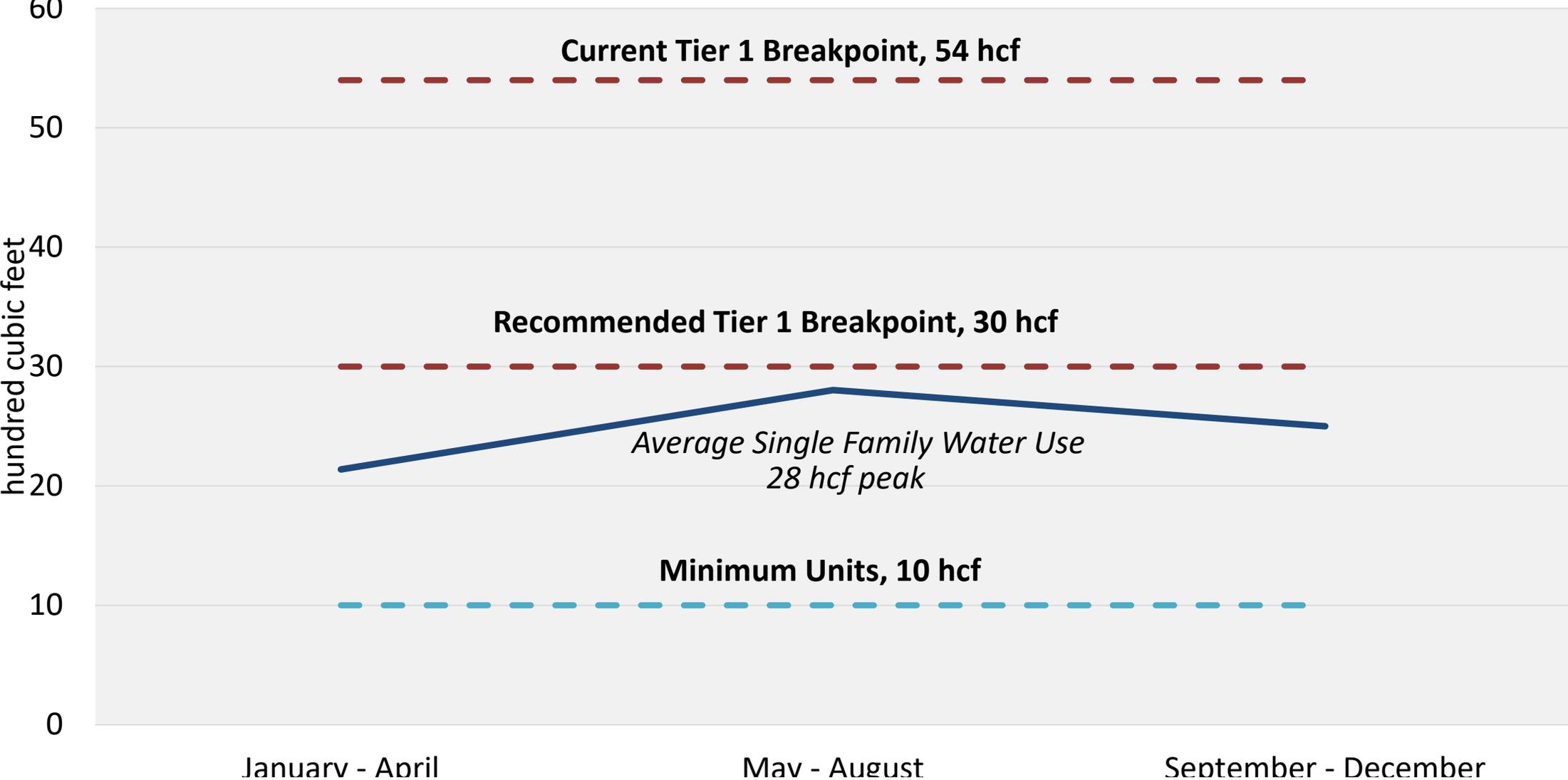
*\*Includes O&M debt subordination \$850k per year*

# Proposed Water Rate Structure

- Rates have been simplified and adjusted to meet Proposition 218 requirements
  - AWWA meter capacity ratios
  - No seasonal tiers or customer classes
  - New structure is phased in over 5 years to mitigate impact on ratepayers

	Current	1/1/22	1/1/23	1/1/24	1/1/25	1/1/26
<b>% Rate Revenue Increase</b>		9.0%	9.0%	9.0%	9.0%	9.0%
<b>Bimonthly Minimum Charge - All Users</b>						
5/8"	\$19.21 - \$19.76	\$20.98	\$22.74	\$24.51	\$26.28	\$28.05
3/4"	\$19.21 - \$19.76	\$20.98	\$22.74	\$24.51	\$26.28	\$28.05
1"	\$36.06 - \$37.08	\$38.20	\$40.33	\$42.47	\$44.61	\$46.74
1 1/2"	\$48.07 - \$49.39	\$57.15	\$66.24	\$75.32	\$84.40	\$93.49
2"	\$72.07 - \$74.12	\$87.57	\$103.07	\$118.58	\$134.08	\$149.58
3"	\$144.12 - \$148.17	\$171.39	\$198.66	\$225.93	\$253.20	\$280.46
4"	\$240.04 - \$246.78	\$285.52	\$331.00	\$376.48	\$421.96	\$467.44
6"	\$740.32	\$779.23	\$818.15	\$857.06	\$895.97	\$934.88
8"	\$1,482.96	\$1,485.53	\$1,488.10	\$1,490.67		\$1,495.81
10"	\$2,223.98	\$2,209.23	\$2,194.48	\$2,179.73	\$2,164.98	\$2,150.23
<b>Variable Rate - Potable Use Above Minimum (\$/hcf, bimonthly)</b>						
Tier 1	\$3.25 - \$3.40	\$3.55	\$3.87	\$4.22	\$4.60	\$5.01
Tier 2	\$4.37 - \$4.62	\$4.78	\$5.21	\$5.68	\$6.19	\$6.75
<b>Variable Rate - Reclaimed Use Above Minimum (\$/hcf, bimonthly)</b>						
Tier 1	\$2.64 - \$2.73	\$3.02	\$3.29	\$3.59	\$3.91	\$4.26
Tier 2	\$3.59 - \$3.69	\$4.06	\$4.43	\$4.83	\$5.26	\$5.74

# Average Single Family Bimonthly Water Use & Tier Breakpoints



# Proposed Tier Breakpoints

---

Meter Size	Min. Charge Units	Tier 1 Units	Tier 2 Units
5/8"	10	30	31+
3/4"	10	30	31+
1"	17	50	51+
1 1/2"	33	100	101+
2"	53	160	161+
3"	100	300	301+
4"	167	500	501+
6"	333	1000	1001+
8"	533	1600	1601+
10"	767	2300	2301+

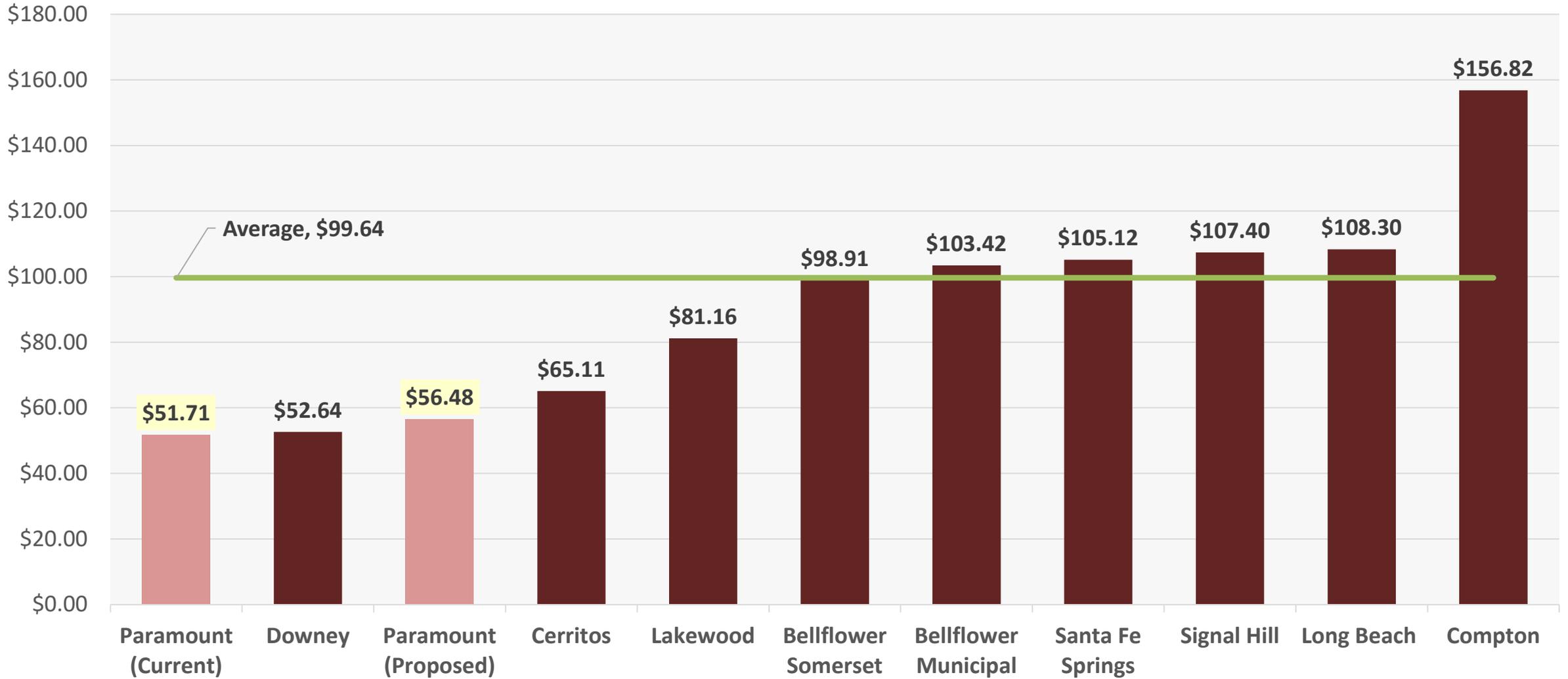
Tier breakpoints adjusted based on 2020 SFR average water use  
AWWA meter factor ratios for larger meters

# Example Customer Bill Impacts

Average Bimonthly Bills	Water Use (HCF)	Current Bill 2020/21	Proposed Bill 2021/22	% change
Single Family (5/8")	20	\$51.71	\$54.54	5%
Senior Citizen (5/8") 20% Discount	20	\$43.31	\$43.63	1%
Multi Family (Single Meter) (5/8")	20	\$51.71	\$54.54	5%
Commercial/Retail (5/8")	20	\$53.76	\$54.54	1%
Industrial/Manufacturing (5/8")	20	\$53.76	\$54.54	1%
Multi Family (Common Meter) (2")	100	\$311.71	\$338.54	9%
Reclaimed - Irrigation (1")	300	\$984.16	\$1,064.47	8%

*\*based on most common meter size and typical water use for comparison purposes only*

# Single Family Residential Water Bill Survey, FY 2020-21



*assumes 20 hcf water usage and smallest residential meter size*

*July 2020*

# Proposition 218 Overview & Procedure

---

- Proposition 218 establishes a procedure for rate payers to object to a proposed rate increase before the rate can be adopted
- Rates must be based on cost of service and equitable between ratepayers
- Mail a notice of proposed rates to ratepayers at least 45 days in advance of a public hearing

# Proposition 218 Overview & Procedure

---

- **At the public hearing:**
  - Invite public comments.
  - Tally written protests
  - If more than 50% of affected parcels submit written protests, the Council cannot go forward with the rate increase.
  - If 50% or fewer affected parcels submit written protests, the Council can go forward with the rate increase.
- **Proposition 218 Noticed Rates are maximum rates the Council can adopt – may be reduced in any year**

# Next Steps

---



Questions and feedback on proposed water rates



Mail Prop 218 notice to ratepayers



Community Outreach



Prop 218 Public Hearing



First year of proposed rates effective January 1, 2022

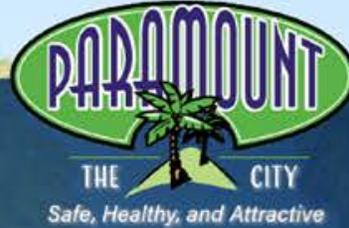
# Receive Feedback Questions & Comments



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

**Doug Dove**  
President

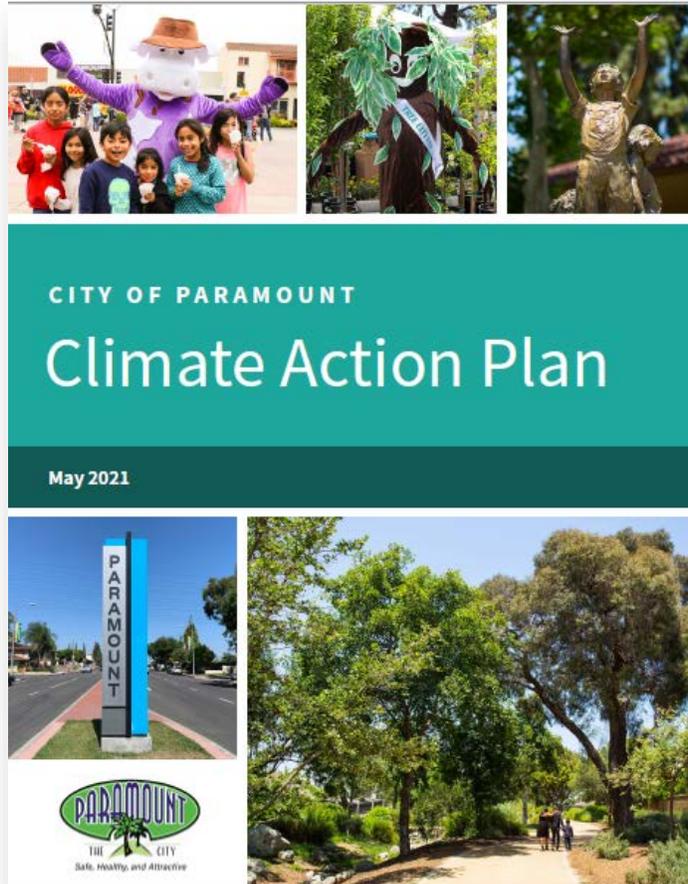
**Abigail Seaman**  
Consultant



# City of Paramount Approval of 2021 Climate Action Plan

ITEM NO. 13

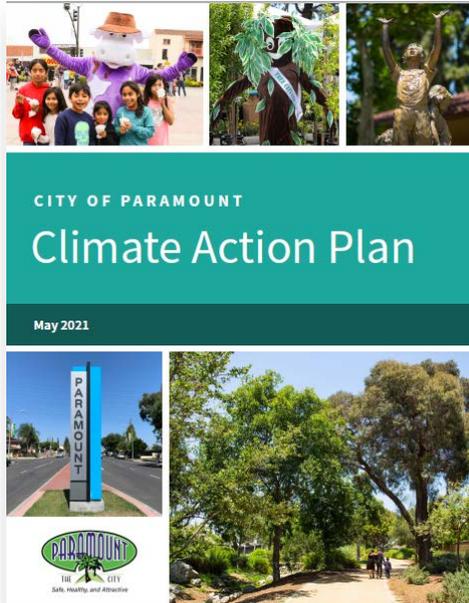
# Purpose and Objectives



- The Climate Action Plan has 3 primary objectives:
- Reduce the community's greenhouse gas emissions in alignment with the State's reduction targets;
  - Enhance community resilience by addressing vulnerabilities and risks that are expected to occur as a result of climate change;
  - Through implementation of the CAP, provide co-benefits to public health, the environment and the local economy.

ITEM NO. 13

# Community Co-benefits of Climate Action



Improve Air Quality



Improve Social Equity



Improve Public Health



Improve Community Resilience



Promote Sustainable Economics



Provide Cost Savings

ITEM NO. 13

# Key Terms

- **Resilience** is the capacity to recover from shocks and stresses, and to adapt and grow from a disruptive experience.
- **Adaptations** are actions that address the projected impacts on all aspects of community function that may result from climate change. This can include impacts related to:
  - Extreme Heat
  - Sea Level Rise / Flood
  - Wildfire / Smoke
  - Drought
  - Severe Storms
- **Greenhouse gases (GHGs)** are gases in Earth's atmosphere that trap heat. Reducing greenhouse gas emissions will lessen future impacts and reduce the need to adapt.

ITEM NO. 13

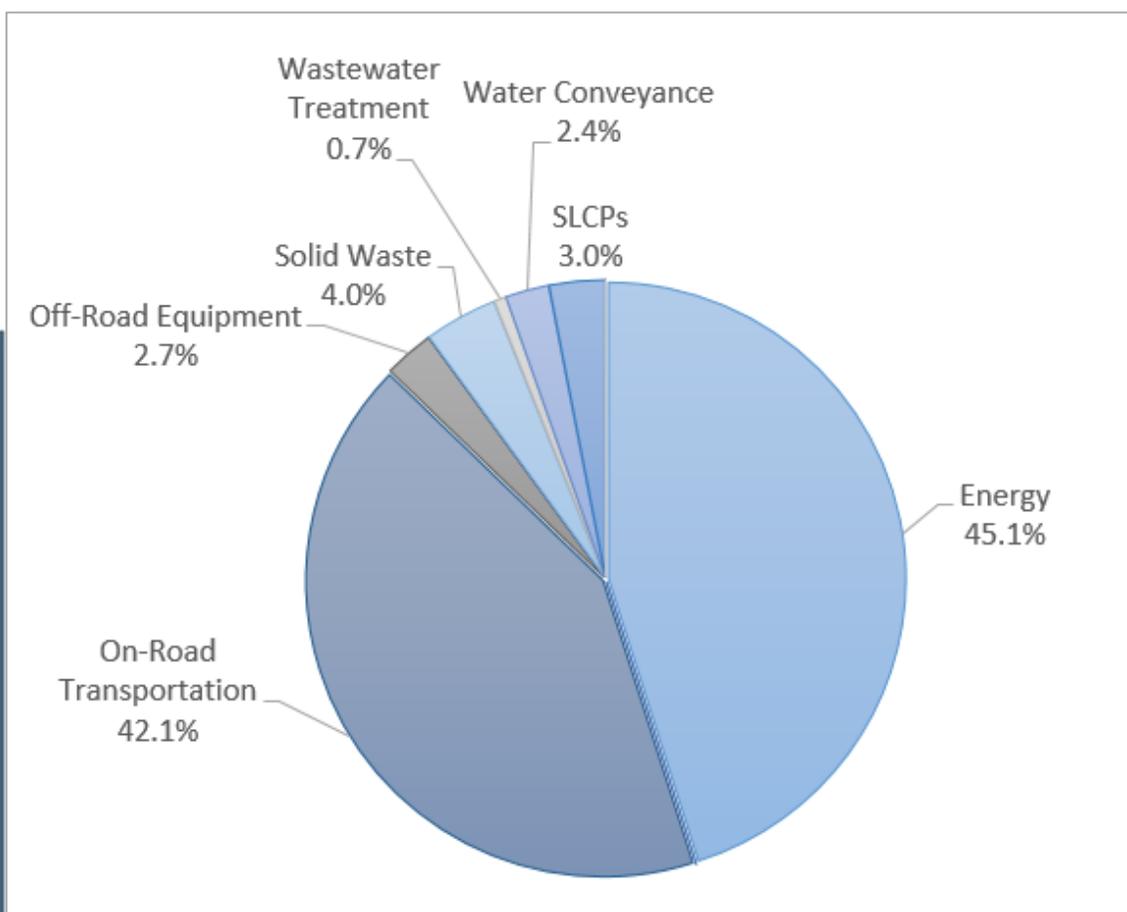
# State Laws and Regulations Regarding Climate Change

- State law (Senate Bill 32) requires greenhouse gas emissions to be reduced by approximately half by the year 2030 (from 2010 levels).
- The State has also set a goal to reduce emissions 80% by 2050.
- Cities are required to consider climate change in their General Plan (Senate Bill 379)
  - CAP – a major step towards fulfilling this requirement

ITEM NO. 13

# Paramount Greenhouse Gas Inventory

## 2010 Community Emissions by Sector

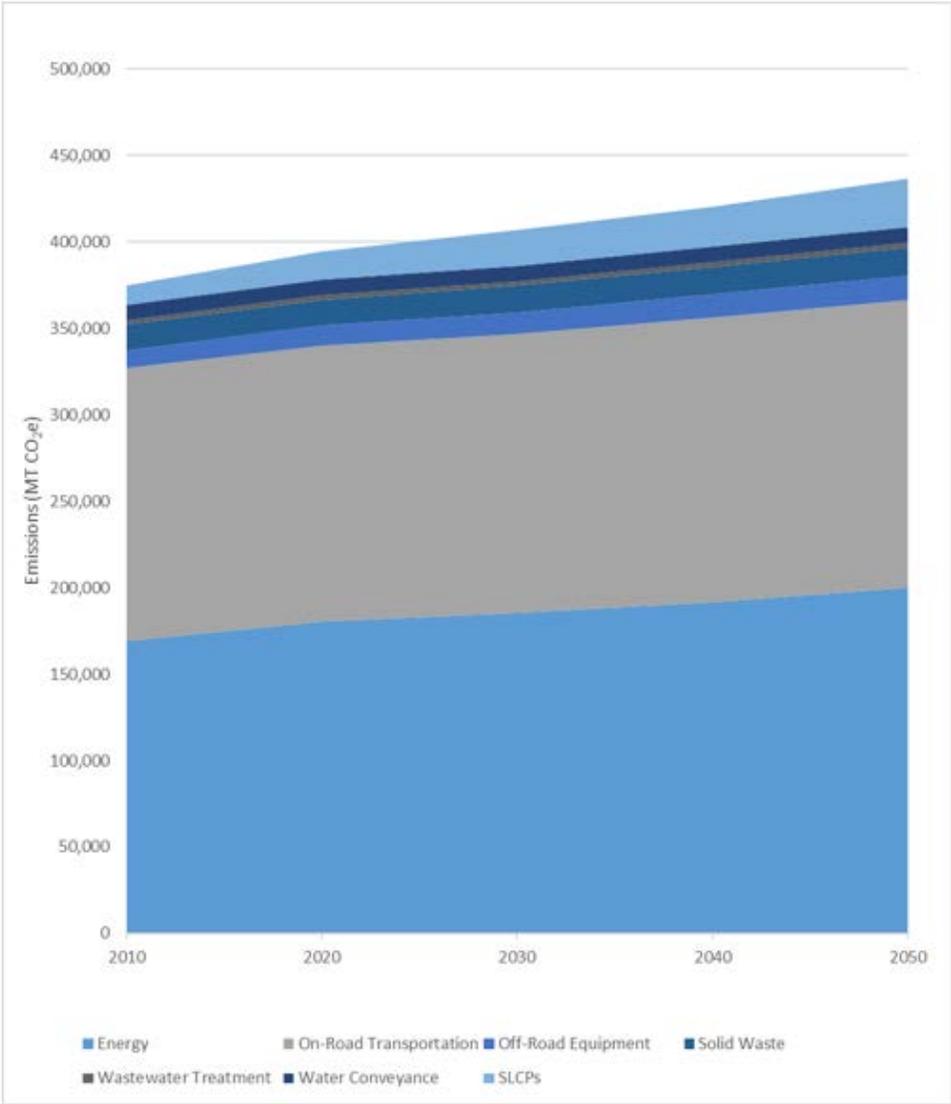


SECTOR	EMISSIONS (MT CO2E) <sup>a</sup>	PERCENT OF TOTAL
Residential Electricity	15,432	4.1%
Residential Natural Gas	17,318	4.6%
Commercial/Industrial Electricity	55,336	14.8%
Commercial/Industrial Natural Gas	81,024	21.6%
On-Road Transportation	157,856	42.1%
Off-Road Equipment	10,252	2.7%
Agriculture	--	0.0%
Solid Waste	14,896	4.0%
Wastewater Treatment	2,459	0.7%
Water Conveyance	8,842	2.4%
Short-Lived Climate Pollutants (SLCPs)	11,382	3.0%
<b>Total Emissions</b>	<b>374,797</b>	<b>100%</b>

NOTE

a - MTCO2e represents metric tons of carbon dioxide equivalent.

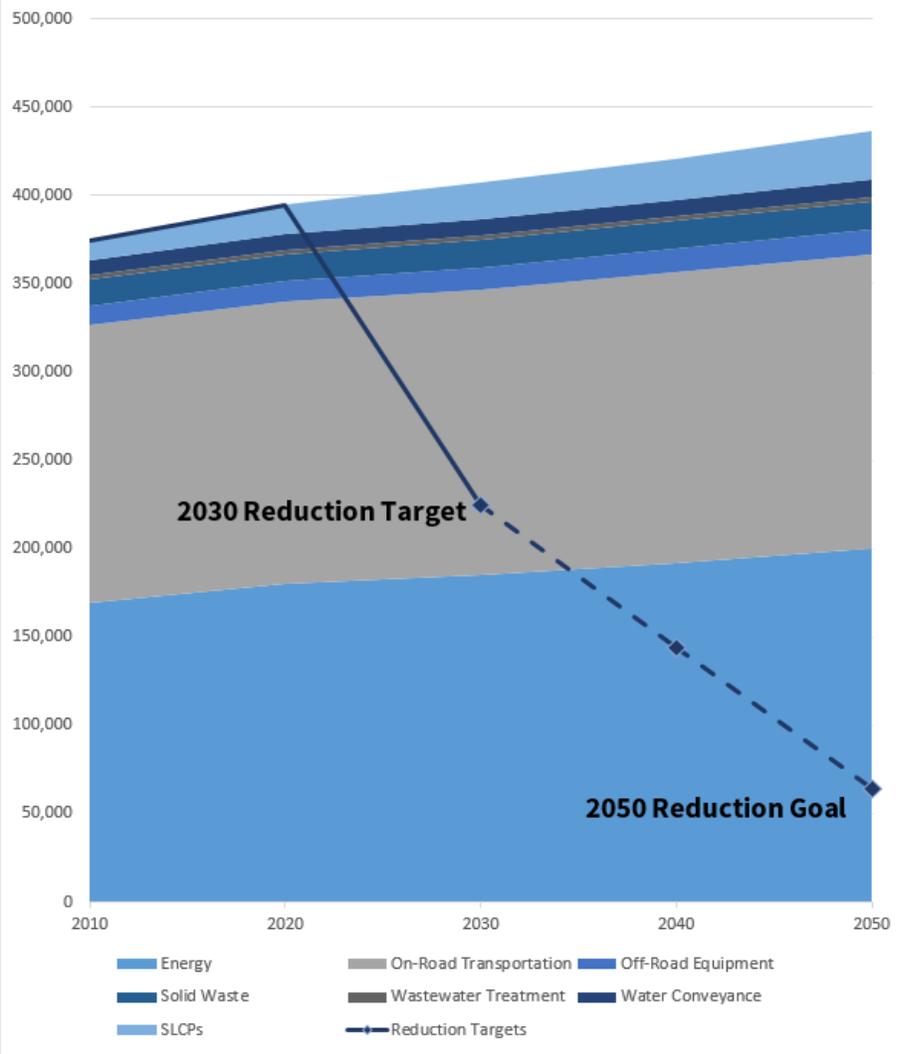
# Paramount Greenhouse Gas Forecast



“Business as usual” emissions forecast to 2050 – assumes no climate action

ITEM NO. 13

# Paramount Greenhouse Gas Target

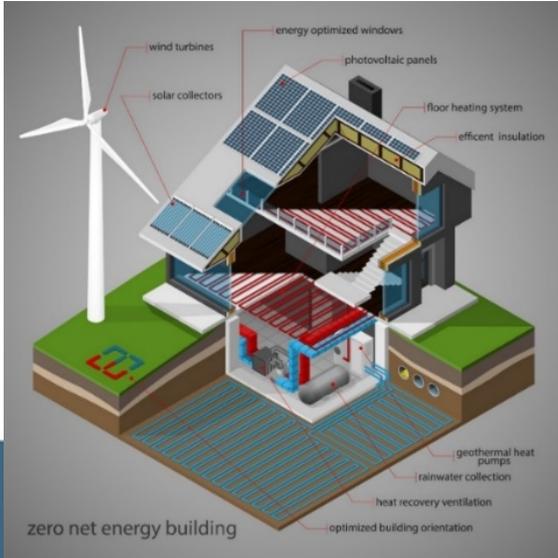


2030 target aligned with SB 32

2050 goal aligned with Governor’s Executive Order

ITEM NO. 13

# GHG Reductions from State Measures

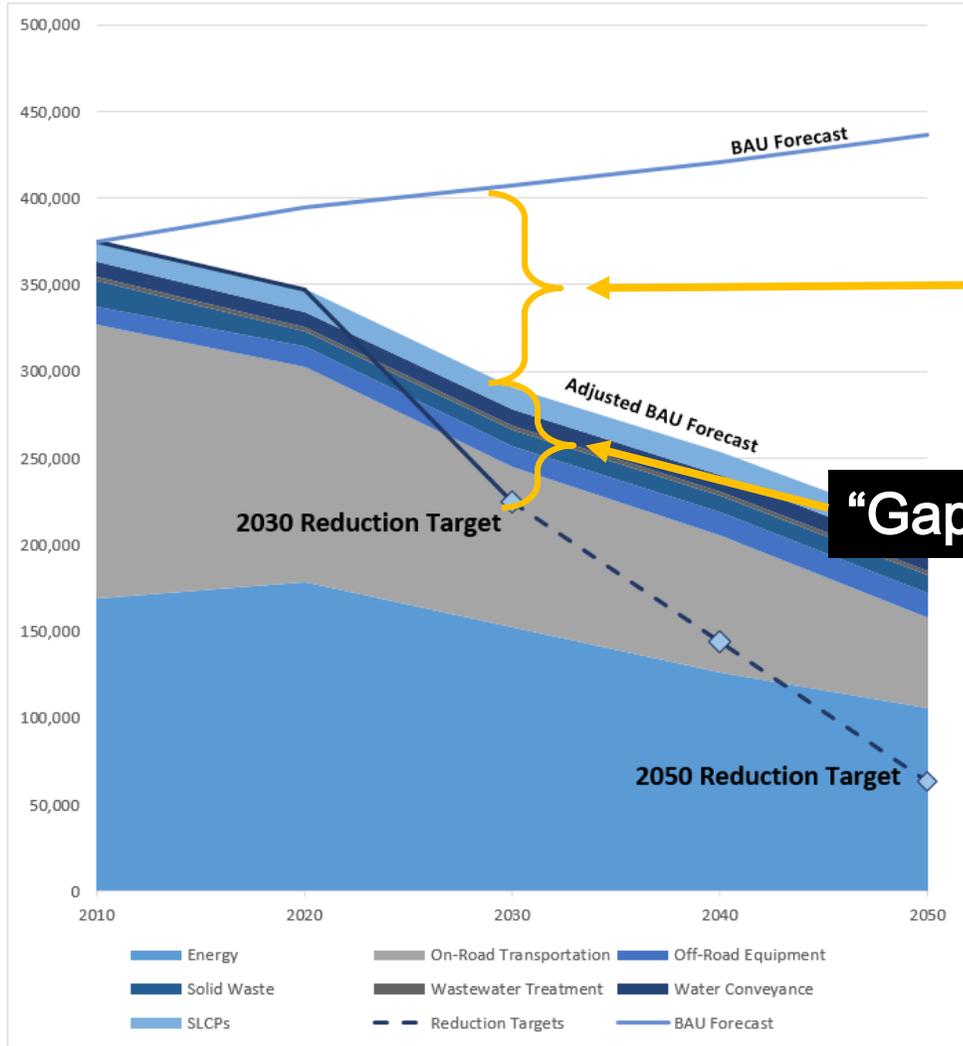


## California Regulations and Mandates

- Passenger Vehicle efficiency standards (Pavley; Advanced Clean Cars)
- Renewables Portfolio Standard
- Title 24 Building Energy Standards
- Solid Waste Diversion Mandates

ITEM NO. 13

# Anticipated Effect of State Measures



2030 target aligned with SB 32

Reductions from State Measures

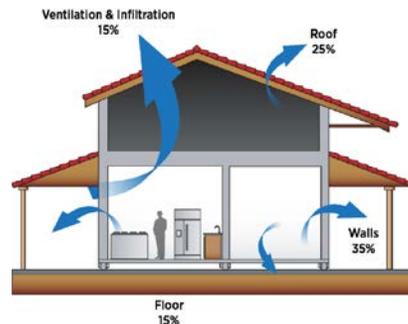
“Gap” to Achieve 2030 Target

ITEM NO. 13

# GHG Reductions from Local Measures

	ENERGY EFFICIENCY AND CONSERVATION (EE)		WATER AND WASTEWATER SYSTEMS (WA)
	RENEWABLE ENERGY (RE)		WASTE REDUCTION AND RECYCLING (WR)
	SUSTAINABLE TRANSPORTATION (TR)		GREEN INFRASTRUCTURE, PARKS, URBAN FORESTRY AND AGRICULTURE (GA)
	LAND USE & COMMUNITY DESIGN (LU)		GREEN BUSINESS AND INDUSTRY (GB)

MEASURE		2030 ANNUAL REDUCTIONS (MTCO <sub>2</sub> e) <sup>a</sup>
<b>Energy Efficiency</b>		
EE1	Improve Energy Efficiency of Existing Buildings	4,029
EE2	Promote Green Buildings	n/q
EE3	Improve Efficiency of Municipal Operations and Public Infrastructure	27
<b>Renewable Energy</b>		
RE1	Increase Local Renewable Energy Generation	2,912
RE2	Promote and Maximize Community Choice Energy (CCE) and Utility Renewable Energy Offerings	17,857
RE3	Promote Conversion from Natural Gas to Clean Electricity	n/q



# GHG Reductions from Local Measures

	ENERGY EFFICIENCY AND CONSERVATION (EE)		WATER AND WASTEWATER SYSTEMS (WA)
	RENEWABLE ENERGY (RE)		WASTE REDUCTION AND RECYCLING (WR)
	SUSTAINABLE TRANSPORTATION (TR)		GREEN INFRASTRUCTURE, PARKS, URBAN FORESTRY AND AGRICULTURE (GA)
	LAND USE & COMMUNITY DESIGN (LU)		GREEN BUSINESS AND INDUSTRY (GB)

MEASURE		2030 ANNUAL REDUCTIONS (MTCO <sub>2</sub> e) <sup>a</sup>
<b>Sustainable Transportation</b>		
TR1	Support Fuel Efficient and Alternative Fuel Vehicles	9,388
TR2	Improve Pedestrian and Bicycle Infrastructure	n/q
TR3	Expand Public Transit Options and “last mile” Connectivity	n/q
TR4	Expand Car Sharing, Bike Sharing, and Ride Sharing	n/q
TR5	Infrastructure to Improve Traffic Flow and Efficiency	n/q
TR6	Support Transportation Demand Management	n/q
<b>Land Use &amp; Community Design</b>		
LU1	Promote Smart Growth, TOD, and Complete Neighborhoods	n/q



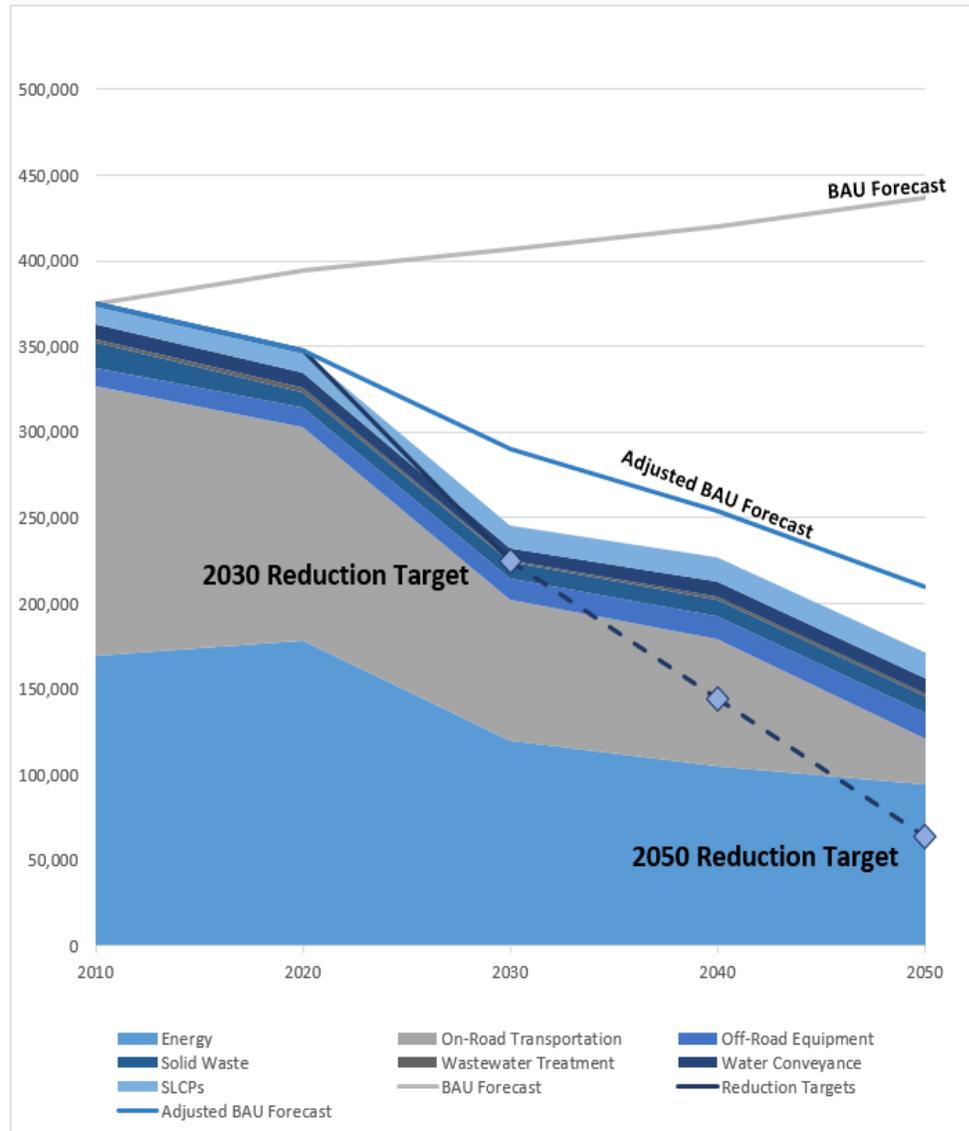
# GHG Reductions from Local Measures

	ENERGY EFFICIENCY AND CONSERVATION (EE)		WATER AND WASTEWATER SYSTEMS (WA)
	RENEWABLE ENERGY (RE)		WASTE REDUCTION AND RECYCLING (WR)
	SUSTAINABLE TRANSPORTATION (TR)		GREEN INFRASTRUCTURE, PARKS, URBAN FORESTRY AND AGRICULTURE (GA)
	LAND USE & COMMUNITY DESIGN (LU)		GREEN BUSINESS AND INDUSTRY (GB)

MEASURE		2030 ANNUAL REDUCTIONS (MTCO <sub>2</sub> e) <sup>a</sup>
<b>Land Use &amp; Community Design</b>		
LU1	Promote Smart Growth, TOD, and Complete Neighborhoods	n/q
<b>Water and Wastewater Systems</b>		
WA1	Promote Water Conservation	10,915
WA2	Promote Water Recycling and Greywater Use	n/q
<b>Green Infrastructure, Parks, Urban Forestry, &amp; Agriculture</b>		
GA1	Support Urban Tree-Planting, Park Access, and Green Infrastructure	Supporting
GA2	Support Sustainable Food and Urban Farming	Supporting
<b>Green Business &amp; Industry</b>		
GB1	Engage and Partner with Local Industries and Businesses to Reduce Emissions	Supporting
GB2	Grow Green Economy/Increase Green Jobs	Supporting



# Overall Effect of State and Local Measures



GHG reductions (CO2e) per year by 2030:

- 116,500 MT from State and regional measures
- 45,000 MT from local measures

**Additional Reductions Needed to Reach 2030  
Target = 20,000 MT CO2e**

ITEM NO. 13

# Questions?



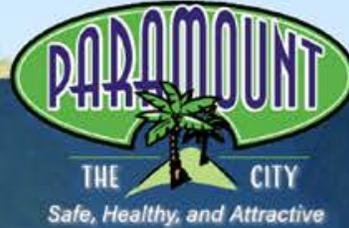
Jeff Caton  
ESA Project Manager  
[jcaton@esassoc.com](mailto:jcaton@esassoc.com)  
415-896-5900

ITEM NO. 13

# Recommendation

It is recommended that the City Council approve the 2021 Paramount Climate Action Plan.

ITEM NO.13



# City of Paramount Approval of 2021 Climate Action Plan

ITEM NO. 13



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

## Comments/Committee Reports



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

Successor Agency for the Paramount Redevelopment Agency



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

**Closed Session**



# CITY COUNCIL MEETING

July 6, 2021



**BRENDA OLMOS**  
Mayor



**VILMA CUELLAR  
STALLINGS**  
Vice Mayor



**ISABEL AGUAYO**  
Councilmember



**LAURIE GUILLEN**  
Councilmember



**PEGGY LEMONS**  
Councilmember

Adjournment