CITY COUNCIL OF MONTEREY PARK
THE CITY COUNCIL ACTING ON BEHALF OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY, THE HOUSING AUTHORITY, THE MONTEREY PARK FINANCING AUTHORITY AND THE MONTEREY PARK GEOLOGIC HAZARD ABATEMENT DISTRICT
AGENDA

REGULAR CITY COUNCIL MEETING
MONTEREY PARK CITY HALL COUNCIL CHAMBERS
320 W. NEWMARK AVENUE, MONTEREY PARK, CA 91754

Wednesday
April 17, 2024
6:30 p.m.

MISSION STATEMENT
The mission of the City of Monterey Park is to provide excellent services to enhance the quality of life for our entire community.

LAND ACKNOWLEDGMENT
We would like to acknowledge that the land we inhabit today was once known as Tovangaar, the home of the Gabrieleño-Tongva people. We show our respect to the Gabrieleño-Tongva people, as well as all Indigenous people, past, present, and future, and honor their labor as original caretakers of this land. We commit to uplifting the Gabrieleño-Tongva people, invite you to acknowledge the history, and join us in caring for this land.

GENERAL INFORMATION

Documents related to an Agenda item are available to the public in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours and the City's website at http://www.montereypark.ca.gov/AgendaCenter/City-Council-17.

The public may watch the meeting live on the city's cable channel MPKTV (AT&T U-verse, channel 99 or Charter Communications, channel 182) or by visiting the city's website at http://www.montereypark.ca.gov/133/City-Council-Meeting-Videos.Per the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall at (626) 307-1359 for reasonable accommodation at least 24 hours before a meeting. Council Chambers are wheelchair accessible.

PUBLIC PARTICIPATION

You may speak up to 5 minutes on Agenda item. You may combine up to 2 minutes of time with another person's speaking. No person may speak more than a total of 10 minutes. The Mayor and City Council may change the amount of time allowed for speakers. Written Communication will be accepted up to 24 hours before the meeting via email to mpclerk@montereypark.ca.gov.

While all comments are welcome, the Brown Act does not allow the City Council to take action on any item not on the agenda. The Council may briefly respond to comments after Public Communications is closed. Persons may, in addition to any other matter within the City Council's subject-matter jurisdiction, comment on Agenda Items at this time. If you provide public comment on a specific Agenda item at this time, however, you cannot later provide comments at the time the Agenda Item is considered.

CALL TO ORDER **Mayor**
FLAG SALUTE **The Monterey Park Police Explorer**
ROLL CALL **Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu**

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS

PUBLIC COMMUNICATIONS

STAFF COMMUNICATIONS:

- Finance
- Economic Development
- Police Department
- Recreation and Community Services

[1.] PRESENTATION

1-A. SHORT TERM RENTAL UPDATES

[2.] OLD BUSINESS

2-A. RESOLUTION REGARDING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT FOR WATER REVENUE BONDS

It is recommended that the City Council consider:

(1) Adopting Resolution No. _____ of the City Council of the City of Monterey Park approving the execution and delivery of an Installment Purchase Agreement for the purpose of causing the issuance of not to exceed $22,000,000 aggregate principal amount of Water Revenue Bonds, Series 2024, and approving the execution and delivery of certain documents in connection therewith and certain other matters; and

(2) Taking such additional, related, action that may be desirable.

It is recommended that the Monterey Park Financing Authority Board of Directors consider:

(3) Adopting Resolution No. MPFA-____ of the Board of Directors of the Monterey Park Financing Authority approving the sale of its Water Revenue Bonds, Series 2024, in an aggregate principal amount not to exceed $22,000,000 and approving the execution and delivery of certain documents in connection therewith and certain other matters; and

(4) Taking such additional, related, action that may be desirable.

2-B. ADOPTION OF THE MONTEREY PARK SUSTAINABILITY PLAN

It is recommended that the City Council consider:

(1) Adopting Resolution No. ____ to adopt the Monterey Park Sustainability Plan (the "Plan"); and

(2) Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

The City reviewed the environmental impacts of the proposed Resolution pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA Guidelines §§ 15060(c)(2), 15061(b)(3), 15378, and 15308 exempt activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, activities where there is possibility that it may have a significant effect on the environment, activities that do not constitute a "project" as defined, and actions to protect the environment, respectively. This activity is for general policies and procedure-making intended to promote environmental sustainability and protect the environment. Any subsequent construction or development will be evaluated separately under the CEQA Guidelines. Accordingly, this Resolution is exempt from further review.

[3.] CONSENT CALENDAR ITEM NOS. 3A-3H

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

3-A. MINUTES

It is recommended that the City Council consider:

(1) Approving the minutes from the regular meetings of January 17, 2024, February 7, 2024 and February 21, 2024 and the special meetings of January 17, 2024, February 3, 2024, February 7, and February 20, 2024; and

(2) Taking such additional, related, action that may be desirable.

3-B. MONTHLY INVESTMENT REPORT – MARCH 2024

It is recommended that the City Council consider:

(1) Receiving and filing the monthly investment report; and

(2) Taking such additional, related, action that may be desirable.

3-C. TREE MEMORIAL PROGRAM RECOMMENDATION FOR LILY LEE CHEN

It is recommended that the City Council consider:

(1) Authorizing the City Manager to take action to honor Lily Lee Chen with a memorial tree and plaque; and

(2) Taking such additional, related, action that may be desirable.

3-D. A RESOLUTION OF THE CITY COUNCIL OF MONTEREY PARK SUPPORTING A PERMANENT BILATERAL CEASEFIRE TO THE CONFLICT AND HUMANITARIAN CRISIS IMPACTING GAZA AND ISRAEL

It is recommended that the City Council consider:

(1) Adopting a Resolution of the City Council of Monterey Park supporting a permanent bilateral ceasefire to the conflict and humanitarian crisis impacting Gaza and Israel; and

(2) Taking such additional, related, action that may be desirable.

3-E. RESOLUTION SUPPORTING AB 2485 (RHNA TRANSPARENCY REFORM ACT)

It is recommended that the City Council consider:

(1) Adopting the resolution in support of AB 2485 (Carrillo, RHNA Transparency Reform Act)

(2) Taking such additional, related, action that may be desirable.

3-F. NATIONAL CRIME VICTIMS' RIGHTS WEEK RESOLUTION

It is recommended that the City Council consider:

(1) Adopting a Resolution Declaring the week of April 21 through 27, 2024 to be National Crime Victims' Rights Week in the City of Monterey Park; and

(2) Taking such additional, related, action that may be desirable.

3-G A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING WEDNESDAY, APRIL 24, 2024, TO BE "DENIM DAY MONTEREY PARK

It is recommended that the City Council consider:

(1) Adopting a resolution declaring Wednesday, April 24, 2024, as "Denim Day Monterey Park"; and

(2) Taking such additional, related, action that may be desirable.

3-H. NOTICE OF COMPLETION – VARIOUS CAPITAL IMPROVEMENT PROJECTS

It is recommended that the City Council consider:

(1) Receiving and filing the Notice of Completion recorded by the Public Works Director on December 18, 2023 accepting the Edison Trails Park Playground Replacement Project completed by R.E. Schultz Construction, Inc.;

(2) Receiving and filing the Notice of Completion recorded by the Public Works Director on January 2, 2024 accepting the Northeast Area Phase III Water Main Improvement Project completed by Big Ben, Inc.;

(3) Receiving and filing the Notice of Completion recorded by the Public Works Director on January 2, 2024 accepting the FY 22-23 Concrete Improvements Project completed by CT & T Concrete Paving Inc.; and

(4) Taking such additional, related, action that may be desirable.

[4.] PUBLIC HEARING – None.

[5.] NEW BUSINESS – None.

[6.] CITY COMMUNICATIONS (CITY COUNCIL)

[7.] FUTURE AGENDA ITEMS

[8.] CLOSED SESSION (IF REQUIRED; CITY ATTORNEY TO ANNOUNCE)

ADJOURN

City Council Staff Report

DATE: April 17, 2024

AGENDA ITEM NO: Old Business - 2A

TO: The Honorable Mayor and City Council

FROM: Martha Garcia, Finance Director
Shawn Igoe, Public Works Director

SUBJECT: Resolution regarding the Execution and Delivery of an Installment Purchase Agreement for Water Revenue Bonds

RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting Resolution No. _____ of the City Council of the City of Monterey Park approving the execution and delivery of an Installment Purchase Agreement for the purpose of causing the issuance of not to exceed $22,000,000 aggregate principal amount of Water Revenue Bonds, Series 2024, and approving the execution and delivery of certain documents in connection therewith and certain other matters; and
2. Taking such additional, related, action that may be desirable.

It is recommended that the Monterey Park Financing Authority Board of Directors consider:

3. Adopting Resolution No. MPFA-____ of the Board of Directors of the Monterey Park Financing Authority approving the sale of its Water Revenue Bonds, Series 2024, in an aggregate principal amount not to exceed $22,000,000 and approving the execution and delivery of certain documents in connection therewith and certain other matters; and
4. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

Issuing the proposed 2024 Water Revenue Bonds would allow the City to utilize $20.6 million in financing to replace aging infrastructure and install advanced water meter infrastructure. Consequently, the City Council may maintain the lower cumulative water rates approved in February 2024 and became effective March 2024, instead of increasing such rates over the next five years. To implement the financing, the City would enter into an Installment Purchase Agreement with the Monterey Park Financing Authority the "Authority"), and the Authority would issue the 2024 Water Revenue Bonds in an amount not to exceed $22,000,000. Debt service will be repaid by the City from net revenues of the City's water system.

BACKGROUND:
The Public Works Director identified $20.6 million in water improvements that are a high priority and that can be implemented within the next 3 years.

2024 Projects	Estimated Cost
Water Meter Replacement	$9,000,000
Russell St. Reservoir Rehabilitation	3,500,000
Russel Booster Station	2,500,000
Phase 4 North East Water Main Replacements	2,400,000
N Atlantic Water Main Upgrade Project	2,200,000
Program Logic Controller Upgrade	1,000,000
Total	$20,600,000

The City Council previously considered the replacement of water meters (which would result in improvements to the process of meter reading and billing) and improving infrastructure. Were such projects paid by rates – rather than bond financing – such water rates would require maximum water rate increases of 32%, 8%, 8%, 7%, and 8% from Fiscal Year 2023-24 through Fiscal Year 2027-28. Financing the improvements allows for a longer repayment period, resulting in lower rates to water customers.

On February 21, 2024, the City Council directed the City Manager to implement rate increases of 28%, 8%, 7%, 7%, and 6%. These rates assume a $20.6 million bond issuance and are projected to generate enough revenue to meet the obligations of the Water System, including but not limited to operations, services to customers, capital needs, and debt service rate covenants over the next 5-years.

The proposed Resolutions approve all documents and actions needed to authorize the delivery and sale of the 2024 Water Revenue Bonds, including the following form of financing documents together with any changes or additions deemed advisable by the Bond Counsel (Stradling Yocca Carlson & Rauth, LLP) and approved by the Mayor, Mayor Pro Tem, City Manager, Director of Public Works, or the Director of Finance (a "Designated Officer").

1) **Installment Purchase Agreement** between the City and the Authority under which the Authority agrees to provide financing for the water improvements, and the City agrees to purchase the completed improvements, in consideration of the payment by the City of semiannual installment payments, to be made from the net revenues of the City's water system.

2) **Indenture of Trust** between the Authority and the Trustee (US Bank) which sets forth the material terms, covenants, and provisions relating to the 2024 Water Revenue Bonds.

3) **Bond Purchase Agreement** among the City, the Authority, and the underwriter (Ramirez and Co., Inc.), pursuant to the terms and provisions of which the 2024 Water Revenue Bonds will be sold through a negotiated method of sale, such terms and provisions including a true interest cost of the 2024 Water Revenue Bonds not to exceed 4.75% and the underwriter's discount no to exceed 1.15% of the par amount of the 2024 Water Revenue Bonds.

4) **Preliminary Official Statement** that will be distributed to prospective purchasers of the 2024 Water Revenue Bonds that must contain all facts material to the 2024 Water Revenue Bonds and the City's water system and must not omit any material facts.

   The City Council must ensure that the Preliminary Official Statement includes all information that would be material to a prospective investor's decision whether to purchase the 2024 Water Revenue Bonds. While the City's bond counsel, consultants, and the underwriter have participated in preparing the document, the City is ultimately responsible for ensuring that the Preliminary Official Statement is accurate, contains no misleading information and does not omit any information necessary to make Preliminary Official Statement not misleading to investors.

5) **Continuing Disclosure Certificate** included as Appendix E of the Preliminary Official Statement that commits the City to providing certain annual reports and notices of listed events to investors in order to allow the underwriter to comply with federal securities laws.

If the proposed Resolutions are adopted by the City Council and the Authority Board, the sale of the 2024 Water Revenue Bonds is expected to be completed on or about the week of April 22, 2024, with a delivery/closing date on or about the week of May 6, 2024, at which time bond proceeds will be available for the water improvements.

FISCAL IMPACT:
In accordance with Government Code § 5852.1, good faith estimates are provided with respect to the 2024 Water Revenue Bonds in Exhibit A of the Resolutions.

It is anticipated that a new rate study and Prop 218 Process will occur for the adoption of 5-year rate increases beginning in Fiscal Year 2028-29. Currently, it is expected that there will be 3% annual rate adjustments from Fiscal Year 2028-29 through Fiscal Year 2032-33. Annual adjustments in rates are standard for municipal utilities to accommodate inflation growth in service delivery costs while also meeting existing debt service rate covenants and other Water System obligations. The 3% annual rate increases are an estimate, and actual required rate increases will be determined in the future with a new rate study. Rate increases may vary from this expectation due to economic conditions.

Based on recent market interest rates, an aggregate principal amount of approximately $19.385 million in 2024 Water Revenue Bonds (with approximately $1.88 million of

premium) are expected to be sold in order to generate $20.6 million in project proceeds and $665,593 in finance charges. The true interest cost for the 2024 Water Revenue Bonds is estimated to be approximately 4.28%. The final maturity of the bonds will be in 2054, and the total debt service over the 30-year term is estimated to be $37.3 million, with average annual debt service estimated to be $1.25 million.

Respectfully submitted by:

Martha Garcia
Finance Director

Respectfully submitted by:

Shawn Igoe
Public Works Director

Approved by:

Inez Alvarez
City Manager

Reviewed by:

Karl H. Berger
City Attorney

ATTACHMENTS:

1. Preliminary Official Statement (with the Continuing Disclosure Certificate included as Appendix E)
2. Indenture of Trust
3. Installment Purchase Agreement
4. Bond Purchase Agreement
5. Authority Resolution
6. City Resolution

ATTACHMENT 1
Preliminary Official Statement
(with the Continuing Disclosure Certificate
included as Appendix E)

PRELIMINARY OFFICIAL STATEMENT DATED APRIL __, 2024

NEW ISSUE – BOOK-ENTRY ONLY

Rating: S&P: __
See the caption "RATING"

In the opinion of Stradling Yocca Carlson & Rauth LLP, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the caption "TAX MATTERS" with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

$19,385,000*
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

Dated: Date of Delivery **Due: February 1, as shown on inside front cover page**

The Bonds are being issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in denominations of $5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership in the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds is payable on August 1, 2024 and each February 1 and August 1 thereafter. Payment of the principal of and interest on the Bonds is to be made to Cede & Co., which is to disburse said payments to the Beneficial Owners of the Bonds through their nominees.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, all as more fully described herein.

The Bonds are being issued to provide funds to: (i) finance certain capital improvements to the City's municipal water system; (ii) fund a debt service reserve fund for the Bonds; and (iii) pay costs incurred in connection with the issuance of the Bonds.

The Bonds are being issued pursuant to the Indenture of Trust, dated as of May 1, 2024, by and between the Monterey Park Financing Authority and U.S. Bank Trust Company, National Association, as trustee. THE BONDS ARE A SPECIAL LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM AUTHORITY REVENUES, WHICH CONSIST OF SERIES 2024 INSTALLMENT PAYMENTS TO BE MADE BY THE CITY TO THE AUTHORITY PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT, DATED AS OF MAY 1, 2024, BY AND BETWEEN THE CITY AND THE AUTHORITY, AND FROM CERTAIN OTHER FUNDS AND ACCOUNTS HELD BY THE TRUSTEE PURSUANT TO THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR ANY OTHER REVENUES OR FUNDS OF THE AUTHORITY ARE PLEDGED TO OR AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The Series 2024 Installment Payments are payable from Net Revenues of the City's Water System, which consist of Revenues of the City's Water System remaining after payment of Operation and Maintenance Costs of the City's Water System. The City may incur additional obligations payable from Net Revenues on a parity with the obligation to pay Series 2024 Installment Payments, subject to the terms and conditions of the Installment Purchase Agreement, as more fully described herein.

THE OBLIGATION OF THE CITY TO MAKE SERIES 2024 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO MAKE THE SERIES 2024 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NET REVENUES OF THE CITY'S WATER SYSTEM AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The Authority has applied for a municipal bond insurance policy and a debt service reserve fund surety bond with respect to the Bonds. If a municipal bond insurance policy is obtained, the municipal bond insurance policy would guarantee the scheduled payment of principal of and interest on all or a portion of the Bonds. No assurance can be given as to whether the Authority will purchase a municipal bond insurance policy or a debt service reserve fund surety bond.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE
(See inside front cover page)

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of the valid, legal and binding nature of the Bonds by Stradling Yocca Carlson & Rauth LLP, Bond Counsel, and certain other conditions. Certain matters will be passed upon for the City and the Authority by Burke, Williams & Sorensen, LLP, as City Attorney, and by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California, and for the Trustee by its counsel. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about May __, 2024.

Ramirez & Co., Inc.

Dated: April __, 2024

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

* *Preliminary, subject to change.*

$_____*
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

MATURITY SCHEDULE

BASE CUSIP† 61255R

Maturity (February 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP†*
	$	%	%		

** Preliminary, subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the City, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

MONTEREY PARK FINANCING AUTHORITY

BOARD OF DIRECTORS

Thomas Wong, *Chair*
Vinh T. Ngo, *Vice Chair*
Yvonne Yiu, *Director*
Jose Sanchez, *Director*
Henry Lo, *Director*

CITY OF MONTEREY PARK

CITY COUNCIL

Thomas Wong, *Mayor*
Vinh T. Ngo, *Mayor Pro-Tem*
Yvonne Yiu, *Council Member*
Jose Sanchez, *Council Member*
Henry Lo, *Council Member*

ELECTED OFFICIALS

Amy Lee, *City Treasurer*
Maychelle Yee, *City Clerk/Authority Secretary*

APPOINTED OFFICIALS

Inez Alvarez, *City Manager/Authority Executive Director*
Karl H. Berger, *City Attorney/General Counsel*
Diana Garcia, *Assistant City Manager*
Martha Garcia, *Director of Finance/Authority Treasurer*

SPECIAL SERVICES

Municipal Advisor

Urban Futures, Inc
Tustin, California

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Trustee

U.S. Bank Trust Company, National Association
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

> The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement and the information that is contained herein are subject to completion or amendment without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the Authority or any other parties that are described herein since the date hereof. These securities may not be sold, nor may an offer to buy them be accepted, prior to the time that the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements which are included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained under the captions "THE CITY," "THE WATER SYSTEM" AND "WATER SYSTEM FINANCIAL INFORMATION."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS, BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The City maintains a website and certain social media accounts; however, information presented on such website and accounts is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms that are used and not otherwise defined in this Summary Statement have the meanings ascribed to them in this Official Statement.

Purpose. The Bonds are being issued to provide funds to: (i) finance certain capital improvements to the City's Water System, as described under the caption "THE 2024 PROJECT"; (ii) fund a debt service reserve fund for the Bonds; and (iii) pay costs incurred in connection with the issuance of the Bonds. See the caption "ESTIMATED SOURCES AND USES OF FUNDS."

Security for the Bonds. The Bonds are a special limited obligation of the Authority payable solely from Authority Revenues, which consist of Series 2024 Installment Payments to be made by the City to the Authority pursuant to the Installment Purchase Agreement and amounts on deposit in certain funds and accounts established by the Indenture. Neither the full faith and credit nor any other revenues or funds of the Authority are pledged to or available for the payment of debt service on the Bonds. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The obligation of the City to make Series 2024 Installment Payments is a special limited obligation of the City payable solely from Net Revenues of the City's Water System, which consist of Revenues of the Water System remaining after payment of Operation and Maintenance Costs of the Water System. See the caption "SECURITY FOR THE BONDS."

The obligation of the City to make the Series 2024 Installment Payments under the Installment Purchase Agreement is absolute and unconditional, and until such time as all payments that are required thereunder have been paid in full (or provision for the payment thereof has been made as provided for in the Installment Purchase Agreement), the City will not discontinue or suspend any Series 2024 Installment Payments required to be made by it under the Installment Purchase Agreement when due, whether or not the Water System or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the 2024 Project has been completed, and such payments will not be subject to reduction whether by offset or otherwise and will not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

THE OBLIGATION OF THE CITY TO MAKE SERIES 2024 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO MAKE THE SERIES 2024 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NET REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Application for Bond Insurance. The Authority has applied for a municipal bond insurance policy guaranteeing the scheduled payment of principal of and interest on some or all of the maturities of the Bonds when due. The Authority will determine whether to purchase such a policy in connection with the pricing of the Bonds. No assurance can be given as to whether the Authority will purchase a municipal bond insurance policy.

Reserve Fund. A Reserve Fund for the Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement of $_____. See the caption "SECURITY FOR THE BONDS—Reserve Fund."

The Authority has applied for a debt service reserve fund surety bond with respect to the Bonds. No assurance can be given as to whether the Authority will purchase a debt service reserve fund surety bond. See "INTRODUCTION" herein.

Rate Stabilization Fund. The City has agreed and covenanted to maintain, so long as any Bonds remain outstanding, a Rate Stabilization Fund. There is $0 on deposit in the Rate Stabilization Fund as of the date of the initial issuance of the Bonds. The City may deposit amounts therein from time to time in its sole discretion.

The Rate Stabilization Fund and all amounts on deposit therein have been irrevocably pledged to the payment of the Parity Bonds and Contracts as provided herein. The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund from time to time and transfer such amounts to the Revenue Fund for application in accordance with the Installment Purchase Agreement. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund during or within 270 days after the end of a Fiscal Year may be taken into account as Revenues for purposes of the calculations under the additional debt test and the rate covenant under the Installment Purchase Agreement in such Fiscal Year to the extent provided in the definition of "Revenues" in the Installment Purchase Agreement. See the caption "SECURITY FOR THE BONDS—Rate Stabilization Fund."

Rate Covenant. The City will, to the fullest extent permitted by law, fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service which are reasonably expected, at the commencement of each Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 120% of the Debt Service in such Fiscal Year. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the foregoing requirements. See the caption "SECURITY FOR THE BONDS—Rate Covenant."

No Parity or Senior Obligations. The City has no outstanding obligations payable from Net Revenues on a parity or senior basis to the Series 2024 Installment Payments.

Additional Indebtedness. The Installment Purchase Agreement does not permit the City to make any additional pledge of, or to place any additional lien on, the Revenues, or any portion thereof, which is senior to the pledge and lien securing the payment of the Series 2024 Installment Payments. The Installment Purchase Agreement does permit the City to issue or incur Parity Bonds and Contracts payable on a parity with the Series 2024 Installment Payments provided that certain conditions are satisfied as described herein. Nothing in the Installment Purchase Agreement precludes the City from entering into obligations which are Operation and Maintenance Costs and, therefore, payable from Revenues prior to the Series 2024 Installment Payments, or from issuing any bonds or executing any contracts the payments under which are payable from Net Revenues on a subordinate basis to the Series 2024 Installment Payments and Parity Bonds and Contracts of the City. See the caption "SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts."

Subject to certain conditions, amounts transferred from the Rate Stabilization Fund shall be considered Revenues for purposes of satisfying the test for issuing or incurring Parity Bonds and Contracts payable from Net Revenues on a parity with the obligation to make the Series 2024 Installment Payments, as more particularly described under the caption "SECURITY FOR THE BONDS "—Rate Stabilization Fund" herein.

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See the caption "THE BONDS—Redemption."

The City and the Water System. The City was incorporated in 1916 and operates as a general law city. The City operates under a council-manager form of municipal government and is governed by a five-member City Council. The City is a full-service City, offering its residents a wide range of municipal services, including public safety, highways and streets, sanitation, water and sewer services, development and public infrastructure improvements, culture and leisure programming, and general government functions. The City encompasses approximately 7.73 square miles in the San Gabriel Valley in the County of Los Angeles (the "County"), about 8 miles east of downtown Los Angeles. The City is bounded by the City of Los Angeles to the west, the City of Alhambra to the north, the City of San Gabriel to the east and the City of Montebello to the South.

The City supplies potable water to approximately 11,066 single family residential customers, 1,530 multi-family residential customers, 798 commercial and industrial customers and 213 other customers. The Water System serves approximately 95% of the residents and businesses within the City, with private water companies serving the remaining portion.

The City's main source of water is groundwater pumped from the Main San Gabriel Basin (the "Main Basin"), which is a sub-basin of the San Gabriel Valley Basin. The City also purchases supplemental groundwater from the San Gabriel Valley Water Company ("SGVWC"). See the caption "THE WATER SYSTEM—Water Supply."

The Water System includes 12 groundwater wells in the Main Basin (of which eight are currently active, three are standby wells and one is inactive), approximately 136.6 miles of transmission and distribution pipe ranging in size from 2-inches to 36-inches in diameter, five primary pressure zones, eight closed sub-zones, 11 active service zone storage reservoirs (with a total storage capacity of approximately 15.8 million gallons), two settling tanks, 11 booster pump stations, 20 pressure reducing stations, one imported water supply connection with SGVWC and four emergency interconnections.

**$_____*
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024**

INTRODUCTION

This Official Statement, including the front cover page, the inside front cover page and the appendices, provides certain information concerning the sale and delivery of the Monterey Park Financing Authority Water Revenue Bonds, Series 2024 (the "Bonds"). Descriptions and summaries of various documents that are set forth in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document. Capitalized terms that are used and not otherwise defined in this Official Statement have the meanings ascribed thereto in Appendix B.

The Bonds are being issued to provide funds to: (i) finance certain capital improvements to the City's Water System, as described under the caption "THE 2024 PROJECT"; (ii) fund a debt service reserve fund for the Bonds; and (iii) pay costs incurred in connection with the issuance of the Bonds. See the caption "ESTIMATED SOURCES AND USES OF FUNDS."

The Bonds are being issued pursuant to an Indenture of Trust, dated as of May 1, 2024 (the "Indenture"), by and between the Monterey Park Financing Authority (the "Authority") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Bonds are limited obligations of the Authority payable solely from Authority Revenues, which consist of payments (the "Series 2024 Installment Payments") to be made by the City of Monterey Park (the "City") to the Authority pursuant to an Installment Purchase Agreement, dated as of May 1, 2024 (the "Installment Purchase Agreement"), by and between the City and the Authority, and amounts on deposit in certain funds and accounts established by the Indenture.

The obligation of the City to make Series 2024 Installment Payments is a special limited obligation of the City payable solely from Net Revenues of the City's Water System, which consist of Revenues of the City's Water System remaining after payment of Operation and Maintenance Costs of the City's Water System. The term "Water System" means the whole and each and every part of the potable water system serving the City, whether owned or operated by the City or another party, including the existing Water System and all additions, betterments, extensions and improvements to such water system or any part thereof hereafter acquired or constructed. See the caption "SECURITY FOR THE BONDS."

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See the caption "THE BONDS—Redemption."

The City has no outstanding obligations payable from Net Revenues on a parity or senior basis to the Series 2024 Installment Payments. The City is permitted to incur additional obligations payable on a parity with the Series 2024 Installment Payments provided that certain conditions are satisfied as described herein. See the caption "SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts."

A debt service reserve fund has been established under the Indenture in connection with the issuance of the Bonds. "SECURITY FOR THE BONDS—Reserve Fund."

The City has undertaken to provide annual reports to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA") pursuant to a continuing disclosure certificate. See the caption "CONTINUING DISCLOSURE" and Appendix E.

** Preliminary, subject to change.*

Auditor Findings. As a recipient of federal funds, the City is required to undergo an audit in accordance with the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133. In its Single Audit of Federally Assisted Grant Programs for Fiscal Year 2022-23 prepared by The Pun Group LLP, Santa Ana, California (the "Auditor") and attached hereto as Appendix F (the "Single Audit Report"), the Auditor found certain deficiencies in the City's internal control over financial reporting. See the caption "THE CITY—Single Audit Report" and Appendix F — "CITY SINGLE AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2023."

THE 2024 PROJECT

The City expects to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within the City's Water System, referred to herein as the "2024 Project." Following is a description of the projects comprising the 2024 Project to be financed with proceeds of the Bonds.

2024 Projects	***Estimated Cost***
Water Meter Replacement	$ 9,000,000
Russell St. Reservoir Rehabilitation	3,500,000
Russel Booster Station	2,500,000
Phase 4 North East Water Main Replacements	2,400,000
N Atlantic Water Main Upgrade Project	2,200,000
Program Logic Controller Upgrade	1,000,000
Total	$ 20,600,000

The City intends to apply proceeds of the Bonds and other moneys on deposit in the Revenue Fund to pay for the costs of the 2024 Project. The City expects to comply with all governmental approval, environmental review, public bidding and other permitting requirements for each component of the 2024 Project as required by law, and to complete the 2024 Project by March 2027.

Pursuant to the Installment Purchase Agreement, the City may substitute or add additional projects to the 2024 Project. See Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—ACQUISITION OF 2024 PROJECT—Changes to the 2024 Project."

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Bonds:

Sources[(1)]	
Principal Amount of Bonds	$
Plus/Less [Net] Original Issue [Premium/Discount]	
Total Sources	**$**
Uses[(1)]	
Acquisition Fund	$
Costs of Issuance[(2)]	
Total Uses	**$**

(1) Amounts rounded to the nearest dollar. Totals may not add due to rounding.

(2) Includes certain legal, municipal advisory, financing, rating agency and Trustee fees, Underwriter's discount, premiums for the bond insurance policy and debt service reserve fund surety bond, if obtained, and printing costs.

THE BONDS

General Provisions

The Bonds will bear interest from and be dated the date of initial issuance, and will be payable upon maturity on the dates set forth on the inside front cover page hereof. Interest on the Bonds will be payable on August 1, 2024 and each February 1 and August 1 thereafter. Interest will be calculated at the rates set forth on the inside front cover page hereof on the basis of a year of 360 days comprised of twelve 30 day months.

The Bonds will be delivered only in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $5,000 or any integral multiple thereof. See the caption "—Book-Entry Only System" and Appendix D.

In the event that the book-entry only system that is described below is discontinued, the principal of and interest on any Bond will be payable by check or draft of the Trustee upon presentation and surrender thereof at maturity or upon prior redemption at the Office of the Trustee in Los Angeles, California. Such principal and interest will be payable in lawful money of the United States of America.

Book-Entry Only System

One fully-registered Bond will be issued for each maturity of the Bonds in the principal amount of the Bonds of such maturity. Each such Bond will be registered in the name of Cede & Co. and will be deposited with DTC. As long as the ownership of the Bonds is registered in the name of Cede & Co., the term "Owner" as used in this Official Statement will refer to Cede & Co. and not to the actual purchasers of the Bonds (the "Beneficial Owners").

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer.

The Authority cannot and does not give any assurances that DTC participants or others will distribute payments with respect to the Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis. See Appendix D for additional information concerning DTC.

Transfers and Exchanges Upon Termination of Book-Entry Only System

In the event that the book-entry system that is described above is discontinued, the Bonds will be printed and delivered as provided in the Indenture. Thereafter, any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee is not required to register the transfer of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption.

Whenever any Bond is surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver a new Bond or Bonds of authorized denominations for a like series and aggregate principal amount of the same maturity and series. The Trustee will require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor will provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Internal Revenue Code of 1986, as amended (the "Code"). The Trustee will conclusively rely on the information provided to it and has no responsibility to verify or ensure the accuracy of such information.

Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee is not required to exchange any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption. The Trustee will require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Redemption*

Optional Redemption. The Bonds with stated maturities on or after February 1, 20__, are subject to redemption prior to their respective stated maturities, as a whole or in part as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to redemption, by lot within each maturity in integral multiples of $5,000, on February 1, 20__ or any date thereafter at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds with stated maturities on February 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on February 1, 20__ and each February 1 thereafter, in integral multiples of $5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (February 1)	*Principal Amount*
	$

* Maturity.

The Bonds with stated maturities on February 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on February 1, 20__ and each February 1 thereafter, in integral multiples of $5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (February 1)	*Principal Amount*
	$

* Maturity.

If some but not all of the Bonds maturing on February 1, 20__ or February 1, 20__ are redeemed as described under the subcaption "—Optional Redemption," the principal amount of the applicable Bonds to be redeemed pursuant to the Indenture on any subsequent February 1 will be reduced, by $5,000 or an integral

** Preliminary, subject to change.*

multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions may not exceed the aggregate amount of the applicable Bonds redeemed.

Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same series, interest rate and maturity.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds for redemption as a whole or in part on any date as directed by the Authority and by lot within each maturity in integral multiples of $5,000 in accordance with the Indenture. The Trustee will promptly notify the Authority in writing of the numbers of the Bonds or portions thereof so selected for redemption.

Notice of Redemption

Notice of redemption will be mailed by first class mail not less than 20 days nor more than 60 days before any Redemption Date, to the respective Owners of any Bonds that are designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services. Each notice of redemption will state the date of notice, the redemption date, the place or places of redemption and the Redemption Price, and will designate the maturities, CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof that are designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with, interest accrued thereon to the redemption date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such redemption date interest thereon will cease to accrue, and will require that such Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any Bond. Notice of redemption of Bonds will be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys have not been so received, said notice will be of no force and effect and the Trustee will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Effect of Redemption

Notice of redemption having been duly given as described above under the caption "—Notice of Redemption," and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption will become due and payable, interest on the Bonds so called for redemption will cease to accrue, said Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof. The Trustee will, upon surrender for payment of any of the Bonds to be redeemed on their Redemption Dates, pay such Bonds at the Redemption Price. All Bonds redeemed pursuant to the provisions of the Indenture will be canceled upon surrender thereof.

DEBT SERVICE SCHEDULE

Set forth below is a schedule of debt service on the Bonds. Debt service on the Bonds equals the Series 2024 Installment Payments for each annual period ending on June 30 in the years indicated. The below table assumes that there are no optional redemptions of the Bonds.

Period Ending June 30	*Principal*	*Interest*	*Total Debt Service*
2024	$	$	$
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
TOTAL	$	$	$

Source: Underwriter.

SECURITY FOR THE BONDS

General

Each Bond is a special limited obligation of the Authority payable solely from Authority Revenues, which consist of Series 2024 Installment Payments to be made by the City under the Installment Purchase Agreement and certain other funds and accounts established pursuant to the Indenture. NEITHER THE FULL FAITH AND CREDIT NOR ANY OTHER REVENUES OR FUNDS OF THE AUTHORITY ARE PLEDGED TO OR AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS. THE OBLIGATION

OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The Authority has assigned substantially all of its right, title and interest in the Installment Purchase Agreement to the Trustee pursuant to the Indenture, for the benefit of the Owners of the Bonds, including its right to receive Series 2024 Installment Payments and its rights as may be necessary to enforce payment of the Series 2024 Installment Payments when due.

Series 2024 Installment Payments Payable From Net Revenues

All of the Authority Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture (except the Rebate Fund) have been irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the Bonds in accordance with their terms and the provisions of the Indenture. Such pledge constitutes a lien on and security interest in such amounts and will attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act, and will be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

The obligation of the City to make the Series 2024 Installment Payments is payable solely from Net Revenues of the City's Water System, which consist of Revenues of the City's Water System remaining after the payment of Operation and Maintenance Costs of the City's Water System. All Revenues (as such term is defined below) of the City's Water System, other amounts that are on deposit in the Revenue Fund and any other amounts (including proceeds of the sale of the Bonds) which are held in any fund or account that is established pursuant to the Installment Purchase Agreement (including the Rate Stabilization Fund) have been irrevocably pledged to the payment of the Series 2024 Installment Payments as provided in the Installment Purchase Agreement.

The Revenues will not be used for any other purpose while any of the Series 2024 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement, including but not limited to the payment of Operation and Maintenance Costs of the Water System. Such pledge, together with the pledge created by all other Bonds and Contracts (as such terms are defined in Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—Definitions" and referred to in the forepart of this Official Statement as "Parity Bonds and Contracts" or "Parity Bonds or Contracts," as applicable), constitutes a first lien on Revenues and, subject to application of Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund, the Rate Stabilization Fund and other funds and accounts created thereunder for the payment of the Series 2024 Installment Payments and all other Parity Bonds and Contracts in accordance with the terms thereof and of the Indenture.

The term "Revenues" means all income, rents, rates, fees, charges and other moneys derived from the ownership of or operation of the Water System, including, without limiting the generality of the foregoing: (1) all in lieu charges (including investment earnings thereon) collected by or on behalf of the City; (2) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System; (3) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, proceeds or other moneys, including City reserves; and (4) deposits to the Revenue Fund from amounts on deposit in the Rate Stabilization Fund in accordance with the Installment Purchase Agreement; but excluding in all cases: (w) any Revenues transferred from the Revenue Fund to the Rate Stabilization Fund in accordance with the Installment Purchase Agreement; (x) all amounts reasonably anticipated to be reimbursed to the City by the

United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009), or any future similar program), to the extent that such amounts have been or will be deducted from the calculation of Debt Service; (y) customers' deposits or any other deposits or advances that are subject to refund until such deposits or advances have become the property of the City; and (z) proceeds of taxes or benefit assessments restricted by law to be used by the City to pay amounts due on bonds or other obligations hereafter incurred.

The term "Operation and Maintenance Costs" means: (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including, but not limited to, the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the City that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the City or charges (other than debt service payments) required to be paid by it to comply with the terms of the Bonds or of the Installment Purchase Agreement or any Contract or of any resolution or indenture authorizing the issuance of any Parity Bonds or Contracts or of such Parity Bonds or Contracts; and (2) all payments under any contract for the purchase of water; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

Notwithstanding anything contained in the Installment Purchase Agreement, the City is not required to advance any moneys derived from any source of income other than the Revenues, the Revenue Fund and the Rate Stabilization Fund for the payment of amounts due under the Installment Purchase Agreement or for the performance of any agreements or covenants that are required to be performed by it contained therein. The City may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the City for such purpose.

THE OBLIGATION OF THE CITY TO MAKE SERIES 2024 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE CITY TO MAKE THE SERIES 2024 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE CITY PAYABLE SOLELY FROM NET REVENUES OF THE CITY'S WATER SYSTEM AND DOES NOT CONSTITUTE A DEBT OF THE CITY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Rate Covenant

The City will, to the fullest extent permitted by law, fix and prescribe, at the commencement of each fiscal year of the City ending June 30 (each, a "Fiscal Year"), rates and charges for the Water Service which are reasonably expected, at the commencement of each Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 120% of the Debt Service in such Fiscal Year. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but will not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the foregoing requirements.

So long as the City has complied with its obligations set forth in the prior paragraph, the failure of Net Revenues to meet the thresholds set forth in the prior paragraph will not constitute a default or an Event of Default under the Installment Purchase Agreement or the Indenture.

Reserve Fund

A Reserve Fund for the Bonds is established pursuant to the Indenture in an amount equal to the Reserve Requirement of $_____. The Authority has applied for a debt service reserve fund surety bond to satisfy all or a portion of the Reserve Requirement. No assurance can be given as to whether the Authority will purchase such debt service reserve fund surety bond. See "INTRODUCTION" herein.

See Appendix B — "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT PURCHASE AGREEMENT AND THE INDENTURE" under the caption "REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST—Reserve Fund" for further information with respect to the Reserve Fund.

Rate Stabilization Fund

There has been established with the City a fund to be known as the "Rate Stabilization Fund." The City has agreed and covenanted in the Installment Purchase Agreement to maintain, so long as any Bonds remain outstanding, the Rate Stabilization Fund. There will be $0 on deposit in the Rate Stabilization Fund as of the date of the initial issuance of the Bonds. The City may deposit amounts into the Rate Stabilization Fund from time to time in its sole discretion.

Amounts in the Rate Stabilization Fund will be disbursed, allocated and applied by the City solely to the uses and purposes described in the Installment Purchase Agreement, and will be accounted for separately and apart from all other accounts, funds, money or other resources of the City.

The Rate Stabilization Fund and all amounts on deposit therein have been irrevocably pledged to the payment of the Bonds and Parity Bonds and Contracts as provided in the Installment Purchase Agreement; provided that amounts on deposit in the Rate Stabilization Fund may be apportioned for such purposes as are expressly permitted therein. The foregoing pledge constitutes a first lien on amounts on deposit in the Rate Stabilization Fund for the payment of Contracts and Bonds in accordance with the terms of the Installment Purchase Agreement.

The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund from time to time and transfer such amounts to the Revenue Fund for application in accordance with the Installment Purchase Agreement. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to the Installment Purchase Agreement during or within 270 days after the end of a Fiscal Year may be taken into account as Revenues for purposes of the calculations under the additional debt test or the rate covenant in such Fiscal Year to the extent provided in the definition of "Revenues." See the captions "—Rate Covenant" and "—Additional Parity Bonds and Contracts."

Additional Parity Bonds and Contracts

The City may at any time issue or execute, as applicable, any Parity Bonds or Contracts, as the case may be, in accordance herewith; provided that:

(a) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Parity Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, produce a sum equal to at least 120% of the Debt Service for such Fiscal Year or consecutive 12 month period; and

(b) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution

authorizing the issuance of such Parity Bonds or the date of the execution of such Contract, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year or consecutive 12 month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, produce a sum equal to at least 120% of: (i) the Debt Service for such Fiscal Year or consecutive 12 month period; plus (ii) the Debt Service which would have accrued on any then-outstanding Parity Bonds which were issued or any then-outstanding Contracts which were executed since the end of such audited Fiscal Year or consecutive 12 month period, assuming that such Parity Bonds or Contracts had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period; plus (iii) the Debt Service which would have accrued on the proposed additional Parity Bonds or the proposed additional Contract, assuming that such proposed additional Parity Bonds or proposed additional Contract had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period.

Notwithstanding the foregoing, Parity Bonds issued or Contracts executed to refund outstanding Parity Bonds or to prepay outstanding Contracts may be delivered without satisfying the conditions set forth above if total Debt Service after such Parity Bonds are issued or Contracts executed is not greater than the total Debt Service which would have been payable prior to the issuance of such Parity Bonds or execution of such Contracts.

[BOND INSURANCE]

The information under this caption has been prepared by the Insurer for inclusion in this Official Statement. None of the Authority, the City or the Underwriter has reviewed this information, nor do the Authority, the City or the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not a complete summary of the terms of the Policy (as such term is defined below) and reference is made to Appendix F for a specimen of the Policy.

[TO COME FROM BOND INSURER]

THE CITY

General

The City was incorporated in 1916 and operates as a general law city. The City operates under a council-manager form of municipal government and is governed by a five-member City Council. The City is a full-service City, offering its residents a wide range of municipal services, including public safety, highways and streets, sanitation, water and sewer services, development and public infrastructure improvements, culture and leisure programming, and general government functions. The City encompasses approximately 7.73 square miles in the San Gabriel Valley in the County of Los Angeles (the "County"), about 8 miles east of downtown Los Angeles. The City is bounded by the City of Los Angeles to the west, the City of Alhambra to the north, the City of San Gabriel to the east and the City of Montebello to the South.

The City supplies potable water to approximately 11,066 single family residential customers, 1,530 multi-family residential customers, 798 commercial and industrial customers and 213 other customers. The Water System serves approximately 95% of the residents and businesses within the City, with private water companies serving the remaining portion.

The City's main source of water is groundwater pumped from the Main San Gabriel Valley Basin (the "Main Basin"), which is a sub-basin of the San Gabriel Valley Basin. The City also purchases supplemental groundwater from the San Gabriel Valley Water Company ("SGVWC"). See the caption "THE WATER SYSTEM—Water Supply."

The Water System includes 12 groundwater wells in the Main Basin (of which eight are currently active, three are standby wells and one is inactive), approximately 136.6 miles of transmission and distribution pipe ranging in size from 2-inches to 36-inches in diameter, five primary pressure zones, eight closed sub-zones, 11 active service zone storage reservoirs (with a total storage capacity of approximately 15.8 million gallons), two settling tanks, 11 booster pump stations, 20 pressure reducing stations, one imported water supply connection with SGVWC and four emergency interconnections.

Land Use and Service Area

The Water System's service area is approximately seven square miles, and is primarily a residential community, with 78% of its land zoned for single and multiple family housing. The remaining portion of the City is made up of commercial, employment/technology, mixed uses, open space and public facilities. As of January 1, 2023, the estimated population of the City was approximately 59,288. Because the City is essentially at full build out, it is not expected that the City's population will increase significantly in the future.

The Water System provides retail water service to 95% of the City's residents and businesses within the City, with private water companies serving the remaining portion of the City. The Water System's service area generally coincides with the City's boundaries with four exceptions: (1) Mark Keppel High School, located north of Hellman Avenue and west of New Avenue, is outside the City limits but is served by the Water System; (2) in the northwest portion of the City, the area south of the Sheriff's Academy and west of Long Beach Freeway is served by California Water Services Company; (3) in the southwest portion of the City, the East Los Angeles Community College and adjacent areas generally south of Floral Drive and west of Gerhart Avenue are served by California Water Services Company; and (4) in the east portion of the City, the area east of Alisar Avenue and north of Portrero Grande Drive is served by SGVWC.

Principal employers in the City comprise a diverse group of industries, including healthcare centers and big-box retailers. As of June 30, 2023 the largest principal employers in the City included Garfield Medical Center, Southern California Gas Company, Costco, Monterey Park Hospital and Home Depot. Additionally, the City recently completed Phase I of The Market Place, the largest development in the City's history which includes nationally and locally recognized tenants such as Home Depot, In-N-Out, Chick-Fil-A and Starbucks. Two additional phases could allow for up to 140,000 square feet of commercial development. In April of 2021, a new 288 room Courtyard by Marriott hotel opened along the 10 freeway (the San Bernardino Freeway). Additionally, a new Holiday Inn and Suites development is underway in the City. The Holiday Inn and Suites will be a mixed-use development including hotel rooms, and 85 condominium units, and retail uses. The condominium units were completed in 2023 and are being sold to individual homebuyers. The hotel and retail developments are anticipated to be completed in Fiscal Year 2024-25.

The topography varies throughout the City. The northeast portion of the City is generally flat. There are four separate hilly areas separated by valleys that provide for the major thoroughfares such as Atlantic Boulevard, Monterey Pass Road, and the Long Beach Freeway. The highest elevation in the City is approximately 702 feet, located at the easterly end of Sombrero Drive (site of Sombrero Reservoir and Pump Station). The lowest elevation is about 260 feet at the southern border of the City along Pomona Boulevard.

Governance and Management

The City operates under a council-manager form of government. Council Members are elected by districts for four-year, overlapping terms of office. The Mayor, who is selected during each Council reorganization every nine and half months, presides over all Council meetings and is the ceremonial head of the City for all official functions. The current members of the City Council and the expiration dates of their respective terms are as follows:

CITY OF MONTEREY PARK
City Council

Name	*District*	*Term Expires*
Thomas Wong, *Mayor*	1	2026
Vinh T. Ngo, *Mayor Pro-Tem*	5	2026
Yvonne Yiu	2	2024
Henry Lo	4	2024
Jose Sanchez	3	2024

Source: City of Monterey Park.

The City Council appoints the City Manager who heads the executive branch of the government, implements City Council directives and policies and manages the administrative and operational functions through the various departmental heads, who are appointed by the City Manager.

Day-to-day management of the City is delegated to the City Manager, Inez Alvarez. Prior to being appointed to the position of City Manager by the City Council in November of 2023, Ms. Alvarez served as the Assistant City Manager of the City of Monterey Park and, prior to that, as the City's Director of Recreation and Community Services.

Amy Lee serves as the City's Treasurer. Ms. Lee was first elected as the City's Treasurer in 2022. Ms. Lee is also an attorney with over 20 years of experience. Ms. Lee received her law degree from Loyola Law School and is currently licensed to practice law in the State of California and is an active member of the California State Bar. Ms. Lee's law practice is based Monterey Park.

Martha Garcia serves as the City's Director of Finance. Ms. Garcia has over 34 years of experience in governmental accounting. For the first 26 years, Ms. Garcia worked for Kern County where she served the last four years as the Lead Accountant over the Human Services Department's Internal Audit Division. In February of 2016, Ms. Garcia was hired by the City of Tracy as its new Finance Division Manager, where she oversaw the day-to-day functions of the division. Ms. Garcia was hired as Director of Finance for the City of Monterey Park in February of 2020.

Shawn Igoe serves as the City's Director of Public Works. Mr. Igoe has been the City's Public Works Director since 2022 and provides oversight to the various Divisions within the Department, including Water, Engineering, Parks, Streets, Sewer and Fleet. Mr. Igoe previously worked for the cities of La Verne, Manhattan Beach and Monrovia. Over his 22-year career Mr. Igoe has held various positions such as Water Supervisor, Utilities Manager and Maintenance Manager. Mr. Igoe currently holds his State Water Resources Control Board, Water Distribution Grade D4 certification and Water Treatment Grade T3 certification.

Karl H. Berger is a partner with the law firm of Burke, Williams & Sorensen, LLP and serves as the City Attorney. Mr. Berger has served as the City Attorney since August 19, 2020. Mr. Berger has practiced law since 1995 and specializes in the field of public law, including conflicts of interest, open meeting laws, public works contracts, redevelopment and successor agencies, personnel matters, all aspects of land use and planning laws and CEQA.

Financial Policies

General. The City has adopted a comprehensive set of financial policies to serve as a guideline for financial matters as further described below.

General Management and Budget Policies. The City is required to adopt a balanced budget for its General Fund prior to the beginning of the Fiscal Year. A balanced budget means current revenues are equal to

current expenditures. The City's long-term financial plan takes into account its capital improvement plan and financial forecast as part of its expenditure projections, revenue estimates and future debt position. The City is required to avoid budgetary procedures that finance current expenditures at the expense of meeting future obligations (e.g., postponing expenditures, accruing future year revenues or rolling over short-term debt).

Revenue Policy. The City has adopted a revenue policy under which it endeavors to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations on revenue accumulation. Under the policy the City estimates revenue using objective, analytical processes and conservative projections are utilized in cases of assumption uncertainty. The estimated growth rates used to project revenues are based on analysis as adjusted for the City's experience and outlook as well as State economic conditions. The City funds all current expenditures from current revenues and avoids procedures that balance current budgets by postponing needed expenditures, accruing future revenues or rolling over short-term debt. The City identifies basic tax-provided services and establishes user fees and charges for services provided in excess of basic services and/or to non-taxpaying users.

Fund Balance Policy. The City's fund balance classification includes five components: nonspendable, restricted, committed, assigned, and unassigned. The City has adopted a fund balance policy (the "Fund Balance Policy") under which the unrestricted General Fund balance, including committed, assigned and unassigned must be maintained at a minimum level of two months of the General Fund regular revenues or operating expenditures. The City's maximum unrestricted fund balance may not exceed 50% of General Fund operating expenditures. The General Fund committed fund balance includes amounts for Potential Catastrophic Events and Economic Stabilization and the funding of the committed fund balance account is reviewed each year during the City's midyear fiscal review. The assigned fund balance for future capital projects captures accumulated, nonrecurring or unanticipated revenues or expenditures savings and is carried forward from year to year to provide resources for the City Council to fund future infrastructure and other onetime expenditure needs of the City. Under the Fund Balance Policy the City maintains an adequate reserve to fund annual paid and committed claims in the General Liability Fund and Workers' Compensation Fund, scheduled vehicle maintenance and replacement in the Auto Shop Fund, accrued leave liability in the Separation Benefit Fund and technology and telephone replace in the Technology/Data Processing Fund. The City targets a balance in the Enterprise Fund for working capital at a minimum of two months' annual operating expenses.

Debt Management Policy. The City has adopted a debt management policy (the "Debt Management Policy") in compliance with California Government Code Section 8855. The Debt Management Policy establishes guidelines and parameters for the effective governance, management and administration of debt and other financing obligation issued by the City and related entities with the goal of protecting and enhancing the viability of the General Fund and other associated operating funds to enable the City to continue to deliver top services to City residents. The Debt Management Policy is intended to improve the quality of decisions, assist with the determination of the structure of debt issuance, identify policy goals and demonstrate a commitment to long-term financial planning, including a multi-year capital plan. Under the Debt Management Policy, the City uses debt financing only for capital improvements or projects that cannot be financed from current revenues and the project's useful life or the estimated service life of the equipment must be equal or exceed the term of financing. Debt financing is not considered appropriate for any recurring purpose such as current operating and normal maintenance expenditures.

Pension Funding Policy. The City issued pension obligation bonds in 2021 for the purpose of paying the City's then existing unfunded actuarial liability to CalPERS; however, it is possible that the City may incur additional pension liabilities in subsequent years. The City has implemented a pension funding policy (the "Pension Funding Policy") which addresses future unfunded pension liabilities. The Pension Funding Policy establishes guidelines directing the City Council to contribute more than the required annual payment to CalPERS to reduce the accrual of interest, set up a timeline to payoff any new liabilities within a certain number of years and refinance the liability at a lower interest rate. For more information regarding the City's CalPERS plans, see the caption "WATER SYSTEM FINANCIAL INFORMATION—Employees' Retirement Plan—CalPERS."

Capital Improvement Program Policy. The City has adopted a capital improvement program policy (the "Capital Improvement Program Policy") under which the City utilizes a five-year capital improvement program to systematically plan, schedule and finance capital projects as determined by the City Council. The five-year program includes major ongoing maintenance and rehabilitation costs to existing infrastructure and facilities, as well as the cost of new facilities or capital improvements. The City's capital improvement plan identifies each proposed project, the year the project will start and the proposed method of financing. The City will actively pursue grant and other outside funding for all capital improvement projects. The City maintains all of its assets at a level adequate to protect the City's capital infrastructure and to minimize future maintenance and replacement costs. Whenever the City finances capital projects through the issuance of bonds, it must repay the bonds within a period not to exceed the expected useful life of the project. The City confines long-term borrowing to capital improvements or projects that cannot be financed from current revenues. For more information regarding future improvements to the Water System, see the caption "THE WATER SYSTEM—Future Water System Improvements."

The City also adheres to the following additional financial policies: Policy for Disclosures Procedures, Investment Policy and OPEB Policy. The City is developing a climate risk/sustainability policy for future approval by the City Council.

Employees

As of June 30, 2023, the City had approximately 292 full-time equivalent employees, of which 6 worked exclusively for the Water System, 26 worked in the Public Works Department with responsibility for the Water System and other public works functions and 260 worked in general government services, including finance.

Confidential employees are represented by the Confidential Employees Association (the "CEA"). General miscellaneous employees, including those employees working exclusively for the Water System, are represented by the Monterey Park Service Employees' International Union (the "SEIU") Local 721. Managers, including managers in the Water Department, are represented by the Mid-Managers Association (the "MMA"). The City's labor agreements with CEA, SEIU, and MMA expire on June 30, 2025. The City has never experienced a strike, slowdown or work stoppage.

Budget Process

The City's budget preparations follow a three-phase approach that begins each year with the preparation of the midyear budget review report, which includes a comprehensive long-term financial plan and establishes preparatory guidelines for the budget. The Fiscal Year of the City begins on the first day of July of each year and ends on the 30th day of June of the following year (each a "Fiscal Year"). The City Manager presents the proposed budget to the City Council for review prior to the beginning of each Fiscal Year and the City Council holds public hearings to review and approve the proposed budget. The final adopted budget, reflecting the City Council's directions, is approved no later than June 30 of each year. The budgeting process generally spans an approximately four-month timeframe beginning in mid-February of each year.

Legal budgetary control for operating budgets is exercised at the department and fund level. The City is required to adopt a balanced budget for its General Fund at the beginning of the Fiscal Year. Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for all funds.

The City Manager is responsible for preparing and submitting to the City Council the annual budget for the operations of the City for each Fiscal Year. The annual budget adopted by the City Council serves as a guideline for operations of the City. From the effective date of the budget, the date of formal adoption by the City Council, expenditure amounts as proposed are appropriated to departments and offices for the respective expenditure objects and purposes named or described. Budget expenditures are controlled at the fund and the department level. The City Manager is authorized to transfer appropriations between the accounts of any

department within individual funds. Council approval is required only for transfers between funds, or an increase in total appropriations.

The City Manager presents a midyear fiscal (budget) review (the "Midyear Review") which provides a written analysis of the City's financial health. The Midyear Review is an update for significant events and charges occurring since the last update in the previous year. As part of the Midyear Review, all of the key assumptions underlying the current budget are reviewed and revised as necessary. Appropriated amounts are as originally adopted or as adjusted by the City Council throughout the year.

The budget is formally integrated into the accounting system and employed as a management control device during the year for all governmental funds. At Fiscal Year-end, unexpended and unencumbered budget appropriations lapse. Encumbrances outstanding at Fiscal Year-end are carried into the following Fiscal Year for continuing appropriation.

Under Article XIIIB of the California Constitution, the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the Fiscal Year ended June 30, 2023, based on calculations by the City, proceeds of taxes did not exceed the appropriations limit.

The City Council adopted the budget for Fiscal Year 2023-24 on June 21, 2023.

City Insurance

The City is exposed to various risks of losses related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters. The City is partially self-insured for workers' compensation, general liability, and automobile liability. The City is fully self-insured for unemployment insurance claims (reimbursable account with Employment Development Department). The Workers' Compensation Internal Service Fund and the General Liability Internal Service Fund were established to account for the collection of premiums from various City departments related to the City's insurance and self-insurance programs.

The City retains the risk for the first $500,000 of each Workers' Compensation claim and is a member of PRISM, for coverage up to $5,000,000 per occurrence. The City has also purchased excess workers' compensation insurance up to statutory limits. The City retains the risk for the first $1,000,000 of each General Liability and Automobile Liability claim and claims that exceed the City's self-insurance limit are insured through PRISM for coverage up to $25 million per occurrence. The City also purchases insurance through PRISM for other risks of loss, including property loss, emergency vehicle physical damage, cyber, and special events. The City's property insurance currently includes flood and earthquake coverage (although such coverage is not required to be maintained by the Installment Purchase Agreement) and covers certain facilities in the Water System, but not, for example, underground pipelines.

PRISM is comprised of around 300 public entities through out the State of California. The comprehensive general liability insurance includes monetary damages for personal liability, property damage, and public officials' errors and omissions. PRISM excess insurance premiums are based on losses incurred by the insured, the risk pool entities, and current market for general liability coverages.

There have been no significant changes in insurance coverage as compared to Fiscal Year 2022-23 and the City has not paid out any settlement in excess of the applicable insurance coverage during the past three Fiscal Years. Estimates for liabilities have been accrued in the Workers' Compensation and General Liability Internal Service Funds. These funds also include an estimate for incurred but not reported claims.

At June 30, 2023 total estimated claims payable were as follows.

General Liability	$ 9,386,265
Workers' Compensation	14,509,962
Total	**$ 23,896,227**

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

No assurance can be given as to the adequacy of the insurance maintained now or in the future by the City to fund necessary repairs or replacement of any portion of the Water System, and the City does not have any obligation under the Installment Purchase Agreement to maintain earthquake coverage or other coverage in the current coverage amounts. Significant damage to the Water System could affect the City's ability to generate sufficient Net Revenues to pay the Bonds. See the caption "RISK FACTORS—Natural Disasters."

The City has not settled any claims that exceeded its insurance coverage in the past three years.

See Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—COVENANTS OF THE CITY—Insurance" for a description of insurance coverages that are required to be maintained while the Bonds are outstanding.

Outstanding Parity Obligations

The City has no outstanding obligations that are payable from Net Revenues of the Water System on a senior or parity basis to the Series 2024 Installment Payments.

Effective January 1, 2001, the City entered into an Enterprise Fund Installment Sale Agreement with the California Infrastructure and Economic Development Bank (the "2001 Installment Sale Agreement") pursuant to which the City was obligated to make payments from Net Revenues. The outstanding balance of the 2001 Installment Sale Agreement of $668,075.54 plus accrued interest was paid in full on March 12, 2024.

Outstanding Subordinate Obligations

On September 23, 2014, the City entered into that certain Master Lease Purchase Agreement dated September 23, 2014, by and between the City, as lessee, and Siemens Public Inc., as lessor (the "Siemens Lease"), the proceeds of which were used to finance various energy efficiency improvements and upgrades, including replacement water meters. The City pays approximately 85% of the Siemens Lease payments from Net Revenues; however the City's obligation to make payments on the Siemens Lease is not secured by a pledge of such Net Revenues. The City's obligation under the Siemens Lease matures in June 2030.

Effective March 1, 2021, the City entered into a Loan Agreement (the "2021 Loan Agreement") with San Gabriel Valley Municipal Water District pursuant to which the City is obligated to make annual payments of $400,000 through 2030 from Revenues. The 2021 Loan Agreement does not bear interest so long as the City makes all required payments when due. The City's obligation to make payments under the 2021 Loan Agreement is an unsecured obligation of the City payable from Revenues on a subordinate basis to the Series 2024 Installment Payments.

The City is permitted to incur additional obligations that are payable from Net Revenues on a parity with the Series 2024 Installment Payments in the future upon satisfaction of the conditions that are described under the caption "SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts." Any Parity Contract entered into by the City must comply with the additional bonds test set forth in the Installment Purchase Agreement and described under the caption "SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts." The City does not currently expect to issue or incur any Parity Bonds or Contracts in the next five years. See the caption "THE WATER SYSTEM—Future Water System Improvements."

Audited Financial Statements

A copy of the most recent audited financial statements of the City prepared by The Pun Group LLP, Santa Ana, California (the "Auditor") is set forth in Appendix A. The Auditor's letter dated February 15, 2024 is located at the beginning of the Financial Section therein. The Auditor has not undertaken to update the audited financial statements of the City or its report, or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to its report dated December 30, 2023. See Appendix A — "CITY OF MONTEREY PARK COMPREHENSIVE AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2023."

The summary operating results that are contained under the caption "WATER SYSTEM FINANCIAL INFORMATION—Historical Operating Results and Debt Service Coverage" are derived from these financial statements and audited financial statements for prior Fiscal Years (excluding certain non-cash items and after certain other adjustments), and are qualified in their entirety by reference to such statements, including the notes thereto.

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles ("GAAP") and the standards established by the Governmental Accounting Standards Board (the "GASB"). A complete set of financial statements is prepared annually for the City Council and City staff in a Annual Comprehensive Financial Report for the City.

The government-wide financial statements are designed to provide information of the City's financial activities in a manner similar to a private-sector company. Government-wide financial statements consist of the statement of net position and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements provide both short-term and long-term information about the City's financial position, which is helpful in assessing the City's economic condition at the end of the fiscal year.

The statement of net position presents all of the City's financial resources along with its capital assets and long-term obligations. The difference between the assets and the liabilities is reported as the net position.

The statement of activities reports the gross and net costs of various activities carried out by the City and how the City's net position changed during the fiscal year. This statement summarizes the cost of providing services by the City and includes all current year revenues and expenses.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e. governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e. business-type activities). The governmental activities of the City include general government, public safety, community development, culture and recreation, highways and streets, health, and debt service. The business-type activities reflect the City's Water System operations, waste management activities, and sanitary sewer activities.

The government-wide financial statements include not only the City but also those legally separate entities for which the City is financially accountable. These entities include the Monterey Park Housing Authority and the Monterey Park Financing Authority. Financial information for these component units is reported as an integral part of the City.

The City accounts for the Water System in the Water Utility Enterprise Fund. The City's Water Utility Enterprise Fund is a proprietary fund used to account for operations that are financed and operated in a manner similar to private business enterprises and where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. Proprietary funds distinguish operating revenues and expenses from

nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility Enterprise Fund, Refuse Enterprise Fund, Sewer Enterprise Fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Single Audit Report

As a recipient of federal funds, the City is required to undergo an audit in accordance with the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133. In its Single Audit of Federally Assisted Grant Programs for Fiscal Year 2022-23 prepared by the Auditor and attached hereto as Appendix F (the "Single Audit Report"), the Auditor found certain deficiencies in internal control over compliance that the Auditor considered to be "significant deficiencies," as defined in the Auditor's letter dated March 28, 2024, which accompanies the Single Audit Report.

The Single Audit Report notes that, during the Fiscal Year 2022-23 audit, the Auditor noted the certain conditions that in resulted adjustments to the financial statements, including prior period adjustments (1) to correct the understated deferred outflow of pension amount at July 1, 2022 (Approximately $1.3 million), (2) to correct the beginning unavailable revenue and fund balance at July 1, 2022 of the Housing Special Revenue Fund (Approximately $1.19 million), (3) to reallocate the beginning balance of the pension related balances between government activities and business-type activities (Approximately $827,000), (4) to reallocated the beginning balance of the other postemployment benefits related balances between government activities and business-type activities (Approximately $1.2 million), and (5) to correct the allocation of interest payable on pension obligation bonds into internal service funds based on the bonds' allocation. In response to this finding, the City plans to implement a monthly reporting cycle which will include review of internal control over financial reporting on a monthly basis. If and when errors are detected, journal entries will be prepared monthly to correct the financial reports. The City also plans to implement ongoing training for finance department staff.

The Los Angeles County Safe, Clean Water Program Implementation Ordinance and the Transfer Agreement between the City and the Los Angeles County Flood Control District relating to the Safe, Clean Water Program requires the City to prepare an annual expenditure plan and annual report. The Auditor noted two instances in which the City's submission was late – the Annual Spending Plan for Fiscal Year 2022-23 was submitted six days late on April 7, 2022, and the Annual Progress/Expenditure Report for Fiscal Year 2022-23 was submitted approximately six weeks late on February 14, 2024. The Auditor noted that, without timely submitting the required annual spending plan and the annual reports, the City is not in compliance with the Safe Clean Water Program requirements and could potentially lose the funding.

The City is required to comply with a System for Award Management ("SAM") in making subawards of federal funds. The Single Audit Report notes that for two out of five samples selected for testing, the City did not have documentation verifying the vendors against the SAM prior to entering into contracts with the vendors to ensure that they were not suspended or debarred from federally funded purchases. If the City does not verify whether vendors are suspended or debarred from working on federally funded projects, the City could contract with vendors that are prohibited from working on federally funded projects and potentially lose funding.

The Single Audit Report has been included herein in reliance upon the report of the Auditor. The Auditor has not undertaken to update the Single Audit Report, or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to its report dated as of March 28, 2024, except for the Schedule of Expenditures of Federal Awards, which is dated as of February 15, 2024. See Appendix F — "CITY SINGLE AUDIT REPORT FOR THE YEAR ENDED JUNE 30, 2023".

THE WATER SYSTEM

General

The City supplies potable water to approximately 11,066 single family residential customers, 1,530 multi-family residential customers, 798 commercial and industrial customers and 213 other customers. See the caption "THE CITY—Land Use and Service Area."

The City's main source of water is groundwater pumped from the Main San Gabriel Valley Basin (the "Main Basin"), which is a sub-basin of the San Gabriel Valley Basin. The City also purchases supplemental groundwater from the San Gabriel Valley Water Company ("SGVWC"). See the caption "THE WATER SYSTEM—Water Supply."

The Water System includes 12 groundwater wells in the Main Basin (of which eight are currently active, three are standby wells and one is inactive), approximately 136.6 miles of transmission and distribution pipe ranging in size from 2-inches to 36-inches in diameter, five primary pressure zones, eight closed sub-zones, 11 active service zone storage reservoirs (with a total storage capacity of approximately 15.8 million gallons), two settling tanks, 11 booster pump stations, 20 pressure reducing stations, one imported water supply connection with SGVWC and four emergency interconnections.

Water Supply

The City's sources of water are groundwater pumped from the Main Basin through the City's eight active groundwater wells and local groundwater purchased from SGVWC. See the captions "—Historical Water System Supply" and "—Projected Water System Supply" for historical and projected information with respect to the City's sources of water supply.

Groundwater. The City's main source of water for the Water System is groundwater pumped from the Main Basin, which is a sub-basin of the San Gabriel Valley Basin pursuant to California Department of Water Resources ("DWR") Bulletin 118, Basin Number 4-013. Pursuant to the Sustainable Groundwater Management Act of 2014 ("SGMA"), the Main Basin was named as an adjudicated groundwater basin and is exempt from the requirements of developing a Groundwater Sustainability Plan and subsequently was designated a very-low-priority basin in DWR's 2019 SGMA Basin Prioritization report. In compliance with SGMA, the Main Basin Watermaster (as defined below) submits its Annual Report to DWR.

The Main Basin lies in the heart of the San Gabriel Valley and has an estimated total fresh water storage capacity of approximately 9.5 million acre-feet. The Main Basin is replenished by stream runoff from the adjacent mountains and hills, by rainfall directly on the surface, subsurface inflow from Raymond Basin and Puente Basin, return flow from water applied for overlying uses, and imported water replenishment. The Main Basin is bounded by the San Gabriel Mountains to the north, the San Rafael and Merced Hills on the west, the Puente Hills and the San Jose Hills on the south, and a low divide between the San Gabriel River system and the Upper Santa Ana River system on the east. Only the northerly portion of the City overlies the Main Basin and, therefore, all of the City's wells are located in the adjacent City of Rosemead directly overlying the Main Basin.

In the 1940s, the San Gabriel Valley experienced rapid urbanization and an increase in population that led to increased demand for water. By the 1950s, the Main Basin was put into a state of overdraft due to the increase in water consumption and periods of drought. The water production from the Main Basin exceeded the amount that was replaced. Downstream parties became especially concerned and legal action was initiated on their behalf, resulting in a court decision requiring the water uses in the area upstream of Whittier Narrows (the "Upper Area") to guarantee a source of water to water users of the area downstream of Whittier Narrows (the "Lower Area"). Whittier Narrows is a low gap between the Merced and Puente Hills, just northwest of the City of Whittier, through which the San Gabriel River and the Rio Hondo flow to the coastal plain of Los Angeles County.

Initially, the Upper San Gabriel Valley Municipal Water District was responsible for the Upper Area's obligations to the Lower Area. However, due to the fact that the Upper San Gabriel Valley Municipal Water District boundaries did not encompass the entire Main Basin, a complaint was filed that would adjudicate water rights in the Main Basin and bring all producers under control of one governing body. This led to the Main Basin Judgment in 1973.

The Long Beach Judgment, entered in September of 1965, divides the supply of the San Gabriel River system at Whittier Narrows, between San Gabriel Valley upstream and the coastal plain of Los Angeles County downstream. Under the Long Beach Judgment, the Lower Area is to receive a quantity of usable water annually from the San Gabriel River system comprised of usable surface flow, subsurface flow at Whittier Narrows and water exported to the Lower Area. A provision is made for the supply of make-up water by the Upper Area for years in which the guaranteed entitlement is not received by the Lower Area. The entitlement of the Lower Area varies annually, depending on the 10-year average annual rainfall in San Gabriel Valley for the 10 years ending in the entitlement year. The San Gabriel River Watermaster, a separate watermaster from the Main Basin Watermaster, assures compliance with the Long Beach Judgment.

Under the Main Basin Judgment, entered in January of 1973, all rights to the diversion of surface water and production of groundwater within the Main Basin and its relevant watershed were adjudicated. The judgment provides administration of the provisions of the judgment by the Main San Gabriel Basin Watermaster (the "Main Basin Watermaster"). The Main Basin Watermaster is a nine-member board which administers the water rights and manages the water quality and supply of the Main Basin. The Main Basin Watermaster operates under a formal set of rules and regulations that define the procedures by which the Main Basin is operated and managed. Water producers must obtain Main Basin Watermaster approval for constructing or modifying a well, constructing a groundwater treatment plant, increasing groundwater extraction, spreading water in the basin, and spreading and storing supplemental water under a cyclic storage agreement.

The Main Basin Judgment does not restrict the quantity of water which parties may extract from the Main Basin. Rather, the Main Basin Judgment provides a means for replacing all annual extractions in excess of a producer's annual right to extract water with supplemental imported water. Each year the Main Basin Watermaster reviews water supply conditions including local rainfall, groundwater levels, local stormwater runoff available for replenishment, imported water availability and the amount of imported water stored in the Main Basin for future demands and establishes an "Operating Safe Yield." The Operating Safe Yield is the amount of groundwater that can safely be extracted for the succeeding fiscal year before more expensive imported water would need to be purchased to replenish the Main Basin for all production in excess of the water rights. Regardless of the Operating Safe Yield adopted there is never a restriction on the amount of water which may be pumped from the Main Basin, only the cost of producing the groundwater is impacted. The Main Basin Watermaster is not restricted as to when or how much untreated imported water be delivered to the Main Basin, only that it ultimately be delivered. In addition, the City has established an untreated imported water (cyclic) storage account in the Main Basin which the City may draw upon to offset its potential future production in excess of its water rights. In doing so, the City reduces its need to purchase untreated imported water in the future in the midst of a drought when imported water supplies may be limited.

Each water producer, including the City, is allocated its portion of the Operating Safe Yield. If a water producer extracts more than its allocated portion, it must pay a Replacement Water Assessment that is sufficient to purchase one acre-foot of supplemental water to be spread in the basin for each acre-foot of excess production. The City has prescriptive right to 3.39216 percent of the Operating Safe Yield. Over the last ten fiscal years, the average Operating Safe Yield has been an average of 150,000 acre-feet per year and therefore the City's average entitlement share over such period has been approximately 5,088.24 acre-feet per year.

The City is a sub-agency of San Gabriel Valley Municipal Water District ("San Gabriel District"), which is a wholesale water agency with responsibility for delivering supplemental water to the Main Basin on behalf of the City and the cities of Alhambra, Azusa and Sierra Madre. San Gabriel District has a contract with the State of California Department of Water Resources for the purchase of water from the State Water Project, which

water San Gabriel District delivers directly to the spreading grounds in the Main Basin. When necessary to replenish the Main Basin, the Main Basin Watermaster purchases water from San Gabriel District for replenishment of the Main Basin.

See the captions "—Historical Water System Supply" and "—Projected Water System Supply" for more information with respect to the Water System's historical and projected water supply from local groundwater in the Main Basin.

Purchased Local Groundwater. The City can purchase local groundwater from SGVWC. The City has a 10-inch connection with SGVWC, with a capacity of approximately 4,000 gallons per minute (gpm). The City purchases local groundwater from SGVWC as a supplemental water supply source during periods when the City's own water system is down due to maintenance or emergency repair. Over the past five years, the City's annual water purchases from SGVWC have ranged from 10 acre-feet to 2000 acre-feet, as shown in Table 1. The City generally purchases water from SGVWC when several of the City's wells cannot operate either due to water contamination or maintenance. See the caption "THE WATER SYSTEM—Water Quality and Treatment—*City Water Treatment Facilities*" for a discussion of imported water purchases in Fiscal Years 2022-23 and 2023-24 during the design, construction and testing of the CGTS facility.

See the captions "—Historical Water System Supply" and "—Projected Water System Supply" for more information with respect to the Water System's historical and projected water supply from local groundwater purchased from SGVWC.

Emergency Connections. The City also has four interconnections with the City of Montebello, the Golden State Water Company, Metropolitan Water District of Southern California and the California Water Service Company for emergency purposes only. The City has not used such interconnections in the past.

Water Quality and Treatment

General. During the late 1970s and early 1980s significant groundwater contamination was discovered in the San Gabriel Valley Basin. The contamination was caused in part by past practices of local industries that had carelessly disposed of industrial solvents referred to as Volatile Organic Compounds ("VOCs") as well as by agricultural operations that infiltrated nitrates into the groundwater. Further investigation revealed widespread VOC contamination significantly impacting the basin. This discovery led the United States Environmental Protection Agency (the "EPA") to place four portions of the San Gabriel Valley Basin, including the portion designated as the South El Monte Operable Unit (where all of the City's groundwater wells are located), on the National Priorities List under authority of Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), also known as the Superfund program. CERCLA requires parties responsible for pollution to comply with the process of carrying out federal cleanup orders. Cleanup efforts were undertaken at the local, state, and federal level. See the caption "—*EPA Settlement*" below.

Local water agencies adopted a joint resolution in 1989 regarding water quality issues that stated Main Basin Watermaster should coordinate local activities aimed at preserving and restoring the quality of groundwater in the Main Basin. The joint resolution also called for a cleanup plan. In 1991, the Court granted Main Basin Watermaster the authority to control pumping for water quality purposes. Accordingly, Main Basin Watermaster added Section 28 to its Rules and Regulations regarding water quality management. The new responsibilities included development of a Five-Year Water Quality and Supply Plan, updating it annually, submitting it to the California Regional Water Quality Control Board, Los Angeles Region, and making it available for public review by November 1 of each year.

The Main Basin Watermaster prepares and annually updates the Five-Year Water Quality and Supply Plan in accordance with the requirements of the Section 28 Rules and Regulations. The objective is to coordinate groundwater-related activities so that both water supply and water quality in the Main Basin are protected and improved. Many important issues are detailed in the Five-Year Plan, including how Main Basin Watermaster

plans to: monitor groundwater supply and quality; develop projections of future groundwater supply and quality; ensure adequate supplemental water is available for groundwater replenishment; review and cooperate on cleanup projects, and provide technical assistance to other agencies; assure that pumping does not lead to further degradation of water quality in the Main Basin; address Perchlorate, N-nitrosodimethylamine ("NDMA"), and other emerging contaminants in the Main Basin; develop a cleanup and water supply program consistent with the EPA's plans for its San Gabriel Valley Basin Superfund sites; and coordinate and manage the design, permitting, construction, and performance evaluation of the Baldwin Park Operable Unit cleanup and water supply plan.

The Main Basin Watermaster, in coordination with the Upper San Gabriel Valley Municipal Water District, has worked with state and federal regulators and local water companies to clean up water supplies. Section 28 of the Main Basin Watermaster's Rules and Regulations require all producers (including the City) to submit an application to 1) construct a new well, 2) modify an existing well, 3) destroy a well, or 4) construct a treatment facility. The Main Basin Watermaster prepares a report on the implications of the proposed activity. As a party to the Main Basin Judgment, the City reviews a copy of these reports and is provided the opportunity to submit comments on the proposed activity before the Main Basin Watermaster Board takes final action.

The San Gabriel Water Quality Authority ("WQA") was established by the State Legislature on February 11, 1993 to develop, finance and implement groundwater treatment programs in the San Gabriel Valley Basin, including the sub-basins such as the Main Basin. Section 406 of the act which created the WQA (the "WQA Act") requires the WQA "to develop and adopt a basinwide groundwater quality management and remediation plan" (which is referred to as the "Section 406 Plan") that is required to be consistent with the EPA's National Contingency Plan ("NCP") and Records of Decision ("ROD") and all requirements of the Los Angeles Regional Water Quality Control Board ("LARWQCB"). According to the WQA Act, the Section 406 Plan, which is incorporated into the City's Urban Water Management Plan, must include: characterization of basin contamination; a comprehensive cleanup plan; strategies for financing the design, construction, operation and maintenance of groundwater cleanup facilities; provision for a public information program; and coordination of activities with federal, state, and local entities.

WQA reviews and adopts the Section 406 Plan on an annual basis and as necessary, makes revisions according to changing regulatory, political and/or funding environments. In support of the Section 406 Plan, WQA also adopts an annual budget which includes all projects (actual or planned) WQA is facilitating through its participation during that time period. The budget identifies the various funding sources, and combinations thereof, to ensure full funding for each can be achieved.

City Water Treatment Facilities. The City has installed treatment facilities to meet all applicable standards for drinking water and the City operates three separate treatment facilities. In 2016, City commenced the design of a new Centralized Groundwater Treatment System (the "CGTS"), which ties together Wells No. 5, No. 9, No. 12, and No. 15 and utilizes an Ultraviolet/Advanced Oxidation Process (UV/AOP) and Liquid Phase Granular Activated Carbon ("LGAC") to treat VOC and PFAS/PFOA at these well sites. In late 2020, trace levels of PFAS were discovered, prompting the State Water Resources Control Board – Division of Drinking Water (DDW) to request the City to incorporate a PFAS/PFOA removal system into the CGTS. Responding to this additional concern, the City initiated the changes and updated the design and construction to include PFAS/PFOA removal in 2021. After approximately seven and a half years, the CGTS with the PFAS/PFOA removal component was completed in May 2023 with approval from DDW to operate the system.

Rigorous CGTS system testing, and water quality analysis were conducted to ensure the system's efficiency and attain the required permitting by DDW. During construction and testing of the CGTS modifications required to address the PGAS/PFOA treatment requirements, the City's regular production wells were unusable. During this time, the City was able to meet system demands by purchasing imported water through an interconnection with SGVMWC. This additional cost was significantly higher than well water, approximately $183,652 in Fiscal Year 2021-22, $1,028,170 in Fiscal Year 2022-23, and $1,840,160 in Fiscal

Year 2023-24. See Tables 1, 9, 13 and 14. With the CGTS now online, the City does not expect to purchase imported water in the upcoming Fiscal Years. See Tables 9 and 14.

Wells No. 1, No. 10 and the Fern well flow to an LGAC treatment facility at the Delta Treatment Plant for VOC treatment. Production from Wells No. 12 and No. 15 are operated consistently with the South El Monte Operable Unit Record of Decision.

PFAS. In 2019, the State of California Water Resources Control Board's Division of Drinking Water (the "Division") lowered the Notification Levels (the "NLs") for Perfluorooctanoic acid ("PFOA") and Perfluorooctanesulfonic acid ("PFOS") to 5.1 and 6.5 parts per trillion ("PPT"), respectively. NLs are non-regulatory, precautionary health-based measures for concentrations of chemicals in drinking water that warrant notification and further monitoring and assessment. In 2020, the Division lowered the Response Level (the "RL") for PFOA and PFOS from 70 PPT, combined, to 10 and 40 PPT, respectively. RLs are non-regulatory, precautionary health-based measures that are set at higher levels than NLs and represent thresholds at which the Division recommends that water systems remove a water source from use or treat it.

In addition, on March 14, 2023, Maximum Contaminant Levels of 4 PPT for PFOA and PFOS and cumulative limits for certain other chemicals which are described below were proposed by the United States Environmental Protection Agency (the "EPA"). The EPA proposal is currently subject to public comment and there can be no assurance as to the timing or substance of any final EPA rule with respect to PFOA and PFOS.

PFOA and PFOS are fluorinated organic chemicals which are part of a family of synthetic compounds referred to as per- and polyfluoroalkyl substances ("PFAS"). PFAS are water and lipid resistant substances that were previously used in a variety of manufacturing processes and industrial applications. They are often present in water supplies which are impacted by wastewater treatment plant effluent or active or former military installations. Recent technological advances have enabled water agencies to detect PFAS compounds at very low concentrations.

In addition to PFOS and PFOA, the Division tasked the California Office of Environmental Health Hazard Assessment with evaluating and recommending NLs for the following additional PFAS compounds on February 6, 2020: perfluorohexane sulfonic acid (known as PFHxS), perfluorobutane sulfonic acid (known as PFBS), perfluorohexanoic acid (known as PFHxA), perfluoroheptanoic acid (known as PFHpA), perfluorononanoic acid (known as PFNA), perfluorodecanoic acid (known as PFDA) and 4,8-dioxia-3H-perfluorononanoic acid (known as ADONA). There can be no assurance as to the timing of the release of such recommendations. The establishment of a Hazard Index (a tool that assesses the cumulative health effect) for aggregate levels of the foregoing compounds other than ADONA is also included in the EPA's March 14, 2023 regulatory proposal, which is described above.

The City is required to test its water supplies for PFAS and adopted PFAS testing in 2018. Water produced by the Water System meets all State and federal water quality standards. Further, the CGTS system described above provides a robust barrier to extract PFAS to a non-detect level.

The City does not anticipate that implementation of the lowered PFAS RL by the Division will have a material adverse effect on the operation of the Water System or the costs thereof. The projected operating results which are set forth under the caption "WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" do not assume significant increases in water treatment or other Water System operating costs to meet State regulations relating to PFAS.

EPA Settlement. The City receives payments from the EPA (through WQA) pursuant to a settlement, under which the City receives reimbursement for costs incurred to treat water pumped from the City's wells (the "EPA Settlement"). Pursuant to the EPA Settlement, the City received approximately $2.6 million in Fiscal Year 2019-20, approximately $1.855 million in Fiscal Year 2020-21, approximately $700,000 in Fiscal Year 2021-22, and approximately $7,000 in Fiscal Year 2022-23. The City expects to receive retroactive payments

for Fiscal Year 2022-23 under the EPA Settlement in Fiscal Year 2023-24 but the amount and timing of such payments is unknown. The City's assumptions regarding the amount and timing of future EPA Settlement payments are described in footnote 1 to Table 14; however, the City cannot provide any assurance that payments under the EPA Settlement will be made in the amounts or at the times described in this Official Statement.

PFAS Settlement. The City is a plaintiff to proposed class action settlements referred to as *In re Aqueous Film-Forming Foam ("AFFF") MDL No. 2873* (the "PFAS Settlements"), relating to groundwater contamination allegedly caused by the 3M Company and certain companies owned or controlled by the DuPont corporation. Pursuant to the PFAS Settlements, the City should receive payments totaling approximately $7.2 million over the next 10 years (after payment of contingency legal fees), with the first, and largest, payment to be made as soon as the summer of 2024. The litigation to which the settlement relates, which is commonly referred to as the *AFFF Multi-District Litigation* (the "MDL Litigation"), involves hundreds of cases related to Aqueous Film-Forming Foams (AFFF) and their alleged contamination of groundwater with harmful substances.

The PFAS Settlement involves only 3M and DuPont; other defendants to the MDL Litigation are not parties to the PFAS Settlements and the City could receive settlement payments or recovery of damages in connection with the cases pending against those parties in the future. However, the PFAS Settlements would resolve approximately 75% of the City's claims in the MDL Litigation. The PFAS settlements with DuPont and 3M have received final approval from the judge in the MDL Litigation. The City cannot guarantee that the City will receive the settlement payments in the amounts, or at the times, described above. Further, the City can provide no assurance that any other defendants in the MDL Litigation will enter into settlement agreements or that the City will receive any further payments as a result of the MDL Litigation. The projections set forth in Table 14 do not assume the receipt of settlement payments under the PFAS Settlements and the City can provide no assurance as to the amount and timing of any such payments.

Drought Declarations

State Orders. On January 17, 2014, the Governor declared a drought state of emergency (the "Declaration") with immediate effect. The Declaration included an order encouraging local urban water suppliers, including the City, to implement their local water shortage contingency plans; the City's plan is discussed under the subcaption "—*Water Shortage Contingency Plan*." On April 7, 2017, after significant improvement in water supply conditions across California, the Governor issued Executive Order B-40-17, which rescinded mandatory conservation measures for most California counties (including the County).

In 2018, the California Governor signed Senate Bill 606 and Assembly Bill 1668 into law. These bills relate to water conservation and drought planning and empower DWR and the State of California Water Resources Control Board to adopt long-term standards for the following: (i) indoor residential water use; (ii) outdoor residential water use; (iii) commercial, industrial and institutional water use for landscape irrigation; and (iv) water loss. The indoor water use standard has been defined as 55 gallons per person per day ("GPCD") until January 2025; the standard will decrease over time to 50 GPCD in January 2030. Standards for outdoor residential water use and commercial, industrial and institutional water use for landscape irrigation are still being developed. Urban water suppliers will be required to stay within annual water budgets, based on these standards, for their service areas.

The City is unable to predict the effect on the Water System of the implementation of Senate Bill 606 and Assembly Bill 1668 or any future legislation with respect to water conservation. However, the City is meeting and believes that it will continue to be able to meet the 55 GPCD standard for indoor water use, along with annual State-mandated water use efficiency standards, based on the City's current water demands and ongoing efforts to encourage conservation, as described below under the subcaption "—*Water Shortage Contingency Plan*." The City also has a tiered rate structure for residential customers that further promotes water use efficiency by charging a higher rate for water use in excess of maximum amounts within each tier. See the caption "—Water System Rates and Charges—*Current Rates and Charges*."

On October 19, 2021, the Governor declared a Statewide drought state of emergency and requested that all water users voluntarily reduce water use by 15%. On March 28, 2022, the Governor requested that all water users voluntarily reduce water use by 20%. These declarations encouraged water agencies to draw upon supplies other than groundwater and to implement their water shortage contingency plans and authorized the State Water Resources Control Board (the "SWRCB") to adopt regulations that prohibit wasteful water use (such as the use of potable water to wash paved surfaces or to irrigate landscaping during the two days following rainfall). Such regulations went into effect on June 10, 2022.

In order to achieve compliance with the SWRCB's June 10, 2022 regulations, the City is currently implementing Stage 2 of its water shortage contingency plan. The City believes that it has significant water supplies and storage and is well positioned to respond to both drought and regulatory requirements. At this time, the City does not foresee a water supply shortage. See the subcaption "*—Water Shortage Contingency Plan*." There can be no assurance that subsequent State declarations will not impose mandatory water use restrictions should dry conditions return in future years. The City notes that the State experienced significant precipitation in the winter and early spring of 2023.

Water Shortage Contingency Plan. On September 15, 2021, the City adopted Ordinance No. 2214, which added water conservation regulations to the City's municipal code. The City's water shortage contingency plan, which is referred to as the Water Conservation Plan and which meets State guidelines for such plans, calls for the City to respond to a water shortage in stages as follows:

- Stage 1: Declaring a Stage 1 Drought Emergency demonstrates the need to reduce the City's water demand by a maximum of 10% and includes voluntary water use restrictions, such as restricting watering outdoors without the use of drip irrigation or micro-spray systems to three times per week.

- Stage 2: Declaring a Stage 2 Drought Emergency demonstrates the need to reduce the City's water demand between 11% and 20% and includes mandatory water use restrictions, such as restricting watering outdoors without the use of drip irrigation or micro-spray systems to two times per week, prohibiting the installation of non-drip irrigation or micro-spray systems used in outdoor watering in new commercial and residential developments requesting water service and prohibiting the use of potable water to irrigate ornamental turf on public street medians.

- Stage 3: Declaring a Stage 3 Drought Emergency demonstrates the need to reduce the City's water demand between 21% and 30% and includes mandatory water use restrictions, such as restricting watering outdoors without the use of drip irrigation or micro-spray systems to one time per week, restricting the filling of swimming pools and hot stubs to not more than one time per week, restricting the use of potable water from fire hydrants to firefighting and emergency and public health related activities, prohibiting the installation of non-drip irrigation or micro-spray systems used in outdoor watering in new commercial and residential developments requesting water service, prohibiting the use of potable water to irrigate ornamental turf on public street medians and prohibiting the washing of vehicles unless performed at commercial car wash facilities.

- Stage 4: Declaring a Stage 4 Drought Emergency demonstrates the need to reduce the City's water demand between 31% and 40% and includes mandatory water use restrictions such as completely prohibiting watering outdoors without the use of drip irrigation or micro-spray systems in addition to the other water use restrictions applicable under Stage 3.

- Stage 5: Declaring a Stage 5 Drought Emergency demonstrates the need to reduce the City's water demand between 41% and 50% and includes the other water use restrictions described in the City's water contingency plan.

- Stage 6: Declaring a Stage 6 Drought Emergency demonstrates the need to reduce the City's water demand by more than 60% and includes the other water use restrictions described in the City's water contingency plan.

The City is empowered to enforce its water shortage contingency plan with successively increasing fines, the installation of flow restriction devices and the termination of water service.

The projected Water System operating results that are set forth under the caption "WATER SYSTEM FINANCIAL INFORMATION—Projected Operating Results and Debt Service Coverage" do not reflect the implementation of mandatory levels of the City's water contingency plan. The City does not currently expect that the implementation of the City's water contingency plan in the future will have a material adverse effect on its ability to pay the Series 2024 Installment Payments from Net Revenues. As discussed under the caption "—Water System Rates and Charges," the City's rate structure consists of variable and fixed rate components. Decreased water consumption is partially offset by a decrease in related variable costs, while fixed water charges largely cover the Water System's fixed operating and maintenance costs. In addition, the City has covenanted to set Water System rates and charges in amounts that it expects to be sufficient to pay the Series 2024 Installment Payments from Net Revenues. See the caption "SECURITY FOR THE BONDS—Rate Covenant."

It is likely that a water shortage will arise again in the future. In such event legal issues exist as to whether different California Water Code provisions or State regulations will be invoked to manage the allocation of water. Any curtailment pursuant to State orders could necessitate an increase in the City's water rates to Water System customers. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218" for a discussion of certain restrictions on the City's ability to raise water rates.

Historical Water System Supply

The following table shows sources of supply for the Water System for the last five Fiscal Years.

Table 1
City of Monterey Park
Historical Water Supply in Acre Feet

Fiscal Year Ending June 30	*Main Basin Groundwater*	*Imported Water*[(2)]	*Total*	*Percentage Increase/ (Decrease)*
2019	7,540	0	7,540	N/A
2020	7,448	10	7,584	3.1%
2021	7,578	25	7,288	(3.9)
2022[(1)]	7,063	144	6,884	(5.5)
2023[(1)]	4,069	2,000	6,069	(11.8)

(1) Declines in Fiscal Years 2021-22 and 2022-23 result from conservation measures imposed by the City and low water demand for irrigation resulting from unusually high precipitation.
(2) The City purchased imported water during the construction of the CGTS facility. See the caption "THE WATER SYSTEM—Water Quality and Treatment—*City Water Treatment Facilities*."
Source: The City.

Historical Water System Deliveries

Historical water deliveries reflect connections to the Water System as well as water demand, which can be affected by weather conditions, State mandates and other factors. The following table shows potable water deliveries to Water System customers for the last five Fiscal Years.

Table 2
City of Monterey Park
Historical Water System Deliveries in Acre Feet[(1)]

Fiscal Year Ending June 30	*Residential*	*Commercial*	*Institutional*	*Government*	*Total*	*Percentage Increase/ (Decrease)*
2019	4,678	1,754	15	153	6,447	N/A
2020	4,778	1,605	16	125	6,524	1.2%
2021	5,324	1,539	18	207	7,088	8.6
2022[(1)]	4,763	1,558	17	167	6,505	(8.2)
2023[(2)]	4,240	1,386	13	120	5,759	(11.5)

(1) Declines in Fiscal Year 2021-22 result from drought conservation measures imposed by the City.
(2) Declines in Fiscal Year 2022-23 result from low water demand for irrigation resulting from unusually high precipitation.
Source: The City.

Historical Water System Connections

The following table shows the number of connections to the Water System for the last five Fiscal Years.

Table 3
City of Monterey Park
Historical Water System Connections

Connection Type	*Fiscal Year 2018-19*	*Fiscal Year 2019-20*	*Fiscal Year 2010-21*	*Fiscal Year 2021-22*	*Fiscal Year 2022-23*
Residential	12,643	12,643	12,591	12,629	12,750
Commercial	879	874	877	875	875
Institutional	7	7	7	7	7
Government	105	107	110	112	112
TOTAL	13,634	13,631	13,585	13,623	13,744
Percentage Increase/(Decrease)	N/A	(0.02%)	(0.33%)	0.28%	0.89%

Source: The City.

Historical Water System Sales Revenues

Water System sales revenues reflect water deliveries as well as adopted rates and charges. See the captions "—Historical Water System Deliveries" and "—Water System Rates and Charges." The following table shows the sales revenues of the Water System for the last five Fiscal Years. Connection fees are not included in the below numbers.

Table 4
City of Monterey Park
Historical Water System Sales Revenues

Fiscal Year Ending June 30	*Residential*	*Commercial*	*Institutional*	*Government*	*Total*	*Percentage Increase/ (Decrease)*
2019	$12,466,517	$2,632,193	$33,717	$ 2,205	$15,134,633	N/A
2020[(1)]	11,387,381	1,947,216	32,373	329,205	13,696,176	(9.5%)
2021[(2)]	12,920,533	2,233,052	35,092	759,710	15,948,387	16.4
2022[(3)]	11,545,187	1,887,079	28,604	628,762	14,089,633	(11.7)
2023[(4)]	10,464,100	1,789,337	24,332	307,930	12,585,699	(10.7)

(1) Decline in Fiscal Year 2019-20 due to nonpayment during COVID-19 pandemic, during which the City was prohibited from, and did not, shut off water for nonpayment. In addition, in Fiscal Year 2019-20, the City decreased water rates to just under Fiscal Year 2017-18 levels. Revenues in Fiscal Year 2019-20 include approximately $2.6 million received under the EPA Settlement. See the caption "—Water Quality and Treatment—*EPA Settlement*."

(2) Revenues in Fiscal Year 2020-21 include approximately $1.855 million received from the federal government under the EPA Settlement. See the caption "—Water Quality and Treatment—*EPA Settlement*." Fiscal Year 2020-21 revenues also include approximately $577,276 from the State Water Resources Control Board under the American Rescue Plan Act.

(3) Declines in Fiscal Year 2021-22 result from drought conservation measures imposed by the City and a reduction in the amount received under the EPA Settlement. In Fiscal Year 2021-22 the City received approximately $700,000 under the EPA Settlement. See the caption "—Water Quality and Treatment—*EPA Settlement*."

(4) Declines in Fiscal Year 2022-23 result from low water demand for irrigation resulting from unusually high precipitation and a reduction in the amount received under the EPA Settlement: In Fiscal Year 2022-23 the City received approximately $7,000 under the EPA Settlement. The City expects to receive retroactive payments for Fiscal Year 2022-23 under the EPA Settlement in Fiscal Year 2023-24 but the amount and timing of such payments is unknown. See the caption "—Water Quality and Treatment—*EPA Settlement*." See Table 14 for assumptions relating to future payments under the EPA Settlement.

Source: The City.

Largest Water System Customers

The following table shows the largest Water System customers for the Fiscal Year ended June 30, 2023, as determined by annual payments.

Table 5
City of Monterey Park
Ten Largest Water System Customers

Water Customer	*Customer Type*	*Water Charges*[2]	*Percentage of Total Revenues*[2]
Garfield Medical Center[1]	Commercial	$ 112,800	0.70%
Atlantic Times Square II, LLC	Commercial	101,697	0.63
Monterey Park 3600 LLC	Commercial	100,915	0.63
Aespace America Inc	Commercial	83,717	0.52
Moon Valley Nursery of Ca, Inc.	Commercial	65,033	0.40
Garfield Estates	Multi-Family	61,449	0.38
Monterey Park Hospital	Commercial	55,599	0.35
Continental Homes	Multi-Family	51,443	0.32
Emerald Hills LLC	Commercial	45,441	0.28
Golden Age Village	Multi-Family	39,776	0.25
Total		$ 717,871	4.47%

(1) Reflects one property with multiple accounts.
(2) Based on the City's audited financial statements for the Fiscal Year ended June 30, 2023.
Source: City.

Water System Rates and Charges

General. The Water System's rates and charges are set by the City Council and are not subject to the jurisdiction of, or regulation by, the California Public Utilities Commission or any other regulatory body. The City is, however, required to comply with the notice, hearing and majority protest provisions of Article XIIID of the State Constitution, which is popularly known as Proposition 218, as to Water System rates and charges. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218" for further information with respect to Proposition 218.

The City Council determines the adequacy of the charge structure for water service in the service area after full consideration of expected operations, maintenance, capital costs and capital repayment obligations of the Water System. The City Council sets water rates and charges at a level that it determines is sufficient to pay all Operation and Maintenance Costs of the Water System, to make debt service payments and to maintain appropriate reserves for the Water System in compliance with the rate covenant set forth in the Installment Purchase Agreement.

The 2024 Project includes the replacement of all of the City's existing water meters, which are past their useful life. The existing meters are Single-jet AMR meters. The new meters are expected to use ultrasonic technology, which holds its accuracy longer than standard meters. Additionally, the proposed replacement meters will provide instant data to the City and water users, including notification of leaks, which will reduce water waste. See the caption "THE 2024 PROJECT" for a further discussion regarding the 2024 Project.

Adopted Water Rates and Charges. On December 20, 2023, the City adopted rates (the "Adopted Rate Plan") effective February 1, 2024 in accordance with the provisions of Proposition 218. The Adopted Rate Plan includes increases of up to 32% effective February 1, 2024, 8% effective July 1, 2024, 8% effective July 1, 2025, 7% effective July 1, 2026 and 8% effective July 1, 2027. On February, 21, 2024, the City Council approved the

implementation of water rates and charges consistent with the Adopted Rate Plan, as follows: increases of 28% effective March 1, 2024, 8% effective July 1, 2024, 7% effective July 1, 2025, 7% effective July 1, 2026 and 6% effective July 1, 2027. The water rates described in the following tables reflect the implementation of the City Council's February 21, 2024 direction. There can be no assurance that the City Council will not repeal or modify the rates that are set forth in the Adopted Rate Plan in the future or that the City's ratepayers will not approve an initiative to repeal or modify any increase in water rates and charges approved by the City Council.

The Adopted Rate Plan includes a monthly service charge and a water consumption charge. The water rates for the Adopted Rate Plan are set forth below:

Table 6
City of Monterey Park
Monthly Water Service Charge

	Monthly Service Charge				
Meter Size	***March 1, 2024***	***July 1, 2024***	***July 1, 2025***	***July 1, 2026***	***July 1, 2027***
5/8"	$ 19.48	$ 21.04	$ 22.51	$ 24.09	$ 25.53
3/4"	26.29	28.39	30.38	32.51	34.46
1"	39.91	43.10	46.12	49.34	52.30
1-1/2"	73.95	79.86	85.46	91.44	96.92
2"	114.80	123.98	132.66	141.95	150.47
3"	223.74	241.64	258.55	276.65	293.25
4"	346.29	373.99	400.17	428.19	453.88
6"	686.72	741.66	793.57	849.12	900.07
8"	1,095.23	1,182.85	1,265.65	1,354.25	1,435.50

Source: The City.

Table 7
City of Monterey Park
Monthly Water Consumption Rates Per Unit[(1)]

	Monthly Consumption Rate				
Water Use Type	***March 1, 2024***	***July 1, 2024***	***July 1, 2025***	***July 1, 2026***	***July 1, 2027***
Single Family Residential Tier 1 (0-10 units)	$3.17	$3.43	$3.67	$3.92	$4.16
Single Family Residential Tier 2 (11-16 units)	4.19	4.52	4.84	5.18	5.49
Single Family Residential Tier 3 (17 units and above)	7.92	8.55	9.15	9.79	10.38
All Other	3.95	4.27	4.57	4.89	5.18

(1) One unit equals 100 cubic feet or 748 gallons of water.
Source: The City.

Meter Installation Fees. The City charges a connection fee for water meter installation to customers for connecting to the Water System. Current average connection fees by meter size are as follows:

City of Monterey Park
Water System Connection Fees

Meter Size	
5/8"	$ 0.00
3/4" & /1" fire	3,026.00
1"	5,448.00
1½"	8,474.00
2"	13,619.00
3"	24,211.00
4"	41,159.00
6"	84,739.00
8"	156,767.00

Comparison to Nearby Service Providers. The table below sets forth a comparison of the City's typical water bill (monthly equivalent) for a single family residential user to those of certain nearby water purveyors. Information for agencies other than the City is as of calendar year 2023 where available, while information for the City is as of the date of this Official Statement.

Table 8
City of Monterey Park
Water Rate Comparison

Water Service Provider	*3/4" Meter Monthly Fixed Rate*[(1)]	*Rate per HCF*[(1)]	*Total Monthly Water Bill*[(1)]
City of Monterey Park (as of 3/1/2024)	$26.29	$3.17	$57.99
City of Alhambra	34.90	2.73	62.20
City of Whitter	65.84	2.08	86.64
San Gabriel Valley Water Company	27.14	4.35	70.64
City of El Monte	37.15	3.64	73.55
City of Pasadena	49.32	1.44	63.72

(1) Based on 10 HCF of water use and ¾" meter size. All rates reflect first tier usage only for agencies that have a tiered rate structure, including the City.
Source: The City.

Water System Collection Procedures

The City is currently transitioning from a bimonthly to a monthly billing cycle for Water System customers. The transition is scheduled to be completed for all customers by the end of February 2024. At that time, a consolidated bill which includes wastewater and other utility charges is sent to customers every month for services rendered in the prior month. All accounts that remain unpaid on the 34th day following the delivery of an invoice incur a penalty of the lesser of 10% of the amount due or $10, and a notice is mailed to the billing and service address requiring payment within 48 days. If payment is not received by the 83rd day following the original delivery of an invoice, a two weeks-notice of shutoff is posted at the service address and a final notice is mailed to the billing address. If payment is not received by the second week following the posting of the shutoff notice, service is shut off. Accounts that have service discontinued without an alternate payment plan are not reconnected without full payment of the delinquent bill and all penalties, including a tagging fee, a reinstatement fee, and certain other charges.

As of December 31, 2023, less than 3% of the Water System's outstanding billings were delinquent, which is slightly higher than historical averages of approximately 2.81%. In January 2022, all delinquent accounts were brought to a zero balance as a result of payments from the State Water Resources Control Board COVID-19 Coronavirus State and Local Fiscal Recovery Fund, in the total amount of $577,276. This figure reflects an aging report and reflects the total of all bills not paid during prior Fiscal Years, including amounts shown as delinquent relating to the COVID-19 outbreak (during which the City did not shut off water for delinquent accounts through June 2023) and delinquencies being paid over time under customer payment plans.

Future Water System Improvements

The City projects total capital improvements to the Water System of approximately $55.2 million during Fiscal Years 2023-24 through 2027-28, as reflected in the following table. Such capital improvements are expected to be financed using a combination of the Bond proceeds and Revenues remaining after the payment of Operation and Maintenance Costs and Series 2024 Installment Payments.

Future Water Improvement Projects	*Fiscal Year 2022-2023 Carryover Balance*	*Fiscal Year 2023-24*	*Fiscal Year 2024-25*	*Fiscal Year 2025-26*	*Fiscal Year 2026-27*	*Fiscal Year 2027-28*	*Total*[*]
Mira Valle Water Project	-	-	$ 540,000	-	-	-	$ 540,000
Monterey Park Golf Course Water Main Extension	-	-	630,000	-	-	-	630,000
Russell Street Reservoir Rehabilitation[(1)]	$ 1,219,617	-	2,315,008	-	-	-	3,534,625
N. Atlantic Water Improvement[(1)]	1,678,928	-	545,922	-	-	-	2,224,850
Program Logic Controller Upgrade[(1)]	387,341	$ 612,659	-	-	-	-	1,000,000
Water Meter Replacements[(1)(2)]	4,946,388	-	4,000,000	-	-	-	8,946,388
Water Main Replacement - Northeast (Phase 4)[(1)]	-	-	2,400,000	-	-	-	2,400,000
Water Main Replacement - Northeast (Phase 5)	-	-	-	$ 2,700,000	-	-	2,700,000
De La Fuente St Mainline Replacement	-	-	-	6,000,000	-	-	6,000,000
Montechico Dr Mainline Replacement	-	-	-	1,300,000	-	-	1,300,000
Russell Booster Station[(1)]	-	-	-	2,800,000	-	-	2,800,000
Brockwell Ave Mainline Replacement	-	-	-	-	$ 5,500,000	-	5,500,000
Replace Delta Settling Tanks	-	-	-	-	2,700,000	-	2,700,000
East Graves Ave Mainline Replacement	-	-	-	-	-	$ 670,000	670,000
Brightwood Booster Station Rehab	-	-	-	-	-	1,900,000	1,900,000
Graylock Ave Mainline Replacement	-	-	-	-	-	3,000,000	3,000,000
Pipeline Seismic Upgrade	-	-	-	-	-	200,000	200,000
Total[*]	$ 8,232,274	$ 612,659	$10,430,930	$12,800,000	$ 8,200,000	$ 5,770,000	$ 46,045,863

[*] Totals may not sum due to rounding.
[(1)] Constitutes part of the 2024 Project. See the caption "THE 2024 PROJECT."
Source: The City.

Projected Water System Supply

The following table shows the sources of supply for the Water System projected by the City for the current and next four Fiscal Years.

Table 9
City of Monterey Park
Projected Water Supply in Acre Feet

Fiscal Year Ending June 30	*Main Basin Groundwater*	*Imported Water*[(2)]	*Total*	*Percentage Increase/ (Decrease)*
2024	4,574	2,000	6,574	8.3%[(1)]
2025	6,702	0	6,702	1.9
2026	6,833	0	6,833	2.0
2027	6,965	0	6,965	1.9
2028	7,101	0	7,101	2.0

(1) See Table 1.
(2) The CGTS facility is operational and the City does not expect to purchase imported water in Fiscal Years 2024-25 through 2027-28. See the caption "THE WATER SYSTEM—Water Quality and Treatment—*City Water Treatment Facilities*."
Source: The City.

Projected Water System Deliveries

The following table shows Water System deliveries projected by the City for the current and next four Fiscal Years. Water System deliveries can be affected by a number of factors, including connections to the Water System, State mandates and weather conditions. See the caption "—Projected Water System Connections" below.

Table 10
City of Monterey Park
Projected Water System Deliveries in Acre Feet

Fiscal Year Ending June 30	*Residential*	*Commercial*	*Institutional*	*Government*	*Total*	*Percentage Increase/ (Decrease)*
2024	4,598	1,503	14	130	6,245	8.4%
2025	4,809	1,588	16	155	6,568	5.2
2026	4,903	1,619	16	158	6,696	2.0
2027	4,997	1,651	17	161	6,826	1.9
2028	5,095	1,683	17	164	6,959	2.0

(1) See Table 2.
Source: The City.

Projected Water System Connections

The following table shows the number of retail connections to the Water System projected by the City for the current and next four Fiscal Years. The City is essentially built out and therefore the City does not

anticipate a significant increase in future connections to the Water System during the projection period, as reflected in the following table.

Table 11
City of Monterey Park
Projected Water System Connections

Connection Type	*Fiscal Year 2023-24*	*Fiscal Year 2024-25*	*Fiscal Year 2025-26*	*Fiscal Year 2026-27*	*Fiscal Year 2027-28*
Residential	12755	12760	12765	12770	12775
Commercial	876	877	878	879	880
Institutional	7	7	7	7	7
Government	112	112	112	112	112
Total	13,750	13,756	13,762	13,768	13,774
Percentage Increase/(Decrease)	0.0%[1]	0.0%	0.0%	0.0%	0.0%

[1] See Table 3.
Source: The City.

Projected Water System Sales Revenues

The following table shows the sales revenues of the Water System projected by the City for the current and next four Fiscal Years. The projections: (i) are based on the projected water deliveries that are described under the caption "—Projected Water System Deliveries;" and (ii) assume Water System rate increases in accordance with the Adopted Rate Plan, as described under the caption "—Water System Rates and Charges—General." See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218."

Table 12
City of Monterey Park
Projected Water System Sales Revenues[1]

Fiscal Year Ending June 30	*Residential*	*Commercial*	*Institutional*	*Government*	*Total*	*Percentage Increase/ (Decrease)*
2024	$13,634,141	$2,860,932	$38,343	$745,689	$17,279,104	37.3%[2]
2025	16,171,679	3,583,327	58,539	886,394	$20,699,940	19.8
2026	17,358,787	3,931,240	63,001	914,748	$22,267,777	7.6
2027	18,692,584	4,259,185	67,813	938,571	$23,958,154	7.6
2028	19,944,952	4,513,872	72,330	1,014,177	$25,545,332	6.6

[1] Revenues from water sales in this table include estimated EPA Settlement payments of $1.5 million in Fiscal Year 2023-24 (including amounts owed but not paid in prior Fiscal Years) and $600,000 in each of Fiscal Years 2024-25 through 2027-28. See footnote 1 to Table 14.
[2] See Table 4.
Source: City.

WATER SYSTEM FINANCIAL INFORMATION

Available Cash

As of June 30, 2023, the Water System had approximately $68,201,905 in available cash and investments (including $47.351,228 in reserves and funds that are restricted for capital expenditures). As of March 12, 2024, the Water System had approximately $63,304,557.13 in available cash and investments (including $48,220,610 in reserves and funds that are restricted for capital expenditures).

Management Discussion of Historic Operating Results and Debt Service Coverage

As discussed in Note 17 to the City's audited financial statements for Fiscal Year 2019-20, the City restated the net position of the business-type activities and major enterprise fund at July 1, 2019. The beginning net position of the business-type activities in the government-wide financial statements and of the Water Utility Enterprise Fund in the proprietary fund financial statements have been restated (decreased) by $413,040 to correct the duplicate reporting of a grant reimbursement receivable in the prior year. Table 13 reflects this restatement.

GASB Statement No. 34 requires consolidated government-wide statements with a single Statement of Net Assets and a single Statement of Activities. As a general rule, the assets and liabilities of internal service funds will be eliminated, for the most part, in the process of consolidation. Any remaining balances that are not eliminated normally will be reported in the appropriate business-type or governmental. In accordance with this procedure, the net position of the Water Fund was adjusted (decreased) to reflect the consolidation to the Internal Service Fund by the following amounts: $4,005,039 as of June 30, 2019, $5,105,729 as of June 30, 2020, $5,778,933 as of June 30, 2021, $6,415,914 as of June 30, 2022, and $6,829,215 as of as of June 30, 2023.

In the City's audited financial statement for the year ended June 30, 2023, the beginning net position of the Water Utility Enterprise Fund was restated to reallocate the deferred outflows and inflows of the City's pension and OPEB costs and liabilities, resulting in a net increase in the beginning net position of $1,523,021.

Historical Operating Results and Debt Service Coverage

The following table is a summary of operating results of the Water System for the last five Fiscal Years. These results have been derived from the audited financial statements of the City for each of the Fiscal Years reflected in the table, but exclude certain receipts which are not included as Revenues under the Installment Purchase Agreement and certain non-cash items and include certain other adjustments.

Table 13
City of Monterey Park
Historical Water System Operating Results and Debt Service Coverage
Fiscal Year Ended June 30

	Fiscal Year 2018-19	*Fiscal Year 2019-20*	*Fiscal Year 2020-21*	*Fiscal Year 2021-22*	*Fiscal Year 2022-23*[14]
Revenues					
Charges for Services[1]	$ 15,134,633	$ 13,696,176	$ 15,948,387	$ 14,089,633	$12,585,699[15]
Meter Installations[2]	116,691	95,264	139,336	141,629	166,426
Interest Income	448,388	414,414	18,680	9,787	650,145
Other[3]	1,806,647	2,260,426	1,410	4	-
Total Revenues	$ 17,506,359	$ 16,466,280	$ 16,107,813	$ 14,241,053	$ 13,402,270
Operation and Maintenance Costs					
Administration[4]	$ 3,789,425	$ 3,553,680	$ 3,349,317	$ 842,223	$ -
Commercial—Water[5]	951,425	1,061,068	1,209,198	1,326,338	-
Production—Water[6]	3,019,332	3,357,468	4,064,639	4,220,297	-
Distribution—Water[7]	733,727	816,467	875,651	2,386,203	-
Treatment Plant Operations[8]	3,808,671	3,592,854	4,119,961	2,768,689	-
Operation[9]	-	-	-	-	11,860,266[16]
Salaries and Benefits[10]	-	-	-	-	3,526,785
General and administrative[11]	-	-	-	-	1,155,284
Total Operation and Maintenance Costs	$ 12,302,580	$ 12,381,537	$ 13,618,766	$ 11,543,750	$ 16,108,297
Net Revenues	$ 5,203,779	$ 4,084,743	$ 2,489,047	$ 2,697,303	$ (2,706,027)
Debt Service					
2001 Installment Sale Agreement[12]	$ 113,572	$ 113,318	$ 113,053	$ 112,778	$ 112,491
Total Debt Service	$ 113,572	$ 113,318	$ 113,053	$ 112,778	$ 112,491
Debt Service Coverage	45.82x	36.05x	22.02x	23.92x	(24.06x)[17]
Remaining Net Revenues	$ 5,090,207	$ 3,971,425	$ 2,375,994	$ 2,584,525	$ (2,818,518)
Subordinate Debt Service					
Siemens Loan[13]	$ 626,450	$ 666,526	$ 683,882	$ 721,163	$ 761,199

(1) See the caption "THE WATER SYSTEM—Historical Water Sales Revenues" and Table 4. Fiscal Years 2020-21, 2021-22, and 2022-23 include amounts received under the EPA Settlement and payments from the State Water Resources Control Board pursuant to the American Rescue Plan Act. See Table 4 and the caption "—Water Quality and Treatment—*EPA Settlement*." EPA Settlement Amounts for Fiscal Years 2018-19 and 2019-20 are included in "Other." See footnote 3, below.

(2) Connection Fees. See the caption "THE WATER SYSTEM—Water System Rates and Charges."

(3) Amount for Fiscal Year 2018-19 includes $1,254,987 received under the EPA Settlement. Amount for Fiscal Year 2019-20 includes $1,413,909 received under the EPA Settlement. EPA Settlement Amounts for Fiscal Years 2020-21, 2021-22, and 2022-23 are shown in "Charges for Services." See footnote 1, above. Also see the caption "—Water Quality and Treatment—*EPA Settlement*."

(4) Provides the overall direction and administrative guidance for the Water Utility Division, including preparation of all required water quality and production reports. Reduction in Fiscal Year 2021-22 is due to accounting for Administration costs moving to the "Distribution—Water" category. Beginning in Fiscal Year 2022-23, Administration costs are reflected in the "General and Administrative" category.

(5) Provides coordination with the Management Services Department, provides for approximately 80,249 meter readings, billing, and collection of revenue from approximately 13,643 water meters. The City's consumers average 917 requests for service per month for routine problems including billing, leaks, water quality, general water service inquiries, backflow/cross-connection, and water conservation education.

(6) Provides for producing, treating, and delivering to the City's customers, potable water that meets or exceeds all water quality standards established by Federal and State regulatory agencies. The operation and inspection of 12 wells, 11 pumping stations, and 13 reservoirs (including two abandoned reservoirs) are provided by California Department of Public Health certified water treatment personnel to meet an average daily demand of approximately 8 million gallons of water.

(7) Provides for the installation of new service taps, renewed water service taps, repair of water mains and services as necessary, and the maintenance of water facilities. Within the distribution system there are 13,456 water accounts, 134 miles of distribution mains, approximately 1,063 fire hydrants, and 2,073 gate valves.

[Footnotes continue on following page.]

[Footnotes continue from previous page.]

(8) Provides for the costs associated with water remediation activities for the Dual Barrier treatment facility, which is operated for use by Well Nos. 9, 12, and 15 for removal of volatile organic compounds not removed by the Well No. 12 Air Stripper; as indicated by the Environmental Protection Agency's Interim Action Record of Decision (IROD) to help facilitate the removal of Perchlorate and Volatile Organic Compounds (VOC) in the groundwater from the San Gabriel Valley Water Basin; ground water remediation for Wells No. 1, No. 3, No. 10 and Fern Well for volatile organic compounds (VOC) and future contaminants that may be found in the system. This includes the operation and maintenance of the Granular Activated Carbon (GAC) treatment system for these wells. This treatment plant has a capacity of 4,500 gallons per minute and requires continual scheduled maintenance and monitoring; provides for the costs associated with ground water remediation for Well No. 5 for volatile organic compounds that may be found in the groundwater. Decrease in Fiscal Year 2021-22 reflects vacant Water System staff positions (a reduction of five full-time and one part-time Water System staff compared with Fiscal Year 2020-21).

(9) Operations and maintenance costs of the Water System, excluding salary and benefits and administration expenses. Includes the cost to purchase imported water in the amount of approximately $183,652 in Fiscal Year 2021-22, $1,028,170 in Fiscal Year 2022-23, and $1,840,160 in Fiscal Year 2023-24. See Table 1 and the caption "THE WATER SYSTEM—Water Quality and Treatment—City Water Treatment Facilities."

(10) Salary and benefits include the fully burdened direct cost for service of employees in the water division.

(11) Expenses of doing business not readily identified with a particular activity including City Manager, City Attorney, Finance, Human Resources, Risk Management, Technology, and City Clerk's functions.

(12) The 2001 Installment Sale Agreement was prepaid paid in full on March 12, 2024 and is no longer outstanding. See "THE CITY—No Outstanding Parity Obligations."

(13) Reflects approximately 85% of the annual Siemens Lease payment, which is allocated to the Water System and paid from Net Revenues on a subordinate basis to the Bonds. See "THE CITY—Outstanding Parity and Subordinate Obligations."

(14) The City retained the Auditor to prepare the City's audited financial statements for Fiscal Year 2022-23. The City's audited financial statements for the prior fiscal years reflected in this table were prepared by another auditor. The categorization of Operation and Maintenance Costs for Fiscal Year 2022-23 and in Table 14 reflect the categorization required by the Auditor for Fiscal Year 2022-23.

(15) The City's current utility billing system does not allow for historical reporting, only present day reporting. The accrual report for Fiscal Year 2022-23 was collected from the utility billing system in July of 2023, whereas in prior years the accrual report was collected in August. The City estimates that by collecting the accrual report one month earlier than in prior years, the Fiscal Year 2022-23 Revenues are understated by approximately $600,000.

(16) Operations costs for Fiscal Year 2022-23 include approximately $3,185,593 in one-time emergency repairs to the Monterey Pass Road water main and approximately $1,090,678 for costs of redesign and testing at the CGTS facility.

(17) The 2001 Installment Sale Agreement includes a covenant to set water rates and charges sufficient to produce Net Revenues of at least 120% of debt service in each Fiscal Year (the "2001 Rate Covenant"). The 2001 Rate Covenant was not met in Fiscal Year 2022-23. Fiscal Year 2022-23 debt service coverage would be increased to -18.72 times if Revenues for Fiscal Year were increased by $600,000 to account for the missed accrual described in footnote 15, above.

Source: The City.

Projected Operating Results and Debt Service Coverage

Estimated projected operating results for the Water System for the current and next four Fiscal Years, reflecting certain significant assumptions concerning future events and circumstances (including those set forth in the footnotes to the table), are set forth below. All of such assumptions are material in the development of the City's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary significantly from those presented in the forecast; such variations may be material and may have a material adverse impact on the Net Revenues available to pay the Series 2024 Installment Payments.

Table 14
City of Monterey Park
Projected Water System Operating Results and Debt Service Coverage
Fiscal Year Ending June 30

	Fiscal Year 2023-24	*Fiscal Year 2024-25*	*Fiscal Year 2025-26*	*Fiscal Year 2026-27*	*Fiscal Year 2027-28*
Revenues					
Charges for Services[1]	$ 17,279,104	$ 20,699,940	$ 22,267,777	$ 23,958,154	$ 25,545,332
Meter Installations[2]	103,000	106,090	109,273	112,551	115,927
Interest Income	60,477	36,834	29,741	28,687	26,668
Other[3]	3,090	3,183	3,278	3,377	3,478
Total Revenues	$ 17,445,671	$ 20,846,047	$ 22,410,069	$ 24,102,769	$ 25,691,405
Operation and Maintenance Costs					
Operation[4]	$ 12,104,281	$ 12,329,279	$ 12,997,390	$ 13,698,753	$ 14,436,327
Salaries and Benefits[5]	3,830,859	4,022,402	4,223,522	4,434,698	4,656,433
General and administrative[6]	1,286,000	1,324,580	1,364,317	1,405,247	1,447,404
Total Operation and Maintenance Costs	$ 17,221,140	$ 17,676,261	$ 18,585,229	$ 19,538,698	$ 20,540,164
Net Revenue	$ 224,531	$ 3,169,786	$ 3,824,840	$ 4,564,071	$ 5,151,241
Debt Service					
2001 Installment Sale Agreement[7]	$ 112,193	$ -	$ -	$ -	$ -
2024 Installment Purchase Agreement*[8]	-	1,225,356	1,229,500	1,229,500	1,228,750
Total Debt Service*	$ 112,193	$ 1,225,356	$ 1,229,500	$ 1,229,500	$ 1,228,750
Debt Service Coverage*	2.00x	2.59x	3.11x	3.71x	4.19x
Remaining Net Revenues*	$ 112,338	$ 1,944,430	$ 2,595,340	$ 3,334,571	$ 3,922,491
Subordinate Debt Service					
Siemens Loan[9]	$ 804,774	$ 850,949	$ 888,341	$ 928,551	$ 970,447
San Gabriel Valley WD Loan[10]	$ -	$ 400,000	$ 400,000	$ 400,000	$ 400,000

* *Preliminary, subject to change.*

(1) See the caption "THE WATER SYSTEM—Projected Water Sales Revenues." Projected Charges for Service reflect water charges at rates in effect through February 29, 2024 and increased rates implemented at the direction of the City Council as of March 1, 2024, and assuming rate increases as described under the caption "THE WATER SYSTEM— Water System Rates and Charges—*Adopted Water Rates and Charges.*" Amounts reflected in Charges for Service also include estimated EPA Settlement payments of $1.5 million in Fiscal Year 2023-24 (including amounts owed but not paid in prior Fiscal Years) and $600,000 in each of Fiscal Years 2024-25 through 2027-28. See the caption "—Water Quality and Treatment—*EPA Settlement*."

(2) Connection Fees. See the caption "THE WATER SYSTEM—Water System Rates and Charges."

(3) Other Revenues includes amounts estimated to be received from sales of surplus Water System equipment.

(4) Operations and maintenance costs of the Water System, excluding salary and benefits and administration expenses. Assumes an average annual increase in the cost of services and supplies of approximately 5.5%.

(5) Salary and benefits include the fully burdened direct cost for service of employees in the water division. Estimated cost of salaries and benefits is based on the active MOUs, with annual increases of approximately 5% to account for cost of living adjustments and step increases.

(6) Expenses of doing business not readily identified with a particular activity including City Manager, City Attorney, Finance, Human Resources, Risk Management, Technology, and City Clerk's functions.

(7) The $673,067.57 remaining balance of the 2001 Installment Sale Agreement was prepaid paid in full on March 12, 2024 and is no longer outstanding. See "THE CITY—No Outstanding Parity Obligations." The amount shown for Fiscal Year 2023-24 is the Fiscal Year debt service requirement and does not reflect the prepayment amount.

(8) Series 2024 Installment Payments under the Installment Purchase Agreement are pledged to payment of the Bonds. See the caption "SECURITY FOR THE BONDS."

(9) Reflects approximately 85% of the annual Siemens Lease payment, which is allocated to the Water System and paid from Net Revenues on a subordinate basis to the Bonds. See "THE CITY—Outstanding Parity and Subordinate Obligations."

(11) Payments under the 2021 Loan Agreement, which are paid from Net Revenues on a subordinate basis to the Bonds. Payments commence in Fiscal Year 2024-25. See "THE CITY—Outstanding Parity and Subordinate Obligations."

Source: The City.

Employees' Retirement Plan – CalPERS

This caption contains certain information relating to CalPERS. The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City and the Underwriter have not independently verified the information provided by CalPERS and neither makes any representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.

The annual comprehensive financial reports of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference herein. The City cannot guarantee the accuracy of such information. Actuarial assessments are forward-looking statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Plan Description. All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans (the "Plans") administered by CalPERS. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website via http://www.calpers.ca.gov.

Water System Share of CalPERS Plan. Salary and benefit costs of the Water System include funding of retirement benefits for employees assigned to the Water System who, as City employees, participate in the City's Miscellaneous CalPERs Plan. City employees assigned to the Water System constitute approximately 2% of all City employees and payments made by the City to CalPERS from Revenues amounted to approximately $254,723.10 in Fiscal Year 2022-23, or approximately 3.84% of the City's total payments to CalPERS in 2022-23. The information under this caption "—Employees' Retirement Plan – CalPERS" describes the City's overall Safety and Miscellaneous CalPERS plans; however, only the portion of the Miscellaneous CalPERS plan attributable to City employees assigned to the Water System is payable from Revenues.

Benefit Provided. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for Service Requirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay. Retirement benefits for classic miscellaneous employees are calculated as 2% to 2.7% of the average final 12 months of compensation. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of the average final 36 months of compensation.

A participant is eligible for non-industrial disability retirement if he or she becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50 percent of final compensation.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.15 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of $5,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

As of June 30, 2021, the valuation date, the following employees were covered by the benefit terms.

	Plans	
	Miscellaneous	***Safety***
Active employees	177	120
Transferred and terminated employees	354	103
Retired employees and beneficiaries	359	251
Total	**890**	**484**

Source: City Audited Financial Statements for Fiscal Year 2022-23.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and will be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The liability for governmental activities is primarily liquidated from the General Fund and the liability for business-type activities is liquidated from the applicable enterprise funds.

Funding Policy. Required employer and employee contributions are determined by CalPERS based upon various actuarial assumptions which are revised annually. The City currently funds the normal pension costs, which are determined by CalPERS using the Entry Age Normal Cost Method, as well as an amortization of the City's unfunded accrued liability.

Beginning with Fiscal Year 2017-18, CalPERS collects employer contributions towards the unfunded liability as a dollar amount instead of the prior method of using a contribution rate. The City funded such amounts in Fiscal Years 2017-18 through 2022-23 and currently expects to do so in Fiscal Year 2023-24. Pursuant to the various Memorandums of Understanding ("MOUs") with the City's employee bargaining units, employees who participate in CalPERS pay 100% of their required employee contributions. The following tables show the City's contribution rates, as determined by CalPERS for Fiscal Years 2017-18 to 2024-25.

On February 16, 2021, the City issued $106,335,000 of pension obligation bonds which was used to pay the City's total unfunded liability to CalPERS as of such date. The information contained in this Official Statemen reflects the issuance of such pension obligation bonds as additional discretionary payments by the City.

Table 15
City of Monterey Park
CalPERS Contribution Rates
Fiscal Year 2017-18 to 2023-24

Miscellaneous Plan of the City of Monterey Park

Fiscal Year	*Employer Normal Cost*	*Unfunded Liability Contribution*	*Additional Discretionary Payments*
2017–18	10.028%	$ 2,317,801	--
2018–19	10.286	2,661,702	$ 603,700
2019–20	10.841	3,025,584	757,873
2020–21	11.772	3,299,865	41,146,631[(1)]
2021–22	11.140	3,652,874	--
2022-23	10.700	181,144	--
2023-24	12.290	0	--
2024-25	12.250	393,664	--

(1) On February 16, 2021, the City issued $106,335,000 of pension obligation bonds which was used to pay the City's total unfunded liability to CalPERS as of such date.
Source: CalPERS Miscellaneous Plan for the City of Monterey Park Annual Valuation Report as of June 30, 2022.

Safety Plan of the City of Monterey Park

Fiscal Year	*Employer Normal Cost*	*Unfunded Liability Contribution*	*Additional Discretionary Payments*
2017–18	17.181%	$ 2,591,114	--
2018–19	17.823	3,214,037	--
2019–20	18.883	3,931,364	--
2020–21	19.821	4,473,666	$64,398,586[(1)]
2021–22	19.800	4,825,723	--
2022-23	19.440	13,209	--
2023-24	20.870	0	--
2024-25	20.800	347,780	--

(1) On February 16, 2021, the City issued $106,335,000 of pension obligation bonds which was used to pay the City's total unfunded liability to CalPERS as of such date.
Source: CalPERS Safety Plan for the City of Monterey Park Annual Valuation Report as of June 30, 2022.

The required employer contributions for Fiscal Year 2024-25 were determined as part of the June 30, 2022, actuarial valuations using the entry age actuarial cost method. See "*—CalPERS Plan Actuarial Methods*" below for a description of CalPERS actuarial assumptions.

Funded Status. The following tables show the recent history of the actuarial accrued liability, the market value of assets, the funded ratio and the annual covered payroll for the City's Miscellaneous Plan and Safety Plan.

Table 16
City of Monterey Park
CalPERS Plans Funded Status

Miscellaneous Plan of the City of Monterey Park

Valuation Date	*Accrued Liability*	*Market Value of Assets*	*Unfunded Accrued Liability*	*Funded Ratio*	*Annual Covered Payroll*
06/30/13	$102,009,772	$ 71,523,485	$ 30,486,287	70.1%	$10,396,777
06/30/14	111,609,312	82,816,954	28,792,358	74.2	11,080,205
06/30/15	116,598,083	83,637,470	32,960,613	71.7	11,618,402
06/30/16	122,973,430	83,051,483	39,921,947	67.5	11,402,975
06/30/17	130,214,252	91,567,275	38,646,977	70.3	10,934,885
06/30/18	141,096,398	98,551,511	42,544,887	69.8	11,795,003
06/30/19	146,994,150	103,674,249	43,319,901	70.5	11,795,682
06/30/20	151,561,504	107,269,345	44,292,162	70.8	11,980,271
06/30/21	158,220,722	173,696,550	(15,475,828)[1]	109.8	11,331,367
06/30/22	165,179,985	155,048,385	10,131,600	93.9	10,893,283

[1] On February 16, 2021, the City issued $106,335,000 of pension obligation bonds which was used to pay the City's total unfunded liability to CalPERS as of such date.

Source: CalPERS Miscellaneous Plan for the City of Monterey Park Annual Valuation Report as of June 30, 2022.

Safety Plan of the City of Monterey Park

Valuation Date	*Accrued Liability*	*Market Value of Assets*	*Unfunded Accrued Liability*	*Funded Ratio*	*Annual Covered Payroll*
06/30/13	$159,897,765	$122,234,753	$ 37,663,012	76.4%	$11,077,952
06/30/14	174,578,515	139,395,546	35,182,969	79.8	11,205,479
06/30/15	181,456,621	138,488,204	42,968,417	76.3	11,258,518
06/30/16	189,787,783	135,246,032	54,541,751	71.3	11,502,280
06/30/17	203,696,957	146,662,354	57,034,603	72.0	12,055,535
06/30/18	220,781,074	154,992,334	65,788,740	70.2	13,043,559
06/30/19	227,241,185	161,913,577	65,327,608	71.3	13,075,259
06/30/20	235,646,817	166,504,712	69,142,105	70.7	12,488,188
06/30/21	247,337,027	272,109,279	(24,772,252)[1]	110.0	13,634,310
06/30/22	257,419,187	244,546,890	12,872,297	95.0	14,278,731

[1] On February 16, 2021, the City issued $106,335,000 of pension obligation bonds which was used to pay the City's total unfunded liability to CalPERS as of such date.

Source: CalPERS Safety Plan for the City of Monterey Park Annual Valuation Report as of June 30, 2022.

CalPERS Plan Actuarial Methods. The staff actuaries at CalPERS prepare annually an actuarial valuation which is typically delivered in the time period from July through October of each year (thus, the actuarial valuation dated July 2023 (the most recent valuation provided to the City) covered CalPERS' Fiscal Year ended June 30, 2022). The actuarial valuations express the City's required contribution which the City must contribute in the fiscal year immediately following the fiscal year in which the actuarial valuation is prepared (thus, the City's contribution requirement derived from the actuarial valuation as of June 30, 2022 affects the City's Fiscal Year 2024-25 required contribution). CalPERS rules require the City to implement the actuary's recommended rates.

The annual actuarially required contribution rates consist of two components: the normal cost and the unfunded accrued liability ("UAL"). The normal cost represents the actuarial present value of benefits that CalPERS will fund under the CalPERS plans that are attributed to the current year, and the accrued liability (the "AAL") represents the actuarial present value of benefits that CalPERS will fund that are attributed to past years. The UAL represents an estimate of the actuarial shortfall between actuarial value of assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS plans to retirees and active employees upon their retirement. The UAL is based on several assumptions such as, among others, the expected rate of investment return, average life expectancy, average age of retirement, inflation, salary increases and occurrences of disabilities. In addition, the UAL includes certain actuarial adjustments such as, among others, the actuarial practice of smoothing losses and gains over multiple years (which is described in more detail below). As a result, the UAL may be considered an estimate of the unfunded actuarial present value of the benefits that CalPERS will pay under the CalPERS plans to retirees and active employees upon their retirement and not as a fixed expression of the liability the City owes to CalPERS under its CalPERS plans.

The CalPERS Chief Actuary considers various factors in determining the assumptions to be used in preparing the actuarial report. Demographic assumptions are based on a study of the actual history of retirement, rates of termination/separation of employment, years of life expectancy after retirement, disability, and other factors. This experience study is generally done once every four years. The most recent experience study was completed in 2021 in connection with the preparation of actuarial recommendations by the CalPERS Chief Actuary.

On June 25, 2012, the Governmental Accounting Standards Board approved GASB Statement No. 68 ("GASB 68") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. GASB 68 states that, for pensions within the scope of the statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. While the new accounting standards change financial statement reporting requirements, they do not impact funding policies of the pension systems. On November 25, 2013 the Governmental Accounting Standards Board issued GASB Statement No. 71, which amended GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. The audited financial statements of the City for Fiscal Year 2021-22 attached hereto as Appendix A reflects the application of the GASB 68 and GASB 71. GASB 68 is a change in accounting reporting standards but it does not change the City's CalPERS plan funding obligations.

Net Pension Liability. The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Cost Method	Entry-Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.9%
Inflation	2.3%
Salary Increases	Varies by entry age and service.
Mortality Rate Table	The mortality table was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
Post Retirement Benefit Increase	Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter.

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

Asset Class[1]	*Assumed Asset Allocation*	*Real Return Years 1 – 10*[1] [2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	**100.00%**	

(1) An expected inflation of 2.30% used for this period.
(2) Figures are based on the 2021 Asset Liability Management study.
Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

The following tables show the changes in net pension liability recognized over the measurement period ended June 30, 2022.

Miscellaneous Plan

	Increase (Decrease)		
	Total Pension Liability (a)	*Plan Fiduciary Net Position (b)*	*Net Pension Liability (Asset) (c) = (a) - (b)*
Balance at June 30, 2021 (Valuation Date)	**$ 153,625,934**	**$ 173,704,489**	**$ (20,078,555)**
Changes Recognized for the Measurement Period:			
Service cost	2,277,310	--	2,277,310
Interest on the total pension liability	10,590,605	--	10,590,605
Changes of Assumptions	4,675,002	--	4,675,002
Differences between expected and actual experience	(1,948,123)	--	(1,948,123)
Contributions from the employer	--	1,281,326	(1,281,326)
Contributions from employees	--	1,068,666	(1,068,666)
Net investment income	--	(12,885,155)	12,885,155
Benefit payments, including refunds of employee contributions	(8,008,871)	(8,008,871)	--
Administrative expenses	--	(108,208)	108,208
Net Changes during July 1, 2021 to June 30, 2022	**$ 7,585,923**	**$ (18,652,242)**	**$ 26,238,165**
Balance at June 30, 2022 (Measurement Date)	**$ 161,211,857**	**$$155,052,247**	**$ $6,159,610**

(1) On February 16, 2021, the City issued $106,335,000 of pension obligation bonds which was used to pay the City's total unfunded liability to CalPERS as of such date.
Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

Safety Plan

	Increase (Decrease)		
	Total Pension Liability (a)	*Plan Fiduciary Net Position (b)*	*Net Pension Liability (Asset) (c) = (a) - (b)*
Balance at June 30, 2021 (Valuation Date)	**$ 240,619,835**	**$ 272,121,603**	**$ (31,501,768)**
Changes Recognized for the Measurement Period:			
Service cost	4,273,500	--	4,273,500
Interest on the total pension liability	16,606,680	--	16,606,680
Changes of assumptions	6,196,586	--	6,196,586
Differences between expected and actual experience	(2,515,151)	--	(2,515,151)
Contributions from the employer	--	2,584,424[(1)]	(2,584,424)
Contributions from employees	--	1,804,252	(1,804,252)
Net investment income	--	(20,264,806)	20,264,806
Benefit payments, including refunds of employee contributions	(11,523,017)	(11,523,017)	--
Administrative expenses	--	(169,516)	169,516
Net Changes during July 1, 2021 to June 30, 2022	**$ 13,038,598**	**$ (27,568,663)**	**$ 40,607,261**
Balance at June 30, 2022 (Measurement Date)	**$ 253,658,433**	**$ 244,552,940**	**$ 9,105,493**

(1) On February 16, 2021, the City issued $106,335,000 of pension obligation bonds which was used to pay the City's total unfunded liability to CalPERS as of such date.

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

The following table presents the net pension liability of the Plan as of June 30, 2021, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate.

	Miscellaneous	*Safety*
1% Decrease	5.9%	5.9%
Net Pension Liability	$27,218,134	$43,682,176
Current Discount Rate	6.9%	6.9%
Net Pension Liability	$6,159,610	$9,105,493
1% Increase	7.9%	7.9%
Net Pension Liability	$(11,216,859)	$(19,251,003)

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

For the year ended June 30, 2023, the City recognized pension expense of $2,605,499 and $3,131,548, for the Miscellaneous and Safety plan, respectively.

For additional information relating to the City's CalPERS plans, including certain actuarial assumptions of CalPERS and deferred outflows and deferred inflows of resources related to the CalPERS Plans, see Note 10 to the City's financial statements set forth in Appendix A.

Employees' Retirement Plan – Massachusetts Mutual Retirement Plan (MMRP)

Plan Description. Certain miscellaneous employees are covered by a retirement plan through the Massachusetts Mutual Life Insurance Company ("MMRP"), a single-employer pension plan. All miscellaneous employees who were employed prior to April 1, 1976 participated in the MMRP. Miscellaneous employees under the age of 55 joined CalPERS on and after April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous

employees over the age of 55 (on or before April 1, 1976) could not participate in CalPERS and remain wholly in the MMRP. The City does not issue a publicly available financial report for the MMRP.

Benefits Provided. The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in CalPERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for CalPERS.

Employee Covered by Benefit Terms. MMRP is a closed plan. As of June 30, 2022, there are 38 individuals in the plan, all of whom are no longer employed by the City or are currently participating in CalPERS.

Contributions. MMRP is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions and there were no current year employee contributions required.

Net Pension Liability. For the measurement period ended June 30, 2023, the total MMRP pension liability was determined by rolling forward the June 30, 2021 total pension liability to June 30, 2023 based on actual benefit payments. The total MMRP pension liability was based on the following actuarial methods and assumptions.

Contribution Policy	City contributes full ADC
Actuarial Assumptions:	
Discount Rate	3.65% at June 30, 2023 based on the Bond Buyer 20-bond Index at 6/30/23
	3.54% at June 30, 2022 based on the Bond Buyer 20-bond Index at 6/30/22
Long-Term Expected Rate of Return on Assets	3.00% at June 30, 2023 (55% confidence level)
	3.00% at June 30, 2022 (55% confidence level)
Municipal Bond Rate	3.65% at June 30, 2023 (Bond Buyer 20 Index)
	3.54% at June 30, 2022 (Bond Buyer 20 Index)
General Inflation	2.50% annually
Investment Rate of Return	7.65%
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Cost of Living Adjustment/PPPA	2.00%
Asset Fair Market Value	Fair value factor of 89.274% as of 6/30/2023 supplied by the City

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

Plan assets are currently invested in Mass Mutual general investment account. Expected long term return on assets was 3.25%% for June 30, 2023 valuation and rounded to nearest 0.25%.

The following table shows the changes in net pension liability recognized over the measurement period ended June 30, 2022.

	Increase (Decrease)		
	Total Pension Liability (a)	***Plan Fiduciary Net Position (b)***	***Net Pension Liability (Asset) (c) = (a) - (b)***
Balance at June 30, 2021	**$ 4,361,041**	**$ 3,988,776**	**$ 372,265**
Changes Recognized for the Measurement Period:			
Service cost	--	--	--
Interest on the total pension liability	147,660	--	147,660
Changes in benefit terms	--	--	--
Changes in assumptions	(32,713)	--	(32,713)
Differences between expected and actual experience	--	--	--
Plan to plan resource movement	--	--	--
Contributions from the employer	--	--	--
Contributions from employees	--	--	--
Net investment income	--	66,372	(66,372)
Benefit payments, including refunds	(379,706)	(379,706)	--
Administrative Expense	--	(10,140)	10,140
Net Changes during July 1, 2022 to June 30, 2023	**$ (264,759)**	**$ (323,474)**	**$ 58,715**
Balance at June 30, 2023 (Measurement Date)	**$ 4,096,282**	**$ 3,665,302**	**$ 430,980**

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

The following table presents the net pension liability of the MMRP as of the June 30, 2023 measurement date, calculated using the discount rate of 3.65%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.65%) or 1 percentage-point higher (4.65%) than the current rate.

1% Decrease	2.65%
Net Pension Liability	$749,599
Current Discount Rate	3.65%
Net Pension Liability	$430,980
1% Increase	4.65%
Net Pension Liability	$156,655

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

For additional information relating to the City's MMRP plan, including deferred outflows and deferred inflows of resources relating to the plan, see Note 10 to the City's financial statements set forth in Appendix A.

Employees' Retirement Plan – Defined Contribution Pension Plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of the contributions. Part-time, nonbenefited, nonpersable employees of the City must participate in the plan. During the year ended June 30, 2023, 108 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants

that become full-time employees and enter the CalPERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, deferred compensation plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and nonbenefited, nonpersable part-time employees, respectively. During the year, the City contributed $31,818 to the plan.

Other Post-Employment Benefits

Defined Benefit Plan Description. The City provides postretirement medical insurance benefits, in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire with CalPERS pension benefits immediately upon termination of employment from the City (the "OPEB Plan"). The City has established a California Employers' Retiree Benefit Trust (the "CERBT"), an agent-multi-employer trust for which CalPERS serves as trustee. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City. In addition to the direct City contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates (implied subsidy). Members are eligible for the following benefits.

	General	***Management***	***Safety***
Benefit Types Provided	Medical Only	Medical Only	Medical Only
Duration of Benefits	Lifetime	Lifetime	Lifetime
Minimum Age	50	50	50
Dependent Coverage	Yes	Yes	Yes
Required Years of Service	5 Years	5 Years	5 Years
City Contribution %	100%	100%	100%
City Cap:			
Calendar Year 2021	$340-$435 per month	$355-$1,375	$346-$650
Calendar Year 2022	$340-$435 per month	$355-$1,375	$346-$650

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

Employees Covered. As of June 30, 2022, the following current and former employees are covered by the benefit terms under the plan.

Inactive employees or beneficiaries currently receiving benefits	236
Inactive employees or beneficiaries entitled to but not yet receiving benefits	60
Active employees	236
Total	**532**

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

Water System Share of OPEB Plan. Salary and benefit costs of the Water System include funding of other post-employment benefits for employees assigned to the Water System who, as City employees, participate in the City's OPEB Plan. City employees assigned to the Water System constitute approximately 0.07% of all City employees and payments made by the City pursuant to the OPEB Plan from Revenues amounted to approximately $79,621 in Fiscal year 2022-23, or approximately 0.08% of the City's total OPEB Plan payments in 2022-23. The information under this caption "—Other Post-Employment Benefits" describes the City's overall OPEB Plan; however, only the portion of the OPEB Plan attributable to City employees assigned to the Water System is payable from Revenues.

Contributions. The contribution requirements are established and amended by the City. Employer contributions are determined through an annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For Fiscal Year 2022-23, the City's contributions to the plan included $1,000,000 to the irrevocable CERBT, an implied subsidy of $304,000, $17,344 in administrative expenses and $1,286,464 in cash benefit payments, resulting in total contributions of $2,607,808. The contributions to the OPEB Plan are generally made from the General Fund.

Funding Policy. There is no statutory requirement for the City to prefund its OPEB Plan obligation and the City has not prefunded its OPEB Plan obligation. The contribution requirements are established and amended by the City. The contribution is based on pay-as-you-go financing requirements.

Governmental Accounting Standards Board published Statement No. 45 ("GASB 45"), requiring governmental agencies that fund post-employment benefits on a pay-as-you-go basis, such as the City, to account for and report the outstanding obligations and commitments related to such post-employment benefits in essentially the same manner as for pensions.

In June 2015, GASB published Statement No. 75 ("GASB 75"), which replaced the requirements under GASB No. 45. The provisions in GASB 75 became effective for Fiscal Years beginning after June 15, 2017. The primary objective of GASB 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (i.e. OPEB). GASB 75 requires that most changes in the net OPEB liability be included in OPEB expense in the period of the change. GASB 75 also requires certain descriptive information to be included in the notes to a public agency's audited financial statements as well as additional supplementary information such as sources of changes in net OPEB liability and the components of the net OPEB liability. The City implemented GASB 75 with its audited financial statements for Fiscal Year 2019-20.

Actuarial Assumptions. For the measurement period ended June 30, 2021, the City's total OPEB liability was determined in a June 30, 2021 actuarial accounting valuation. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

Actuarial Valuation Date	June 30, 2021
Contribution Policy	Pre-funded through CERBT with Strategy 1 asset allocation.
Actuarial Assumptions:	
Discount Rate and Long-Term Expected Rate of Return on Assets	6.25% at June 30, 2022 and June 30, 2021 Expected City contributions projected to keep sufficient plan assets to pay all benefits from trust
Inflation	2.50% annually
Salary Increase	Aggregate - 2.75% annually, Merit - CalPERS 2000-2019 Experience Study
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 experience study
Medical Trend	Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076
PEMHCA Minimum Increases	4.00% annually
Cap Increases	All except Executive Management, CM and Elected Officials: 0% until the end of current MOU, 5% every 3 years thereafter Executive Management, CM and Elected Officials: 5% per year
Participation at Retirement	Tier 1: 90% PEMHCA Minimum Only: 80%

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

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

Changes in the Net OPEB Liability. The changes in the net OPEB liability for the measurement period ending June 30, 2021 are as follows.

	Increase (Decrease)		
	Total OPEB Liability	***Plan Fiduciary Net Position***	***Net OPEB Liability (Asset)***
Balance at June 30, 2021 (Measurement Date)	**$ 32,884,222**	**$ 13,189,701**	**$ 19,694,521**
Changes in the Year:			
Service cost	757,555	--	757,555
Interest on the total OPEB liability	2,050,988	--	2,050,988
Contributions - employer	--	2,667,920	(2,667,920)
Net investment income	--	(1,924,920)	1,924,920
Administrative expenses	--	(19,451)	19,451
Benefit payments	(1,651,920)	(1,651,920)	--
Net Changes during July 1, 2021 to June 30, 2022	**$ 1,156,623**	**$ (928,371)**	**$ 2,084,994**
Balance at June 30, 2022 (Measurement Date)	**$ 34,040,845**	**$ 12,261,330**	**$ 21,779,515**

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

The following tables present the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate.

	1% Decrease (5.25%)	***Discount Rate (6.25%)***	***1% Increase (7.25%)***
Net OPEB Liability	$26,392,956	$21,779,515	$17,995,425

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower.

	1% Decrease	***Current Trend***	***1% Increase***
Net OPEB Liability	$19,722,148	$21,779,515	$24,014,143

Source: City of Monterey Park Audited Financial Statements for Fiscal Year 2022-23.

For additional information relating to the City's OPEB Plan, including deferred outflows and resources and deferred inflows of resources related to the OPEB Plan, see Note 12 to the City's financial statements set forth in Appendix A.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Article XIIIB

Article XIIIB of the State Constitution limits the annual appropriations of the State and of any city, county, school district, authority, special district or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and population. The "base year" for establishing such appropriation limit is the 1978-79 State fiscal year and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (a) the financial responsibility for a service is transferred to another public entity or to a private entity; (b) the financial source for the provision of services is transferred from taxes to other revenues; or (c) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations that are subject to Article XIIIB generally include the proceeds of taxes levied by or for the State or other entity of local government, exclusive of certain State subventions, refunds of taxes and benefit payments from retirement, unemployment, insurance and disability insurance funds. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to an entity of government from: (i) regulatory licenses, user charges, and user fees (but only to the extent that such proceeds exceed the cost reasonably borne by the entity in providing the service or regulation); and (ii) the investment of tax revenues. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amounts that are permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Certain expenditures are excluded from the appropriations limit, including payments of indebtedness that were existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters, and payments that are required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

The City is of the opinion that its charges for Water Service do not exceed the costs that it reasonably bears in providing such service and therefore are not subject to the limits of Article XIIIB. See the caption "SECURITY FOR THE BONDS—Rate Covenant" for a description of the City's covenant to set rates and charges for the Water Service.

Proposition 218

General. An initiative measure entitled the "Right to Vote on Taxes Act" ("Proposition 218") was approved by the voters of the State at the November 5, 1996 general election. Proposition 218 added Articles XIIIC and XIIID to the State Constitution. According to the "Title and Summary" of Proposition 218 prepared by the State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Article XIIID. Article XIIID defines the terms "fee" and "charge" to mean "any levy other than an ad valorem tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property-related service." A "property-related service" is defined as "a public service having a direct relationship to property ownership." Article XIIID further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIIID requires that any agency which imposes or increases any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a

result, because fees for water service are a "fee" or "charge" as defined in Article XIIID, the local government's ability to increase such fees or charges may be limited by a majority protest.

In addition, Article XIIID includes a number of limitations that are applicable to existing fees and charges, including provisions to the effect that: (a) revenues that are derived from the fee or charge may not exceed the funds which are required to provide the property-related service; (b) such revenues may not be used for any purpose other than that for which the fee or charge was imposed; (c) the amount of a fee or charge that is imposed upon any parcel or person as an incident of property ownership may not exceed the proportional cost of the service attributable to the parcel; and (d) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Based upon the California Court of Appeal decision in *Howard Jarvis Taxpayers Association v. City of Los Angeles*, 85 Cal. App. 4th 79 (2000), which was denied review by the State Supreme Court, it was generally believed that Article XIIID did not apply to charges for water and wastewater services that are "primarily based on the amount consumed" (i.e., metered water or wastewater rates), which had been held to be commodity charges related to consumption of the service, not property ownership. The State Supreme Court ruled in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) (the "Bighorn Case"), however, that fees for ongoing water service through an existing connection were property-related fees and charges. The State Supreme Court specifically disapproved the holding in *Howard Jarvis Taxpayers Association v. City of Los Angeles* that metered water rates are not subject to Proposition 218. The City complies with the notice, hearing and protest procedures in Article XIIID, as further explained by the State Supreme Court in the *Bighorn* Case, with respect to water rate increases.

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) (the "SJC Case") upholding tiered water rates under Proposition 218 provided that the tiers correspond to the actual cost of furnishing service at a given level of usage, including the capital costs of improvements to provide additional increments of water. The opinion included a finding that the City of San Juan Capistrano did not make any attempt to calculate the actual costs of providing water at various tier levels. The City's current residential water rate structure includes tiered rates based on usage. The City has reviewed the *SJC* Case decision and does not expect the decision to affect its rate structure. The City believes that its current water rates comply with the requirements of Proposition 218 because they are tied to the cost of service and capital improvements, and expects that any future water rate increases will comply with Proposition 218's procedural and substantive requirements to the extent applicable thereto.

Article XIIIC. Article XIIIC provides that the initiative power may not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges is applicable to all local governments. Article XIIIC does not define the terms "local tax," "assessment," "fee" or "charge," so it was unclear whether the definitions set forth in Article XIIID referred to above are applicable to Article XIIIC. Moreover, the provisions of Article XIIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. On July 24, 2006, the State Supreme Court held in the *Bighorn* Case that the provisions of Article XIIIC applied to rates and fees charged for domestic water use. In the decision, the State Supreme Court noted that the decision did not address whether an initiative to reduce fees and charges could override statutory rate setting obligations.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsmuir* (2020) 9 Cal.5th 1105, holding that taxpayers do not have the right under Proposition 218 to challenge water rates by referendum, and the City does not believe that Article XIIIC grants to the voters within the City the power (whether by initiative under Article XIIIC or otherwise, or by referendum, which is not authorized under Article XIIIC) to repeal or reduce rates and charges for the Water Service in a manner that would interfere with the contractual obligations of the City or the obligation of the City to maintain and operate the Water System.

However, there can be no assurance as to the availability of particular remedies adequate to protect the Beneficial Owners of the Bonds. Remedies that are available to Beneficial Owners of the Bonds in the event of a default by the City are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain. So long as the Bonds are held in book-entry form, DTC (or its nominee) will be the sole registered owner of the Bonds and the rights and remedies of the Bond Owners will be exercised through the procedures of DTC.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 applies to charges imposed or increased after November 2, 2010 and provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City believes that its water rates and charges meet the exception that is described in clause (g) above and are not taxes under Proposition 26.

Future Initiatives

Articles XIIIB, XIIIC and XIIID and Proposition 26 were adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiatives could be proposed and adopted affecting the City's water rates and charges or ability to increase Revenues. See the caption "CERTAIN RISKS TO BONDHOLDERS—Initiative Measure Relating to Water Revenues" for information regarding an initiative measure expected to appear on the November 2024 Statewide ballot, which would amend Article XIIIC and apply retroactively to January 1, 2022. If such retroactivity is upheld, the amendments contained in Initiative 1935 would apply to the City's most recent water rate increases, which were adopted on December 6, 2023 after a noticed public hearing in compliance with Article XIIIC. The City was aware of Initiative 1935 when it went through the process prescribed by Proposition 218 and believes that its current water rates were adopted in compliance with Article XIIIC, as it would be amended if Initiative 1935 is approved by the voters.

CERTAIN RISKS TO BONDHOLDERS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone could delay or preclude payment of principal of or interest on the Bonds.

Limited Obligations

The obligation of the City to pay the Series 2024 Installment Payments is a limited obligation of the City and is not secured by a legal or equitable pledge or charge or lien upon any property of the City or any of its income or receipts, except Revenues of the Water System. The obligation of the City to pay the Series 2024 Installment Payments does not constitute an obligation of the City to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Accuracy of Assumptions

To estimate the Net Revenues available to pay the Series 2024 Installment Payments, the City has made certain assumptions with regard to various matters, including but not limited to future development within the City and increases in revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the Water System and the interest rate at which funds will be invested. The City believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the Series 2024 Installment Payments will, in all likelihood, be less than those projected herein. The City may choose, however, to maintain compliance with the rate covenant that is set forth in the Indenture in part by means of contributions from the Rate Stabilization Fund or other available reserves or resources. In such event, Net Revenues may generate amounts which are less than 120% of Debt Service in any given Fiscal Year. See the captions "SECURITY FOR THE BONDS—Rate Covenant," "SECURITY FOR THE BONDS—Rate Stabilization Fund" and "WATER SYSTEM FINANCIAL INFORMATION—Projected Water System Operating Results and Debt Service Coverage."

Water System Demand

There can be no assurance that the demand for Water Service will occur as described in this Official Statement. Water deliveries and Revenues declined significantly in Fiscal Year 2021-22 due to drought conservation measures and in Fiscal Year 2022-23 due to unusually high precipitation levels. Additional future decreases in demand could require an increase in rates or charges in order to comply with the rate covenant. See the caption "SECURITY FOR THE BONDS—Rate Covenant." Demand for Water Service could be reduced or may not occur as projected by the City as a result of reduced levels of development in the City's service area, hydrological conditions, an economic downturn, voluntary conservation efforts or mandatory State conservation orders in response to drought conditions and other factors.

System Expenses

There can be no assurance that the City's expenses will be consistent with the descriptions in this Official Statement. Operation and Maintenance Costs may vary with labor costs (including costs related to pension liabilities and the costs of retaining qualified personnel with the proper certifications to operate Water System treatment and other facilities), water treatment costs, energy costs, regulatory compliance costs, increased imported water purchase costs (including as a result of drought restrictions) and other factors.

Increases in Operation and Maintenance Costs could require an increase in rates or charges in order to comply with the rate covenant. See the caption "SECURITY FOR THE BONDS—Rate Covenant." Rate increases are subject to the provisions of Proposition 218 and there can be no assurance that the City will be able to increase rates as needed to address increases in Water System expenses. See the caption "—Rate-Setting Process under Proposition 218."

Limited Recourse on Default

If the City defaults on its obligation to pay the Series 2024 Installment Payments, the Trustee, as assignee of the Authority, has the right to declare the total unpaid principal amount of the Series 2024 Installment Payments, together with the accrued interest thereon, to be immediately due and payable. However, in the event

of a default and such acceleration, there can be no assurance that the City will have sufficient funds to pay such accelerated amounts from Net Revenues.

Rate-Setting Process under Proposition 218

Proposition 218, which added Articles XIIIC and XIIID to the State Constitution, affects the City's ability to maintain existing Water System rates and impose rate increases, and no assurance can be given that future proposals to increase Water System rates will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed Water System rate increases cannot be imposed as a result of majority protest or initiative, the City might thereafter be unable to generate Net Revenues in the amounts required by the Installment Purchase Agreement to pay the Series 2024 Installment Payments. The City believes that its current Water System rates approved by the City Council were effected in accordance with the public hearing and majority protest provisions of Proposition 218. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." The City also believes its current rates were adopted in compliance with the provision of Article XIIIC, as it would be amended if Initiative 1935 is approved by the voters in November 2024. See "—Initiative Measure Relating to Water Revenues."

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of water are enacted and promulgated by federal, State and local government agencies. Compliance with these laws and regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the Water System for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the Water System and constitute Operation and Maintenance Costs, or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for municipal water systems such as that operated by the City may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the City. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the City to generate Net Revenues in amounts that are sufficient to pay the Bonds.

Natural Disasters

The occurrence of any natural disaster in the City, including, without limitation, earthquake, wildfire, drought, high winds, landslide or flood, could have an adverse material impact on the economy within the City and the revenues available for the payment of the Bonds and result in substantial damage to and interference with the operations of the Water System.

Significant earthquake faults are located in the region surrounding the City. The Installment Purchase Agreement does not require the City to maintain earthquake insurance; however, the City currently maintains earthquake coverage as part of its property insurance coverage.

The City maintains liability insurance for the Water System and property casualty insurance (for losses other than from seismic events) for certain portions of the Water System. See the caption "THE CITY—City Insurance." However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. Furthermore, significant portions of the Water System, including underground pipelines, are not covered by property casualty insurance. Damage to such portions of the Water System as a result of natural disasters would result in uninsured losses to the City.

Limitations on Remedies

The ability of the City to comply with its covenants under the Installment Purchase Agreement and to generate Net Revenues in amounts that are sufficient to pay the Series 2024 Installment Payments may be adversely affected by actions and events that are outside of the control of the City and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or persons obligated to pay assessments, fees and charges. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218." Furthermore, the remedies that are available to the owners of the Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

In addition, usual equity principles may limit the specific enforcement under State law of certain remedies, as may the exercise by the United States of America of the powers delegated to it by the federal Constitution and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium proceedings and other laws relating to or affecting creditors' rights, or the exercise of powers by the federal or State government, if initiated, could subject the Beneficial Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. Remedies may be limited because the Water System serves an essential public purpose.

The opinion to be delivered by Bond Counsel concurrently with the issuance of the Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Bonds will be similarly qualified. See Appendix C. In the event that the City fails to comply with its covenants under the Installment Purchase Agreement or fails to pay the Series 2024 Installment Payments, which secure the payments of principal of and interest on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interest of the holders of the Bonds.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Authority and the City have covenanted in the Indenture and the Installment Purchase Agreement, respectively, to comply with the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and not to take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Bonds thereunder. Interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of such Bonds as a result of acts or omissions of the Authority or the City in violation of this or other covenants in the Indenture or the Installment Purchase Agreement. The Bonds are not subject to redemption or any increase in interest rates should an event of taxability occur and will remain outstanding until maturity or prior redemption in accordance with the provisions contained in the Indenture. See the caption "TAX MATTERS."

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Parity Obligations

The Installment Purchase Agreement permits the City to enter into Parity Bonds and Contracts payable from Net Revenues on a parity with the Series 2024 Installment Payments, which secure the Bonds, subject to the terms and conditions set forth therein. The entry into of Parity Bonds and Contracts could result in reduced Net Revenues available to pay the Series 2024 Installment Payments. The City has covenanted to set Water System rates and charges in an amount expected to produce Net Revenues of at least 120% of Debt Service, as further described under the caption "SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts."

Climate Change

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere as a result of economic activity, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the City is difficult to predict, but it could be significant and it could have a material adverse effect on the Water System's finances by requiring greater expenditures to counteract the effects of climate change, by changing the business and activities of Water System customers or by increasing the cost or decreasing the availability of water supplies from the Main Basin and SGVWC. See the captions "—System Expenses" and "THE WATER SYSTEM—Drought Declarations."

Cyber Security

The City relies on computers and technology to conduct its operations. The City and its departments face cyber threats from time to time including, but not limited to, hacking, viruses, malware and other forms of technology attacks. Recently, there have been significant cyber security incidents affecting municipal agencies, including a ransomware attack targeting Los Angeles Unified School District, a freeze affecting computer systems of the City of Atlanta, an attack on the City of Baltimore's 911 system, an attack targeting the State of California Department of Finance, an attack on the Colorado Department of Transportation's computers, an attack that resulted in the temporary closure of the Port of Los Angeles' largest terminal and an attack on a water treatment facility in Oldsmar, Florida.

The City owns and operates its own enterprise class data network serving the municipal city government and its operations. The City has retained information technology professionals to support, maintain and protect these operations locally in a purpose-built and physically secure environment. This network and its operations are governed by and in compliance with all applicable governmental regulations as well as the City's own administrative regulations. Within the City's operations and guidance is an active cyber-security program designed to protect from, and to quickly identify and mitigate, a multitude of complex security threats. In 2021, the City implemented procedures that include annual cybersecurity audits. While no network is completely immune from all possible compromise, the City exercises its due diligence in protecting the data it possesses and the systems it operates. To date, there have been no significant cyber-attacks on the City's computers and technologies.

While the City is routinely maintaining its technology systems and continuously implementing new information security controls, no assurances can be given that the City's security and operational control measures will be successful in guarding against all cyber threats and attacks. The results of any attack on the City's computer and technology could negatively impact the City's operations, and the costs related to such attacks could be substantial.

Rate Covenant Not a Guarantee

The Series 2024 Installment Payments, which secure the Bonds, are payable from Net Revenues of the Water System. See the caption "SECURITY FOR THE BONDS." The City's ability to pay the Series 2024

Installment Payments depends on its ability to generate Net Revenues at the levels required by the Installment Purchase Agreement. Although the City has covenanted in the Installment Purchase Agreement to impose rates and charges as more particularly described under the caption "SECURITY FOR THE BONDS—Rate Covenant," and although the City expects that sufficient Revenues will be generated through the imposition and collection of such rates and charges, there is no assurance that the imposition and collection of such rates and charges will result in the generation of Net Revenues in amounts that are sufficient to pay the Series 2024 Installment Payments. Among other matters, the availability of and demand for water and changes in law and government regulations could adversely affect the amount of Revenues realized by the City. The failure to generate sufficient Revenues to pay the Series 2024 Installment Payments does not constitute a default or Event of Default under the Installment Purchase Agreement or the Indenture, provided that the City has set rates and charges at levels that it reasonably expects will generate sufficient Revenues at the beginning of each Fiscal Year.

Initiative Measure Relating to Water Revenues

On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and known as the "Taxpayer Protection and Government Accountability Act," had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIIIA, XIIIC and XIIID of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. See the caption "CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES." The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things:

- Initiative 1935 would amend Article XIIIC to state that every levy, charge or exaction of any kind imposed by local law is either a "tax" or an "exempt charge," and would amend the definition of "tax" added to Article XIIIC by Proposition 26 to state that "every levy, charge, or exaction of any kind imposed by a local law that is not an exempt charge" constitutes a tax. Initiative 1935 narrows the definition of "exempt charge" to mean a "reasonable charge for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the *actual costs* [as opposed to the reasonable costs] of providing the service or product to the payor." "Exempt charges" also encompass existing exceptions from the definition of "tax" added to Article XIIIC by Proposition 26. "Actual costs" is defined in Initiative 1935 to mean "the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor … where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including, but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product." Initiative 1935 would retain an exemption from the definition of "tax" for assessments, fees or charges which are subject to Article XIIID.

- Initiative 1935 would amend Article XIIIC to state that only the governing body of a local government, or an elector acting pursuant to the initiative power, has the authority to impose an exempt charge, and that exempt charges must be imposed by an ordinance specifying the type of exempt charge and the amount or rate of the exempt charge to be imposed, and passed by the governing body, other than for certain exempt charges imposed for a specific health care service. In addition, Initiative 1935 would amend Article XIIIC to prohibit any amendment to a municipal charter which provides for the imposition, extension or increase of a tax or exempt charge from being submitted to or approved by the electors.

- Initiative 1935 would amend Article XIIIC to require the title, summary and ballot label or questions for a measure providing for the imposition of a tax to include: (a) the type and amount or rate of the

tax; (b) the duration of the tax; and (c) the proposed use of the revenue derived from the tax; and (d) if the proposed tax is a general tax, the phrase "for general government use." In addition, no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could or should be used for specific purposes.

- Initiative 1935 would amend Article XIIIC to require that any special tax, whether proposed by the governing body or by an elector, be approved by a two-thirds vote of the electorate.

- Initiative 1935 would amend Article XIIIC to state that the local government bears the burden of proving by *clear and convincing evidence* (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

- Initiative 1935 would amend Article XIIIC to state that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof, will be void 12 months after the effective date of Initiative 1935, if adopted, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The City cannot predict whether Initiative 1935 will be approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election. The City believes its water rates, adopted in December 2023, were adopted in compliance with and will comply with Initiative 1935; however, if Initiative 1935 is approved, the City cannot provide any assurances as to the effect of the implementation or judicial interpretations of Initiative 1935 on the finances of the State or the City.

THE AUTHORITY

The Monterey Park Financing Authority was formed pursuant to the provisions of Articles 1 and 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code and a Joint Exercise of Powers Agreement, dated as of June 16, 2021 (the "Joint Powers Agreement"), by and between the City and the Monterey Park Housing Authority (the "Housing Authority"). The Authority was formed for the purpose of assisting in the financing and refinancing of capital improvement projects of the City and related entities and to finance working capital for the City by exercising the powers referred to in the Joint Powers Agreement, including the power to issue bonds to pay the costs of public improvements. Neither the City nor the Housing Authority is responsible for repayment of the obligations of the other. The Authority is governed by a five-member board whose members are the same as the City Council. The Authority has no employees and all staff work is done by City staff or by consultants to the Authority.

APPROVAL OF LEGAL PROCEEDINGS

The valid, legal and binding nature of the Bonds is subject to the approval of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, acting as Bond Counsel. The form of such legal opinion is set forth in Appendix C, and such legal opinion will be attached to each Bond. Certain matters will be passed upon for the City and the Authority by Burke, Williams & Sorensen, LLP, Los Angeles, California, as City Attorney and General Counsel to the Authority, and by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California, and for the Trustee by its counsel.

LITIGATION

The City

At the time of delivery of and payment for the Bonds, the City will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the City, threatened against the City affecting the existence of the City

or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Installment Purchase Agreement and the Indenture, or that could have a material adverse effect on the City's ability to pay the Series 2024 Installment Payments, in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Installment Purchase Agreement or any action of the City contemplated by any of said documents, in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto or contesting the powers of the City or its authority with respect to the Bonds or any action of the City contemplated by any of said documents, nor to the knowledge of the City, is there any basis therefor.

The Authority

At the time of delivery of and payment for the Bonds, the Authority will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority affecting the existence of the Authority or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Installment Purchase Agreement and the Indenture, or that could have a material adverse effect on the Authority's ability to pay the Bonds, in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Installment Purchase Agreement or any action of the Authority contemplated by any of said documents, in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto or contesting the powers of the Authority or its authority with respect to the Bonds or any action of the Authority contemplated by any of said documents, nor to the knowledge of the Authority, is there any basis therefor.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Code, generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) on the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations.

In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the Authority, the City and others and is subject to the condition that the Authority and the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Authority and the City have covenanted to comply with all such requirements.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before

receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received with respect to the Bonds), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE BONDS, INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the Authority and the City continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest (and original issue discount) on the Bonds become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C.

CONTINUING DISCLOSURE

The City has covenanted in its continuing disclosure certificate (the "Continuing Disclosure Certificate") for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and other operating data on an annual basis no later than nine months after the end of the City's Fiscal Year (currently March 31 based on the City's fiscal year end of June 30), commencing March 31, 2025, and to provide notice of certain enumerated events as required by Securities and Exchange Commission Rule 15c2-12(b)(5) under the Securities Exchange Act of 1934, as amended (the "Rule"). The specific nature of the information to be contained in the annual report and the list of enumerated events notice of which must be provided by the City are summarized under the caption APPENDIX E — "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriters in complying with the Rule.

Although the City has covenanted in the Continuing Disclosure Certificate to provide notice of rating changes with respect to the Bonds, information relating to rating changes may be publicly available from the rating agencies prior to such information being provided to the City and prior to the date by which the City is obligated to file a notice of rating change. Owners of the Bonds are directed to the rating agencies and official media outlets for the most current rating information with respect to the Bonds.

The City believes that it and its affiliated entities are currently in compliance with their respective outstanding continuing disclosure undertakings. Certain continuing disclosure filings during the past five years, were made after the required filing date. On March 16, 2021, the City entered into an Equipment Lease Purchase Agreement in the principal amount of $2,682,200 and failed to file a notice of incurrence of financial obligation within 10 business days. The City filed such notice on October 7, 2021. Except for this instance described above, the City complied, in all material respects, with its disclosure undertakings during the past five years. [UPDATE]

Except as set forth in the previous paragraph, the City and its affiliated entities have not failed to comply in all material respects with their respective prior continuing disclosure undertakings in the last five years. The City has adopted a written Policy for Disclosure Procedures and has engaged Urban Futures, Inc. as Dissemination Agent (the "Dissemination Agent") to ensure compliance with its continuing disclosure undertakings.

RATING

S&P has assigned the rating of "___" to the Bonds. A rating is not a recommendation to buy, sell or hold securities. Future events could have an adverse impact on the rating of the Bonds, and there is no assurance that any credit rating that is given to the Bonds will be maintained for any period of time or that a rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such qualification, downgrade, lowering or withdrawal of a rating may have an adverse effect on the market price of the Bonds. The rating reflects only the views of S&P (which views and criteria could change at any time), and an explanation of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it (which may include information and material from the City that is not included in this Official Statement) and on investigations, studies and assumptions of its own.

The City has covenanted in the Continuing Disclosure Certificate to file notices of any rating changes on the Bonds with EMMA. See the caption "CONTINUING DISCLOSURE" and Appendix E. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to the time that such information is provided to the City and prior to the date by which the City is obligated to file a notice of rating change. Purchasers of the Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current ratings with respect to the Bonds after the initial issuance of the Bonds.

In providing a rating on the Bonds, S&P may have performed independent calculations of coverage ratios using its own internal formulas and methodology, which may not reflect the provisions of the Indenture. The City and the Authority make no representations as to any such calculations, and such calculations should not be construed as a representation by the City or the Authority as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

MUNICIPAL ADVISOR

The City has retained Urban Futures, Inc., Tustin, California (the "Municipal Advisor"), as its municipal advisor in connection with the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained herein. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The Bonds are being purchased by Samuel A. Ramirez & Co., Inc. (the "Underwriter") pursuant to a purchase agreement, dated the date hereof, by and among the Authority, the City and the Underwriter. The Underwriter will purchase the Bonds from the Authority at an aggregate purchase price of $_____, representing the principal amount of the Bonds, plus/less $_____ of [net] original issue [premium/discount] and less $_____ of Underwriter's discount.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond and Disclosure Counsel, Municipal Advisor, and counsel to the Underwriter are contingent upon the issuance and delivery of the Bonds. From time to time, Bond and Disclosure Counsel represents the Underwriter on matters unrelated to the Bonds.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

MONTEREY PARK FINANCING AUTHORITY

By:_____
Executive Director

CITY OF MONTEREY PARK

By:_____
City Manager

APPENDIX A

CITY OF MONTEREY PARK
COMPREHENSIVE AUDITED FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

APPENDIX B

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT PURCHASE AGREEMENT AND THE INDENTURE

The following is a summary of certain provisions of the Installment Purchase Agreement and the Indenture that are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the applicable document for a full and complete statement of the provisions thereof.

[TO COME FROM BOND COUNSEL]

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

_____, 2024

Monterey Park Financing Authority
c/o City of Monterey Park
320 West Newmark Avenue
Monterey Park, California 91754

Re: $_____ Monterey Park Financing Authority Water Revenue Bonds, Series 2024

Members of the Board of Directors:

We have acted as Bond Counsel to the Monterey Park Financing Authority (the "Authority") in connection with the issuance of $_____ aggregate principal amount of Monterey Park Financing Authority Water Revenue Bonds, Series 2024 (the "Bonds"). The Bonds have been issued by the Authority pursuant to the terms of the Indenture of Trust, dated as of May 1, 2024 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are limited obligations of the Authority payable solely from payments to be made by the City of Monterey Park (the "City") to the Authority pursuant to an Installment Purchase Agreement, dated as of May 1, 2024 (the "Installment Purchase Agreement"), by and between the City and the Authority, and from certain funds and accounts established under the Indenture.

In connection with our representation, we have examined a certified copy of the proceedings relating to the Bonds. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

Based upon the foregoing and after examination of such questions of law as we have deemed relevant in the circumstances, but subject to the limitations set forth herein, we are of the opinion that:

1. The proceedings of the Authority show lawful authority for the issuance and sale by the Authority of the Bonds under the laws of the State of California (the "State") now in force, and the Indenture has been duly authorized, executed and delivered by the Authority. Assuming due authorization, execution and delivery by the Trustee, as appropriate, the Bonds and the Indenture are valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

2. The obligation of the Authority to make the payments of principal and interest on the Bonds from Authority Revenues (as such term is defined in the Indenture) is an enforceable obligation of the Authority and does not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limit or restriction.

3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on

individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) on the Bonds might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest (and original issue discount) on the Bonds is exempt from State personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond.

6. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions that are expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the City and the Authority and are subject to the condition that the City and the Authority comply with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The City and the Authority have covenanted to comply with all such requirements.

The opinions that are expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds terminates on the date of their issuance. The Indenture, the Installment Purchase Agreement and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves. Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the Bonds.

The opinions that are expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Indenture, the Installment Purchase Agreement and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State. [Additionally, we express no opinion with respect to the municipal bond insurance policy relating to the Bonds].

By delivering this opinion, we are not expressing any opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the Bonds, the Indenture or the Installment Purchase Agreement, nor are we expressing any opinion with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Indenture or the Installment Purchase Agreement or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on any assets thereunder.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX D

INFORMATION CONCERNING DTC

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority, the City and the Underwriter believe to be reliable, but none of the Authority, the City or the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value, if any, and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Upon the issuance of the Bonds, the City proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Monterey Park (the "City") in connection with the issuance of $_____ Monterey Park Financing Authority Water Revenue Bonds, Series 2024 (the "Bonds"). The Bonds are being issued pursuant to the Indenture of Trust, dated as of May 1, 2024 (the "Indenture"), by and among the Monterey Park Financing Authority (the "Authority"), U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and the City, in order to provide funds to finance the acquisition, construction and improvement of certain public capital improvements within the jurisdiction of the City. The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Holders of the Bonds and to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture and in the Installment Purchase Agreement, dated as of May 1, 2024 (the "Installment Purchase Agreement"), by and between the Authority and the City, which apply to any capitalized terms used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Annual Report Date" shall mean March 31 of each year.

"*Beneficial Owner*" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Holders*" shall mean, while the Bonds are registered in the name of The Depository Trust Company, any applicable participant in its depository system, or the Owner of any Bond for Federal income tax purposes.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"Official Statement" means the Official Statement dated _____, 2024, relating to the Bonds.

"Participating Underwriter" shall mean Samuel A. Ramirez & Co., Inc., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Repository*" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, no later than March 31 of each year, commencing March 31, 2025, with the report for Fiscal Year 2023-24, provide to each Repository, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Official Statement shall constitute the Annual Report for Fiscal Year 2022-23. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. If the City is unable to provide to the Repositories an Annual Report by the date required in subsection (a), the City will send a notice to each Repository in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided, and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. Each Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Principal amount of the Bonds outstanding.

(c) An update of the information for the prior fiscal year in substantially the form set forth in the following tables in the Official Statement under the caption "THE WATER SYSTEM":

1. Table 1 – Historical Water Supply in Acre Feet;

2. Table 2 – Historical Water System Deliveries in Acre Feet;

3. Table 3 – Historical Water System Connections;

4. Table 4 – Historical Water System Sales Revenues; and

5. Table 5 – Ten Largest Water System Customers.

(d) An update of the information for the prior fiscal year in substantially the form set forth in the following table in the Official Statement under the caption "WATER SYSTEM FINANCIAL INFORMATION":

1. Table 13 – Historical Water System Operating Results and Debt Service Coverage Fiscal Year Ended June 30.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's Internet website or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner, not to exceed 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the City. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization,

arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

8. Incurrence of a financial obligation of the obligated person, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect Bond holders.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the City's determination of materiality pursuant to Section 5(c).

(e) For purposes of the events identified in subparagraphs (a)(10) and (b)(8) under this Section 5, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Termination of Reporting Obligation. The City's obligation under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If

such termination occurs prior to the maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(d).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the City pursuant to this Disclosure Certificate.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule. In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the same manner as for a Listed Event under section 5(d).

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5, promulgated under the Securities and Exchange Act of 1934, may apply to the City, and that under some circumstances compliance with this Disclosure Certificate, without additional disclosures or other such action, may not fully discharge all duties and obligations of the City under such laws.

Section 10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the sole legal remedy of any Holder or Beneficial Owner of the Bonds or the Participating Underwriter shall be an action to compel performance. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture or the Installment Purchase Agreement.

No Bondholder or Beneficial Owner may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2024

CITY OF MONTEREY PARK

By: _____
City Manager

Acknowledged as to Duties as Dissemination Agent:

URBAN FUTURES, INC.

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: City of Monterey Park

Name of Bonds: Monterey Park Financing Authority Water Revenue Bonds, Series 2024

Date of Issuance: _____, 2024

NOTICE IS HEREBY GIVEN that the City of Monterey Park, California (the "City") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated _____, 2024. The City anticipates that the Annual Report will be filed by _____.

Dated:

CITY OF MONTEREY PARK

By: _____
Authorized Signatory

ATTACHMENT 2
Indenture of Trust

INDENTURE OF TRUST

by and between

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

and

MONTEREY PARK FINANCING AUTHORITY

Dated as of May 1, 2024

Relating to

$_____
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

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INDENTURE OF TRUST

THE INDENTURE OF TRUST is made and entered into and dated as of May 1, 2024, by and between the MONTEREY PARK FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the "**Authority**"), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association that is duly organized and existing under the laws of the United States of America, as trustee hereunder (the "**Trustee**").

RECITALS

A. The Authority has been created pursuant to the JPA Agreement with the powers, among others, to issue bonds and to finance water facilities on behalf of its members.

B. The City of Monterey Park (the "**City**"), a member of the Authority, has determined that it is in the best interest of the public to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Water System (collectively, the "**2024 Project**"), as further described in the Installment Purchase Agreement, with the assistance of the Authority.

C. The Authority is authorized pursuant to State law, including but not limited to, Section 6588(c) of the Government Code of the State of California (the "**Government Code**") and pursuant to Sections 4.02 and 4.03 of the JPA Agreement to incur indebtedness to finance such improvements, and is authorized pursuant to State law, including but not limited to Section 6588(m) of the Government Code, to assign and pledge to the repayment of such indebtedness amounts payable to the Authority by its members.

D. The Authority hereby finds pursuant to Section 6586 of the Government Code that the issuance of the bonds that are authorized under Section 2.01 hereof (the "**Bonds**") to finance the 2024 Project will have demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs and significant reductions in effective user charges levied by the City.

E. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any, thereon, the Authority has authorized the execution and delivery of the Indenture.

F. The Authority has determined that all acts and proceedings which are required by law and necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute the Indenture a valid and binding agreement for the uses and purposes set forth herein in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

GRANTING CLAUSES

The Authority, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, the mutual covenants herein and the purchase and acceptance of the Bonds by

the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under the Indenture, and to secure the performance and observance of all of the covenants and conditions therein and herein set forth, does hereby assign and pledge unto, and grant a security interest in, the following (the "**Trust Estate**") to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Authority to the Bond Owners hereinafter set forth:

FIRST

All right, title and interest of the Authority in and to the Authority Revenues (as such term is defined herein), including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any Authority Revenues which are payable to or receivable by the Authority under the Constitution of the State, the Government Code and the Indenture and any other applicable laws of this State or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do thereunder, subject to the terms hereof.

SECOND

All moneys and securities held in funds and accounts of the Indenture, except amounts held in the Rebate Fund, and all other rights of every name and nature from time to time herein or hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Authority or by anyone on its behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof.

THIRD

All of the rights, title, and interest of the Authority in the Installment Purchase Agreement, including all rights of the Authority to receive payments thereunder and all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any, contained in the Installment Purchase Agreement) or otherwise to protect the interest of the Owners of the Bonds, subject to the terms hereof, and excepting therefrom any rights to indemnification or to receive notices thereunder.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever for the benefit of the Owners, and such pledge shall constitute a lien on and security interest in such Trust Estate;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest and any redemption premium on the Bonds due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants

and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as herein provided, the Indenture and the rights hereby granted shall cease, terminate and be void; otherwise the Indenture shall remain in full force and effect.

It is expressly declared that all Bonds which are issued and secured hereunder are to be issued, authenticated and delivered, and all sold property, rights and interests, including, without limitation, the Authority Revenues, hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Authority has agreed and covenanted and does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms that are defined in this Section 1.01 shall, for all purposes of the Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless the context otherwise requires, all capitalized terms that are used herein and not defined have the meanings that are ascribed thereto in the Installment Purchase Agreement.

Authority. The term "Authority" means the Monterey Park Financing Authority, a public body that is duly organized and existing under the JPA Agreement, and under the Constitution and laws of the State of California.

Authority Revenues. The term "Authority Revenues" means: (a) all Series 2024 Installment Payments received by the Authority or the Trustee pursuant to or with respect to the Installment Purchase Agreement; and (b) all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder.

Authorized Representative. The term "Authorized Representative" means with respect to the Authority, its Chair, Vice Chair, Executive Director and Treasurer, or any other person designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by its Chair, Vice Chair, Executive Director or Treasurer and filed with the Trustee.

Bond Counsel. The term "Bond Counsel" means Stradling Yocca, Carlson & Rauth LLP, or another firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Code.

Bond Payment Fund. The term "Bond Payment Fund" means the fund by that name established pursuant to Section 5.01(c).

Bond Year. The term "Bond Year" has the meaning that is given to such term in the Tax Certificate.

Bonds. The term "Bonds" means the Water Revenue Bonds, Series 2024 issued by the Authority and at any time Outstanding pursuant to the Indenture.

Business Day. The term "Business Day" means: (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which the Office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

Certificate; Direction; Request; Requisition. The terms "Certificate," "Direction," "Request," and "Requisition" of the Authority mean a written certificate, direction, request or requisition signed in the name of the Authority by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements that are provided for in Section 1.02.

City. The term "City" means the City of Monterey Park, a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State.

[Claim. The term "Claim" means any claim or enforcement proceeding in connection with an Insolvency Proceeding.]

Closing Date. The term "Closing Date" means the date on which the Bonds are delivered to the original purchaser thereof.

Code. The term "Code" means the Internal Revenue Code of 1986, as amended.

Costs of Issuance. The term "Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and counsel to the Trustee, legal fees and charges, fees and disbursements of attorneys, consultants and other professionals, rating agency fees, title insurance premiums, letter of credit fees and bond insurance premiums (if any), fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

Costs of Issuance Fund. The term "Costs of Issuance Fund" means the fund by that name established pursuant to Section 3.03.

Depository; DTC. The terms "Depository" and "DTC" mean The Depository Trust Company, New York, New York, a limited purpose trust company that is organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

Event of Default. The term "Event of Default" means any of the events that are specified in Section 7.01.

Federal Securities. The term "Federal Securities" means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or noncallable obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

Fitch. The term "Fitch" means Fitch Ratings, Inc., or any successor thereto.

Government Code. The term "Government Code" means the Government Code of the State.

Indenture. The term "Indenture" means the Indenture of Trust, dated as of May 1, 2024, by and between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Information Services. The term "Information Services" means the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may specify in a certificate to the Authority and the Trustee as the Trustee may select.

Insolvency Proceeding. The term "Insolvency Proceeding" means any proceeding by or against the Authority or the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

Installment Purchase Agreement. The term "Installment Purchase Agreement" means the Installment Purchase Agreement, dated as of the date hereof, by and between the Authority and the City, as amended from time to time.

Insured Bonds. The term "Insured Bonds" means the Bonds maturing on February 1 of the years ____ through ____, inclusive.

Insurer. The term "Insurer" means _____.

Interest Account. The term "Interest Account" means the account by that name in the Bond Payment Fund established pursuant to Section 5.01.

Interest Payment Date. The term "Interest Payment Date" means February 1 and August 1 each year, commencing [August 1, 2024].

Investment Agreement. The term "Investment Agreement" means an investment agreement by a provider, supported by appropriate opinions of counsel, provided that any such Investment Agreement shall: (i) be from a provider rated by S&P or Moody's at "A-" or "A3", respectively, or above; (ii) require the Authority or the City to terminate such agreement and immediately reinvest the proceeds thereof in other Permitted Investments if the rating assigned to the provider by S&P or Moody's falls to "BBB" or "Baa2", respectively, or below; and (iii) expressly permit the withdrawal, without penalty, of any amounts necessary at any time to fund any deficiencies on account of debt service requirements with respect to the Bonds, together with such amendments as may be approved by the Authority and the Trustee from time to time.

Letter of Representations. The term "Letter of Representations" means the letter of the Authority delivered to and accepted by the Depository on or prior to delivery of the Bonds as book-entry bonds setting forth the basis on which the Depository serves as depository for such book-entry bonds, as originally executed or as it may be supplemented or revised or replaced by a letter from the Authority delivered to and accepted by the Depository.

Moody's. The term "Moody's" means Moody's Investors Service, Inc. or any successor thereto.

Nominee. The term "Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 hereof.

Office. The term "Office" means with respect to the Trustee, the principal corporate trust office of the Trustee at 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust, Reference: Monterey Park 2024 Water Revenue Bonds, or at such other or additional offices as may be specified in writing by the Trustee to the Authority, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Outstanding. The term "Outstanding," when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.10; and (iii) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

Owner; Bond Owner. The terms "Owner" or "Bond Owner," whenever used herein with respect to a Bond, mean the person in whose name the ownership of such Bond is registered on the Registration Books.

Participants. The term "Participants" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

Permitted Investments. The term "Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any written Request from the Authority as conclusive certification that the investments described therein are so authorized under the laws of the State):

(A) for all purposes, including: (i) as defeasance investments in refunding escrow accounts; and (ii) for the purpose of investing (and receiving premium credit for) accrued and capitalized interest: (1) cash; or (2) Federal Securities; and

(B) for all purposes other than: (i) defeasance investments in refunding escrow accounts; and (ii) investing (and receiving credit for) accrued and capitalized interest: (1) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including the Export-Import Bank; Farmers Home Administration; General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); U.S. Department of Housing & Urban Development (PHAs); and Federal Housing Administration; (2) bonds, notes or other evidences of indebtedness rated "AAA" and "Aaa" by the applicable Rating Agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years; (3) U.S. dollar denominated deposit accounts, demand deposits, including interest bearing money market accounts, trust funds, trust accounts, overnight bank deposits, interest-

bearing deposits, other deposit products, certificates of deposit, federal funds and banker's acceptances with domestic commercial banks, which may include the Trustee and its affiliates, which: (I) have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's; or (II) deposits insured by the Federal Deposit Insurance Corporation maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank); (4) commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase; (5) investments in a money market fund rated "AAAm," "AAAm-G," "AAm" or "AAm-G" or better by S&P, including funds for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise; (6) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on the escrow, in the highest rating category of S&P and Moody's, or any successor thereto; (7) any Investment Agreement; (8) the Local Agency Investment Fund of the State of California; and (9) any other investment permitted by law.

Policy. The term "Policy" means Municipal Bond Insurance Policy No. _____ issued by the Insurer, which guarantees the scheduled payment of principal of and interest on the Insured Bonds when due.

Principal Account. The term "Principal Account" means the account by that name in the Bond Payment Fund established pursuant to Section 5.01.

Rating Agencies. The term "Rating Agencies" means S&P, Moody's and Fitch.

Rebate Fund. The term "Rebate Fund" means the fund by that name established pursuant to Section 5.07.

Record Date. The term "Record Date" means, with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day.

Redemption Date. The term "Redemption Date" means the date fixed for an optional redemption prior to maturity of the Bonds.

Redemption Fund. The term "Redemption Fund" means the fund by that name established pursuant to Section 5.05.

Redemption Price. The term "Redemption Price" means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the interest accrued to the applicable Redemption Date and the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Indenture.

Registration Books. The term "Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

Reserve Fund. The term "Reserve Fund" means the fund by that name established pursuant to Section 5.08.

Reserve Surety Policy. The term "Reserve Surety Policy" means the municipal bond debt service reserve insurance policy issued by the Insurer and deposited in the Reserve Fund to satisfy the Reserve Requirement.

Responsible Officer of the Trustee. The term "Responsible Officer of the Trustee" means any officer within the corporate trust division (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of the Indenture.

S&P. The term "S&P" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto.

Securities Depositories. The term "Securities Depositories" means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Request of the Authority delivered to the Trustee.

State. The term "State" means the State of California.

Supplemental Indenture. The term "Supplemental Indenture" means any indenture that is hereafter duly authorized and entered into between the Authority and the Trustee, supplementing, modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate. The term "Tax Certificate" means the Tax Certificate dated the Closing Date, concerning certain matters pertaining to the use and investment of proceeds of the Bonds issued by the Authority on the date of issuance of the Bonds, including any and all exhibits attached thereto.

Trustee. The term "Trustee" means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, or its successor, as Trustee hereunder as provided in Section 8.01.

Section 1.02 Content of Certificates and Opinions. Every certificate or opinion that is provided for in the Indenture, except the certificate of destruction that is provided for in Section 11.05 hereof, with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person he or she has made or caused to be made such examination or investigation as is necessary to enable such person to express an informed opinion with respect to the subject matter referred to in the instrument to which such person's signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are

reasonable; and (5) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion that is made or given by an officer of the Authority may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an officer of the Authority, unless such counsel or Independent Certified Public Accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority, or the same counsel or Independent Certified Public Accountant, as the case may be, need not certify to all of the matters that are required to be certified under any provision of the Indenture, but different officers, counsel or Independent Certified Public Accountants may certify to different matters, respectively.

Section 1.03 Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa, and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

Section 2.01 Authorization of Bonds.

(a) The Authority hereby authorizes the issuance hereunder from time to time of the Bonds, which shall constitute special obligations of the Authority, for the purpose of financing the 2024 Project. The Bonds are hereby designated the "Monterey Park Financing Authority Water Revenue Bonds, Series 2024" in the aggregate principal amount of $_____.

(b) The Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02 Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof.

The Bonds shall mature on February 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below:

Maturity (February 1)	***Principal Amount***	***Interest Rate***

(I) Insured Bond.
(T) Term Bond.

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee sent by first class mail on the applicable Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars ($1,000,000) or more in principal amount, such payment may, at such Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date). Principal of and premium (if any) on any Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated the date of initial delivery, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a

Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) unless it is authenticated on or before [July 15, 2024,] in which event it shall bear interest from the date of initial delivery; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Section 2.03 Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee shall not be required to register the transfer of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of authorized denomination or denominations for a like series and aggregate principal amount of the same maturity and series. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge that is required to be paid with respect to such transfer. Following any transfer of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Prior to any transfer of the Bonds outside the book-entry system (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code, as amended. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.04 Exchange of Bonds. Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee shall not be required to exchange any Bond during the period in which the Trustee is selecting Bonds for redemption and any Bond that has been selected for redemption. The Trustee shall require the Bond Owner requesting such exchange to pay any tax or other governmental charge that is required to be paid with respect to such exchange. Following any exchange of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Section 2.05 Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice and at reasonable times be open to inspection during regular business hours by the Authority, the City and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

The person in whose name any Bond shall be registered shall be deemed the Owner thereof for all purposes hereof, and payment of or on account of the interest on and principal and Redemption Price of such Bonds shall be made only to or upon the order in writing of such registered

Owner, which payments shall be valid and effectual to satisfy and discharge liability upon such Bond to the extent of the sum or sums so paid.

Section 2.06 Form and Execution of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chair or Executive Director, and attested by the manual or facsimile signature of its Secretary. The Bonds may carry a seal, and such seal may be in the form of a facsimile of the Authority's seal and may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed and attested the same had continued to be such officers of the Authority, and any Bonds may be signed and attested on behalf of the Authority by those persons who at the actual date of execution of such Bonds are the proper officers of the Authority although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.07 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in exchange and substitution for the Bonds so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and upon the written request of the Authority delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other Bonds secured by the Indenture. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for a Bond which has been mutilated, lost, destroyed or stolen and which has matured or has been selected for redemption, the Trustee may make payment of such Bond upon receipt of indemnity satisfactory to the Trustee.

Section 2.08 Book-Entry System.

(a) Election of Book-Entry System. Prior to the issuance of the Bonds, the Authority may provide that such Bonds shall be initially issued as book-entry Bonds. If the Authority shall elect to deliver any Bonds in book-entry form, then the Authority shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination corresponding to that total principal amount of the Bonds designated to mature on such date. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Registration Books in the name of the Nominee, as nominee of the Depository, and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 2.08(e).

With respect to book-entry Bonds, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Registration Books, of any notice with respect to book-entry Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be redeemed in the event that the Authority redeems the Bonds in part; or (iv) the payment by the Depository or any Participant or any other person of any amount of principal of, premium, if any, or interest on book-entry Bonds. The Authority and the Trustee may treat and consider the person in whose name each book-entry Bond is registered in the Bond Registration Books as the absolute Owner of such book-entry Bond for the purpose of payment of principal of, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Registration Books, or his or her respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Registration Books, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Authority and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Registration Books. In addition to the execution and delivery of a Letter of Representations, the Authority and the Trustee, if necessary, shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

(c) Selection of Depository. In the event that: (i) the Depository determines not to continue to act as securities depository for book-entry Bonds; or (ii) the Authority determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the Authority, then the Authority will discontinue the book-entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturity dates of such book-entry Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.03 and 2.04 hereof.

(d) Payments To Depository. Notwithstanding any other provision of the Indenture to the contrary, so long as all Outstanding Bonds are held in book-entry form and registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of Bonds to Substitute Depository.

(i) The Bonds shall be initially issued as provided in Section 2.01 hereof. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.08(e) (a "**Substitute Depository**"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) to any person as provided below, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee designating the Substitute Depository, a single new Bond, which the Authority shall prepare or cause to be prepared, shall be issued for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the

Authority. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee, new Bonds, which the Authority shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such written request of the Authority, subject to the limitations of Section 2.01 hereof, provided that the Trustee shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the Authority.

(iii) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Letter of Representations. The Trustee shall not be liable for such Depository's failure to make such notations or errors in making such notations and the records of the Trustee as to the outstanding principal amount of such Bonds shall be controlling.

(iv) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Trustee may rely conclusively on its records as to the identity of the Owners of the Bonds.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01 Issuance of the Bonds. At any time after the execution of the Indenture, the Authority may execute and the Trustee shall authenticate and, upon Request of the Authority, deliver the Bonds in the aggregate principal amount of $_____.

Section 3.02 Application of Proceeds of the Bonds. The proceeds received by the Trustee from the sale of the Bonds in the amount of $_____ (consisting of the principal amount of the Bonds, less $_____ of underwriter's discount, plus $_____ of original issue premium and less $_____ delivered directly to the Insurer by the original purchaser of the Bonds as the premiums for the Policy and the Reserve Surety Policy) shall be deposited in trust with the Trustee, who shall apply such proceeds as follows pursuant to the Instructions to the Trustee executed by the Authority on the Closing Date (which Instructions constitute a Direction of the Authority): (i) the Trustee shall deposit the amount of $_____ in the Costs of Issuance Fund; and (ii) the Trustee shall transfer the amount of $_____ to the City for deposit in the Acquisition Fund. The Trustee may establish temporary funds or accounts in its records to facilitate and record the above transfer of proceeds.

Section 3.03 Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the

Costs of Issuance upon submission of Requisitions of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is a proper charge against said fund and that payment for such charge has not previously been made. Each such Requisition of the Authority shall be sufficient evidence to the Trustee of the facts stated therein, and the Trustee shall have no duty to confirm the accuracy of such facts. On the six month anniversary of the Closing Date, or upon the earlier Request of the Authority, all amounts remaining in the Costs of Issuance Fund shall be deposited in the Interest Account and the Costs of Issuance Fund shall be closed.

Section 3.04 [Reserved].

Section 3.05 Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority, the City or the Trustee with respect to or in connection with the Installment Purchase Agreement. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of the validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01 Terms of Redemption.

(a) The Bonds with stated maturities on or after February 1, 20__ are subject to redemption prior to their respective stated maturities, as a whole or in part as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of $5,000, on February 1, 20__ or any date thereafter at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

In the event of an optional redemption of less than all of the Outstanding Bonds, the Authority shall provide the Trustee with a revised sinking fund schedule giving effect to the optional redemptions so completed.

(b) The Bonds with stated maturities on February 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on February 1, 20__ and each February 1 thereafter, in integral multiples of $5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (February 1)	***Principal Amount***

*

* Maturity.

The Bonds with stated maturities on February 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on February 1, 20__ and each February 1 thereafter, in integral multiples of $5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (February 1)	***Principal Amount***
*	

* Maturity.

If some but not all of the Bonds maturing on February 1, 20__ or February 1, 20__ are redeemed pursuant to subsection (a), the principal amount of the applicable Bonds to be redeemed pursuant to this subsection (b) on any subsequent February 1 will be reduced, by $5,000 or an integral multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the applicable Bonds redeemed pursuant to subsection (a).

Section 4.02 Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds for redemption as a whole or in part on any date as directed by the Authority and by lot within each maturity in integral multiples of $5,000 in accordance with Section 4.01 hereof. The Trustee will promptly notify the Authority in writing of the numbers of the Bonds or portions thereof so selected for redemption.

Section 4.03 Notice of Redemption. Notice of redemption shall be mailed by first class mail not less than twenty (20) days nor more than sixty (60) days before any Redemption Date, to the respective Owners of any Bonds that are designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services. Each notice of redemption shall state the date of notice, the redemption date, the place or places of redemption and the Redemption Price, and shall designate the maturities, CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof that are designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any Bond. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys that are sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event

that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Section 4.04 Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same series, interest rate and maturity.

Section 4.05 Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof. The Trustee shall, upon surrender for payment of any of the Bonds to be redeemed on their Redemption Dates, pay such Bonds at the Redemption Price.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

ARTICLE V

REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01 Pledge and Assignment; Bond Payment Fund.

(a) All of the Authority Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account that is established pursuant to the Indenture (except the Rebate Fund) are hereby irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the Bonds in accordance with their terms and the provisions of the Indenture. Said pledge shall constitute a lien on and security interest in such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act, and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

(b) The Authority, for good and valuable consideration in hand received, does hereby irrevocably assign and transfer to the Trustee without recourse, for the benefit of the Owners of the Bonds as set forth herein, all of its rights, title, and interest in all Series 2024 Installment Payments payable by the City pursuant to the Installment Purchase Agreement, including all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any, contained in the Installment Purchase Agreement, or otherwise to protect the interest of the Owners of the Bonds). Such assignment shall be subject to and limited by the terms of the Indenture.

(c) There is hereby established with the Trustee the Bond Payment Fund, which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any Series 2024 Installment Payments remain unpaid. Except as directed in Sections 5.06 and 5.09, all Authority Revenues shall be promptly deposited by the Trustee upon receipt thereof into the Bond Payment Fund; except that all moneys received by the Trustee and required hereunder to be deposited in the Redemption Fund shall be promptly deposited therein. All Authority Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall also create and maintain an Interest Account and a Principal Account within the Bond Payment Fund.

Section 5.02 Allocation of Authority Revenues. The Trustee shall transfer from the Bond Payment Fund and deposit into the following respective accounts the following amounts in the following order of priority and at the following times, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Authority Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Not later than the Business Day preceding each date on which the interest on the Bonds shall become due and payable hereunder, the Trustee shall deposit in the Interest Account that sum, if any, required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all Bonds then Outstanding.

(b) Not later than the Business Day preceding each date on which the principal of the Bonds shall become due and payable hereunder, the Trustee shall deposit in the Principal Account that sum, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such date or subject to mandatory sinking fund redemption on such date.

Section 5.03 Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or accelerated prior to maturity pursuant to the Indenture).

Section 5.04 Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at maturity, mandatory sinking fund redemption, purchase or acceleration; provided, however, that at any time prior to selection for redemption of any such Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.05 Application of Redemption Fund. There is hereby established with the Trustee, when needed, a special fund designated as the "Redemption Fund." All amounts in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and accrued interest on the Bonds to be redeemed on any Redemption Date pursuant to Section 4.01(a); provided, however, that at any time prior to selection for redemption of any such

Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.06 Investments. All moneys in any of the funds or accounts that are established with the Trustee pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments, which will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement. Such investments shall be directed by the Authority pursuant to a Request of the Authority filed with the Trustee at least two (2) Business Days in advance of the making of such investments. In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Permitted Investments that are described in clause (B)(5) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Direction from the Authority specifying a specific money market fund and, if no such Direction from the Authority is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder (except for interest or gain derived from the Permitted Investment described in clause (B)(7) of the definition thereof, which shall be retained in such Permitted Investment) shall be deposited in the Reserve Fund to the extent the amount available and contained therein is less than the Reserve Requirement and thereafter in the Interest Account unless otherwise provided in the Indenture. For purposes of acquiring any investments hereunder, the Trustee may commingle funds (other than the Rebate Fund) held by it hereunder upon the Request of the Authority. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.06.

The Authority acknowledges that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee will furnish the Authority with periodic cash transaction statements which shall include detail for all investment transactions effected by the Trustee hereunder. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture. The Trustee may rely conclusively upon the investment direction of the Authority as to the suitability and legality of the directed investments.

The Authority shall invest, or cause to be invested, all moneys in any fund or accounts established with the Trustee as provided in the Tax Certificate.

In determining the market value of Permitted Investments, the Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

Section 5.07 Rebate Fund.

(a) Establishment. The Trustee shall establish a separate fund designated the "Rebate Fund" when required in accordance herewith. Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Bonds will not be adversely affected, the Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Bonds shall be governed by this Section and the Tax Certificate for the Bonds, unless and to the extent that the Authority delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bonds will not be adversely affected, if such requirements are not satisfied. Notwithstanding anything to the contrary herein or in the Tax Certificate, the Trustee: (i) shall be deemed conclusively to have complied with the provisions thereof if it follows all Requests of the Authority; (ii) shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate; (iii) may rely conclusively on the Authority's calculations and determinations and certifications relating to rebate matters; and (iv) shall have no responsibility to independently make any calculations or determinations or to review the Authority's calculations or determinations thereunder.

(i) Annual Computation. Within 55 days of the end of each Bond Year (as such term is defined in the Tax Certificate), the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the "**1½% Penalty**") has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "**Rebatable Arbitrage**"). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year, upon the Request of the Authority, an amount shall be deposited to the Rebate Fund by the Trustee from any Authority Revenues legally available for such purpose (as specified by the Authority in the aforesaid Request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon Request of the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Bond Payment Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Request of the Authority, to the United States Treasury, out of amounts in the Rebate Fund:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of all of the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T (prepared by the Authority), or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in subsection (a) above being made may be withdrawn by the Authority and utilized in any manner by the Authority.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Bonds.

Section 5.08 Reserve Fund. The Trustee shall establish and hold in trust the Reserve Fund. The City shall cause the Reserve Surety Policy to be deposited in the Reserve Fund and the Trustee shall draw upon the Reserve Surety Policy in accordance with this Section 5.08. There will be maintained in the Reserve Fund the Reserve Surety Policy in an amount equal to the Reserve Requirement, which shall satisfy for all purposes the Authority's and the City's obligation to fund the Reserve Fund in the amount of the Reserve Requirement with respect to the Bonds. Neither the Authority nor the City will have any obligation to replace the Reserve Surety Policy or to fund the Reserve Fund with cash if, at any time that the Bonds are Outstanding, any rating assigned to the Insurer is downgraded, suspended or withdrawn or amounts are not available under the Reserve Surety Policy, other than in connection with a draw on the Reserve Surety Policy. Amounts drawn under the Reserve Surety Policy will be used solely to pay scheduled payments of principal of and interest on the Bonds.

Notwithstanding anything to the contrary set forth herein, the following provisions govern the Reserve Fund:

(a) The Trustee shall ascertain the necessity for a claim upon the Reserve Surety Policy in accordance with the provisions of Section 5.08(b) hereof and provide notice to the Insurer in accordance with the terms of the Reserve Surety Policy at least five (5) Business Days prior to an Interest Payment Date. Where deposits are required to be made by the Authority with the Trustee to

the Bond Payment Fund for the payment of principal of and interest on the Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Insurer of any failure of the Authority to make timely payment in full of such deposits within two Business Days of the date due.

(b) The City and the Authority shall repay any draws under the Reserve Surety Policy and pay all related reasonable expenses incurred by the Insurer. [Interest shall accrue and be payable on such draws and expenses from the date of payment by the Insurer at the Late Payment Rate. "Late Payment Rate" means the lesser of: (i) the greater of: (A) the per annum rate of interest, publicly announced from time to time by JP Morgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JP Morgan Chase Bank) plus [3%]; and (B) the then applicable highest rate of interest on the Bonds; and (ii) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event that JP Morgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify.]

[If the interest provisions of this Section 5.08(b) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Insurer, with the same force and effect as if the City and the Authority had specifically designated such extra sums to be so applied and the Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.]

(c) [Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.]

(d) [Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Surety Policy will be increased by a like amount, subject to the terms of the Reserve Surety Policy.]

(e) [All cash and investments in the Reserve Fund shall be transferred to the Bond Payment Fund for payment of the principal of and interest on the Bonds before any drawing may be made on the Reserve Surety Policy or any other credit facility credited to the Reserve Fund in lieu of cash ("Credit Facility"). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Surety Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall

be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.]

(f) [If the Authority and City shall fail to pay any Policy Costs in accordance with the requirements of Section 5.08(c) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Indenture other than: (i) acceleration of the maturity of the payments of principal of and interest on the Bonds; or (ii) remedies which would adversely affect Owners of the Bonds.]

[So long as the Reserve Surety Policy is in full force and effect and the Insurer has not defaulted on any obligation under the Reserve Surety Policy, future deposits of a surety or other credit enhancement in the Reserve Fund shall require the prior written consent of the Insurer.]

Section 5.09 Application of Funds and Accounts When No Bonds are Outstanding. On the date on which all Bonds shall be retired hereunder or provision made therefor pursuant to Article X and after payment of all amounts due the Trustee hereunder, all moneys then on deposit in any of the funds or accounts (other than the Rebate Fund) established with the Trustee pursuant to the Indenture shall be withdrawn by the Trustee and paid to the Authority for distribution in accordance with the Installment Purchase Agreement.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01 Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all of the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Authority Revenues and other assets pledged for such payment as provided in the Indenture.

Section 6.02 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of the Indenture, except subject to the prior payment in full for the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.03 Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrances upon the Authority Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by the Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes,

including other programs under the JPA Agreement, and reserves the right to issue other obligations for such purposes.

Section 6.04 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into the Indenture and to pledge and assign the Authority Revenues and other assets that are pledged and assigned under the Indenture in the manner and to the extent that is provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Authority Revenues and other assets and all the rights of the Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.05 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions that are undertaken by it relating to the proceeds of Bonds, the Authority Revenues and all funds and accounts that have been established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the Authority and the City upon reasonable prior notice during business hours and under reasonable circumstances.

Section 6.06 Tax Covenants. Notwithstanding any other provision of the Indenture or the Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the Bonds will not be adversely affected for federal income tax purposes, the Authority covenants to comply with all applicable requirements of the Code that are necessary to preserve such exclusion from gross income with respect to the Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Authority will take no action and refrain from taking any action, and the Authority will make no use of the proceeds of the Bonds or of any other moneys or property, which would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The Authority will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, and the Authority will not take any action or refrain from taking any action, which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The Authority will make no use of the proceeds of the Bonds, and the Authority will not take or omit to take any action, that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The Authority will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, and the Authority will not take any action

or refrain from taking any action, that would cause the Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Authority takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; and

(f) Miscellaneous. The Authority will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the Authority in connection with the issuance of the Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

This Section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the Authority from issuing revenue bonds or executing and delivering contracts that are payable on a parity with the Bonds, the interest with respect to which has been determined to be subject to federal income taxation.

Section 6.07 Payments Under Installment Purchase Agreement. The Authority shall promptly collect all Series 2024 Installment Payments due from the City pursuant to the Installment Purchase Agreement and, subject to the provisions of Article VIII, shall enforce and take all steps, actions and proceedings which the Authority or the Trustee determines to be reasonably necessary for the enforcement of all of the obligations of the City thereunder.

The Authority shall not enter into any amendments to the Installment Purchase Agreement except as permitted therein. The Trustee shall give written consent only if: (a) such amendment, modification or termination will not materially adversely affect the interests of the Bond Owners; or (b) the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment, modification or termination.

Section 6.08 Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.09 Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

Section 6.10 Eminent Domain. If all or any part of the Water System shall be taken by eminent domain proceedings (or sold to a government entity that is threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be applied in the manner that is specified in Section 6.16 of the Installment Purchase Agreement.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.01 Events of Default. The following events shall be Events of Default hereunder:

(a) Default by the Authority in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default by the Authority in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such default shall have continued for a period of thirty (30) days after written notice thereof specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee or by the Owners of not less than a majority in aggregate principal amount of Bonds Outstanding; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such thirty (30) day period, and corrective action is instituted by the Authority within such thirty (30) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder.

(d) The Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

Section 7.02 Remedies Upon Event of Default. If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, with the prior written consent of the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations under the Insurance Policy or the Reserve Surety Policy, and, at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding and with the prior written consent of the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations under the Insurance Policy or the Reserve Surety Policy, shall in each case, upon notice in writing to the Authority and the City, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding.

Nothing contained in the Indenture shall permit or require the Trustee or the Authority to accelerate payments due under the Installment Purchase Agreement if the City, which is a party to such Installment Purchase Agreement, is not in default of its obligation thereunder.

Any such declaration is subject to the condition that if, at any time after such declaration, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority or the City shall deposit with the Trustee an amount that is sufficient to pay all the principal of and installments of interest on the Bonds the payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds to the extent permitted by law, and the reasonable charges and expenses of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment of principal of and interest on the Bonds that is due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case the Trustee shall on behalf of the Owners of all of the Bonds, rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or affect any subsequent Event of Default or impair or exhaust any right or power consequent thereon.

Section 7.03 Application of Authority Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Authority Revenues then held or thereafter received by the Trustee and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (other than amounts held in the Rebate Fund) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses that are necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and to the payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture; and

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of the Indenture, in the following order of priority:

First: To the payment to the persons that are entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount that is available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate of eight percent (8%) per annum, and, if the amount that is available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference; and

Third: If there shall exist any remainder after the foregoing payments, such remainder shall be paid to the Authority.

Section 7.04 Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in

fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds or the Indenture and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds or the Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Authority Revenues and other assets pledged under the Indenture, pending such proceedings. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

Section 7.05 Bond Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing that are executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conduct in all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners who are not parties to such direction.

Section 7.06 Suit by Owners. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Installment Purchase Agreement, the JPA Agreement or any other applicable law with respect to such Bonds, unless: (a) such Owners shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction which is inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of

the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, the Indenture, the Installment Purchase Agreement, the JPA Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Section 7.07 Absolute Obligation of the Authority. Nothing in this Section or in any other provision of the Indenture or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Authority Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.09 No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.

Section 7.10 Control by the Insurer Upon Default. Anything herein or in the Installment Purchase Agreement to the contrary notwithstanding, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, upon the occurrence and continuance of a default or an Event of Default; (a) the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Trustee for the benefit of the holders of the Insured Bonds hereunder; (b) no default or Event of Default may be waived without the Insurer's written consent; and (c) the Insurer shall be deemed to be the sole owner of the Insured Bonds for all purposes hereunder, including, without limitations, for purposes of exercising remedies and approving amendments.

ARTICLE VIII

THE TRUSTEE

Section 8.01 Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture, and no implied covenants or duties shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee upon thirty (30) days prior notice, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee. The Authority shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) No removal, resignation or termination of the Trustee shall become effective until a successor meeting the requirements below or otherwise acceptable to the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, shall be qualified and appointed and shall have accepted its appointment. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee that is appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all of the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property that is subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee that is appointed under the provisions of this Section in succession to the Trustee shall be a national banking association that is supervised by the Office of

the Comptroller of the Currency and has at least $250 million of assets, a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets or otherwise be approved by the Insurer in writing. If such national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority that is referred to above, then for the purpose of this subsection, the combined capital and surplus of such national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(f) The Insurer shall receive prior written notice of any name change of the Trustee or the resignation or removal of the Trustee.

Section 8.02 Merger or Consolidation. Any trust company, banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated, any trust company, banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such trust company, banking association or bank shall be eligible under Section 8.01(e), shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03 Liability of Trustee.

(a) The recitals of facts herein and in the Bonds shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Indenture, the Bonds or the Installment Purchase Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment that is made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority (or such other percentage provided for herein) in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture.

(e) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder or under the Installment Purchase Agreement or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder or under the Installment Purchase Agreement unless and until a Responsible Officer of the Trustee shall have actual knowledge of such event or the Trustee shall have been notified in writing, in accordance with Section 11.07, of such event by the Authority or the Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the City of any of the terms, conditions, covenants or agreements herein, or under the Installment Purchase Agreement, of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default thereunder or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral that is given to or held by it.

(f) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers that are vested in it by the Indenture at the request or direction of Owners pursuant to the Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy that is conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(h) Whether or not herein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(i) The Trustee shall have no responsibility or liability with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(j) The immunities that are extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes,

earthquakes, explosions, mob violence, riots, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the 2024 Project, malicious mischief, condemnation and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(m) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to the Indenture and delivered using Electronic Means ("**Electronic Means**"), which shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("**Authorized Officers**") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee Instructions using Electronic Means and the Trustee acts upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding the fact that such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedure.

(n) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(o) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 8.04 Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, notes,

direction, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Trustee's Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed herein) may be deemed to be conclusively proved and established by a Certificate, Request or Requisition of the Authority, and such Certificate, Request or Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Certificate, Request or Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05 Preservation and Inspection of Documents. All documents that are received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the City and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06 Compensation and Indemnification. The Authority shall pay to the Trustee from time to time reasonable compensation for all services that are rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture.

The Authority shall indemnify, defend and hold harmless the Trustee, its officers, employees, directors and agents from and against any loss, costs, claims, liability or expense (including fees and expenses of its attorneys and advisors) incurred without negligence or bad faith on its part, arising out of or in connection with the execution of the Indenture, acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive removal or resignation of the Trustee hereunder or the discharge of the Bonds and the Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01 Amendments Permitted.

(a) The Indenture and the rights and obligations of the Authority, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by an

indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the prior written consents of the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations under the Policy or the Reserve Surety Policy, and the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, exclusive of Bonds that are disqualified as provided in Section 11.09, have been filed with the Trustee. No such modification or amendment may: (1) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Authority Revenues and other assets pledged under the Indenture prior to or on a parity with the lien that is created by the Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by the Indenture on such Authority Revenues and other assets except as permitted herein, without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to each Rating Agency and the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the Authority, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners or the Insurer, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Outstanding Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary or desirable;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereunder in effect, and to add such other terms conditions and provisions as may be permitted by said act or similar federal statute; and

(4) to modify, amend or supplement the Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture that is authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of the Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion of interest on the Bonds from federal income taxation and the exclusion of interest on the Bonds from state income taxation.

Section 9.02 Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 9.03 Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his or her Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority, to any modification or amendment that is contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

Section 9.04 Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Bond Owner.

ARTICLE X

DEFEASANCE

Section 10.01 Discharge of Indenture. The Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

(a) by paying or causing to be paid the principal of and interest and redemption premiums (if any) on the Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities (or a combination of money and securities) in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds then Outstanding; or

(c) by delivering to the Trustee, for cancellation by it, all of the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums that are payable hereunder by the Authority, then and in that case, at the election of the Authority (as evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Authority Revenues and other assets under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption to the Authority.

Section 10.02 Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities (or a combination of money and securities) in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Outstanding Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities that are deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds that were previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03 Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount that is equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest and premium, if any, thereon to the redemption date; or

(b) Federal Securities the principal of and interest on which when due will, in the written opinion of an Independent Certified Public Accountant filed with the Authority and the Trustee, provide money that is sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date (with premium, if any), as the case may be, on the Bonds to be paid or redeemed, as such principal, interest and premium, if any, become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that: (i) the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Request of the Authority) to apply such money to the payment of such principal, interest and premium, if any, with respect to such Bonds; and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that such Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the Independent Certified Public Accountant's opinion referred to above).

[At least three (3) Business Days prior to any defeasance with respect to the Insured Bonds, the Authority shall deliver to the Insurer draft copies of an escrow agreement, an opinion of Bond Counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Bonds and a verification report (a "**Verification Report**") prepared by an Independent Certified Public Accountant regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to the Insurer and, so long as the Insurer has not defaulted on any obligation under the under the Policy or the Reserve Surety Policy, such opinion and Verification Report shall be in form and substance satisfactory to the Insurer. In addition, the escrow agreement shall provide that any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of: (I) a Verification Report; (II) an opinion of Bond Counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Bonds is excludable) from gross income of the holders of the Insured Bonds of the interest on the Insured Bonds for federal income tax purposes; and (III) the prior written consent of the Insurer, which consent will not be unreasonably withheld.]

[The Authority will not exercise any prior optional redemption of Insured Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless: (1) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds; and (2) as a condition to any such redemption there shall be provided to the Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.]

[The City and the Authority shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Insurer.]

Section 10.04 Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys which are held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and which remain unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such

date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid (without liability for interest) to the Authority free from the trusts created by the Indenture upon receipt of an indemnification agreement that is acceptable to the Authority and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall at the written direction of the Authority (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Liability of Authority Limited to Authority Revenues. Notwithstanding anything in the Indenture or the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Authority Revenues and other moneys pledged under the Indenture for any of the purposes of the Indenture, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

The Bonds are not a debt of the members of the Authority, the State or any of its political subdivisions (other than the Authority) and neither the members of the Authority, said State nor any of its political subdivisions (other than the Authority) is liable thereon. The City shall have no liability or obligation herein except with respect to Series 2024 Installment Payments payable under the Installment Purchase Agreement.

Section 11.02 Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all covenants and agreements in the Indenture by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03 Limitation of Rights to Parties and Bond Owners. Nothing in the Indenture or in the Bonds, express or implied, is intended or shall be construed to give to any person other than the Authority, the Trustee, the Insurer, the City and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the Insurer, the City and the Owners of the Bonds. The Insurer is recognized as and shall be deemed to be a third party beneficiary hereof and may enforce the provisions hereof as if it were a party hereto.

Section 11.04 Waiver of Notice; Requirement of Mailed Notice. Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person who is entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken

in reliance upon such waiver. Whenever in the Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05 Destruction of Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall destroy such Bonds as may be allowed by law and upon request deliver a certificate of such destruction to the Authority.

Section 11.06 Severability of Invalid Provisions. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 11.07 Notices. Any notice to or demand upon the Authority or the Trustee shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or by being deposited, first class mail, postage prepaid, in a post office box, to the Authority at 320 W. Newmark Avenue, Monterey Park, California 91754, Attention: City Manager (or such other address as may have been filed in writing by the Authority with the Trustee), or to the Trustee at its Office by first class mail. Notwithstanding the foregoing provisions of this Section 11.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 11.08 Evidence of Rights of Bond Owners. Any request, consent or other instrument that is required or permitted by the Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The Ownership of Bonds shall be proved by the Registration Books. Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of

anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.09 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds which are actually known by the Trustee to be owned or held by or for the account of the Authority, or by any other obligor on the Bonds, or by any person that is directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person that is directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the Authority shall certify to the Trustee those Bonds that are disqualified pursuant to this Section 11.09 and the Trustee may conclusively rely on such certificate.

Section 11.10 Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof, but without any liability for interest thereon.

Section 11.11 Funds and Accounts. Any fund or account that is required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 11.12 Waiver of Personal Liability. No member, officer, agent, employee, consultant or attorney of the Authority or the City shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, employee, consultant or attorney from the performance of any official duty provided by law or by the Indenture.

Section 11.13 Execution in Several Counterparts. The Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14 CUSIP Numbers. Neither the Trustee nor the Authority shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the

CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the Authority nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 11.15 Choice of Law. THE INDENTURE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.16 Notice to Rating Agencies and the Insurer. The Trustee shall provide any rating agency rating the Bonds and the Insurer with written notice of each amendment to the Indenture and a copy thereof at least 15 days in advance of its execution.

Section 11.17 [Consent of the Insurer in Addition to Bondholder Consent. Notwithstanding anything to the contrary set forth herein or in the Installment Purchase Agreement, whenever any provision hereof requires the consent of holders of Insured Bonds, the Insurer's consent shall also be required so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder. In addition, any amendment, supplement, modification to, or waiver of, any provision hereof that adversely affects the rights or interests of the Insurer shall be subject to the prior written consent of the Insurer.

No contract shall be entered into or any action taken by which the rights of the Insurer or (so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder) security for or source of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.]

Section 11.18 [Insolvency. Any reorganization or liquidation plan with respect to the Authority must be acceptable to the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder. So long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, the Trustee and each Owner of the Insured Bonds hereby appoint the Insurer as their agent and attorney-in-fact with respect to the Insured Bonds and agree that the Insurer may at any time during the continuation of any Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including without limitation: (a) all matters relating to any Claim; (b) the direction of any appeal of any order relating to any Claim; (c) the posting of any surety, supersedeas or performance bond pending any such appeal; and (d) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Owner of the Insured Bonds delegate and assign to the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, to the fullest extent permitted by law, the rights of the Trustee and each Owner of the Insured Bonds with respect to the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.]

Section 11.19 [Special Provisions for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything herein or in the Installment Purchase Agreement to the contrary: (a) if at any time prior to or following an Insurer Default, the Insurer has made payment under the Policy, to the extent of such payment the Insurer shall be treated like any other holder of the Insured Bonds for all purposes, including giving of consents; and (b) if the Insurer has not made any payment under the Policy, the Insurer shall have no further consent rights until the

particular Insurer Default is no longer continuing or the Insurer makes a payment under the Policy, in which event, the foregoing clause (a) shall control.]

Section 11.20 Payment Procedure Under the Policy. [To come.]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Authority has caused the Indenture to be signed in its name by its Chair and attested by its Secretary, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

MONTEREY PARK FINANCING AUTHORITY

By: _____
Chair

ATTEST:

_____
Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. ____ $_____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE	CUSIP
____%	February 1, 20___	_____, 2024	

REGISTERED OWNER CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The MONTEREY PARK FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under the laws of the State of California (the "**Authority**"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "**Registered Owner**"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless: (i) this Bond is authenticated after the fifteenth day of the calendar month preceding an interest payment date, whether or not such day is a business day, and on or before the following interest payment date, in which event it shall bear interest from such interest payment date; or (ii) this Bond is authenticated on or before [July 15], 2024, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if as of the date of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond), at the Interest Rate per annum specified above, payable semiannually on February 1 and August 1 in each year, commencing [August 1, 2024], calculated on the basis of a 360 day year composed of twelve 30 day months. Principal hereof and premium, if any, upon early redemption hereof are payable by check of the Trustee upon presentation and surrender hereof at the Office (as defined in the hereinafter described Indenture) of U.S. Bank Trust

Company, National Association, as trustee (the "**Trustee**"). Interest hereon is payable by check of the Trustee sent by first class mail on the applicable interest payment date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each interest payment date (except that in the case of a Registered Owner of one million dollars ($1,000,000) or more in principal amount, such payment may, at such registered owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Registered Owner prior to the fifteenth (15th) day of the month preceding such interest payment date).

Capitalized terms that are used herein and not defined shall have the meanings that are given to such terms in the Indenture of Trust, dated as of May 1, 2024 (the "**Indenture**"), by and between the Authority and the Trustee.

This Bond is not a debt of the members of the Authority, the State of California, or any of its political subdivisions (other than the Authority), and neither the members of the Authority or said State, nor any of its political subdivisions (other than the Authority), is liable hereon, nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Authority Revenues (as such term is defined in the Indenture) and other moneys pledged therefor under the Indenture. The obligation of the City of Monterey Park (the "**City**") to make payments in accordance with the Installment Purchase Agreement (as such term is defined in the Indenture) is a limited obligation of the City as set forth in the Installment Purchase Agreement and the City shall have no liability or obligation in connection herewith except with respect to such Series 2024 Installment Payments to be made pursuant to the Installment Purchase Agreement. The Bonds do not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limitation or restriction.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Monterey Park Financing Authority Water Revenue Bonds, Series 2024" (the "**Bonds**"), of an aggregate principal amount of _____ Dollars ($_____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers or interest rates) and all issued pursuant to the provisions of the Joint Exercise of Powers Agreement, dated June 16, 2021, the "**JPA Agreement**"), by and between the City and the Monterey Park Housing Authority, a public body, corporate and politic, duly organized and existing under the laws of the State, as amended from time to time, pursuant to the laws of the State of California, and pursuant to the Indenture and the resolution authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Authority Revenues, and the rights thereunder of the Owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority hereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees. The Bonds have been issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof.

The Bonds have been issued by the Authority to finance certain public capital improvements and related costs, as more fully described in the Installment Purchase Agreement.

This Bond and the interest and premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the

Authority, and are payable from, and are secured by a pledge and lien on the Authority Revenues, including all Series 2024 Installment Payments received from the City by the Authority or the Trustee, and any other amounts on deposit in certain funds and accounts created under the Indenture. As and to the extent set forth in the Indenture, all of the Authority Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The Indenture and the rights and obligations of the Authority and the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, exclusive of Bonds disqualified as set forth in the Indenture, in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment may: (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected; or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Authority Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Authority Revenues and other assets, except as expressly provided in the Indenture, without the consent of the Owners of all of the Bonds then Outstanding.

The Indenture and the rights and obligations of the Authority, the Trustee and the Owners of the Bonds may also be modified or amended for certain purposes described more fully in the Indenture at any time in the manner, to the extent and upon the terms provided in the Indenture by a supplemental indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such supplemental indenture will not materially adversely affect the interests of the Owners of the Outstanding Bonds.

The Bonds with stated maturities on or after February 1, 20__, are subject to redemption prior to their respective stated maturities, as a whole or in part as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of $5,000, on February 1, 20__ or any date thereafter at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium.

The Bonds with stated maturities on February 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on February 1, 20__ and each February 1 thereafter, in integral multiples of $5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (February 1)	*Principal Amount*
*	

* Maturity.

The Bonds with stated maturities on February 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on February 1, 20__ and each February 1 thereafter, in integral multiples of $5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

Redemption Date (February 1)	*Principal Amount*
*	

* Maturity.

If some but not all of the Bonds maturing on February 1, 20__ or February 1, 20__ are optionally redeemed, the principal amount of the applicable Bonds to be redeemed pursuant to mandatory sinking fund payments on any subsequent February 1 will be reduced, by $5,000 or an integral multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the applicable Bonds which have been optionally redeemed.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than twenty (20) days nor more than sixty (60) days prior to the redemption date to the respective Owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither the failure to receive such notice nor any defect in the notice or the mailing thereof shall affect the validity of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all of the Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his or her duly authorized attorney in writing, at said office of the Trustee but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds of the same series, of authorized denomination or denominations, for the same aggregate principal amount of the same maturity will be issued to the transferee in exchange therefor.

Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series and same maturity, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture.

The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts that are required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the JPA Agreement, and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit under any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Chair and attested to by the manual or facsimile signature of its Secretary, all as of the Original Issue Date specified above.

MONTEREY PARK FINANCING AUTHORITY

By: _____
Chair

Attest:

_____
Secretary of the Board

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS]

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____, 2024

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth LLP, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

_____

Secretary of the Board of the Monterey Park Financing Authority

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

_____

_____

_____

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

_____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

_____

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

STATEMENT OF INSURANCE

[To come.]

ATTACHMENT 3
Installment Purchase Agreement

INSTALLMENT PURCHASE AGREEMENT

by and between

CITY OF MONTEREY PARK

and

MONTEREY PARK FINANCING AUTHORITY

Dated as of May 1, 2024

Relating to

$_____
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated as of May 1, 2024, is entered into by and between the CITY OF MONTEREY PARK, a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State of California (the "**City**"), and the MONTEREY PARK FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the "**Authority**").

RECITALS

A. The City proposes to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Water System, as described in Exhibit A (collectively, the "**2024 Project**").

B. The Authority has agreed to assist the City in financing the 2024 Project on the terms and conditions that are set forth herein.

C. The Authority is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq*., to finance and refinance the acquisition and construction of property for its members.

D. The City is authorized by the laws of the State of California to acquire the 2024 Project.

E. The City and the Authority have duly authorized the execution of this Installment Purchase Agreement.

F. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms that are defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document that is mentioned herein or therein have the meanings that are defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms that are defined herein. All capitalized terms that are used herein and not defined herein shall have the meanings that are ascribed thereto in the Indenture.

Accountant's Report. The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Acquisition Fund. The term "Acquisition Fund" means the fund by that name established under Section 3.05.

Authority. The term "Authority" means Monterey Park Financing Authority, a joint exercise of powers agency that is duly organized pursuant to the JPA Agreement and existing under and by virtue of the laws of the State of California.

Bonds. The term "Bonds" means all revenue bonds or notes of the City that are authorized, executed, issued and delivered by the City, the payments of which are payable from Net Revenues on a parity with the Series 2024 Installment Payments and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof.

City. The term "City" means City of Monterey Park, a municipal corporation that is duly organized and existing under and by virtue of the general laws of the State of California.

City Manager. The term "City Manager" means the City Manager of the City, or any other person that is designated by the City Manager to act on behalf of the City Manager.

Contracts. The term "Contracts" means all contracts of the City that are authorized and executed by the City, the payments under which are payable from Net Revenues on a parity with the Series 2024 Installment Payments and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof; but excluding contracts entered into for operation and maintenance of the Water System.

Debt Service. The term "Debt Service" means, for any period of calculation, the sum of:

(i) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(ii) those portions of the principal amount of all outstanding serial Bonds maturing in such period;

(iii) those portions of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period; and

(iv) those portions of the Contracts that are required to be paid during such period (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then-current variable interest rate borne by such Bonds or Contract plus 1%; and (2) the highest variable rate borne over the preceding 3 months by outstanding variable rate debt issued by the City or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued;

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of thirty (30) years from the date of calculation; and

provided further that, as to any such Bonds or Contracts or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Bonds or Contracts constitute interest rate swap agreements or other paired obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the City with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

Event of Default. The term "Event of Default" means an event that is described in Section 8.01.

Fiscal Year. The term "Fiscal Year" means the twelve month period beginning on July 1 of each year and ending on the next succeeding June 30, both dates inclusive, or any other twelve month period hereafter selected and designated as the official fiscal year period of the City.

Indenture. The term "Indenture" means the Indenture of Trust, dated as of the date hereof, by and between the Authority and the Trustee relating to the 2024 Bonds.

Independent Certified Public Accountant. The term "Independent Certified Public Accountant" means any firm of certified public accountants that is appointed by the City, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Financial Consultant. The term "Independent Financial Consultant" means a financial consultant or firm of such consultants that is appointed by the City, and who, or each of whom: (1) is in fact independent and not under domination of the City; (2) does not have any substantial interest, direct or indirect, with the City; (3) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City; and (4) is registered as a "municipal advisor," as defined in Section 15B of the Securities Exchange Act of 1934, as amended.

Installment Purchase Agreement. The term "Installment Purchase Agreement" means this Installment Purchase Agreement, dated as of May 1, 2024, by and between the City and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

JPA Agreement. The term "JPA Agreement" means the Joint Exercise of Powers Agreement, dated June 16, 2021, by and between the City and the Monterey Park Housing Authority, pursuant to which the Authority is established.

Net Proceeds. The term "Net Proceeds" means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such proceeds.

Net Revenues. The term "Net Revenues" means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year. When held by the Trustee in any funds or accounts established hereunder, Net Revenues shall include all interest or gain derived from the investment of amounts in any of such funds or accounts.

Operation and Maintenance Costs. The term "Operation and Maintenance Costs" means: (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with generally accepted accounting principles applicable to governmental agencies, including, but not limited to, the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the City that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the City or charges (other than debt service payments) required to be paid by it to comply with the terms of the 2024 Bonds or of this Installment Purchase Agreement or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (2) all payments under any contract for the purchase of water; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature.

Purchase Price. The term "Purchase Price" means the principal amount plus interest thereon owed by the City to the Authority under the terms hereof as provided in Section 4.01.

Rate Stabilization Fund. The term "Rate Stabilization Fund" means the fund by that name held by the City and established pursuant to Section 5.05.

Reserve Requirement. The term "Reserve Requirement" means $_____.

Revenue Fund. The term "Revenue Fund" means the Water Utility Enterprise Fund of the City, together with other accounts that may be created in the future and designated by action of the City Council of the City as a part of the fund called "Revenue Fund" that has been established pursuant to Section 5.02.

Revenues. The term "Revenues" means all income, rents, rates, fees, charges and other moneys derived from the ownership of or operation of the Water System, including, without limiting the generality of the foregoing: (1) all in lieu charges (including investment earnings thereon) collected by or on behalf of the City; (2) all income, rents, rates, fees, charges, business interruption insurance proceeds or other moneys derived by the City from the sale, furnishing and supplying of the water or other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System; (3) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, proceeds or other moneys, including City reserves; and (4) deposits to the Revenue Fund from amounts on deposit in the Rate Stabilization Fund in accordance with Section 5.05; but excluding in all cases: (w) any Revenues transferred from the Revenue Fund to the Rate Stabilization Fund in accordance with Section 5.02(c); (x) all amounts reasonably anticipated to be reimbursed to the City by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program), to the extent that such amounts have been or will be deducted from the calculation of Debt Service; (y) customers' deposits or any other deposits or advances that are subject to refund until such deposits or advances have become the property of the City; and (z) proceeds of taxes or benefit assessments restricted by law to be used by the City to pay amounts due on bonds or other obligations hereafter incurred.

Series 2024 Installment Payment Date. The term "Series 2024 Installment Payment Date" means the fifteenth day of January and July of each year commencing on [July 15, 2024].

Series 2024 Installment Payments. The term "Series 2024 Installment Payments" means the Installment Payments scheduled to be paid by the City under and pursuant to the Installment Purchase Agreement.

Trustee. The term "Trustee" means U.S. Bank Trust Company, National Association, acting in its capacity as Trustee under and pursuant to the Indenture, and its successors and assigns.

2024 Project. The term "2024 Project" means the additions, betterments, extensions and improvements to the City's Water System facilities, including real property and buildings, if any, which are described as such in Exhibit A.

2024 Bonds. The term "2024 Bonds" means the Monterey Park Financing Authority Water Revenue Bonds, Series 2024 issued pursuant to the Indenture.

Water Service. The term "Water Service" means the potable water distribution service that is made available or provided by the Water System.

Water System. The term "Water System" means the whole and each and every part of the potable water system serving the City, whether owned or operated by the City or another party,

including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water system or any part thereof hereafter acquired or constructed.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the City. The City makes the following representations:

(a) The City is a municipal corporation that is duly organized and existing under and pursuant to the general laws of the State of California.

(b) The City has full legal right, power and authority to enter into this Installment Purchase Agreement, carry out its obligations hereunder and carry out and consummate all other transactions that are contemplated by this Installment Purchase Agreement, and the City has complied with the provisions of the laws of the State of California in all matters relating to such transactions.

(c) By proper action, the City has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The City will not take or, to the extent within its power, permit any action to be taken which results in the interest that is paid for the installment purchase of the 2024 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

(e) The City has determined that it is necessary and proper for City uses and purposes within the terms of the laws of the State of California that the City finance and acquire the 2024 Project in the manner that is provided for in this Installment Purchase Agreement in order to provide essential services and facilities to persons residing in the City.

Section 2.02 Representations and Warranties of the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers agency that is duly organized under the JPA Agreement and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions that are contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions that are contemplated herein will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the

creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority.

(c) The Authority will not take or permit any action to be taken which results in the interest that is paid for the installment purchase of the 2024 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

ARTICLE III

ACQUISITION OF 2024 PROJECT

Section 3.01 Acquisition and Construction of the 2024 Project. The Authority hereby agrees to cause the 2024 Project, and any additions or modifications thereto, to be constructed, acquired or installed by the City as its agent, and the City shall enter into contracts and provide for, as agent of the Authority, the complete acquisition of the 2024 Project. The City hereby agrees that it will cause the construction, acquisition and installation of the 2024 Project to be diligently performed after the deposit of funds with the City pursuant to the Indenture, upon satisfactory completion of design work and compliance with the California Environmental Quality Act and approval by the City Council of the City, unforeseeable delays beyond the reasonable control of the City only excepted. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any cost of the 2024 Project and that all such costs and expenses shall be paid by the City, regardless of whether the funds deposited in the Acquisition Fund are sufficient to cover all such costs and expenses.

Section 3.02 Changes to the 2024 Project. The City may substitute other improvements for those listed as components of the 2024 Project in Exhibit A, but only if the City first files with the Trustee a statement of the City in the form set forth in Exhibit D.

Section 3.03 Purchase and Sale of the 2024 Project. In consideration for the Series 2024 Installment Payments as set forth in Section 4.02, the Authority agrees to sell, and hereby sells, to the City, and the City agrees to purchase, and hereby purchases, from the Authority, the 2024 Project at the purchase price specified in Section 4.01 hereof and otherwise in the manner and in accordance with the provisions of this Installment Purchase Agreement.

Section 3.04 Title. All right, title and interest in each component of the 2024 Project shall vest in the City immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Authority or the City, and the Authority shall, if requested by the City or if necessary to assure such automatic vesting, deliver any and all documents which are required to assure such vesting.

Section 3.05 Acquisition Fund. There is hereby established with the City a fund known as the "Acquisition Fund," which the City shall maintain and hold in trust separate and apart from other funds held by it. The moneys in the Acquisition Fund shall be applied to the payment of the costs of acquisition of the 2024 Project and of expenses incidental thereto. Before any payment is made from the Acquisition Fund, the City Manager shall cause to be filed with the Director of Finance of the City a Written Requisition in the form set forth in Exhibit C. Upon receipt of such Written Requisition, the Director of Finance will pay the amount set forth therein. The Director of Finance need not make any such payment if he or she has received notice of any lien, right to lien or

attachment upon, or claim affecting the right to receive payment of, any of the moneys so to be paid, which has not been released and will not be released simultaneously with such payment.

When the 2024 Project shall have been constructed and acquired in accordance with this Installment Purchase Agreement, a statement of the City stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Director of Finance of the City and the Trustee by the City Manager. Upon the receipt of such statement, the Director of Finance of the City shall transfer any remaining balance in the Acquisition Fund not needed for Acquisition Fund purposes (but less the amount of any such retention, which amount shall be certified to the Director of Finance of the City by the City Manager) to the Trustee, which shall transfer such amounts to the Revenue Fund.

ARTICLE IV

SERIES 2024 INSTALLMENT PAYMENTS

Section 4.01 Purchase Price.

(a) The Purchase Price to be paid by the City hereunder to the Authority is the sum of the principal amount of the City's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the City hereunder is set forth in Exhibit B.

(c) The interest to accrue on the unpaid balance of such principal amount is as specified in Section 4.02 and Exhibit B, and shall be paid by the City as and constitute interest paid on the principal amount of the City's obligations hereunder.

Section 4.02 Series 2024 Installment Payments. The City shall, subject to its rights of prepayment provided in Article VII, pay to the Authority the Purchase Price in installment payments of interest and principal in the amounts and on the Series 2024 Installment Payment Dates as set forth in Exhibit B.

Each Series 2024 Installment Payment shall be paid to the Authority in lawful money of the United States of America. In the event that the City fails to make any of the payments which are required to be made by it under this section, such payment shall continue as an obligation of the City until such amount shall have been fully paid, and the City agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Series 2024 Installment Payments if paid in accordance with their terms.

The obligation of the City to make the Series 2024 Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the City will not discontinue or suspend any Series 2024 Installment Payment which is required to be made by it under this section

when due, whether or not the Water System or any part thereof is operating or operable or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the 2024 Project has been completed, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.01 Pledge of Revenues. The Revenues, other amounts that are on deposit in the Revenue Fund and any other amounts (including proceeds of the sale of the 2024 Bonds) which are held in any fund or account that is established pursuant to the Installment Purchase Agreement (including the Rate Stabilization Fund) are irrevocably pledged to the payment of the Series 2024 Installment Payments. Except for the payment of the Operation and Maintenance Costs, the Revenues shall not be used for any other purpose while any of the Series 2024 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on Revenues, the Revenue Fund, the Rate Stabilization Fund and the other funds and accounts that are created hereunder for the payment of the Series 2024 Installment Payments and all other Contracts and Bonds in accordance with the terms hereof and of the Indenture.

Section 5.02 Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the City agrees and covenants that all Revenues shall be received by the City in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby created and which fund the City agrees and covenants to maintain and to hold separate and apart from other funds so long as any Contracts or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the City as provided in this Installment Purchase Agreement.

The City shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts which are reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable. All remaining moneys in the Revenue Fund shall be set aside by the City at the following times in the following respective special funds in the following order of priority, and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section:

(a) Bond Payment Fund. On or before each Series 2024 Installment Payment Date, the City shall, from remaining moneys in the Revenue Fund, transfer to the Trustee for deposit in the Bond Payment Fund an amount that is equal to the interest and principal payable and coming due on the 2024 Bonds on the next succeeding Interest Payment Date. The City shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of the Contract, Bond, resolution or indenture relating thereto.

Any moneys which are on deposit in the Bond Payment Fund on each Series 2024 Installment Payment Date (other than amounts that are required for the payment of past due principal

or interest with respect to any 2024 Bonds not presented for payment) shall be credited to the payment of the Series 2024 Installment Payments due and payable on such date. No deposit need be made in the Bond Payment Fund as Series 2024 Installment Payments if the amount in the Bond Payment Fund is at least equal to the amount of the Series 2024 Installment Payment that is due and payable on the next succeeding Series 2024 Installment Payment Date.

(b) Reserve Funds. On or before each Series 2024 Installment Payment Date, the City shall, from remaining moneys in the Revenue Fund, thereafter, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the Trustee for deposit in the Reserve Fund and to the applicable trustee for such other reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts other than this Installment Purchase Agreement, that sum, if any, necessary to restore the Reserve Fund or such other reserve funds and/or accounts to an amount equal to the Reserve Requirement or such other reserve requirements; provided, however, that the City may provide for the Reserve Fund by means other than cash and Permitted Investments pursuant to Section 5.08 of the Indenture.

(c) Surplus. Moneys on deposit in the Revenue Fund which are not necessary to make any of the payments which are required above may be expended by the City at any time for any purpose permitted by law, including but not limited to transfers to the Rate Stabilization Fund.

Section 5.03 Additional Contracts and Bonds. The City may at any time issue any Bonds or execute any Contract, as the case may be, in accordance herewith; provided that:

(a) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, shall have produced a sum equal to at least one hundred twenty percent (120%) of the Debt Service for such Fiscal Year or consecutive 12 month period; and

(b) The Net Revenues for either the most recent audited Fiscal Year or a consecutive 12 month period within the 18 months preceding the date of adoption by the City Council of the City of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year or consecutive 12 month period to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by both a calculation prepared by the City and a special report prepared by an Independent Certified Public Accountant or an Independent Financial Consultant on such calculation on file with the City, shall have produced a sum equal to at least one hundred twenty percent (120%) of: (i) the Debt Service for such Fiscal Year or consecutive 12 month period; plus (ii) the Debt Service which would have accrued on any then-outstanding Bonds which were issued or any then-outstanding Contracts which were executed since the end of such audited Fiscal Year or consecutive 12 month period, assuming that such Bonds or Contracts had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period; plus (iii) the Debt Service which would have accrued on the proposed additional Bonds or the proposed additional Contract, assuming that such

proposed additional Bonds or proposed additional Contract had been issued or executed, as applicable, on the first day of such audited Fiscal Year or consecutive 12 month period.

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund outstanding Bonds or to prepay outstanding Contracts may be delivered without satisfying the conditions set forth above if total Debt Service after such Bonds are issued or Contracts executed is not greater than the total Debt Service which would have been payable prior to the issuance of such Bonds or execution of such Contracts.

Notwithstanding satisfaction of the other conditions to the execution of any Contract or the issuance of Bonds set forth in this Section 5.03, no such execution or issuance may occur (i) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such Event of Default shall be cured upon such execution or issuance and (ii) unless the amount on deposit in the Reserve Fund is equal to the Reserve Requirement.

Section 5.04 Investments. All moneys which are held by the City in the Revenue Fund, the Rate Stabilization Fund and the Acquisition Fund shall be invested in Permitted Investments, and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

Section 5.05 Rate Stabilization Fund. There is hereby established with the City a fund to be known as the "Rate Stabilization Fund." The City hereby agrees and covenants to maintain, so long as any 2024 Bonds remain outstanding, the Rate Stabilization Fund. There is $0 on deposit in the Rate Stabilization Fund as of the date of the initial issuance of the 2024 Bonds. The City may deposit amounts therein from time to time in its sole discretion.

Amounts in the Rate Stabilization Fund shall be disbursed, allocated and applied by the City solely to the uses and purposes hereinafter described in this Installment Purchase Agreement, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the City.

The Rate Stabilization Fund and all amounts on deposit therein are hereby irrevocably pledged to the payment of the Bonds and Contracts as provided herein; provided that amounts on deposit in the Rate Stabilization Fund may be apportioned for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on amounts on deposit in the Rate Stabilization Fund for the payment of Contracts and Bonds in accordance with the terms hereof.

The City may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund from time to time and transfer such amounts to the Revenue Fund for application in accordance with Section 5.02 hereof. Amounts transferred from the Rate Stabilization Fund to the Revenue Fund pursuant to this Section during or within 270 days after the end of a Fiscal Year may be taken into account as Revenues for purposes of the calculations in Sections 5.03 and 6.14 in such Fiscal Year to the extent provided in the definition of "Revenues" in Section 1.01.

ARTICLE VI

COVENANTS OF THE CITY

Section 6.01 Compliance with Installment Purchase Agreement and Ancillary Agreements. The City will punctually pay the Series 2024 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained herein which are required to be observed and performed by it, and will not terminate the Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2024 Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term which is contained herein and required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion or acts or regulations of governmental authorities.

The City will faithfully observe and perform all of the agreements, conditions, covenants and terms which are required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.02 Against Encumbrances. The City will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund or the Rate Stabilization Fund except as provided herein. In addition, the City may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein (as provided in Section 5.02), provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.03 Against Sale or Other Disposition of Property. The City will not sell, lease, transfer, encumber or otherwise dispose of the Water System or any material portion thereof or enter into any agreement or lease which impairs the operation of the Water System or any part thereof which is necessary to secure adequate Revenues for the payment of the Series 2024 Installment Payments, or which would otherwise impair the rights of the Authority hereunder or the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the City to pay the Series 2024 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the City to sell any portion of the Water System if such portion is immediately repurchased by the City and if such arrangement cannot by its terms result in the purchaser of such portion of the Water System exercising any remedy which would deprive the City of or otherwise interfere with its right to own and operate such portion of the Water System.

Section 6.04 Against Competitive Facilities. The City will not, to the extent permitted by law, acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the City any water system competitive with the Water System.

Section 6.05 Tax Covenants. Notwithstanding any other provision of the Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the 2024 Bonds will not be adversely affected for federal income tax purposes, the City covenants to comply with all applicable requirements of the Code which are necessary to preserve such exclusion from gross income with respect to the 2024 Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The City will take no action and refrain from taking any action, and the City will make no use of the proceeds of the 2024 Bonds or of any other moneys or property, which would cause the 2024 Bonds to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The City will make no use of the proceeds of the 2024 Bonds or of any other amounts or property, regardless of the source, and the City will not take any action or refrain from taking any action, which will cause the 2024 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The City will make no use of the proceeds of the 2024 Bonds, and the City will not take or omit to take any action, that would cause the 2024 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The City will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the 2024 Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The City will make no use of the proceeds of the 2024 Bonds or any other amounts or property, regardless of the source, and the City will not take any action and refrain from taking any action, that would cause the 2024 Bonds to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the City takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2024 Bonds for federal income tax purposes; and

(f) Miscellaneous. The City will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the City in connection with the issuance of the 2024 Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

This section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the City from causing the Authority to issue revenue bonds or issuing bonds or executing and delivering contracts that are payable on a parity with the 2024 Bonds, the interest with respect to which has been determined to be subject to federal income taxation.

Section 6.06 Prompt Acquisition. The City will take all necessary and appropriate steps to acquire the 2024 Project, as agent of the Authority, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

Section 6.07 Maintenance and Operation of the Water System. The City will maintain and preserve the Water System in good repair and working order at all times, operate the Water System in an efficient and economical manner and pay all Operation and Maintenance Costs as they become due and payable.

Section 6.08 Payment of Claims. The City will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or under the Indenture or on any funds in the hands of the City which are pledged to pay the Series 2024 Installment Payments or the Bonds, or which might impair the security of the Series 2024 Installment Payments.

Section 6.09 Compliance with Contracts. The City will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, which are required to be performed by it contained in all contracts for the use of the Water System and all other contracts affecting or involving the Water System, to the extent that the City is a party thereto.

Section 6.10 Insurance.

(a) The City will procure and maintain or cause to be procured and maintained insurance on the Water System, excluding coverage for earthquake damage or destruction, with responsible insurers in such amounts and against such risks (including accident to or destruction of the Water System) as are usually covered in connection with facilities that are similar to the Water System, so long as such insurance is available at reasonable rates.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The City shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens. The City covenants to reconstruct, repair or replace the damaged or destroyed portions of the Water System promptly if a failure to reconstruct, repair or replace such portions would impair or adversely affect the ability of the City to pay the Series 2024 Installment Payments.

(b) The City will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Authority, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal water systems similar to the Water System.

(c) Any insurance that is required to be maintained by paragraph (a) above and, if the City determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is

maintained in the amounts and manner usually maintained in connection with water systems similar to the Water System, and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance which are required to be maintained herein shall provide that the Authority or its assignee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Annually on or before September 1 in each year, the Authority shall provide the Trustee with a Certificate stating that the City is in full compliance with the provisions of this section. The Trustee is entitled to rely on any such Certificate as to the City's compliance with these provisions, and the Trustee has no further duties in that regard.

Section 6.11 Accounting Records; Financial Statements and Other Reports.

(a) The City will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Water System, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(b) The City will prepare and file with the Authority or its assignee, annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ended June 30, 2024) financial statements of the City for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon. The Trustee shall have no obligation to review any such financial statements.

Section 6.12 Protection of Security and Rights of the Authority. The City will preserve and protect the security hereof and the rights of the Authority to the Series 2024 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.13 Payment of Taxes and Compliance with Governmental Regulations. The City will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System or any part thereof, or upon the Revenues when the same shall become due. The City will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System, or any part thereof, but the City shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.14 Amount of Rates and Charges.

(a) The City shall, to the fullest extent permitted by law, fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Water Service which are reasonably expected, at the commencement of each Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Revenues equal to one hundred twenty percent (120%) of the Debt Service in such Fiscal Year. The City may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges will at all times be sufficient to meet the requirements of this section.

(b) So long as the City has complied with its obligations set forth in subsection (a) above, the failure of Net Revenues to meet the thresholds set forth in subsection (a) above shall not constitute a default or an Event of Default hereunder or under the Indenture.

Section 6.15 Collection of Rates and Charges. The City will have in effect at all times bylaws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service to such customer's land and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the City may discontinue such service from the Water System, and such service shall not thereafter be recommenced except in accordance with City bylaws or rules, regulations and the laws of the State of California governing such situations of delinquency.

Section 6.16 Eminent Domain Proceeds. If all or any part of the Water System shall be taken by eminent domain proceedings, the Net Proceeds thereof shall be applied either to additions, betterments, extensions or improvements to the Water System or, if the City elects not to apply such Net Proceeds to such capital items or if such Net Proceeds are not fully expended for such purposes, such Net Proceeds which are not required by the City for such purposes will be deposited in the Revenue Fund.

Section 6.17 Further Assurances. The City will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Authority of the rights and benefits provided to it herein.

Section 6.18 Enforcement of Contracts. So long as any of the 2024 Bonds are outstanding, the City will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into if such rescission or amendment would in any manner impair or adversely affect the ability of the City to pay principal of and interest on the 2024 Bonds.

ARTICLE VII

PREPAYMENT OF SERIES 2024 INSTALLMENT PAYMENTS

Section 7.01 Prepayment.

(a) The City may prepay the Series 2024 Installment Payments as a whole, or in part, on February 1, 20__ or any date thereafter in the order of payment date as directed by the City, at a prepayment price equal to the principal amount of the Series 2024 Installment Payments to be prepaid, together with accrued interest thereon to the date of prepayment, without premium.

(b) Notwithstanding any such prepayment, the City shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority).

Section 7.02 Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the City shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the

Trustee describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than sixty (60) (or such shorter number of days as is acceptable to the Trustee) days from the date that such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

Section 8.01 Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen:

(a) if default shall be made by the City in the due and punctual payment of any Series 2024 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(b) if default shall be made by the City in the performance of any of the agreements or covenants which are required herein to be performed by it, and such default shall have continued for a period of thirty (30) days after the City shall have been given notice in writing of such default by the Authority; provided, however, that if in the reasonable opinion of the City the default stated in the notice can be corrected, but not within such thirty (30) day period, and corrective action is instituted by the City within such thirty (30) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder;

(c) if the City shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property; or

(d) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms;

then and in each and every such case during the continuance of an Event of Default, the Authority shall, by notice in writing to the City, with the prior written consent of the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations under the Policy and the Reserve Surety Policy, declare the entire principal amount of the unpaid Series 2024 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding.

This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2024 Installment Payments and the accrued interest thereon shall have been so declared due and payable, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the City shall deposit with the Authority an amount that is sufficient to pay the unpaid principal amount of the Series 2024 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (a) above due prior to such declaration

and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2024 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid Series 2024 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the City, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Section 8.02 Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.01, all Revenues thereafter received by the City shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Trustee and its assigns and thereafter to the Authority, as the case may be, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment, on a pro rata basis, of the entire principal amount of the unpaid Series 2024 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2024 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03 Other Remedies of the Authority. The Authority shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City or any director, officer or employee thereof, and to compel the City or any such director, officer or employee to perform and carry out its or his or her duties under the laws of the State of California and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority; or

(c) by suit in equity upon the happening of an Event of Default to require the City and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Authority shall have no security interest in or mortgage on the 2024 Project, the Water System or other assets of the City and no default hereunder shall result in the loss of the 2024 Project, the Water System or other assets of the City.

Section 8.04 Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the City, which is absolute and unconditional, to pay the Series

2024 Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund, the Rate Stabilization Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Authority, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy that is conferred upon the Authority by the laws of the State of California or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority, the City and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.05 Remedies Not Exclusive. No remedy that is conferred upon or reserved to the Authority herein is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the laws of the State of California or any other law.

Section 8.06 [Control by the Insurer Upon Default. Anything herein or in the Indenture to the contrary notwithstanding, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations under the Policy or the Reserve Surety Policy, upon the occurrence and continuance of a default or an Event of Default: (a) the Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Bonds or the Trustee for the benefit of the holders of the Insured Bonds hereunder; (b) no default or Event of Default may be waived without the Insurer's written consent; and (c) the Insurer shall be deemed to be the sole owner of the Insured Bonds for all purposes hereunder, including, without limitations, for purposes of exercising remedies and approving amendments.]

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01 Discharge of Obligations. When:

(a) all or any portion of the Series 2024 Installment Payments shall have become due and payable in accordance herewith or a written notice of the City to prepay all or any portion of the Series 2024 Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Series 2024 Installment Payment Date or dates specified for prepayment, in trust for the benefit of the Authority or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2024 Installment Payments, sufficient moneys or a combination of sufficient moneys and non-callable Permitted Investments that are described in clause (A) of the definition thereof, the principal

of and interest on which Permitted Investments when due will provide (together with any cash) money that is sufficient in the opinion of an Independent Certified Public Accountant to pay all principal, prepayment premium, if any, and interest of such Series 2024 Installment Payments to their respective Series 2024 Installment Payment Dates, as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee, then and in that event, the right, title and interest of the Authority herein and the obligations of the City hereunder shall, with respect to all or such portion of the Series 2024 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the City to have such moneys and such Permitted Investments applied to the payment of such Series 2024 Installment Payments).

In such event, upon request of the City, the Trustee shall cause an accounting for such period or periods as may be requested by the City to be prepared and filed with the City and shall execute and deliver to the City all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the City, after payment of all amounts due the Trustee pursuant to the Indenture, as an overpayment of Series 2024 Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto, other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Series 2024 Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the Series 2024 Installment Payments and shall be applied by the Trustee to the payment of the Series 2024 Installment Payments of the City.

ARTICLE X

MISCELLANEOUS

Section 10.01 Liability Limited. Notwithstanding anything contained herein, the City shall not be required to advance any moneys derived from any source of income other than the Revenues, the Revenue Fund, the Rate Stabilization Fund and the other funds provided herein for the payment of amounts due hereunder or for the performance of any agreements or covenants that are required to be performed by it contained herein. The City may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the City for such purpose.

The obligation of the City to make the Series 2024 Installment Payments is a special obligation of the City payable from the Net Revenues and does not constitute a debt of the City or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 10.02 Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the City, the Insurer and the Authority any right, remedy or claim under or pursuant hereto, and any agreement or covenant that is required herein to be performed by or on behalf of the City or the Authority shall be for the sole and exclusive benefit of the other party. The Insurer is recognized as and shall be deemed to be a third party beneficiary hereof and may enforce the provisions hereof as if it were a party hereto.

Section 10.03 Successor Is Deemed Included in all References to Predecessor. Whenever either the City or the Authority is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the City or the Authority, and all agreements and covenants which are required hereby to be performed by or on behalf of the City or the Authority shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04 Waiver of Personal Liability. No member, officer or employee of the City shall be individually or personally liable for the payment of the Series 2024 Installment Payments, but nothing contained herein shall relieve any member, officer or employee of the City from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.05 Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.06 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the City or the Authority shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The City and the Authority hereby declare that they would have executed the Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.07 Assignment. The Installment Purchase Agreement and any rights hereunder may be assigned by the Authority, as a whole or in part, without the necessity of obtaining the prior consent of the City. In addition to the rights and remedies assigned by the Authority to the Trustee, to the extent that the Indenture and the Installment Purchase Agreement confer upon or give or grant to the Trustee any right, remedy or claim under or by reason of the Indenture or the Installment Purchase Agreement, the Trustee is hereby explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred given or granted.

Section 10.08 Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the City shall pay absolutely net during the term hereof the Series 2024 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09 California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10 Notices. The City will provide the Insurer with all notices and other information that it is obligated to provide: (a) under the Continuing Disclosure Agreement related to the 2024 Bonds; and (b) to the holders of Insured Bonds or the Trustee under the Indenture and the Installment Purchase Agreement. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the City:	City of Monterey Park 320 West Newmark Avenue Monterey Park, California 91745 Attention: City Manager
If to the Authority:	Monterey Park Financing Authority 320 West Newmark Avenue Monterey Park, California 91754 Attention: Executive Director
If to the Insurer:	[To come]
If to the Trustee:	U.S. Bank Trust Company, National Association 633 West Fifth Street, 24th Floor Los Angeles, California 90071 Attention: Corporate Trust Reference: Monterey Park 2024 Water Revenue Bonds

Section 10.11 Effective Date. The Installment Purchase Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Authority).

Section 10.12 Execution in Counterparts. The Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13 Indemnification of Authority. The City hereby agrees to indemnify and hold harmless the Authority and its assigns and its officers and directors if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Indenture; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Indenture by the Authority.

Section 10.14 Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Authority and the City and of the Owners of the 2024 Bonds and of the Trustee may be modified or amended at any time by an amendment hereto which shall become binding upon the prior written consent of the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations under the Policy or the Reserve Surety Policy, and the Owners of a majority in aggregate principal amount of the 2024 Bonds then Outstanding, exclusive of 2024

Bonds disqualified as provided in Section 11.09 of the Indenture. No such modification or amendment may: (1) extend the fixed maturity of any 2024 Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each 2024 Bond so affected; or (2) reduce the aforesaid percentage of 2024 Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Installment Purchase Agreement prior to or on a parity with the lien created by the Installment Purchase Agreement except as permitted herein, or deprive the Owners of the 2024 Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the 2024 Bonds then Outstanding.

(b) This Installment Purchase Agreement and the rights and obligations of the Authority and the City and of the Owners of the 2024 Bonds may also be modified or amended at any time by an amendment hereto which shall become binding upon adoption, without the consent of the Owners of any 2024 Bonds or the Insurer, but only to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the City contained in the Installment Purchase Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2024 Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the City; (2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Installment Purchase Agreement, or in regard to matters or questions arising under the Installment Purchase Agreement, as the City may deem necessary or desirable; and (3) to modify, amend or supplement the Installment Purchase Agreement in such manner as to cause interest on the 2024 Bonds to remain excludable from gross income under the Code. No amendment without consent of the Owners may modify any of the rights or obligations of the Trustee without the written consent thereto.

Section 10.15 [Consent of the Insurer in Addition to Bondholder Consent. Notwithstanding anything to the contrary set forth herein or in the Indenture, whenever any provision hereof requires the consent of holders of Insured Bonds, the Insurer's consent shall also be required so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder. In addition, any amendment, supplement, modification to, or waiver of, any provision hereof that adversely affects the rights or interests of the Insurer shall be subject to the prior written consent of the Insurer.

No contract shall be entered into or any action taken by which the rights of the Insurer or (so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder) security for or source of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.]

Section 10.16 [Insolvency. Any reorganization or liquidation plan with respect to the City must be acceptable to the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder. So long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, each owner of the Insured Bonds hereby appoints the Insurer as its agent and attorney-in-fact with respect to the Insured Bonds and agrees that the Insurer may at any time during the continuation of Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including without limitation: (a) all matters relating to any Claim; (b) the direction of any appeal of any order relating to any Claim; (c) the posting of any

surety, supersedeas or performance bond pending any such appeal; and (d) the right to vote to accept or reject any plan of adjustment. In addition, each owner of the Insured Bonds delegates and assigns to the Insurer, so long as the Policy is in full force and effect and the Insurer has not defaulted on its obligations thereunder, to the fullest extent permitted by law, the rights of each owner of the Insured Bonds with respect to the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

CITY OF MONTEREY PARK

By: _____
Mayor

ATTEST:

_____
City Clerk

MONTEREY PARK FINANCING AUTHORITY

By: _____
Chair

ATTEST:

_____
Secretary

EXHIBIT A

DESCRIPTION OF THE 2024 PROJECT

2024 Projects	*Estimated Cost*
Water Meter Replacement	$ 9,000,000
Russell St. Reservoir Rehabilitation	3,500,000
Russel Booster Station	2,500,000
Phase 4 North East Water Main Replacements	2,400,000
N Atlantic Water Main Upgrade Project	2,200,000
Program Logic Controller Upgrade	1,000,000
Total	$20,600,000

EXHIBIT B

PURCHASE PRICE

1. The principal amount of payments to be made by the City hereunder is $_____.

2. The Series 2024 Installment Payments of principal and interest are payable in the amounts and on the Series 2024 Installment Payment Dates as follows:

Series 2024 Installment Payment Date (15th Day of the Month Prior to)	***Amount Attributable to Principal***	***Amount Attributable to Interest***	***Total***

EXHIBIT C

FORM OF REQUISITION FROM ACQUISITION FUND

$_____
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

REQUISITION NO. __ FOR
DISBURSEMENT FROM ACQUISITION FUND

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting City Manager of the City of Monterey Park, a municipal corporation that is organized and existing under the general laws of the State of California (the "**City**"), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.05 of that certain Installment Purchase Agreement, dated as of May 1, 2024 (the "**IPA**"), by and between the City and the Monterey Park Financing Authority, the undersigned hereby requests the Director of Finance of the City to disburse this date the following amounts from the Acquisition Fund established under the IPA to the payees designated on the attached Schedule 1;

(iii) that each obligation mentioned herein has been incurred by the City and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Schedule 1 has been received and is final; and

(v) that there has not been filed with or served upon the City notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Schedule 1, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

Dated: _____, 20___

CITY OF MONTEREY PARK

By:_____
City Manager

SCHEDULE 1

ACQUISITION FUND DISBURSEMENTS

Item Number	*Payee Name and Address*	*Purpose of Obligation*	*Amount*

EXHIBIT D

FORM OF SUBSTITUTION STATEMENT

U.S. Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust
Reference: Monterey Park 2024 Water Revenue Bonds

The undersigned _____ of the City of Monterey Park (the "**City**") hereby states pursuant to Section 3.02 of the Installment Purchase Agreement, dated as of May 1, 2024 (the "**IPA**"), by and between the City and the Monterey Park Financing Authority, that each component of the 2024 Project (as such term is defined in the IPA) described in the first column of Schedule 1 attached hereto, with an estimated cost set forth in the second column of Schedule 1, will be replaced by the corresponding improvement described in the third column of Schedule 1 with an estimated cost set forth in the fourth column of Schedule 1.

Dated: _____ __, 20__

_____

_____

SCHEDULE 1

Components of 2024 Project to be Replaced	*Cost of Each Component of 2024 Project to be Replaced*	*Improvements to be Substituted*	*Cost of Each Improvement to be Substituted*

ATTACHMENT 4
Bond Purchase Agreement

$_____
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

BOND PURCHASE AGREEMENT

_____, 2024

Monterey Park Financing Authority
320 West Newmark Ave.
Monterey Park, CA 91754

City of Monterey Park
320 West Newmark Ave.
Monterey Park, CA 91754

Ladies and Gentlemen:

Samuel A. Ramirez & Co., Inc. (the "**Underwriter**") hereby offers to enter into this Bond Purchase Agreement (the "**Purchase Agreement**") with you, the Monterey Park Financing Authority (the "**Authority**") and the City of Monterey Park (the "**City**"), for the purchase by the Underwriter and the delivery by the Authority of the above-referenced Bonds (the "**Bonds**"). The proceeds of the Bonds will be used to: (i) finance certain capital improvements to the City's municipal water system; (ii) fund a debt service reserve fund for the Bonds; and (iii) pay costs incurred in connection with the issuance of the Bonds. This offer is subject to your acceptance prior to 11:59 p.m., California time, on the date hereof and if not so accepted will be subject to withdrawal by the Underwriter upon written notice delivered to the Authority and the City at any time prior to the acceptance thereof by the Authority and the City. Upon such acceptance, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter. All terms not defined herein shall have the meanings set forth in the Indenture and the Installment Purchase Agreement (each defined below).

The Authority and the City acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction among the City, the Authority and the Underwriter in which the Underwriter is acting solely as a principal and not as an agent of the Authority or the City and the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the Authority or the City; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Authority or the City with respect to the transaction contemplated by this Purchase Agreement and the discussions, undertakings or procedures leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter has provided other services or is currently providing other services to the Authority or the City on other matters); (iii) the only obligations the Underwriter has to the Authority and the City with respect to the transaction contemplated by this Purchase Agreement are expressly set forth in this Purchase Agreement; (iv) the Underwriter has financial and other interests that differ from those of the Authority and the City; and (v) the Authority and the City have consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent the Authority and the

City have deemed appropriate. The Authority acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "**MSRB**").

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the $_____ aggregate principal amount of the Bonds to be dated the Closing Date, at a price of $_____, being the principal amount of the Bonds, plus original issue premium of $_____, less an Underwriter's discount of $_____.

The Bonds shall mature in the amounts and on the dates, and bear interest at the rates, set forth in Exhibit A hereto. The Bonds shall be as described in and shall be secured under and pursuant to an Indenture of Trust, dated as of April 1, 2024 (the "**Indenture**"), between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the City, the Trustee and the Underwriter.

The obligation of the Authority to pay the principal of and interest on the Bonds is a special obligation of the Authority, payable solely from Revenues (as defined in the Indenture), and certain other amounts held under the Indenture. Revenues consist primarily of Series 2024 Installment Payments (referred to herein as "**Installment Payments**") made by the City to the Authority pursuant to the Installment Purchase Agreement (as defined below). The principal of and interest on the Bonds are not required to be paid from any other funds of the Authority, including any proceeds of any taxes, and the Bonds do not constitute a debt or pledge of the faith and credit of the Authority or the State of California (the "**State**") or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The obligation of the City to make Installment Payments under the Installment Purchase Agreement is a special obligation of the City payable solely from and secured by a pledge of Net Revenues of the City's municipal water system (the "**Water System**").

The Authority and the City hereby ratify the use by the Underwriter of the Preliminary Official Statement, dated _____, 2024 relating to the Bonds (together with the cover page and all appendices thereto, and any supplements thereof, the "**Preliminary Official Statement**"), and authorize the Underwriter to use and distribute the Preliminary Official Statement, the Official Statement (as defined below), the Indenture, the Installment Purchase Agreement, dated as of April 1, 2024, between the Authority and the City (the "**Installment Purchase Agreement**"), the Continuing Disclosure Certificate as required by Securities and Exchange Commission Rule 15c2-12 ("**Rule 15c2-12**"), dated the Closing Date relating to the Bonds (the "**Continuing Disclosure Certificate**"), and substantially in the form attached as an appendix to the Official Statement, executed by the City and the dissemination agent named therein and this Purchase Agreement, and all information contained therein, and all other documents, certificates and statements furnished by the Authority and the City to the Underwriter in connection with the offer and sale of the Bonds by the Underwriter. The Authority and the City have heretofore "deemed final" the Preliminary Official Statement within the meaning of Rule 15c2-12.

The City will undertake pursuant to the Continuing Disclosure Certificate to provide certain annual financial and operating information and notices of the occurrence of certain events. A

description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. This undertaking will be entered into in order to assist the Underwriter in complying with Rule 15c2-12.

2. The Underwriter agrees to offer all the Bonds to the public initially at the prices (or yields) set forth on the inside cover page of the Official Statement of the Authority pertaining to the Bonds, dated _____, 2024 (together with all appendices thereto, and with such changes therein and supplements thereto and as are consented to in writing by the Underwriter, and with the Preliminary Official Statement, are herein called the "**Official Statement**"). Subsequent to the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds subject to Section 5 hereof. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

3. The Authority shall also deliver a sufficient number of copies of the Official Statement to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on the End Date (defined below). The Authority shall deliver these copies to the Underwriter no later than the earlier of (i) seven (7) business days after the execution of this Purchase Agreement or (ii) one (1) business day prior to the Closing Date in order to permit the Underwriter to comply with Rule 15c2-12, and the applicable rules of the MSRB, with respect to distribution of the Official Statement. The Authority and City shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriter no later than one (1) business day prior to the Closing Date to enable the Underwriter to comply with MSRB Rule G-32. The Underwriter shall inform the City in writing of the End Date, and covenants to file the Official Statement with the MSRB on a timely basis.

The Official Statement, as of its date, as of the Closing Date (as defined herein) and as of the date of any update, amendment or supplement thereto as required hereby subsequent to the Closing, up to and including the date which is twenty-five (25) days following the end (the "**End Date**") of the Underwriting Period (as hereinafter defined), will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If, after the date of this Purchase Agreement and until the earlier of (i) ninety (90) days after the end of the "underwriting period" (as defined in Rule 15c2-12) (the "**Underwriting Period**"), or (ii) twenty-five (25) days following the end of the Underwriting Period if the Official Statement is available to any person from the MSRB as contemplated by Rule 15c2-12(b)(4), any event shall occur or circumstance shall exist of which the Authority or the City have knowledge that would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which

they were made, not misleading, the Authority or the City, as the case may be, shall notify the Underwriter (and for the purpose of this Section provide the Underwriter with such information as it may from time to time reasonably request), and, if in the opinion of the City, the Authority or the Underwriter such event or circumstance requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority and the City will, at their expense, supplement or amend the Official Statement in a form and manner jointly approved by the City, the Authority and the Underwriter and furnish to the Underwriter a reasonable number of copies of such supplement or amendment provided that the Underwriter agrees that it will promptly notify the Authority and the City of the end of the Underwriting Period.

4. At 8:30 a.m., Pacific Time, on _____, 2024, or at such other time or date as shall be agreed upon by the Underwriter, Authority and the City (such time and date being herein referred to as the "**Closing Date**"), the Authority will deliver to the Underwriter, at a location or locations to be designated by the Underwriter, the Bonds in book-entry form (all Bonds having had the CUSIP numbers assigned to them thereon), duly executed by an authorized officer of the Trustee as provided in the Indenture, and the other documents herein mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Agreement in immediately available funds (such delivery and payment being herein referred to as the "**Closing**").

Upon initial issuance, the ownership of such Bonds shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as the nominee of The Depository Trust Company.

It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Agreement.

5. A. The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

B. Except as otherwise set forth in Exhibit A attached hereto, the Authority will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if Bonds mature on the same

date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

C. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "**hold-the-offering-price rule**"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

a. the close of the fifth (5th) business day after the sale date; or

b. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

D. The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

E. The Authority acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

F. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

a. "public" means any person other than an underwriter or a related party;

b. "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public);

c. a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50%

common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

d. "sale date" means the date of execution of this Purchase Agreement by all parties.

6. The Underwriter represents to and agrees with the Authority and the City that, as of the date hereof and as of the Closing Date:

(i) The Underwriter is duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it;

(ii) The Underwriter is in compliance with MSRB Rule G-37 with respect to the Authority and the City, and is not prohibited thereby from acting as the underwriter with respect to securities of the Authority and the City; and

(iii) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in California Government Code Section 53590 (c) or MSRB Rule G-32, with the City or the Authority with respect to the Bonds, and no investment firm controlling, controlled by or under common control with such Underwriter have or has had any such financial advisory relationship; and

7. The Authority represents, warrants and covenants to the Underwriter that:

(a) The Authority is a joint exercise of powers authority duly organized and validly existing pursuant to the laws of the State of California and has all necessary power and authority to enter into and perform its duties under the Indenture, the Installment Purchase Agreement and this Purchase Agreement (collectively, the "**Authority Documents**") and, when executed and delivered by the respective parties thereto, the Authority Documents will constitute the legal, valid and binding obligations of the Authority in accordance with their respective terms.

(b) Neither the execution and delivery of the Authority Documents, or the approval of the Preliminary Official Statement or the approval and execution of the Official Statement, and compliance with the provisions on the Authority's part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, conflicts with or constitutes a breach of or default under nor contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a security interest in or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(c) Except as may be required under blue sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the Authority required for the execution and delivery of the Bonds or the consummation by the Authority of the other transactions contemplated by the Preliminary Official Statement, the Official Statement and this Purchase Agreement.

(d) To the best of the knowledge of the Authority, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the Authority to restrain or enjoin the delivery of any of the Bonds, or the payments to be made pursuant to the Indenture, or in any way contesting or affecting the validity of the Authority Documents or of the Authority to enter into the Authority Documents or contesting the powers of the Authority to perform its obligations under any of the foregoing or in any way contesting the powers of the Authority in connection with any action contemplated by this Purchase Agreement, or in any way questioning or challenging the tax status of interest on the Bonds.

(e) As of its date and as of the date hereof, the information relating to the Authority and the Bonds contained in the Preliminary Official Statement was and is true and correct in all material respects and such information did not and does not contain any untrue or misleading statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) As of the date thereof and at all times subsequent thereto up to and including the End Date, the information relating to the Authority contained in the Official Statement will be complete and will not contain any untrue or misleading statement of a material fact or omit to state any material fact (unless an event occurs of the nature described in Section 7(j) below) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its date and as of the date hereof, the information relating to the Authority and the Bonds contained in the Official Statement is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) The Authority agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Authority will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business as a foreign agency in any jurisdiction where it is not so qualified.

(h) By official action of the Authority prior to or concurrently with the execution hereof, the Authority has duly approved the distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Authority Documents and the consummation by it of all other transactions contemplated by the Preliminary Official Statement, the Official Statement and this Purchase Agreement.

(i) The Authority is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or

decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(j) The Authority is not in default, nor has been in default at any time, as to the payment of principal or interest with respect to an obligation issued by the Authority or with respect to an obligation guaranteed by the Authority as guarantor.

(k) If between the date of this Purchase Agreement and the End Date an event occurs, of which the Authority has knowledge, which might or would cause the information relating to the Authority or the Authority's functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the Authority will notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid for by the Authority.

(l) If the information relating to the Authority, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subsection, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the End Date, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(m) No consent, approval, authorization or other action by a governmental or regulatory authority that has not been obtained is or will be required of the Authority for the delivery and sale of the Bonds or the consummation of the other transactions contemplated by this Purchase Agreement, the Preliminary Official Statement and the Official Statement, except as may be required under the state securities or blue sky laws in connection with the sale of the Bonds by the Underwriter.

(n) At or prior to the Closing, the Authority will deliver all opinions, Bonds, letters and other instruments and documents reasonably required by the Underwriter and this Purchase Agreement.

(o) Any certificate of the Authority delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(p) Other than as described in the Preliminary Official Statement and the Official Statement, as of the time of acceptance hereof and as of the Closing the Authority does not and will not have outstanding any indebtedness which is secured by a lien on the Installment Payments superior to or on a parity with the lien of the Bonds thereon.

(q) Between the date of this Purchase Agreement and the date of Closing, the Authority will not, without the prior written consent of the Underwriter, and except as disclosed in the Preliminary Official Statement and the Official Statement, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent.

(r) The Authority is not presently and as a result of the execution of the Authority Documents and the sale of the Bonds will not be in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution or statutes or any additional debt or similar provision of any bond, note, contract or other evidence of indebtedness to which the Authority is a party or to which the Authority is bound.

(s) The Authority will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Authority Documents, unless otherwise required by law.

8. The City represents, warrants and covenants to the Underwriter that:

(a) The City is a municipal corporation and charter city duly organized under the laws of the State of California, and has all necessary power and authority to enter into and perform its duties under the Installment Purchase Agreement, the Continuing Disclosure Certificate, and this Purchase Agreement (collectively, the "**City Documents**") and, when executed and delivered by the respective parties thereto, the City Documents will constitute the legal, valid and binding obligations of the City in accordance with their respective terms.

(b) Neither the execution and delivery of the City Documents, or the approval of the Preliminary Official Statement or the approval and execution of the Official Statement, and compliance with the provisions on the City's part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, conflicts with or constitutes a breach of or default under nor contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a security interest in or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) Except as may be required under blue sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Preliminary Official Statement, the Official Statement and this Purchase Agreement.

(d) To the best of the knowledge of the City, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the City to restrain or enjoin the delivery of any of the Bonds, or the payments to be made pursuant to the Installment Purchase Agreement and Indenture, or in any way contesting or affecting the validity of the City Documents or of the City to approve or enter into the City Documents, or in any way questioning or challenging the tax status of interest on the Bonds.

(e) As of its date and as of the date hereof, the information relating to the City, the Bonds and the Water System contained in the Preliminary Official Statement was and is true and correct in all material respects and such information did not and does not contain any untrue or misleading statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading

(f) As of the date thereof and at all times subsequent thereto up to and including the End Date, the information relating to the City, the Bonds and the Water System contained in the Official Statement will be complete and will not contain any untrue or misleading statement of a material fact or omit to state any material fact (unless an event occurs of the nature described in Section 8(j) below) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its date and as of the date hereof, the information relating to the City, the Bonds and the Water System contained in the Official Statement is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business as a foreign agency in any jurisdiction where it is not so qualified.

(h) By official action of the City prior to or concurrently with the execution hereof, the City has duly approved the distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by the Preliminary Official Statement, the Official Statement and this Purchase Agreement.

(i) The City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument.

(j) The City is not in default, nor has been in default at any time, as to the payment of principal or interest with respect to an obligation issued by the City or with respect to an obligation guaranteed by the City as guarantor.

(k) If between the date of this Purchase Agreement and the End Date an event occurs, of which the City has knowledge, which might or would cause the information relating to the City, the Water System or the City's functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the City will

notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid for by the City.

(l) If the information relating to the Water System, the City, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subsection, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the End Date, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading.

(m) The City covenants that it will comply with all tax covenants relating to it in the City Documents and the Tax Certificate of the City.

(n) The written information supplied by the City to the Underwriter with respect to the financial information relating to the Water System is true, correct and complete in all material respects for the purposes for which it was supplied.

(o) No consent, approval, authorization or other action by a governmental or regulatory agency that has not been obtained is or will be required of the City for the delivery and sale of the Bonds or the consummation of the other transactions contemplated by this Purchase Agreement, the Preliminary Official Statement and the Official Statement, except for such licenses, certificates, approvals, variances or permits which may be necessary for the construction or operation of the Water System which the City has applied for (or will apply for in the ordinary course of business) and expects to receive, and except as may be required under the state securities or blue sky laws in connection with the sale of the Bonds by the Underwriter.

(p) The City will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Indenture and as described in the Preliminary Official Statement and Official Statement, unless otherwise required by law.

(q) At or prior to the Closing, the City will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Underwriter and this Purchase Agreement.

(r) Any certificate of the City delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(s) Other than as described in the Preliminary Official Statement and the Official Statement, as of the time of acceptance hereof and as of the Closing, the City does not and will not have outstanding any indebtedness which is secured by a lien on the Net Revenues superior to or on a parity with the lien thereon established under the Indenture.

(t) Between the date of this Purchase Agreement and the date of Closing, the City will not, without the prior written consent of the Underwriter, and except as disclosed in the Preliminary Official Statement and the Official Statement, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent payable from the Net Revenues.

(u) The City is not presently and as a result of the execution of the City Documents and the sale of the Bonds will not be in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution or statutes or any additional debt or similar provision of any bond, note, contract or other evidence of indebtedness to which the City is a party or to which the City is bound.

(v) Based on a review of its previous undertakings, the City has not, in the last five years, failed to comply in any material respect with its obligations under any continuing disclosure undertaking entered into pursuant to Rule 15c2-12 except as disclosed in the Preliminary Official Statement and the Official Statement. The City will undertake, pursuant to the Continuing Disclosure Certificate to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12.

9. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and agreements of the Authority and the City contained herein, and the opinions of Bond Counsel, Counsel to the Trustee, City Attorney to the City and Counsel to the Authority required hereby. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) At the time of Closing, this Purchase Agreement, the Indenture, the Installment Purchase Agreement, and the Continuing Disclosure Certificate (collectively the "**Legal Documents**"), all as described in the Preliminary Official Statement and the Official Statement, shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and there shall be in full force and effect such resolutions as, in the opinion of Stradling Yocca Carlson & Rauth LLP ("**Bond Counsel**"), shall be necessary in connection with the transactions contemplated hereby.

(b) At or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to them:

(1) The unqualified approving opinion of Bond Counsel, dated the date of Closing, addressed to the Authority, the City, the Trustee and the Underwriter (or a reliance letter to the Trustee and the Underwriter), in substantially the form attached as Appendix C to the Official Statement.

(2) A supplemental opinion of Bond Counsel, dated as of the date of Closing addressed to the Underwriter, in form and substance to the effect that:

(a) The statements and information contained in the Official Statement on the cover page relating to tax exemption, the description of the Bonds and security for the Bonds, and statements under the captions "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS" and

APPENDICES B, C and E to the extent they purport to summarize information concerning the Bonds and certain provisions of the Legal Documents and the opinion of such counsel, present a fair and accurate summary of such information and such provisions;

(b) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an Indenture pursuant to the Indenture Act of 1939, as amended; and

(c) The Purchase Agreement has been duly authorized, executed and delivered by the Authority and the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitutes legal, valid and binding agreement of the Authority and the City enforceable against each in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and equitable remedies if equitable remedies are sought, and except no opinion need be expressed as to the enforceability of the indemnification, waiver, choice of law or contributions provisions contained in the Purchase Agreement.

(3) A letter from Stradling Yocca Carlson & Rauth, LLP, Disclosure Counsel, dated the date of Closing and addressed to the Authority, the City and the Underwriter, to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, no facts have come to their attention that lead them to believe that the Preliminary Official Statement as of its date and as of the date of this Purchase Agreement and the Official Statement, as of its date and as of the date of Closing, (except for any CUSIP data, financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, any appendices thereto (excluding Appendix E - "FORM OF CONTINUING DISCLOSURE CERTIFICATE"), or any information about DTC and its book-entry only system), as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) An opinion of Burke, Williams & Sorensen, LLP, as counsel to the Authority, dated the date of Closing in form and substance satisfactory to the Underwriter and Bond Counsel, addressed to the City and the Underwriter, to the effect that:

(i) the Authority is a joint powers authority duly organized and validly existing under the laws of the State of California;

(ii) the preparation and distribution of the Preliminary Official Statement and Official Statement and the Authority Documents have been duly approved by the Authority;

(iii) the resolution of the Authority approving the Preliminary Official Statement and approving and authorizing the execution and delivery of the Official Statement and the Authority Documents has been duly adopted at a regular meeting of the governing body of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such resolution has not been amended or modified and is in full force and effect;

(iv) to the best knowledge of such firm, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, threatened against or affecting the Authority, which would adversely impact the Authority's ability to complete the transactions described in and contemplated by the Preliminary Official Statement and the Official Statement, to restrain or enjoin the payments under, or in any way contesting or affecting the validity of the Authority Documents, or the transactions described and defined in the Preliminary Official Statement and the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Authority Documents;

(v) the execution and delivery of the Authority Documents and the approval of the Preliminary Official Statement and the Official Statement, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject;

(vi) the Authority Documents and the Official Statement have been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other parties thereto, the Authority Documents constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against public agencies in the State of California;

(vii) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California is required for the valid authorization, execution and delivery of the Authority Documents and the approval of the Preliminary Official Statement and the Official Statement.

(5) An opinion of Burke, Williams & Sorensen, LLP, as City Attorney to the City, dated the date of Closing in form and substance satisfactory to the Underwriter and Bond Counsel, addressed to the Authority and the Underwriter, to the effect that:

(i) the City is a municipal corporation and charter city created in accordance with the laws of the State of California;

(ii) the preparation and distribution of the Preliminary Official Statement and the Official Statement and the City Documents have been duly approved by the City;

(iii) the resolutions of the City approving the Preliminary Official Statement and approving and authorizing the execution and delivery of the Official Statement and the City Documents have been duly adopted at meetings of the governing body of the City which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and such resolutions have not been amended or modified and are in full force and effect;

(iv) to the best knowledge of such firm, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, threatened against or affecting the City, which would adversely impact the City's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the payments under, or in any way contesting or affecting the validity of the City Documents, or the transactions described and defined in the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the City Documents;

(v) the execution and delivery of the City Documents and the approval of the Preliminary Official Statement and the Official Statement, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject;

(vi) the City Documents and the Official Statement have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, the City Documents constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against public agencies in the State of California;

(vii) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California is required for the valid authorization, execution and delivery of the City Documents and the approval of the Preliminary Official Statement and the Official Statement;

(viii) the City's charges and fees with respect to the Water System were duly approved and adopted by the City and are valid and enforceable at the current levels levied by the City.

(6) The opinion of counsel to the Trustee, dated the date of Closing in form and substance satisfactory to the Underwriter and Bond Counsel, and addressed to the Authority, the City and the Underwriter, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States;

(ii) the Trustee has duly authorized the execution and delivery of the Indenture;

(iii) the Indenture has been duly entered into and delivered by the Trustee and assuming due, valid and binding authorization, execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally, or by general principles of equity;

(iv) the Trustee has duly authenticated and delivered the Bonds in its capacity as trustee under the Indenture;

(v) acceptance by the Trustee of the duties and obligations under the Indenture and compliance with provisions thereof will not conflict with or constitute a breach of or default under any law or administrative regulation to which the Trustee is subject; and

(vi) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Trustee of its duties and obligations under the Indenture have been obtained and are in full force and effect.

(7) An opinion dated the date of the Closing and addressed to the Underwriter, of Kutak Rock LLP, counsel to the Underwriter ("**Underwriter's Counsel**"), in such form as may be acceptable to the Underwriter.

(8) A certificate, dated the date of Closing, signed by a duly authorized official of the Authority satisfactory in form and substance to the Underwriter and Bond Counsel, (a) confirming as of such date the representations and warranties of

the Authority contained in this Purchase Agreement; (b) certifying that the Authority has complied with all agreements, covenants and conditions to be complied with by the Authority at or prior to the Closing under the Authority Documents; and (c) certifying that to the best of such official's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect.

(9) A certificate or certificates, dated the date of Closing, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter and Bond Counsel, (a) confirming as of such date the representations and warranties of the City contained in this Purchase Agreement; (b) certifying that the City has complied with all agreements, covenants and conditions to be complied with by the City at or prior to the Closing under the City Documents; and (c) certifying that to the best of such official's knowledge, no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect.

(10) A certificate, dated the date of the Preliminary Official Statement, signed by a duly authorized official of the Authority deeming the Preliminary Official Statement "final" for purposes of Rule 15c2-12.

(11) A certificate, dated the date of the Preliminary Official Statement, signed by a duly authorized official of the City deeming the Preliminary Official Statement "final" for purposes of Rule 15c2-12.

(12) An executed or certified copy of each of the Legal Documents.

(13) One counterpart original or copy certified by a duly authorized officer of the City of a complete transcript of all proceedings of the City relating to the approval of the City Documents and the authorization, issuance, sale and delivery of the Bonds, together with a certificate dated as of the date of Closing of a duly authorized officer of the City to the effect that each included resolution is a true, correct and complete copy of the one duly adopted by the Board of Directors of the City and that none have been amended, modified or rescinded since adoption (except as reflected in said transcript or as may have been agreed to in writing by the Underwriter) and is in full force and effect as of the date of Closing.

(14) One counterpart original or copy certified by a duly authorized officer of the Authority of a complete transcript of all proceedings of the Authority relating to the approval of the Authority Documents and the authorization, issuance, sale and delivery of the Bonds, together with a certificate dated as of the date of Closing of a duly authorized officer of the Authority to the effect that each included resolution is a true, correct and complete copy of the one duly adopted by the Board of Directors

of the Authority and that none have been amended, modified or rescinded since adoption (except as reflected in said transcript or as may have been agreed to in writing by the Underwriter) and is in full force and effect as of the date of Closing.

(15) An executed copy of the Official Statement.

(16) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of documents such as the Bonds and the Indenture.

(17) A certificate of the City with respect to the Water System evidencing that the insurance required by the Installment Purchase Agreement has been procured and is in full force and effect.

(18) A Tax Certificate of the Authority and the City in form and substance acceptable to Bond Counsel.

(19) A certificate of the Trustee, dated the Closing Date to the effect that:

(i) the Trustee is duly organized and existing as a national banking association in good standing under the laws of the United States, having the full power and authority to accept and perform its duties under the Indenture;

(ii) subject to the provisions of the Indenture, the Trustee will apply the proceeds from the Bonds to the purposes specified in the Indenture;

(iii) the Trustee has duly authorized and executed the Indenture; and

(iv) the Trustee has duly authenticated and delivered the Bonds in its capacity as trustee under the Indenture.

(20) Evidence that the Bonds have been given the rating set forth in the Official Statement and that such rating continues in effect as of the date of Closing.

(21) A certificate and/or legal opinion as required by each of the respective legal documents for the Parity Obligations regarding the Bonds issued as parity bonds.

(22) Evidence that a federal tax information form 8038-G has been prepared for filing with respect to the Bonds.

(23) A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code.

(24) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel, the Underwriter and Underwriter's Counsel

may reasonably request to evidence compliance with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the Authority at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to this Purchase Agreement, the Bonds and the sale thereof, the Legal Documents and the consummation of the transactions contemplated by this Purchase Agreement shall have been approved by the Underwriter, such approval not to be unreasonably withheld.

If the conditions to the Underwriter's obligations contained in this Purchase Agreement are not satisfied or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and none of the Underwriter, the City nor the Authority shall have any further obligation hereunder.

10. The Underwriter shall have the right to terminate this Purchase Agreement, without liability therefore, by written notification to the Authority and the City if at any time at or prior to the Closing:

(i) Legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds, or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein; or

(ii) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(iii) A general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for

trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter); or

(iv) A general banking moratorium shall have been established by federal, New York or California authorities; or

(v) A decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended, the Exchange Act of 1934, as amended and the Trust Indenture Act of 1939, as amended; or

(vi) Establishment of any new restrictions in securities materially affecting the free market for securities of the same nature as the Bonds (including the imposition of any limitations on interest rates) or the charge to the net capital requirements of the Underwriter established by the New York Stock Exchange, the Securities and Exchange Commission, any other Federal or state agency or the Congress of the United States, or by Executive Order; or

(vii) A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(viii) Any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Authority or the City, its property, income or securities (or interest thereon), or the ability of the City to execute the Installment Purchase Agreement or the Authority to issue the Bonds and pledge the Revenues as contemplated by the Indenture and the Official Statement; or

(ix) There shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(x) There shall have occurred any materially adverse change in the affairs or financial position, results of operations or condition, financial or otherwise, of the Authority or the City, other than changes in the ordinary course of business or activity or in the normal operation of the Authority or the City, except as described in the Preliminary Official Statement and the Official Statement; or

(xi) Any event shall occur or facts are discovered which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading, provided, however, the Underwriter shall not terminate this Purchase Agreement if prior to the Closing and prior to the distribution of the Official Statement to any public investor the Authority, the City and the Underwriter agree to and shall have amended or supplemented the Official Statement so that the Official Statement as so amended or supplemented will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the light of the circumstances in which they were made, not misleading, and, in the sole judgment of the Underwriter, such amendment or supplement would not have a material adverse effect on the marketability or market price of the Bonds on the terms and conditions contemplated by this Purchase Agreement or the ability of the Underwriter to enforce contracts with investors for the sale of Bonds; or

(xii) An event described in Section 7(j) or 8(j) hereof shall have occurred which, in the reasonable professional judgment of the Underwriter, requires the preparation and publication of a supplement or amendment to the Official Statement; or

(xiii) The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(xiv) The suspension by the SEC of the trading in the outstanding bonds of the Authority or the City; or

(xv) Other material disruptive events, occurrences or conditions in the securities or debt markets; or

(xvi) Any rating of the Bonds or other obligations of the Authority or the City by a national rating agency shall have been withdrawn, suspended or downgraded or placed on negative outlook or negative watch.

11. Performance by the Authority and the City of their respective obligations under this Purchase Agreement is conditioned upon (i) performance by the Underwriter of its obligations hereunder, and (ii) receipt by the Underwriter of all opinions and certificates to be delivered at Closing by persons and entities other than the Authority or the City.

12. After the Closing and until the End Date (a) neither the Authority nor the City will adopt any amendment of or supplement to the Official Statement to which the Underwriter shall object in writing or which shall be disapproved by the Underwriter, and (b) if any event relating to or affecting the Bonds, the Authority or the City shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to an initial purchaser of the Bonds, and the Authority will forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact necessary in

order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to an initial purchaser of the Bonds, not misleading. The costs of preparing any necessary amendment or supplement to the Official Statement to be utilized until the End Date shall be borne by the Authority and any costs incurred thereafter incident to amending or supplementing the Official Statement shall be borne by the Underwriter. For the purposes of this Section, the Authority will furnish such information with respect to itself as the Underwriter may from time to time request.

13. The Underwriter shall be under no obligation to pay, and the City or Authority shall pay or cause to be paid out of the proceeds of the Bonds, all expenses incident to the performance of the Authority's and City's obligations hereunder, including but not limited to: the cost of photocopying and delivering the Bonds to the Underwriter; the cost of preparing, printing (and/or word processing and reproducing), distributing and delivering the City Documents and the Authority Documents, and the cost of printing, distributing and delivering the Preliminary Official Statement and the Official Statement in such reasonable quantities as requested by the Underwriter; and the fees and disbursements of Bond Counsel, Disclosure Counsel, the Municipal Advisor, any accountants, financial advisors or other engineers or experts or consultants the Authority or the City have retained in connection with the Bonds and expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the Authority or City officers or employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, and lodging of those officers or employees.

(a) Whether or not the Bonds are delivered to the Underwriter as set forth herein, neither the Authority nor the City shall be under any obligation to pay, and the Authority and City shall not pay, any expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in subsection (a) of this section), including any advertising expenses and the fees of the California Debt and Investment Advisory Commission, the cost of preparation of any "blue sky" or legal investment memoranda, the fees of Digital Assurance Certification, L.L.C. for a continuing disclosure undertaking compliance review and the fees and disbursements of Underwriter's Counsel. The Authority and the City acknowledge that some or all of the expenses to be paid by the Underwriter may be included as part of the expense component of the underwriting discount or may be reimbursed to the Underwriter as out-of-pocket expenses.

14. Any notice or other communication to be given to the Underwriter may be given by delivering the same to Samuel A. Ramirez & Co., Inc., 633 West Fifth Street, Suite 2693, Los Angeles, California 90071; Attention: Public Finance. Any notice or other communication to be given to the Authority or the City may be given by delivering the same to addresses initially provided herein, Attention: Executive Director with respect to the Authority and Attention: City Manager with respect to the City. The approval of the Underwriter when required hereunder or the determination of satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to you.

15. This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof.

16. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which such counterparts shall together constitute but one and the same instrument.

17. The representations and warranties of the Authority and the City set forth in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and warranties of the Authority and the City and regardless of delivery of and payment for the Bonds.

18. The primary role of the Underwriter, as underwriter, is to purchase the Bonds for resale to investors in an arms-length commercial transaction among the City, the Authority and the Underwriter. The Underwriter, as underwriter, has financial and other interests that differ from those of the Authority and the City.

19. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority, the City and the Underwriter, and shall be valid and enforceable as of the time of such acceptance.

20. This Purchase Agreement shall be governed by the laws of the State of California. This Purchase Agreement shall not be assigned by either party hereto.

21. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds by the Authority and the City and represents the entire agreement of the parties as to the subject matter herein.

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22. Any provision of this Purchase Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Purchase Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

SAMUEL A. RAMIREZ & CO., INC.

By:_____
Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

MONTEREY PARK FINANCING AUTHORITY

By: _____
Authorized Officer

Time of Execution: _____ p.m. California time

CITY OF MONTEREY PARK

By: _____
Authorized Officer

Time of Execution: _____ p.m. California time

[EXECUTION PAGE OF BOND PURCHASE AGREEMENT – MONTEREY PARK FINANCING AUTHORITY WATER REVENUE BONDS, SERIES 2024]

EXHIBIT A

$_____
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

Maturity (February 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The-Offering-Price Rule
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
20__(T)							
20__(T)							
20__(T)							

_____

(T) Term Bond.

(C) Priced to optional call at [par] on February 1, 20__.

* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

EXHIBIT B

$_____
MONTEREY PARK FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2024

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Samuel A. Ramirez & Co., Inc. ("Ramirez"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds") based upon the information available to it.

1. ***Sale of the 10% Maturities***. As of the date of this certificate, for each Maturity of the 10% Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Undersold Maturities***.

Ramirez offered the Undersold Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule B.

As set forth in the Bond Purchase Agreement, Ramirez has agreed in writing that, for each Maturity of the Undersold Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Offering Period for such Maturity, nor would it permit a related party to do so. Pursuant to such agreement, Ramirez has neither offered nor sold any Maturity of the Undersold Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Offering Period.

3. ***Defined Terms***.

(a) *10% Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "10% Maturities."

(b) *Issuer* means Monterey Park Financing Authority.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Offering Period* means, with respect to an Undersold Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Ramirez has sold a Substantial Amount of such Undersold Maturity to the Public at a price that is no higher than the Initial Offering Price for such Undersold Maturity.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

(g) *Substantial Amount* means ten percent.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(i) *Undersold Maturities* means those Maturities of the Bonds shown in Schedule A hereto as the "Undersold Maturities."

The Issuer may rely on the statements made herein in connection with making the representations set forth in the Tax Certificate to which this Issue Price Certificate is attached and in its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Stradling Yocca Carlson & Rauth LLP may also rely on this Issue Price Certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, Ramirez is not engaged in the practice of law. Accordingly, Ramirez makes no representation as to the legal sufficiency of the factual matters set forth herein.

SAMUEL A. RAMIREZ & CO., INC.

By:_____

Name:_____

Dated: _____, 2024

SCHEDULE A

SALE PRICES OF THE ACTUALLY SOLD MATURITIES AND INITIAL OFFERING PRICES OF THE OFFERED MATURITIES

(*To Be Attached)*

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(To Be Attached)

ATTACHMENT 5
Authority Resolution

RESOLUTION NO. MPFA-____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PARK FINANCING AUTHORITY APPROVING THE SALE OF ITS WATER REVENUE BONDS, SERIES 2024, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $22,000,000 AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

WHEREAS, the Monterey Park Financing Authority (the "Authority"), a public entity that is duly organized and existing under a joint exercise of powers agreement and under the Constitution and laws of the State of California (the "State"), has the powers, among others, to issue bonds and to finance water facilities on behalf of its members pursuant to Articles 1, 2 and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State, including but not limited to Article 4 thereof, known as the "Marks-Roos Local Bond Pooling Act of 1985," Government Code Section 6584 *et seq.* (the "Act");

WHEREAS, the City of Monterey Park (the "City"), a municipal corporation that is duly organized and existing under the general laws of the State, and a member of the Authority, desires to finance the acquisition and construction of certain existing improvements, betterments, renovations and expansions of facilities within its water system (collectively, the "2024 Project");

WHEREAS, the Board of Directors of the Authority (the "Board") has determined that it is desirable to issue its Water Revenue Bonds, Series 2024 (the "Bonds") in an aggregate principal amount not to exceed $22,000,000 to assist the City in financing the 2024 Project;

WHEREAS, the Bonds are to be secured by installment payments to be made by the City pursuant to an Installment Purchase Agreement (the "Installment Purchase Agreement"), by and between the City and the Authority, which installment payments will be payable from net revenues of the City's water system;

WHEREAS, the Board has determined that it is in the best interest of the Authority to enter into the Installment Purchase Agreement with the City, and to approve certain other documents;

WHEREAS, the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), desire to enter into an Indenture of Trust (the "Indenture"), to provide for the issuance and security of the Bonds;

WHEREAS, pursuant to the Indenture, the Authority will assign to the Trustee the installment payments payable under the Installment Purchase Agreement; and

WHEREAS, the Authority desires to execute and deliver a bond purchase agreement (the "Purchase Contract") with the City and Samuel A. Ramirez & Co., Inc., as underwriter of the Bonds (the "Underwriter"), with respect to the Bonds;

WHEREAS, in order to effect a public sale of the Bonds to the Underwriter, the Authority is required under federal securities laws and regulations to prepare a preliminary official statement (the "Preliminary Official Statement") disclosing material information about the Bonds, the City, the 2024 Project and the City's water system; and

WHEREAS, the Authority wishes to approve the Preliminary Official Statement for the Bonds, which has been prepared by the City and the Authority with the assistance of Stradling Yocca Carlson & Rauth LLP as disclosure counsel ("Disclosure Counsel").

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Monterey Park Financing Authority as follows:

Section 1: Recitals. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the Authority that are set forth in the above recitals and in the preambles of the documents that are approved herein are true and correct and that: (a) the financing of the 2024 Project will result in significant public benefits to the citizens of the City of the type that is described in Section 6586 of the Act, in that having the Authority assist the City with respect to the financing of the 2024 Project through the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the City and more efficient delivery of local agency services to residential and commercial development; and (b) the 2024 Project includes facilities for the production, storage, transmission or treatment of water within the meaning of Section 6586.5(c) of the Act.

The Board hereby authorizes the preparation, sale and delivery of the Bonds in accordance with the terms and provisions of the Indenture in an aggregate principal amount (not in excess of $22,000,000) that is determined by the Executive Director (which shall be the City Manager of the City) or the Treasurer (which shall be the Director of Finance of the City), together with other available funds, as being necessary: (a) to finance the 2024 Project; (b) to pay the costs of issuing the Bonds; and (c) to establish a reserve fund for the Bonds.

Section 2: Form of Bonds. The form of the Bonds, as set forth in the form of the Indenture (as the Indenture may be modified pursuant hereto), is hereby approved; and the Chair or the Executive Director of the Authority and the Secretary of the Authority are hereby authorized and directed to execute the Bonds by manual or facsimile signature in the name and on behalf of the Authority. The Authorized Authority Representatives (defined below) are authorized to change the name and series designation of the Bonds as appropriate to reflect the year of issuance and the use of the proceeds of the Bonds.

Section 3: Installment Purchase Agreement. The Installment Purchase Agreement is hereby approved in substantially the form on file with the Secretary and, upon execution as authorized below, made a part hereof as though set forth in full herein. The Chair, Vice Chair, Executive Director, Treasurer or Secretary of the Authority (each, an "Authorized Authority Representative") or the designee thereof is hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth LLP as bond counsel ("Bond Counsel") and approved by the officer executing the same, said execution being conclusive evidence of such approval.

Section 4: Indenture. The Indenture is hereby approved in substantially the form on file with the Secretary and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Authorized Authority Representative or the designee thereof is hereby authorized and directed to execute and deliver such Indenture with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval.

Section 5: Purchase Contract. The Purchase Contract is hereby approved in substantially the form on file with the Secretary and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Authorized Authority Representative or the designee thereof is hereby authorized and directed to execute and deliver such Purchase Contract with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the aggregate principal amount of the Bonds exceed $22,000,000, nor shall the underwriting discount for the Bonds (excluding any net original issue discount) exceed 1.15% of the aggregate principal amount of the Bonds, nor shall the all-in true interest cost of the Bonds exceed 4.75%.

Section 6: Preliminary Official Statement. The preparation and distribution of the Preliminary Official Statement in substantially the form on file with the Secretary is hereby approved. Each Authorized Authority Representative is hereby authorized: (i) to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") deeming the Preliminary Official Statement substantially final under the Rule, except for the omission of information as permitted by the Rule; and (ii) to execute, approve and deliver the final Official Statement substantially in the form of the Preliminary Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, subject to advice from the General Counsel or Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds.

Section 7: Proceeds. The proceeds of the Bonds shall be deposited as provided in the Indenture and the Installment Purchase Agreement to finance the 2024 Project.

Section 8: Trustee. The appointment of U.S. Bank Trust Company, National Association, as Trustee under and pursuant to the Indenture, with the powers and duties of said office as set forth therein, is hereby approved.

Section 9: Bond Insurance. The Board hereby authorizes the Executive Director or her designee: (i) to solicit bids on a municipal bond insurance policy and/or reserve surety; (ii) to negotiate the terms of such policy or policies; (iii) to finalize, if appropriate, the form of such policy or policies with a municipal bond insurer; and (iv) if it is determined that the policy or policies will result in net debt service savings on the Bonds, to pay the insurance premium of such policy or policies from the proceeds of the issuance and sale of the Bonds.

Section 10: Other Acts. The Authorized Authority Representatives or any other proper officer of the Authority, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Purchase Contract, bond insurance, a reserve surety and this Resolution, including any reimbursement agreement or other agreement related to bond insurance or a reserve surety. In the event that the Chair and Vice Chair of the Board are unavailable to sign any of the agreements described herein, any other member of the Board may sign such agreement.

Section 11: Good Faith Estimates. The good faith estimates of costs related to the Bonds which are required by Section 5852.1 of the California Government Code are disclosed in Exhibit A hereto and are available to the public at the meeting at which this Resolution is approved.

Section 12: Definitions. Unless otherwise defined herein, all terms that are used herein and not otherwise defined shall have the meanings given to such terms in the Indenture unless the context otherwise clearly requires.

Section 13: Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

Section 14: Certification. The Secretary shall certify to the passage and adoption hereof.

ADOPTED by the Authority and signed by the Chair and attested by the Secretary this 17th day of April, 2024.

Thomas Wong, Chair

Attest:

Maychelle Yee, Secretary

I, Maychelle Yee, Secretary of the Monterey Park Financing Authority, do hereby certify that the foregoing Resolution No. MPFA-____ was duly and regularly adopted by the Board of the Monterey Park Financing Authority at a meeting held on the 17th day of April, 2024, by the following vote:

Ayes:	Council Members:
Nays:	Council Members:
Absent:	Council Members:
Abstain:	Council Members:

Dated this ___ day of April, 2024.

Maychelle Yee, Secretary
Monterey Park Financing Authority

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Urban Futures, Inc. (the Authority's "Municipal Advisor") in consultation with Samuel A. Ramirez & Co., Inc., the Underwriter of the Bonds.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is $19,385,000 (the "Estimated Principal Amount"), which excludes approximately $1,880,593 of net premium estimated to be generated based on current market conditions, which together total $21,265,593. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for the bonds is higher than the face value of such bonds.

True Interest Cost of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 4.28%.

Finance Charge of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is approximately $665,593.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $20,600,000.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is approximately $37,342,649.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount; (c) the actual amortization of the Bonds being different than the

amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the Authority's financing plan, delays in the financing, additional legal work or a combination of such factors and additional finance charges, if any, attributable thereto. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the Authority based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Authority.

ATTACHMENT 6
City Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK APPROVING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT FOR THE PURPOSE OF CAUSING THE ISSUANCE OF NOT TO EXCEED $22,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2024, AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

WHEREAS, the City Council (the "City Council") of the City of Monterey Park (the "City"), a municipal corporation that is duly organized and existing under the general laws of the State of California (the "State"), wishes to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its water system (collectively, the "2024 Project");

WHEREAS, the City is a member of the Monterey Park Financing Authority (the "Authority"), a public entity that is duly organized and existing under a joint exercise of powers agreement and under the Constitution and laws of the State;

WHEREAS, the Authority has agreed to issue its Water Revenue Bonds, Series 2024 (the "Bonds") to assist the City in financing the 2024 Project;

WHEREAS, the Bonds are to be secured by installment payments to be made by the City pursuant to the Installment Purchase Agreement, which installment payments will be payable from net revenues of the City's water system to the extent set forth in the Installment Purchase Agreement;

WHEREAS, the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), will enter into an Indenture of Trust (the "Indenture"), to provide for the issuance and security of the Bonds;

WHEREAS, the City desires to execute a Continuing Disclosure Certificate, to be dated the closing date of the Bonds (the "Continuing Disclosure Certificate"), in order to provide updates of certain information relating to the City and its water system while the Bonds are outstanding;

WHEREAS, the City desires to execute and deliver a bond purchase agreement (the "Purchase Contract") with the Authority and Samuel A. Ramirez & Co., Inc., as underwriter of the Bonds (the "Underwriter"), with respect to the Bonds;

WHEREAS, in order to effect a public sale of the Bonds to the Underwriter, the City is required under federal securities laws and regulations to prepare a preliminary official statement (the "Preliminary Official Statement") disclosing material information about the Bonds, the City and the City's water system; and

WHEREAS, the City wishes to approve the Preliminary Official Statement for the Bonds, which has been prepared by the City and the Authority with the assistance of Stradling Yocca Carlson & Rauth LLP as disclosure counsel ("Disclosure Counsel").

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Monterey Park as follows:

Section 1: Recitals. The City Council hereby specifically finds and declares that each of the statements, findings and determinations of the City Council that are set forth in the above recitals and in the preambles of the documents that are approved herein are true and correct and that: (a) the financing of the 2024 Project will result in significant public benefits to the citizens of the City of the type that is described in Section 6586 of the Marks-Roos Local Bond Pooling Act of 1985 (the "Act"), in that having the Authority assist the City with respect to the financing of the 2024 Project through the issuance of the Bonds and related transactions will result in demonstrable savings in effective interest rate to the City and more efficient delivery of local agency services to residential and commercial development; and (b) the 2024 Project includes facilities for the production, storage, transmission or treatment of water within the meaning of Section 6586.5(c) of the Act.

Section 2: Installment Purchase Agreement. The Installment Purchase Agreement is hereby approved in substantially the form on file with the City Clerk and, upon execution as authorized below, made a part hereof as though set forth in full herein. The Mayor, the Mayor Pro Tem, the City Manager, the Director of Public Works and the Director of Finance (each, a "Designated Officer") or the designee thereof are hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by the City Attorney or the law firm of Stradling Yocca Carlson & Rauth LLP ("Bond Counsel"), and approved by the officer executing the same, said execution being conclusive evidence of such approval.

Section 3: Continuing Disclosure Certificate. The Continuing Disclosure Certificate is hereby approved in substantially the form on file with the City Clerk and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Designated Officer or the designee thereof is hereby authorized and directed to execute and deliver such Continuing Disclosure Certificate with such changes, insertions and omissions as may be recommended by the City Attorney or Disclosure Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval.

Section 4: Purchase Contract. The Purchase Contract is hereby approved in substantially the form on file with the City Clerk and, upon execution as authorized below, made a part hereof as though set forth in full herein. Each Designated Officer or the designee thereof is hereby authorized and directed to execute and deliver such Purchase Contract with such changes, insertions and omissions as may be recommended by the City Attorney or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the aggregate principal amount of the Bonds exceed $22,000,000, nor shall the underwriting discount for the Bonds (excluding any net original issue discount) exceed 1.15% of the aggregate principal amount of the Bonds, nor shall the true interest cost of the Bonds exceed 4.75%.

Section 5: Preliminary Official Statement. The preparation and distribution of the Preliminary Official Statement in substantially the form on file with the City Clerk is hereby approved. Each Designated Officer is hereby authorized: (i) to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") deeming the Preliminary Official Statement substantially final under the Rule, except for the omission of information as permitted by the Rule; and (ii) to execute, approve and deliver the final Official Statement in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, subject to advice from the City Attorney or Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is directed to deliver copies of the final Official Statement to all actual initial purchasers of the Bonds.

Section 6: Proceeds. The proceeds of the Bonds shall be deposited as provided in the Indenture and the Installment Purchase Agreement to finance the 2024 Project.

Section 7: Trustee. The appointment of U.S. Bank Trust Company, National Association as Trustee under and pursuant to the Indenture, with the powers and duties of said office as set forth therein, is hereby approved.

Section 8: Bond Insurance. The City Council hereby authorizes the City Manager or her designee: (i) to solicit bids on a municipal bond insurance policy and/or reserve surety; (ii) to negotiate the terms of such policy or policies; (iii) to finalize, if appropriate, the form of such policy or policies with a municipal bond insurer; and (iv) if it is determined that the policy or policies will result in net savings for the City, to pay the insurance premium of such policy or policies from the proceeds of the issuance and sale of the Bonds.

Section 9: Other Acts. The Designated Officers or any other proper officer of the City, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Purchase Contract, the Continuing Disclosure Certificate, bond insurance, a reserve surety and this Resolution, including any reimbursement agreement or other agreement related to bond insurance or a reserve surety. In the event that the Mayor or the Mayor Pro Tem of the City are unavailable to sign any of the agreements described herein, any other member of the City Council may sign such agreement and, in the event that the City Clerk is unavailable or unable to attest or to deliver any of the above-referenced documents, any deputy clerk may validly execute and deliver such document.

Section 10: Good Faith Estimates. The good faith estimates of costs related to the Bonds which are required by Section 5852.1 of the California Government Code are disclosed in Exhibit A hereto and are available to the public at the meeting at which this Resolution is approved.

Section 11: Definitions. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture unless the context otherwise clearly requires.

Section 12: Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

Section 13: Certification. The City Clerk shall certify to the passage and adoption hereof.

ADOPTED by the City Council and signed by the Mayor and attested by the City Clerk this 17th day of April, 2024.

Thomas Wong
Mayor of the City of Monterey Park

Attest:

Maychelle Yee
City Clerk of the City of Monterey Park

I, Maychelle Yee, City Clerk of the City of Monterey Park, California, hereby certify that the foregoing Resolution No. ____ was duly and regularly adopted by the City Council of the City of Monterey Park at a meeting held on the 17th day of April, 2024, by the following vote, to wit:

Ayes:	Council Members:
Nays:	Council Members:
Absent:	Council Members:
Abstain:	Council Members:

Dated this ___ day of April, 2024.

Maychelle Yee
City Clerk of the City of Monterey Park

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the City by Urban Futures, Inc. (the City's "Municipal Advisor") in consultation with Samuel A. Ramirez & Co., Inc., the Underwriter of the Bonds.

Principal Amount. The Municipal Advisor has informed the Authority that, based on the Authority's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is $19,385,000 (the "Estimated Principal Amount"), which excludes approximately $1,880,593 of net premium estimated to be generated based on current market conditions, which together total $21,265,593. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for the bonds is higher than the face value of such bonds.

True Interest Cost of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 4.28%.

Finance Charge of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), is approximately $665,593.

Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the City for sale of the Bonds, less the finance charge of the Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is $20,600,000.

Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the City will make to pay debt service on the Bonds, plus the finance charge for the Bonds, as described above, not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is approximately $37,342,649.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount; (c) the actual amortization of the Bonds being different than the

amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the City's financing plan, delays in the financing, additional legal work or a combination of such factors and additional finance charges, if any, attributable thereto. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the City based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the City.

City Council Staff Report

DATE: April 17, 2024
AGENDA ITEM NO: Old Business - 2B

TO: The Honorable Mayor and City Council
FROM: Jessica Serrano, Director of Community Development
SUBJECT: Adoption of the Monterey Park Sustainability Plan

RECOMMENDATION:
It is recommended that the City Council consider:

1. Adopting Resolution No. _____to adopt the Monterey Park Sustainability Plan (the "Plan"); and
2. Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):
The City reviewed the environmental impacts of the proposed Resolution pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA Guidelines §§ 15060(c)(2), 15061(b)(3), 15378, and 15308 exempt activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, activities where there is possibility that it may have a significant effect on the environment, activities that do not constitute a "project" as defined, and actions to protect the environment, respectively. This activity is for general policies and procedure-making intended to promote environmental sustainability and protect the environment. Any subsequent construction or development will be evaluated separately under the CEQA Guidelines. Accordingly, this Resolution is exempt from further review.

EXECUTIVE SUMMARY:
The Plan outlines a comprehensive strategy aimed at fostering environmental stewardship and resilience within our community, aligning with California's goals to combat climate change. The Plan suggests actions for individuals to enhance their sustainable practices while identifying strategic policies for City implementation. Through a collaborative effort between stakeholders and City officials, the Plan announces the City's commitment to mitigating emissions and advancing towards a greener future.

Through the collaborative efforts of the Green Team which included a CivicSpark[1] fellow retained to lead this effort and various City employees/officials, the City prepared a draft Resolution and the Plan (contained in Attachments 1 and 2) for City Council

[1] CivicSpark website (2024): http:www.civicspark.civicwell.org.

consideration. A draft of the Plan was made available for public review between February 8 through 29, 2024. Public outreach was conducted during this period to solicit input and comments. The Implementation Program, contained in Attachment 3, is included as informational only and will guide the City's implementation actions should the Plan be adopted.

BACKGROUND:

Timeline and Green Team

The City Council identified climate change mitigation and adaptation as Strategic Planning goals in 2022 and 2023. Taking direction from City Council, the City launched a "Going Green" campaign in 2022 to engage and mobilize the community to address climate change and develop a Plan to help Monterey Park become more sustainable.

Below is a timeline of the various actions that have transpired as part of the Going Green campaign:

2022	***2023***				***2024***
September-October	**November - February**	**March**	**April-August**	**September-November**	**December-April**
Create Green Team Develop Outreach Campaign	Launch Community Outreach Campaign & Sustainability Survey	Present Outreach Results to City Council	GHG Inventory Development of Policies/Plan	Department Revisions & Approval Joint ENV/PC Meeting	Public Review Period Adoption

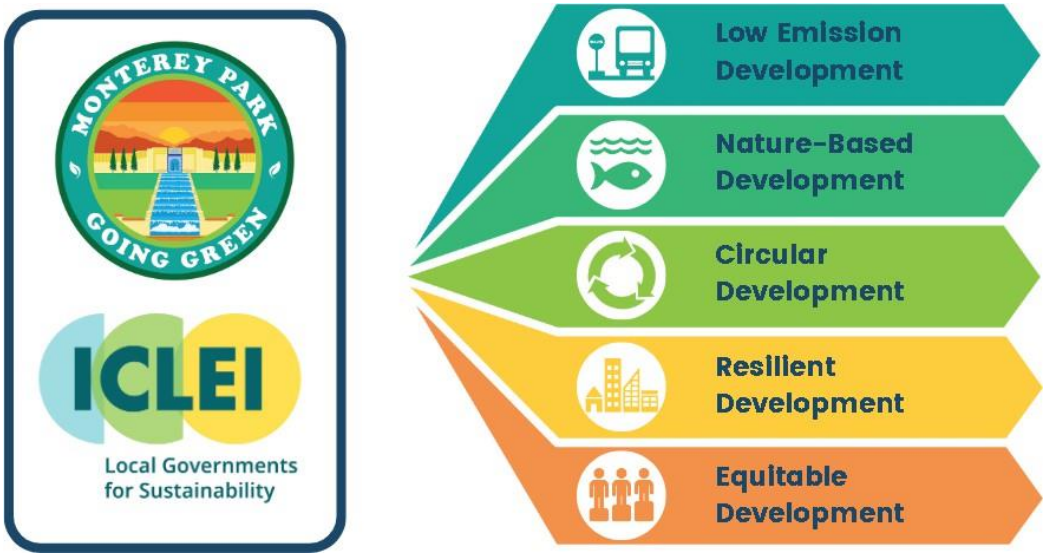
Outreach

Community engagement and outreach was at the core of the work that went into the development of the Plan. A total of eight workshops were held throughout the City to inform the community about the City's sustainability efforts and to obtain input on priorities and initiatives for the City. Additional outreach included a survey which generated 543 responses. The Going Green campaign was promoted at City Council meetings, Planning Commission meetings, Environmental Commission meetings, Farmer's Market, Star Parties, Monster Mash, Holiday Snow Village, Lunar New Year, Cherry Blossom Festival, and events at the Langley Center. The City utilized various media outlets to promote the Going Green campaign translated into various languages, including Cascades, City's social media accounts, news releases, email blasts, and flyers at public bulletins at City Hall, Bruggemeyer Library, and Langley Center.

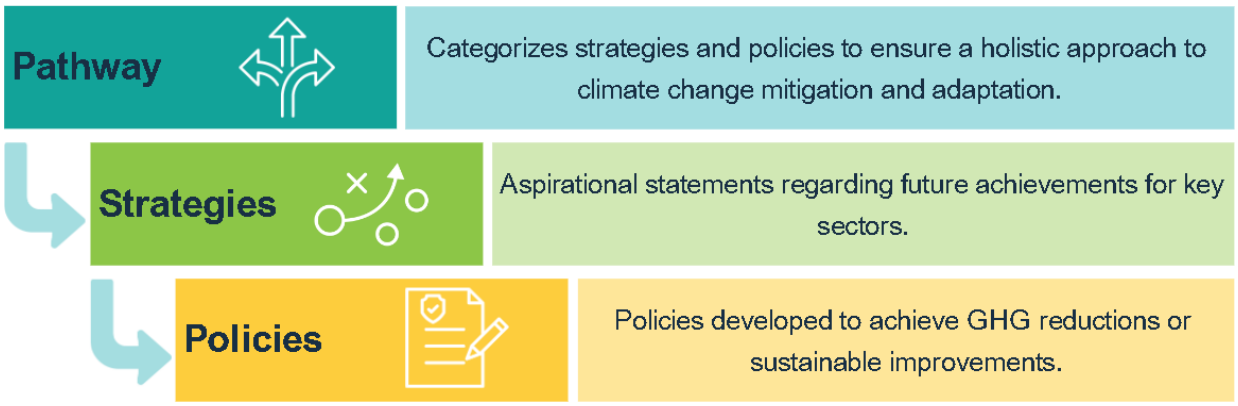
A draft of the Plan was made available for public review between February 8 through 29, 2024. Targeted outreach was conducted during this period to solicit input and comments received were incorporated into the Plan.

Framework and Technical Work

The Sustainability Plan was developed based on the Local Governments for Sustainability (ICLEI) pathways including low emission, nature-based, equitable, resilient, and circular development. The pathways provide a framework for designing integrated solutions that balance the patterns of human activity and the built and natural environments as depicted in the image below:



Each pathway presents high-level strategies and recommended policies to support those pathways as follows:



Technical support for the Plan is demonstrated in a greenhouse gas (GHG) emissions inventory used to develop strategies, policies and actions aimed at addressing the largest sources of emissions within the City. This GHG emissions inventory is a technical appendix within the Plan.

Implementation Program

Maintained in a separate document, the Implementation Program was developed to provide specific actionable items that will result in measurable reductions in GHG emissions during implementation. Information included in the Implementation Program includes lead departments, cost range estimates, and timeframes for each action. This document is intended to guide implementation of the Plan and is a working document that may change as action items are completed, added or modified to track GHG emission reductions.

Implementation of the Plan may require additional resources such as technical support, funding for capital improvements, program development, increased staffing, and regulatory compliance.

2023-2024 STRATEGIC PLAN GOAL:

The development and adoption of the Monterey Park Sustainability Plan meets the City Council's **sustainability** strategic plan goal because this Plan promotes sustainable practices while mitigating and adapting to climate change impacts.

FISCAL IMPACT:

The adoption of the Monterey Park Sustainability Plan does not incur immediate fiscal costs. Future implementation of programs requiring funding will be budgeted in the appropriate fiscal year.

Respectfully submitted by:

Jessica Serrano
Director of Community Development

Prepared by:

Olivia Williams
CivicSpark Fellow

Reviewed by:

Martha Garcia
Director of Finance

Approved by:

Inez Alvarez
City Manager

Reviewed by:

Karl H. Berger
City Attorney

ATTACHMENTS:

1. Resolution, incorporating by reference the Monterey Park Sustainability Plan
2. Implementation Program
3. Notice of Exemption

ATTACHMENT 1
Resolution, Incorporating by Reference the Monterey Park Sustainability Plan

RESOLUTION NO.

A RESOLUTION ADOPTING THE MONTEREY PARK SUSTAINABILITY PLAN

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1. The City Council finds as follows:

A. In 2022 and 2023, the City Council directed the City Manager to draft a plan to mitigate the effects of climate change within the City of Monterey Park.

B. Following extensive public outreach, a plan entitled "the Monterey Plan Sustainability Plan" (the "Plan") was crafted to promote sustainable practices within the City to help adjust to, and mitigate, the effects of climate change. The Plan, dated April 17, 2024, is available at https://www.montereypark.ca.gov/DocumentCenter/View/16046/Sustainability-Plan-4-10-2024 and incorporated into this Resolution by reference as if fully set forth.

C. Among other things, the programs and actions within the Plan are intended to align with California's goals to reduce greenhouse gas (GHG) emissions to 40% below 1990 levels by 2030 and carbon neutrality by 2045.

D. The City Planner reviewed the Project's environmental impacts under the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*., "CEQA") and the regulations promulgated thereunder (14 California Code of Regulations §§ 15000, *et seq*., the "CEQA Guidelines").

E. This Resolution and its findings are made based upon the entire administrative record including, without limitation, testimony and evidence presented to the City Council at its March 26, 2024 meeting including the written staff report submitted by the City Planner.

SECTION 2. *Environmental Assessment.* The City reviewed the environmental impacts of the proposed Resolution pursuant to CEQA and the CEQA Guidelines. CEQA Guidelines §§ 15060(c)(2), 15061(b)(3), 15378, and 15308 exempt activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, activities where there is possibility that it may have a significant effect on the environment, activities that do not constitute a "project" as defined, and actions to protect the environment, respectively. This activity is for general policies and procedure-making intended to promote environmental sustainability and protect the environment. Any subsequent construction or development will be evaluated separately under the CEQA Guidelines. Accordingly, this Resolution and the Plan are exempt from further

review.

SECTION 3. *Approval.* The City Council adopts the Plan as dated March 26, 2024. The City Manager is authorized to promulgate administrative policies and procedures, in a form approved by the City Attorney, to implement the Plan. Any substantive changes to the Plan will require additional City Council consideration and approval.

SECTION 4. *Severability*. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provision or application and, to this end, the provisions of this Resolution are severable.

SECTION 5. *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5 and Monterey Park Municipal Code § 3.95.030. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 6. *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 7. *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this ___ day of _____, 2024.

_____
Thomas Wong, Mayor

Attest:

_____
Maychelle Yee, City Clerk

Approved as to Form:

_____
Karl H. Berger, City Attorney

CITY OF MONTEREY PARK

SUSTAINABILITY PLAN



April 2024

320 W Newmark Ave
Monterey Park, CA 91754
www.montereypark.ca.gov

Adopted _____
Resolution No. _____

Acknowledgments

The City of Monterey Park would like to acknowledge those who supported and helped create the Monterey Park Sustainability Plan:

Monterey Park City Council

Council Member Lo	District 4
Council Member Ngo	District 5
Council Member Sanchez	District 3
Council Member Wong	District 1
Council Member Yiu	District 2

City of Monterey Park Staff Green Team

Angela Loera	Principal Management Analyst (Fire)
Beth Chow	Senior Planner
Cristina Garcia	Administrative Aide
Izzy Flores	Monterey Park Police Corporal
Jessica Serrano	Director of Community Development
Laura Borjon	Financial Services Manager
Megan Cheung	Economic Development Senior Clerk Typist
Michael Le	Library Technician
Xochitl Tipan	Principal Management Analyst (Public Works)

CivicWell

Olivia Williams	CivicSpark Fellow

Rincon Consultants

Hannah Mize	Sustainability Project Manager
Nico Kent	Sustainability Planner & Climate Analyst
Reema Shakra	Climate Adaptation Program Manager

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Appendix A: Regulatory Framework

Appendix B: Completed Projects

Appendix C: Outreach

Appendix D: Greenhouse Gas Inventory

Acknowledgments



Purpose

The Monterey Park Sustainability Plan reflects the City's commitment to reducing greenhouse gas (GHG) emissions and addressing challenges associated with climate change as we strive to build sustainable practices that support future generations. The Sustainability Plan is an informative document that proposes a number of policies intended to influence the City's decisions with the goal of reducing emissions in the near-term by engaging the community in climate action. The plan identifies current sustainable projects and programs while outlining policies that will help to achieve the most significant improvements in GHG reduction. Additionally, the plan provides resources for Monterey Park residents to take action at home that will reduce their own emissions and sustain our natural resources in their day-to-day life. Implementation of this Plan will help the community to utilize strategies that support local economic development, improve quality of life, lower energy costs, and protect natural resources.

Sustainability Plan Purpose

The Monterey Park Sustainability Plan will empower Monterey Park to become a leader in sustainability as a city and as a community. Integrating past plans and engaging in best sustainable practices will ensure a safe and healthy environment for current and future generations.

Moving Towards the State's Goals

The strategies, policies, and supporting actions in this plan were developed to further Monterey Park's efforts towards California's ambitious emission reduction goals. California law seeks to reduce GHG emissions to 40% below 1990 levels by 2030 and carbon neutrality by 2045 as codified by AB 1279 (2022). This Plan will build upon existing work the City has been putting in for the past several decades to further reduce emissions and move towards the State's goals. However, more work is needed to effectively reach both targets, and it is anticipated that the Plan will be reviewed and updated as new solutions become available. Future iterations of the Plan may outline additional ways to meet the 2030 and 2045 emission reduction targets as new technologies and solutions become available. Continued progress will require a community-wide commitment at all levels to work towards the goals established by the State and make the necessary adjustments identified through regularly monitored progress.

Monterey Park's Commitment to Sustainability

Monterey Park was the first city in the San Gabriel Valley to create an Environmental Commission in 2005 to develop and implement policies and increase public awareness of environmental programs. On December 13, 2012, the City received the Green Leadership Award from the San Gabriel Valley Energy Wise Partnership (SGVEWP) as the first City in the San Gabriel Valley to adopt a full Climate Action Plan (CAP).[1] Monterey Park supported the strategies of the CAP by adopting the Healthy and Sustainable Community Elements of the City's General Plan in 2014. This Sustainability Plan builds upon these strategies by recommending specific policies and programs.

Monterey Park has been working on sustainable projects and programs since the early 2000s. Over the past two decades, the City has continued taking strides in sustainable action to benefit our environment, economy, and community members. Highlighted in Figure 1 are a few of the actions Monterey Park has taken to decrease emissions and implement sustainable practices.

1. https://www.businesslife.com/articles.php?id=2402

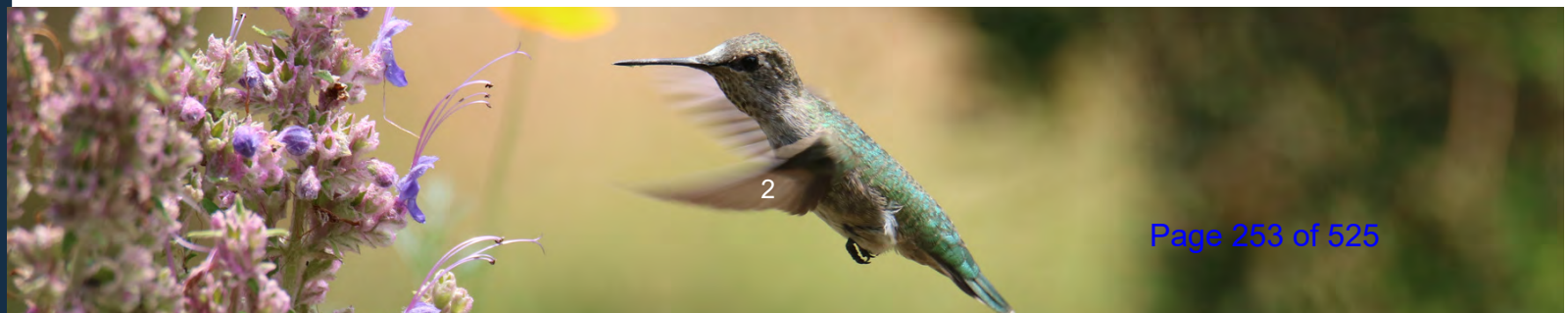
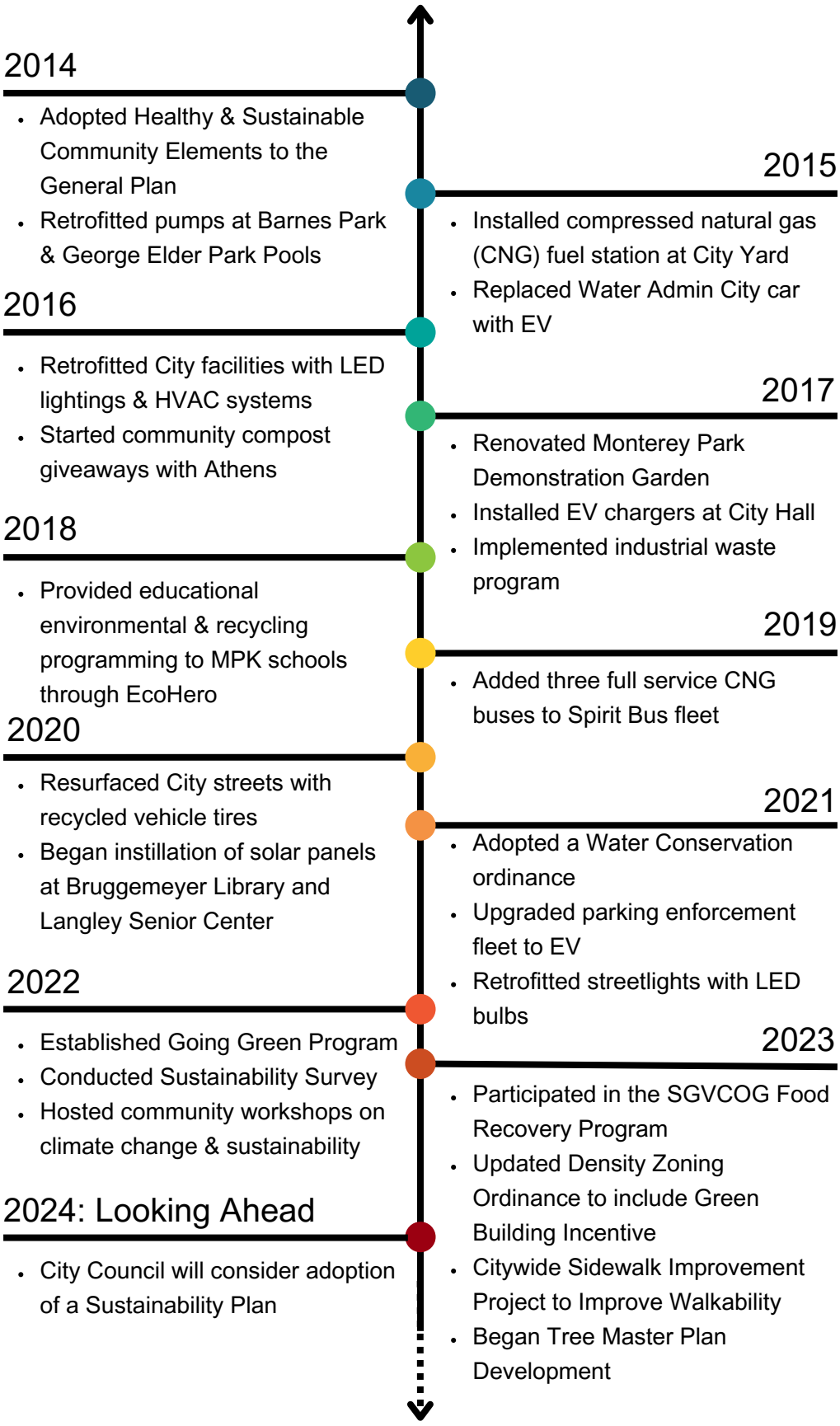


Figure 1. Monterey Park Sustainable Milestones: Highlighting Key Actions



Plan Organization

The Monterey Park Sustainability Plan takes a holistic and integrated approach by building on a framework developed by Local Governments for Sustainability (ICLEI). The framework defines five pathways to guide integrated solutions that balance the patterns of human life with the built and natural environment. The following pathways organize the strategies and policies that will allow sustainable practices to be integrated into the Monterey Park community.

Maintained in a separate document, the Implementation Program includes specific implementation measures and actions, to be led by the City, which will contribute to the strategies and policies identified in the Sustainability Plan. The Implementation Program also identifies the responsible department/agency, potential funding sources, additional resources such as model programs or potential partners, and timeframe for implementation.

Figure 2. ICLEI Sustainable Development Pathway Framework

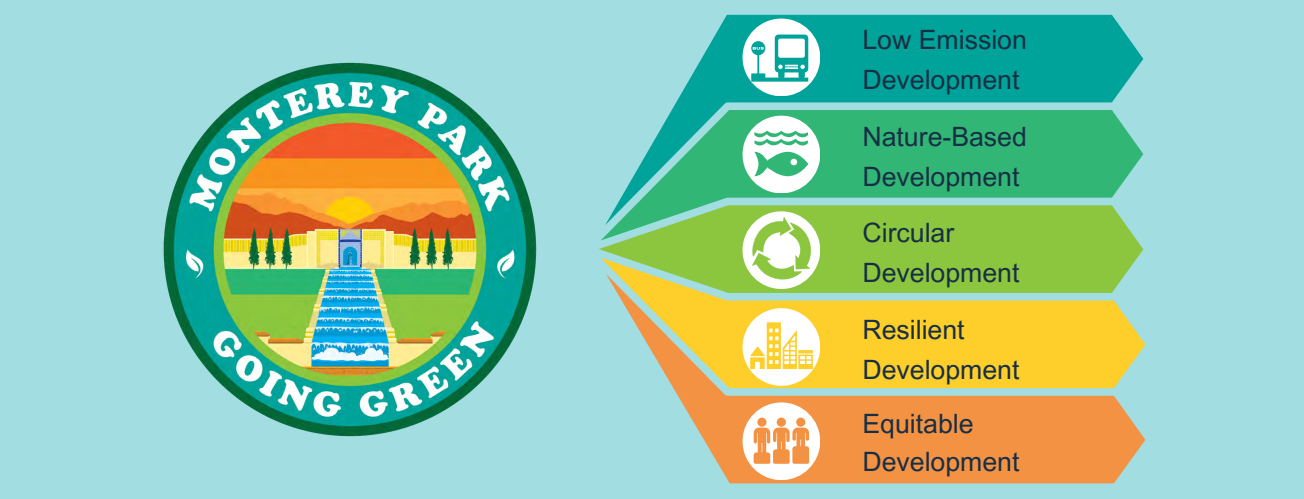
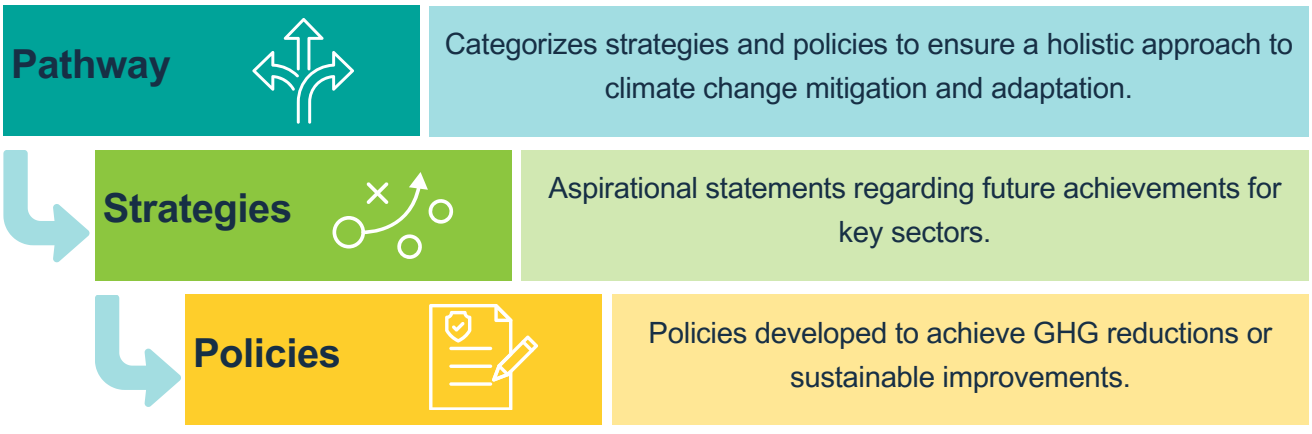


Figure 3. Pathway, Strategy, and Policy Structure

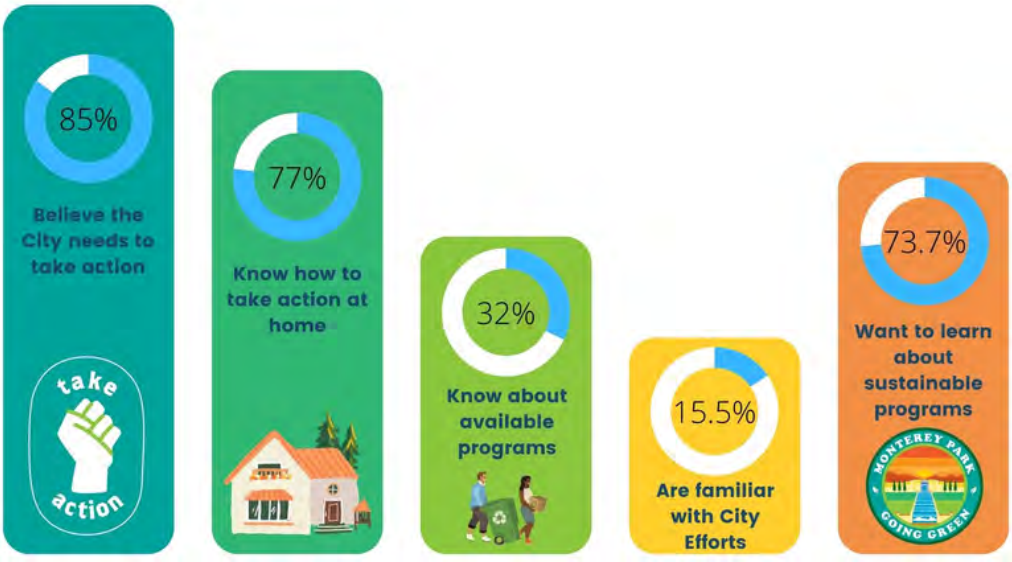


Community Engagement: Going Green

Community Perception of Climate Change and Sustainability

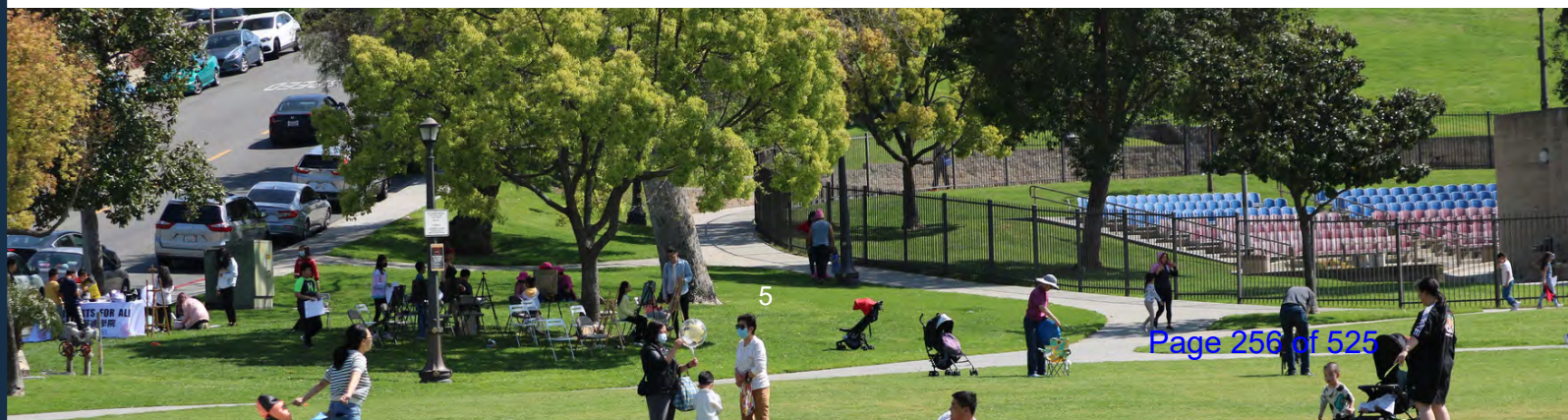
The City conducted outreach through the Going Green Campaign, which included a Sustainability Survey, booths at City events, and workshops that provided opportunities for community members to provide input on the Sustainability Plan. The Sustainability Survey was available in English, Spanish, and Chinese is both digital and physical formats. Over 540 community members responded to the survey and provided 194 written comments. The survey responses provided the following snapshot of the community's understanding of climate change, sustainability issues, and actions they can take in their daily lives.

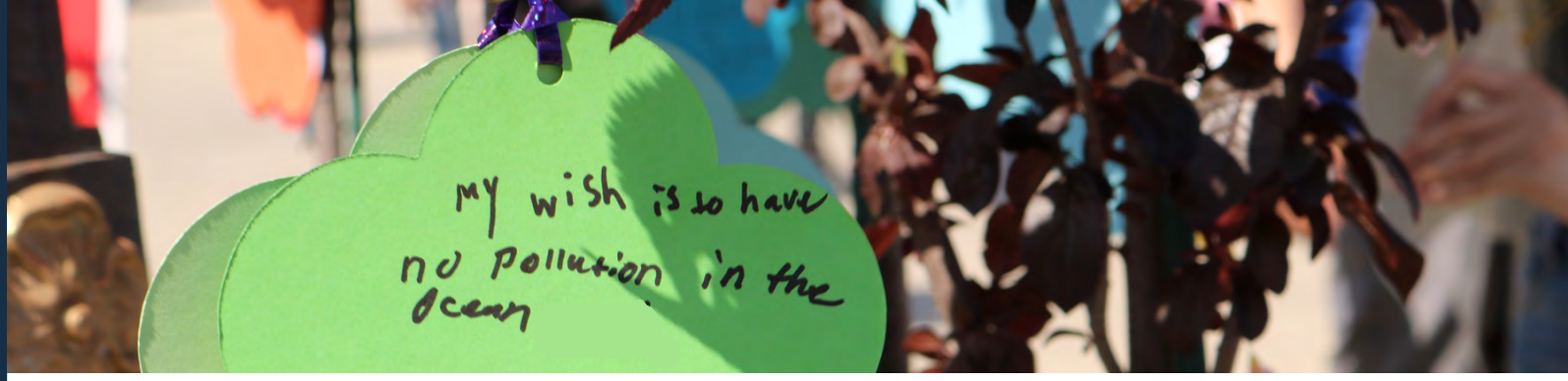
Figure 4. Sustainability Survey Results: Community Perception



While the majority of survey respondents agree or strongly agree that the City needs to take action to mitigate climate change and know how to take action at home, far fewer are knowledgeable of city, county, and state programs available to help them live sustainably. Even fewer respondents are familiar with the City's climate action efforts. This provides a strong case for the City to dedicate time and resources to outreach efforts, ensuring that all City residents have access to the knowledge and resources they need to improve their sustainable practices. The demand for learning opportunities around climate change mitigation and sustainability is very high throughout the community, as over 70% of survey respondents agree or strongly agree that they want more opportunities to learn about sustainable programs available to them.

This plan highlights several of the key programs Monterey Park residents can utilize to learn about sustainable practices and recommends programs the City may choose to implement to support municipal and community sustainability.





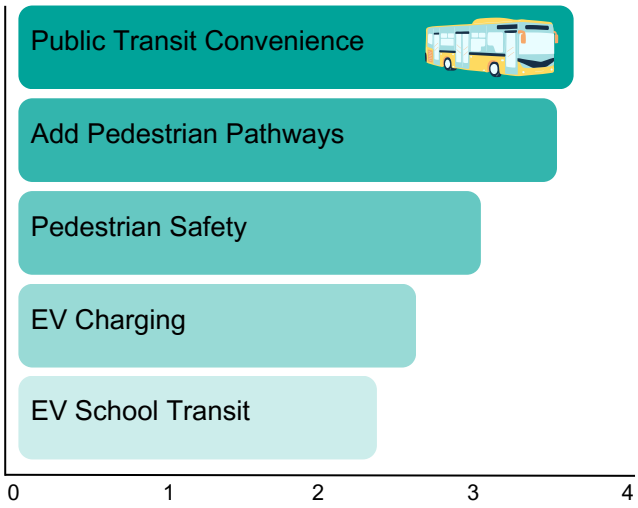
Community Priorities

Survey respondents were asked to rank which strategies the community and City should implement to address various sustainability topics.

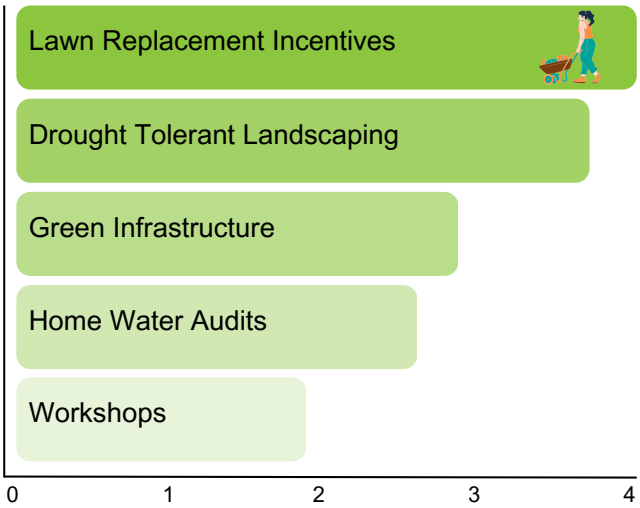
Figure 5. Sustainability Survey: Community Priorities

Which strategies should the community and City implement to...

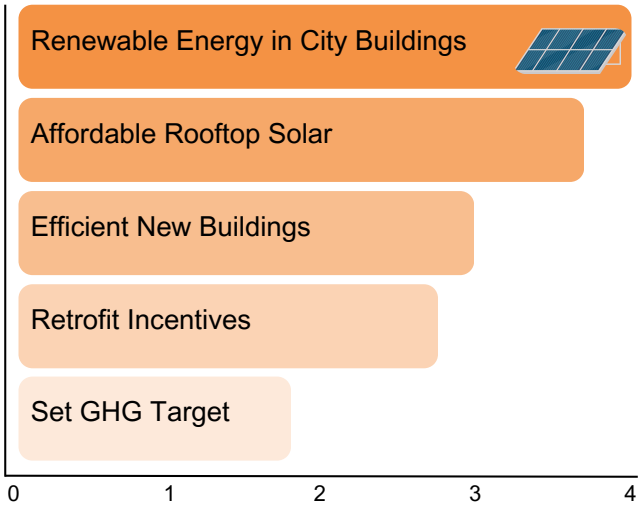
Improve Sustainable Transportation?



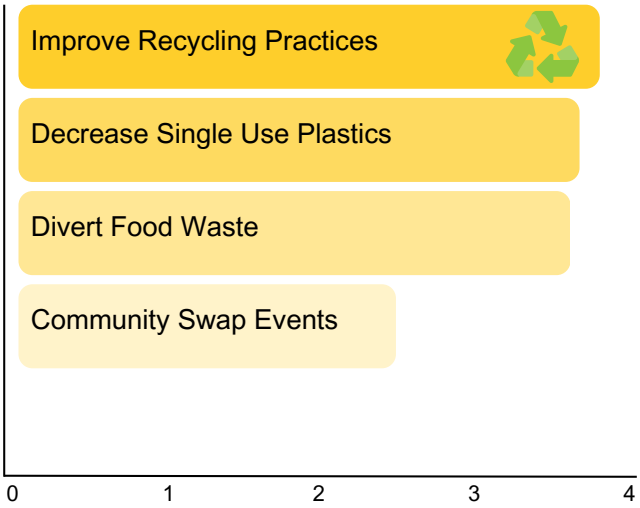
Conserve Water?



Conserve Energy?

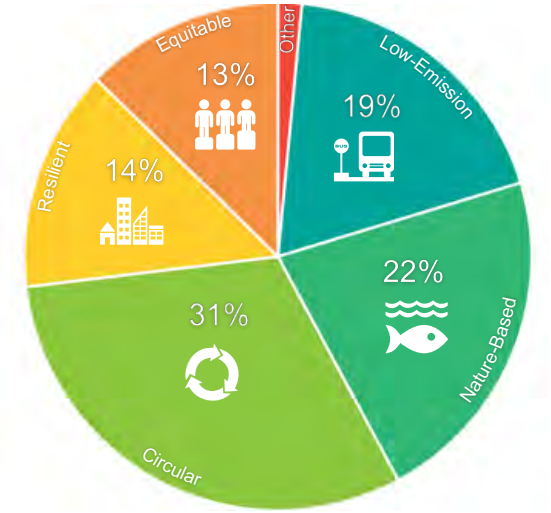


Decrease Waste?



*Rankings are weighted so that the answer choice with the largest average ranking is the most preferred choice.

Figure 6. Sustainability Survey: Written Comments Categorized by Development Pathway



Most Commonly Suggested Strategies Per Pathway

- Recycling & Composting
- Urban Greening
- EVs & Alternative Transport
- Incentives & Rebates
- Community Workshops

The written comments received through the Sustainability Survey, at Going Green Workshops, and through the Going Green Program email have been categorized using the five sustainable development pathways. This provides further insight into how the community believes the City should prioritize its sustainable efforts.

"Distribution of home composting supplies and education about organic waste disposal in the home."

"Provide more electric car charging stations for residents and employees at and near city hall."

"Encourage local residents to improve sustainability by offering more incentive programs."

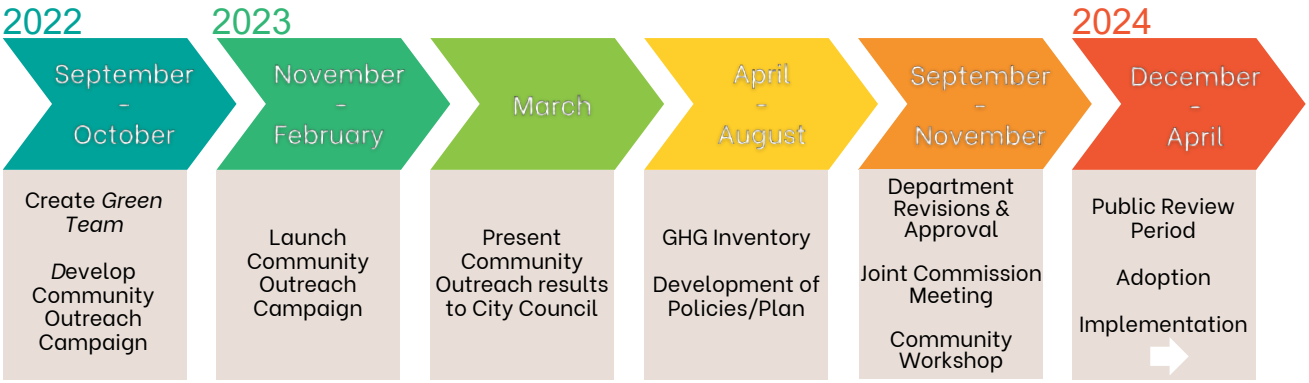


"To help clean air pollution and mitigate the effects of global warming gases, plant trees in neighborhoods with no sidewalk trees."

"I would like to see community classes, resources, and events that promote sustainability in MP. They can be held at schools, farmers markets, parks, and the senior center in both Chinese and English."



Figure 7. 2022-2024 Sustainability Plan Development Timeline



Community Workshops

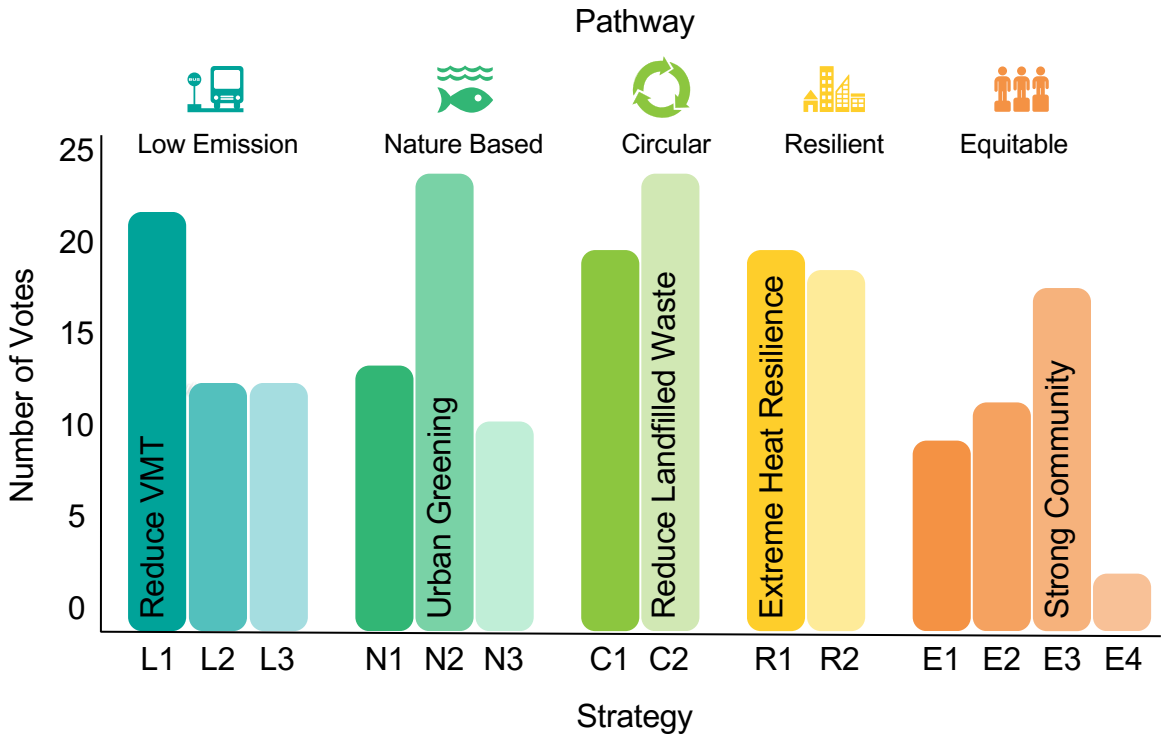
In February of 2023, the City hosted a series of community engagement workshops as part of the Sustainability Plan development process. The purpose of the workshops was to understand what the greater Monterey Park community values most in terms of climate change mitigation and sustainable practices. The workshops provided an opportunity for community members to learn about the Five Sustainable Development Pathway Framework, ask questions, and voice their opinions on what they believe should be prioritized in the Sustainability Plan. Additional workshops were held in November to ensure a wide reach in the community.

Invitations for the community workshops were sent to commissioners, board members, and community leaders. The workshops were also publicized in Cascades Newspaper, the City website, on social media, and at City events. Workshops were held online and in person at El Encanto, Langley Senior Center, George Elder Park, Garvey Ranch Park, and Robert Hill Lane Elementary School.





Figure 8. Public Review Period: Strategy Prioritization



During the Public Review Period from February 8 to February 29, 2024, community members actively engaged in prioritizing strategies across five sustainable development pathways. The graph illustrates the number of votes each strategy received within these pathways. Notably, strategies prioritized by the community are marked with a star in the plan, reflecting alignment with our collective vision for a greener, more resilient future. Analysis of the data reveals key preferences: in the Low Emission pathway, Reducing VMT garnered significant support; Urban Greening emerged as the preferred strategy in Nature-based development; in Circular Development, reducing landfilled waste was favored; Extreme Heat Resilience stood out in the Resilient pathway; and Building a Strong Community led in Equitable Development. Urban Greening and Reducing Landfilled Waste tied as the most popular strategies overall, reflecting shared community values and priorities for sustainable development. This data underscores the importance of community involvement in shaping actionable plans for a more environmentally conscious and resilient society.

Look for this symbol in chapters 3-7 to identify strategies that received the most community votes:

★ Community Identified Priority



Relationship to Other Plans

The Monterey Park Sustainability Plan builds off of the strategies and policies the City has adopted in related City documents. The plan also identifies current and completed actions the City has taken to ensure the recommended policies will help build toward a sustainable future (Appendix B). Using the five development pathways framework allows the City to address resilience and equity more directly while identifying the best programs available to meet the City's sustainability and emission reduction goals.

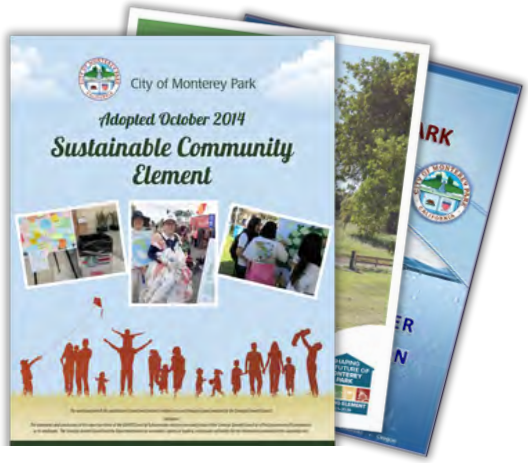


Table 1. Related City Documents

Plan	Year Adopted
Monterey Park Climate Action Plan (CAP)	2012
Safety and Community Services Element	2014
Sustainable Community Element	2014
Healthy Community Element	2014
San Gabriel Valley Regional Bicycle Master Plan	2014
Land Use and Urban Design Element	2020
2020 Urban Water Management Plan (UWMP)	2021
Environmental Justice Element	2022
Climate Change Vulnerability Assessment	2022
Housing Element	2022
Local Hazard Mitigation Plan	In Progress
City of Monterey Park Tree Master Plan	In Progress

Look for this symbol and click to open related documents relevant to specific sections of the Sustainability Plan!

2 - Climate Change & Sustainability



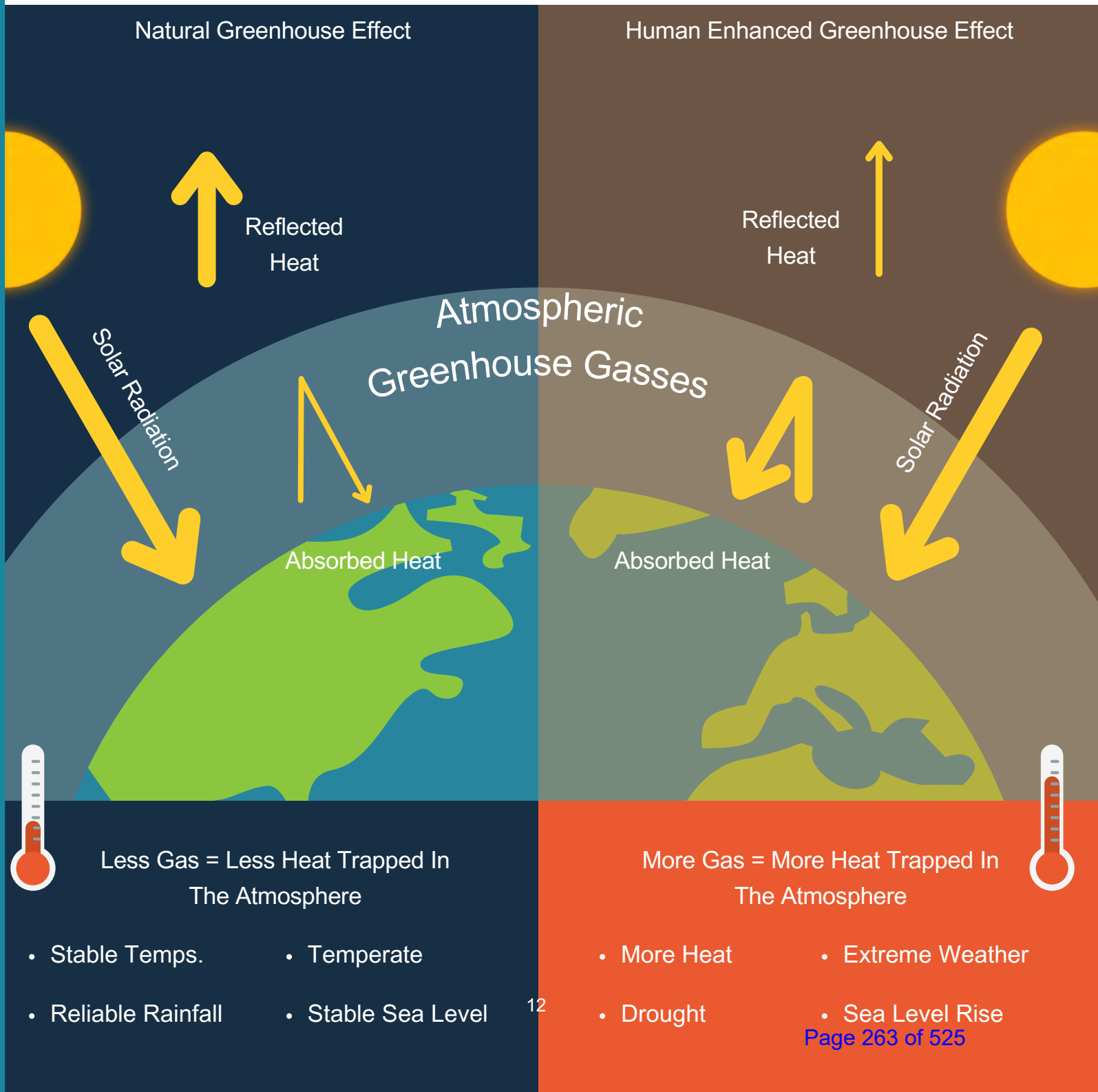
What Is Climate Change?

Climate change refers to long-term alterations in temperature, precipitation, and other atmospheric conditions on Earth. It is primarily driven by human activities, such as the burning of fossil fuels and deforestation, which release greenhouse gases into the atmosphere. These gases trap heat, leading to a warming of the planet and resulting in a myriad of environmental impacts. From rising sea levels and extreme weather events to shifts in ecosystems and disruptions in agricultural patterns, the consequences of climate change are far-reaching and pose significant challenges to the well-being of both the planet and its inhabitants. Understanding the complexities of climate change is crucial for devising effective strategies to mitigate its impact and foster global sustainability. This chapter delves into the various facets of climate change, exploring its causes, consequences, and potential solutions.

The Greenhouse Effect

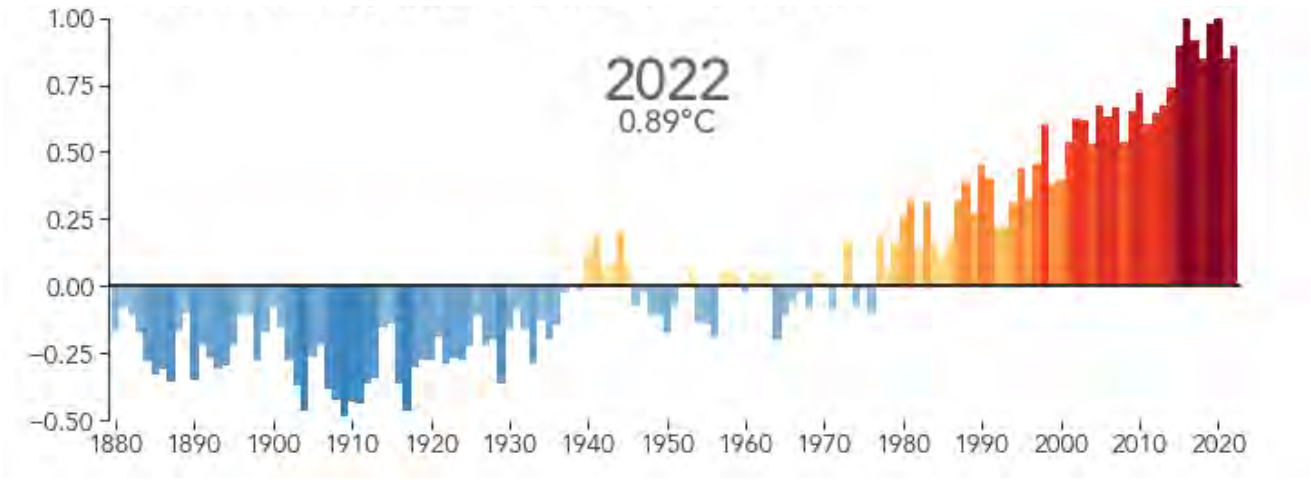
The greenhouse effect is a natural process that occurs when certain gases, such as carbon dioxide, water vapor, and methane in the Earth's atmosphere trap heat from the sun, which warms the planet's surface. These gases act like the glass walls of a greenhouse, allowing sunlight to enter but trapping heat inside. Without this natural process, the Earth would be too cold to support life as we know it. However, human activities, such as burning fossil fuels, have increased the concentration of these greenhouse gases in the atmosphere, leading to an enhanced greenhouse effect and contributing to global warming and climate change.

Figure 9. Natural and Human Enhanced Greenhouse Effect



Human-induced (anthropogenic) climate change is well-understood and widely accepted within the scientific community. Over 97 percent of climate scientists agree that the Earth is warming quickly, primarily due to human activities.[2] Consequently, GHG levels have surged to unprecedented heights, surpassing those of the past 400,000 years. In the last 150 years alone, carbon dioxide concentrations have risen from 280 parts per million to 400 parts per million.[3] While natural processes traditionally govern many climate changes, the current escalation of GHGs in the atmosphere, driven by human activities, represents an unprecedented historical anomaly.

Figure 10. Global Temperature Anomaly (°C compared to the 1951-1980 average)



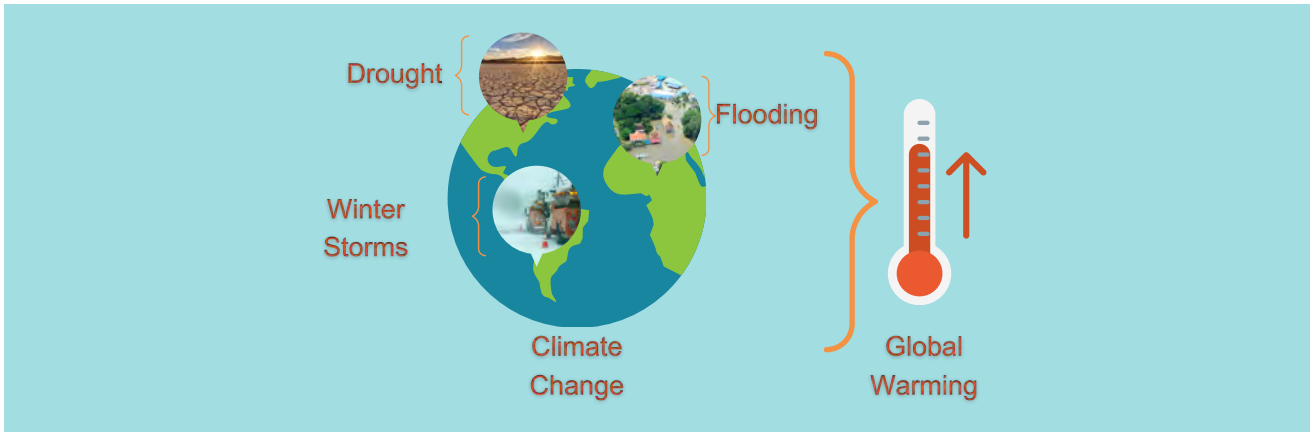
Source: NASA Earth Observatory, World of Change: Global Temperatures [4]

Global Warming vs Climate Change

Global warming refers specifically to the long-term trend of increasing average global temperatures. While the Earth has historically experienced many cycles of cooling and warming, the average global temperature has been rising since the Industrial Revolution at a faster rate than it has naturally occurred in the past.

Climate change, on the other hand, refers to broader changes in the Earth's climate system beyond just temperature, including changes in precipitation patterns, sea level rise, and the frequency and intensity of extreme weather events such as droughts, flooding, and winter storms.

Figure 11. Comparative Scale of Climate Change and Global Warming



2.https://climate.nasa.gov/scientific-consensus/
3.https://climate.nasa.gov/climate_resources/24/graphic-the-relentless-rise-of-carbon-dioxide
4.https://www.epa.gov/climatechange-science/causes-climate-change/

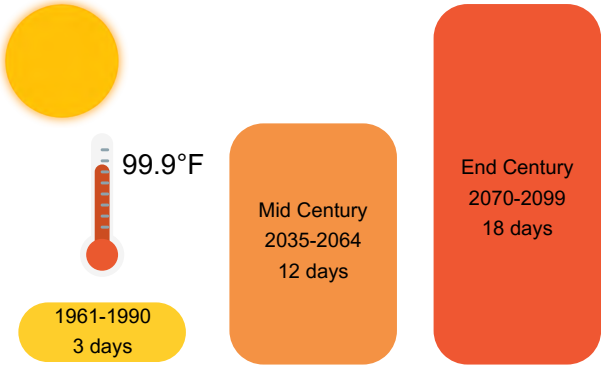
Climate change causes fluctuations in temperature and precipitation globally, which impact ecosystems and communities worldwide. Scientists have measured shrinking ice sheets, warming oceans, increasing global temperatures, less snow cover, sea level rise, and species extinction. Consequently, climate change has the potential to result in flooding of low-lying areas (due to sea level rise), reduction of fresh-water supply (due to rainfall and snowfall changes), adverse changes to biological resources and public health (due to increased temperature, less productive habitats, and expansion of disease vectors), as well as many other adverse environmental consequences.

Globally, a warming trend is abundantly clear, as the past eight years have been (as of 2023) the hottest on record. The average global temperature in 2022 was about 1.15°C above the pre-industrial (1850-1900) levels, making it the 8th consecutive year that annual global temperatures exceeded 1°C above pre-industrial levels. [5] Climate change is a global phenomenon that has the potential to impact local health, natural resources, infrastructure, emergency response, tourism, and many other facets of society.

Social Vulnerability

It is probable that those that are most vulnerable will bear the greatest burden associated with the potential impacts of a changing climate. Race, ethnicity, gender identity, sexual orientation, age, social class, physical ability, religious or ethical value systems, national origin, immigration status, or linguistic ability do not make an individual inherently vulnerable. Vulnerabilities arise from systemic deficiencies rather than a judgement of any community member or neighborhood.

Figure 12. Projected Number of Extreme Heat Days Per Year in Monterey Park

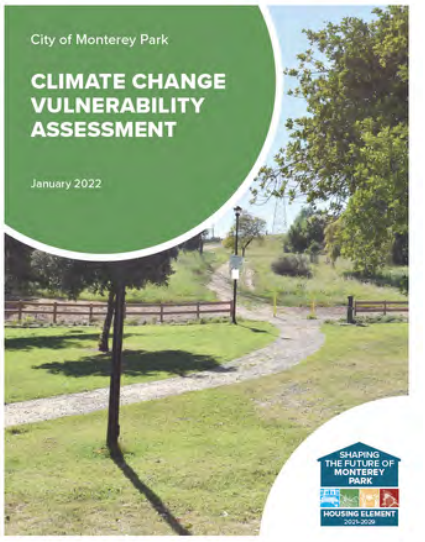


Projected changes in average number of extreme heat days per year (30 year average) when daily maximum temperature is above 99.9°F under a Medium Emissions (RCP 4.5) Scenario. Source: Cal-Adapt Extreme Heat Days & Warm Nights Tool

Climate Change in Monterey Park

The anticipated impacts of climate change that Monterey Park may experience include:

- Increased average maximum and minimum temperature;
- Increased extreme heat events;
- Changing precipitation patterns;
- Increased storm frequency and intensity;
- Air quality impacts from increased regional wildfire risks.



5. https://public.wmo.int/en/media/press-release/past-eight-years-confirmed-be-eight-warmest-record

Figure 13. What are the impacts of Climate Change?





What Is Sustainability?

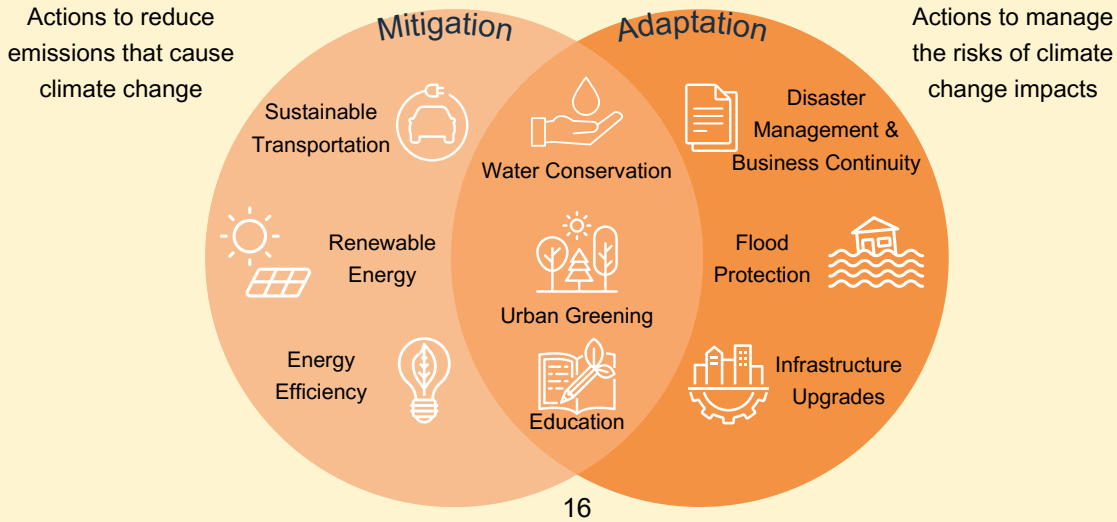
Sustainability is an approach to development that seeks to meet the needs of the present generation without compromising the ability of future generations to meet their own needs. It involves finding a balance between economic growth, environmental protection, and social equity. Sustainability recognizes the interconnectedness of human society with the natural environment and aims to ensure that resources are used wisely, waste is minimized, and the well-being of both present and future generations is prioritized.

Sustainable practices play a crucial role in mitigating and adapting to the impacts of climate change. **Mitigation** refers to efforts aimed at reducing greenhouse gas emissions, which are the primary drivers of climate change. Sustainable practices can help reduce emissions by promoting energy efficiency, transitioning to renewable energy sources, adopting cleaner technologies, and implementing sustainable transportation and land use strategies. By embracing sustainable practices, we can decrease our reliance on fossil fuels, minimize carbon footprints, and work towards a low-carbon economy.

Adaptation, on the other hand, involves taking actions to adjust and prepare for the inevitable impacts of climate change. Sustainable practices can enhance resilience and enable communities and ecosystems to cope with changing conditions. For instance, sustainable agriculture practices can improve soil health, conserve water resources, and enhance food security in the face of changing weather patterns. Sustainable urban planning can incorporate green infrastructure, such as parks and permeable surfaces, to manage stormwater and reduce the risks of flooding.

Sustainable practices are not only essential for climate change mitigation and adaptation but also for achieving broader sustainability goals. They promote resource conservation, reduce pollution, support social equity, and foster economic development. By integrating sustainable practices into our lifestyles, industries, and governance systems, we can create a more resilient and thriving future for ourselves and future generations. Developing a sustainable future requires a collective effort, involving individuals, businesses, governments, and organizations working together towards a shared vision of a sustainable and climate-resilient world.

Figure 14. Climate Mitigation vs. Adaptation



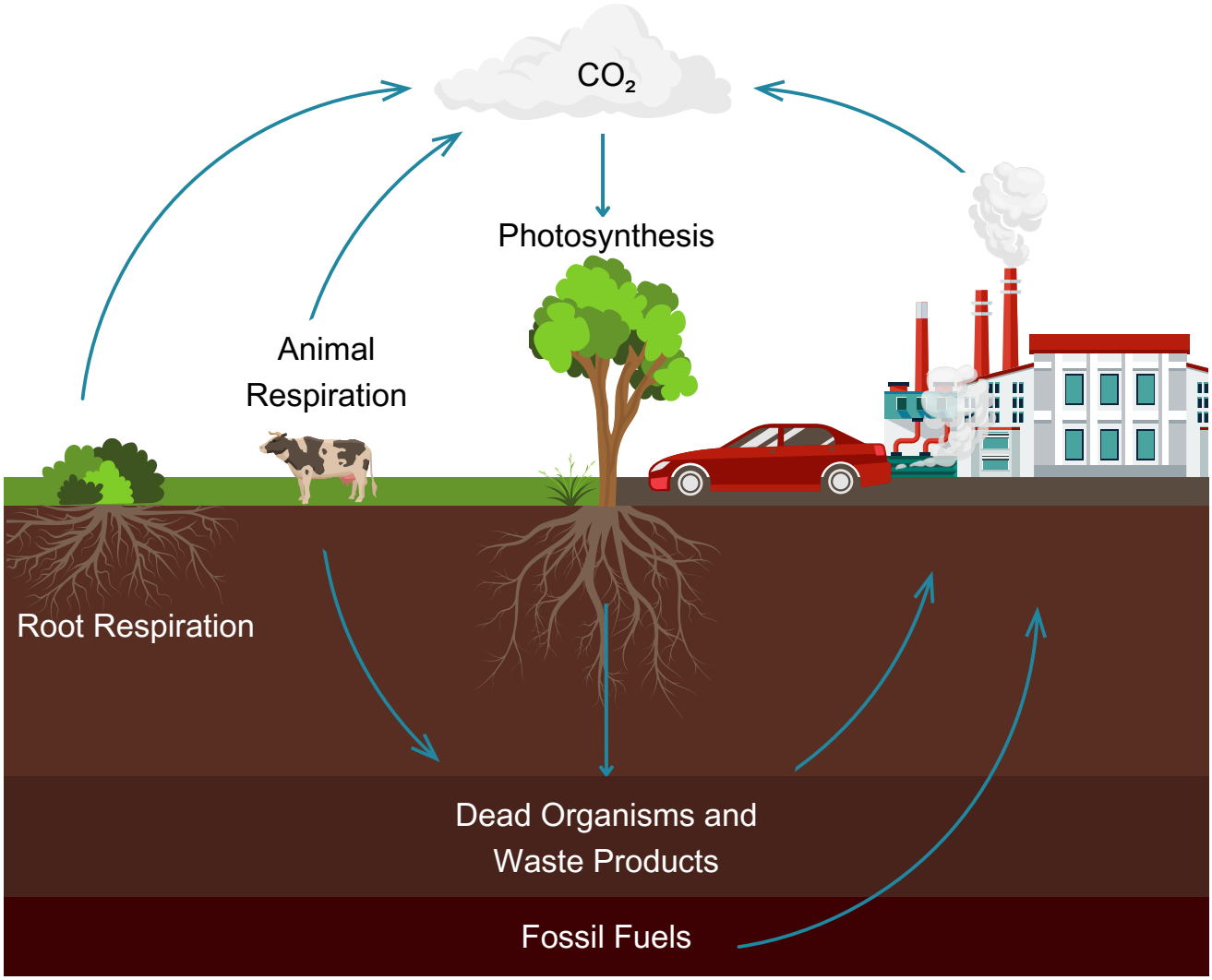
3 - Low Emission Development



What Is Low Emission Development?

The low emission development pathway is intended to curb climate change, create new economic opportunities and improve the health of people and natural systems. Programs under this pathway will help reduce greenhouse gas emissions, aim to achieve climate neutrality, and promote renewable energy by divesting from fossil fuels and using nature-based solutions. Successful low emission development programs promote sustainable passenger mobility, giving priority to walking, cycling, public transit and shared mobility as part of people-centered solutions.

Figure 15. Where Do Emissions Come From?



Sources and Sinks

"Sources" and "sinks" are terms commonly used in the context of greenhouse gas emissions and the carbon cycle to describe how carbon moves through the Earth's systems. Sources are places or processes that release GHGs into the atmosphere. Sources can be natural or human-induced. Human-induced sources include activities like burning fossil fuels (e.g., in cars, power plants), deforestation, and industrial processes. Natural sources include things like the respiration of plants and animals and decomposition of dead organisms or waste products. Sinks are natural or artificial systems that remove and store carbon dioxide from the atmosphere. They act as a counterbalance to sources by reducing the concentration of CO_2 in the atmosphere. Natural sinks include forests, oceans, and soils, which absorb and store carbon. Artificial sinks might include carbon capture and storage technologies.

GHG Emissions Inventory

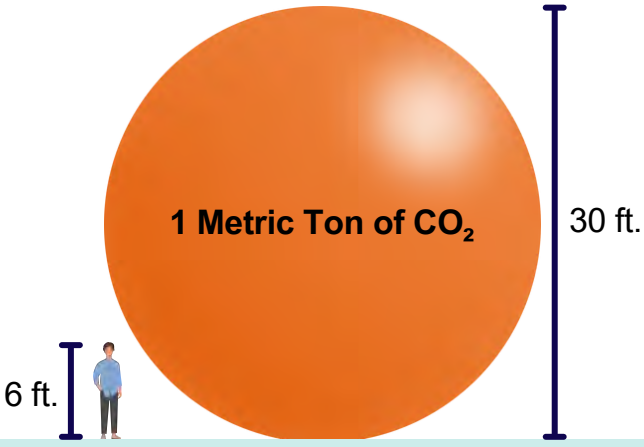
What is a GHG Emissions Inventory?

To minimize the impacts of climate change on the residents of Monterey Park, our community must first begin to understand where our GHG emissions are coming from. By understanding the magnitude of each source of emissions, the City and residents can prioritize ways to make the greatest impact. A GHG emissions inventory is essentially a systematic record of all the GHG emissions produced within a specific area. The following steps were utilized to create a GHG Emissions Inventory for Monterey Park based on data from 2021.

How Are GHG Emissions Inventories Calculated?

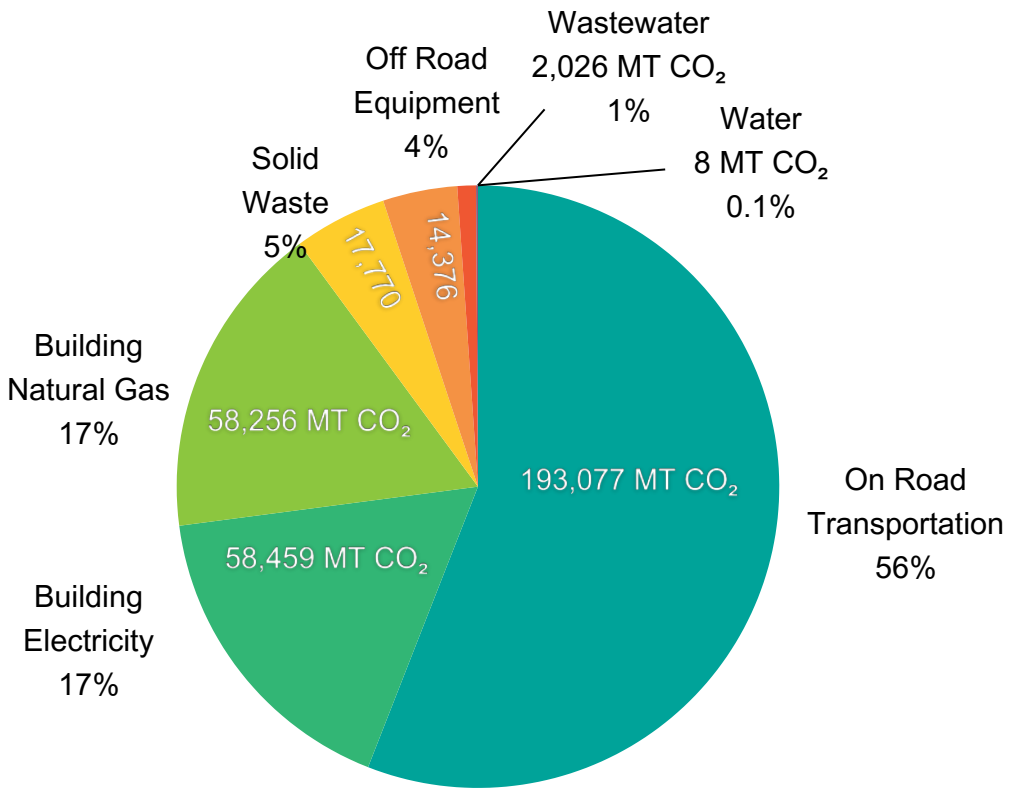
1. Identifying Sources and Sinks: The first step is to identify the sources and sinks of greenhouse gases within the City. Sources are places or activities that emit GHGs, like cars on the road, factories, or energy production. Sinks are areas where GHGs are removed from the atmosphere, like forests that absorb carbon dioxide.
2. Collecting Activity Data: Data is collected for each of these sectors. This data includes information on how much fuel is burned, how much electricity is consumed, and other activities that release or remove GHGs. For example, data often includes the number of cars on the road, the amount of energy used in buildings, or the amount of waste generated.
3. Applying Emissions Factors: Emissions factors are like conversion rates. They tell us how much carbon dioxide equivalence (CO_2e) is produced for a given activity. For example, for every gallon of gasoline burned in a car, there's a known emissions factor that tells us how much CO_2e is released. Emissions factors are used to calculate the total GHG emissions for each sector. A "Metric Ton CO_2e" stands for a metric ton of carbon dioxide equivalent. It's a unit of measurement used to express the global warming potential (GWP) of various greenhouse gases in terms of the amount of carbon dioxide (CO_2) that would have an equivalent warming effect on the Earth's climate. The reason for using CO_2e is that different greenhouse gases have different heat-trapping abilities and lifespans in the atmosphere. Carbon dioxide is often used as a reference point with a GWP (Global Warming Potential) of 1, and other greenhouse gases are compared to it. For example, methane (CH_4) has a much higher GWP than carbon dioxide, meaning it's much more effective at trapping heat in the short term. So, if you emit one metric ton of methane, it will have a much greater impact on global warming than emitting one metric ton of carbon dioxide. By expressing emissions in CO_2e, it makes it easier to compare and aggregate emissions from different greenhouse gases and sources. It provides a standardized way to assess the overall impact of a mixture of greenhouse gases in terms of their CO_2 equivalent, allowing policymakers, scientists, and organizations to quantify and manage the total greenhouse gas emissions in a consistent manner.

Figure 16. How Much Is A Metric Ton (MT) of CO_2?



The full GHG emissions inventory methodology is available in Appendix D.

Figure 17. Monterey Park GHG Emissions by Sector in Metric Tons, 2021



Source: Rincon Consultants (Appendix C)

Emissions in Monterey Park

Based on the findings of the GHG Emissions Inventory for the City of Monterey Park (Figure 16), the proposed strategies in the Low Emission Development Pathway primarily target the reduction of emissions from on-road transportation and building decarbonization. This approach aligns with the inventory data, which reveals that these two sectors are the largest contributors to greenhouse gas emissions in the City. By focusing on on-road transportation, which accounts for 56% of emissions, strategies might include promoting public transportation, electric vehicles, and biking, as well as improving traffic management. Simultaneously, tackling building decarbonization (building electricity and natural gas, which collectively account for 34% of emissions) could involve energy-efficient retrofits, transitioning to cleaner energy sources, and implementing more sustainable building practices. These strategies aim to address the key sources of emissions, making a meaningful impact on the City's overall carbon footprint and contributing to a more sustainable and environmentally responsible future.

Strategy L1: Reduce Passenger Car Vehicle Miles Travelled (VMT) and Increase Active/Shared Transportation ★

Strategy L1 Policies	
L1-1	Promote active transportation with investments in disadvantaged communities that improve connectivity and ease of walking or biking.
L1-2	Explore the implementation of public and shared transit programs to support increased public transit usage.
L1-3	Consider increasing mixed-use and residential densities in neighborhoods with access to transit or well-connected active transportation networks.
L1-4	Review parking standards in transit-rich and walkable neighborhoods to potentially reduce reliance on single-occupancy vehicles.
L1-5	Encourage City employees to explore alternative transportation options and teleworking opportunities to potentially reduce their commutes.

*Vehicle Miles Traveled (VMT) is a metric used to quantify the total distance traveled by all vehicles within a specific geographic area, typically measured over a specified period of time.

One of the primary goals of this strategy is to decrease the number of miles driven by passenger cars. Since many vehicles are powered by fossil fuels, this reduction helps to lower greenhouse gas emissions, combat climate change, and contribute to a more sustainable environment. Reducing VMT has numerous benefits:

- Air Quality and Public Health: By decreasing VMT, there is a potential to reduce air pollution, particularly in urban areas where traffic congestion is common. Improved air quality leads to better public health, with fewer cases of respiratory illnesses and other pollution-related health problems.
- Traffic Congestion: A decrease in VMT can alleviate traffic congestion, making daily commutes and transportation more efficient. This not only saves time for commuters but also reduces fuel consumption and associated emissions, making transportation more cost-effective.
- Reduction in Infrastructure Costs: A decrease in VMT can potentially reduce the need for costly road expansion projects and maintenance. This can free up resources for other infrastructure needs or public services.
- Improved Quality of Life: Promoting active and shared transportation can lead to more walkable and bike-friendly communities. This enhances the quality of life for residents by providing them with safer, more pleasant urban environments.
- Economic Benefits: Increased active and shared transportation can stimulate the local economy. It supports businesses located along pedestrian and cyclist-friendly routes and can reduce transportation costs for individuals and families.
- Safety: Reducing VMT can lead to fewer accidents and injuries on the road, making transportation safer for everyone.
- Urban Planning and Sustainability: This strategy encourages a shift toward more sustainable urban planning, with an emphasis on mixed land use, accessible public transportation, and pedestrian-friendly infrastructure.

Overall, the strategy to reduce passenger car VMT and increase active/shared transportation is a multifaceted approach that has far-reaching benefits for the environment, public health, and urban livability. It aligns with the goals of reducing carbon emissions, promoting sustainability, and improving the overall well-being of communities.

★ Community Identified Priority

E-Bikes

Electric bicycles (e-bikes) are increasingly recognized as an eco-friendly transportation option due to several key advantages they offer over traditional vehicles. One of the most significant environmental benefits of e-bikes is their potential to reduce greenhouse gas emissions. By providing an alternative to car trips, especially for short to moderate distances, e-bikes help decrease the use of fossil fuels and subsequently lower emissions of CO_2 and other pollutants. This reduction in emissions is particularly impactful in urban areas, where traffic congestion and vehicle emissions contribute significantly to air pollution and public health concerns.

Additionally, e-bikes are inherently more energy-efficient than cars. While electric bikes require electricity to charge their batteries, the amount of energy consumed per mile traveled is substantially lower compared to that of a typical car journey. This increased efficiency translates to reduced overall resource consumption and reliance on finite energy sources.

Furthermore, the use of e-bikes encourages a shift towards more sustainable transportation modes. By making cycling more accessible and feasible for a wider range of people, including those who may not have considered cycling as a viable option due to physical limitations or concerns about distance and effort, e-bikes promote a culture of active transportation. This shift away from reliance on cars not only reduces pollution and carbon emissions but also contributes to the development of greener, more livable cities with improved air quality and reduced traffic congestion.



Figure 19. Types of Electric Bicycles



Class 1

These e-bikes provide assistance up to 20 mph and are equipped with pedal-assist functionality, meaning the motor engages only when the rider pedals.



Class 2

These e-bikes are equipped with a throttle, allowing riders to engage the motor without pedaling, and they also assist up to 20 mph.



Class 3

Offering pedal-assist up to 28 mph, Class 3 e-bikes are faster than Class 1 and 2, but may be subject to different regulations, often requiring riders to wear helmets and adhere to safety standards.



Strategy L2: Increase the Adoption of Zero Emission Vehicles (ZEVs and e-bikes)

Strategy L2 Policies	
L2-1	Consider expanding electric vehicle infrastructure to encourage greater passenger ZEV adoption, with a focus on disadvantaged communities.
L2-2	Explore options to increase commercial ZEV adoption over time.
L2-3	Consider electrifying a significant portion of the City's on-road vehicle fleet and off-road equipment fleet in the coming years.
L2-4	Investigate the transition of a portion of off-road equipment to zero-emission alternatives, with a gradual approach toward full adoption.

Figure 18. Types of ZEVs



Battery Electric Vehicles (BEVs)
BEVs are powered solely by electricity stored in a rechargeable battery. They produce zero tailpipe emissions and are among the most common ZEVs on the road.



Plug-In Hybrid Electric Vehicles (PHEVs)
PHEVs have both an electric motor and an internal combustion engine. While they can run on electricity for a certain distance, they also have a gasoline or diesel engine for longer trips.



Hydrogen Fuel Cell Vehicles (FCVs)
FCVs use hydrogen gas to generate electricity that powers an electric motor. They emit only water vapor and heat as byproducts, making them true zero-emission vehicles.

Zero Emission Vehicles

Zero Emission Vehicles (ZEVs) are vehicles that produce no tailpipe emissions of greenhouse gases or other harmful pollutants during their operation. ZEVs are designed to minimize their environmental impact, and they are a key component of efforts to reduce air pollution and combat climate change.

ZEVs provide numerous benefits to the environment and community:

- ZEVs operate without producing any tailpipe emissions, as they do not rely on internal combustion engines. This means they release no CO_2, nitrogen oxides, particulate matter, or other harmful pollutants into the air.
- Reduced Greenhouse Gas Emissions: ZEVs significantly reduce greenhouse gas emissions, especially when charged with electricity from renewable sources like wind or solar power.
- Energy Efficiency: ZEVs are more energy-efficient than internal combustion engine vehicles, converting a higher percentage of their fuel source into vehicle movement, thus reducing overall energy consumption and emissions.
- Air Quality Improvement: ZEVs contribute to better air quality in urban areas. Their operation produces no harmful emissions like NOx, which are linked to respiratory problems and smog formation. This can lead to significant public health benefits, especially in densely populated regions.

ZEVs are an important tool in the efforts to reduce emissions, combat climate change, and improve air quality.

Strategy L3: Decarbonize Community and Municipal Building Energy

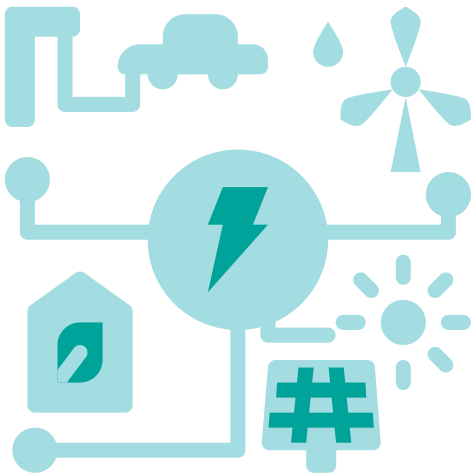
Strategy L3 Policies	
L3-1	Explore the transition of a significant portion of City electricity consumption to renewable or carbon-free energy sources.
L3-2	Consider options for electrifying or decarbonizing new buildings.
L3-3	Investigate electrifying existing residential buildings and implementing energy efficiency improvements to reduce residential natural gas usage.
L3-4	Evaluate electrifying existing commercial buildings and implementing energy efficiency improvements to reduce commercial natural gas usage.
L3-5	Examine the possibility of increasing local renewable energy generation and storage to enhance resilience during power shutoffs and climate hazards.
L3-6	Consider electrifying or decarbonizing all municipal buildings and facilities.

Building decarbonization is a strategy aimed at reducing the carbon emissions associated with the energy consumption of buildings. It involves transitioning the energy sources and systems used in buildings, such as residential and commercial structures, to ones that produce fewer or no carbon emissions. The primary goal is to minimize the environmental impact of energy use in buildings, which typically involves the burning of fossil fuels like natural gas for heating, cooling, and electricity generation.

Building decarbonization aligns with the broader goal of reducing greenhouse gas emissions in the community and municipal sectors. Here's how it fulfills the strategy:

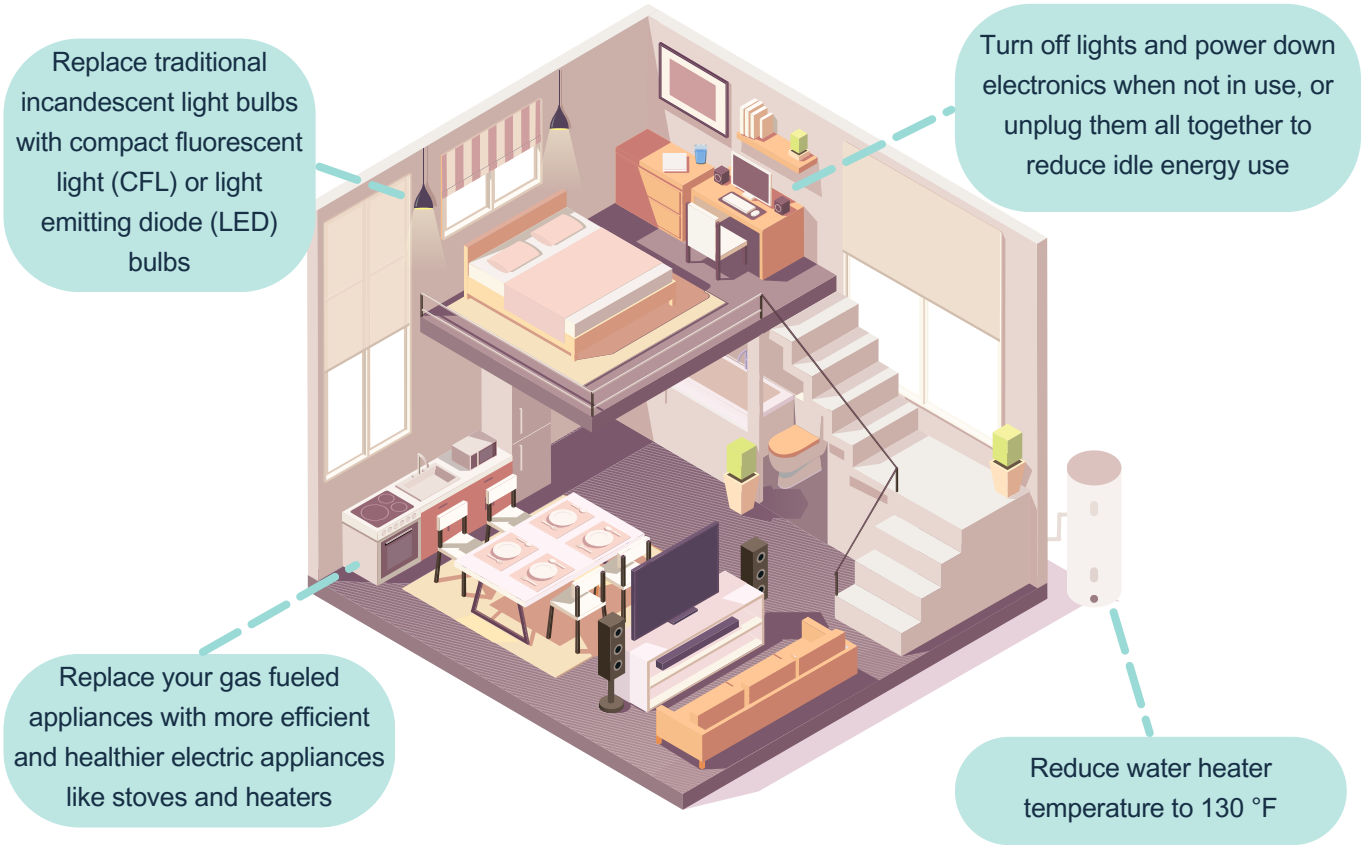
- Reducing Emissions: By electrifying or decarbonizing buildings, the strategy aims to shift away from carbon-intensive energy sources, such as natural gas or oil, towards cleaner, renewable, or low-carbon energy sources. This transition significantly reduces carbon emissions associated with heating, cooling, and powering buildings.
- Energy Efficiency: Building decarbonization often includes energy efficiency improvements. These enhancements reduce the overall energy demand of buildings, making them more sustainable and cost-effective, while further decreasing greenhouse gas emissions.
- Resilience: Building decarbonization can enhance resilience during climate-related power shutoffs or extreme weather events. By adopting renewable energy sources and energy storage systems, buildings become better equipped to maintain essential functions during disruptions, which is especially relevant for municipal facilities.

In summary, building decarbonization is a crucial component of the broader strategy to reduce carbon emissions from community and municipal building energy. It helps lower emissions, improve energy efficiency, set an example for the community, and enhance resilience in the face of climate-related challenges, contributing to a more sustainable and environmentally responsible future.



Lowering Emissions: What Can I Do Today?

At Home



- Install solar panels on your home or business.
- Visit the Monterey Park Sustainability Resource Center Webpage to find resources for free home energy efficiency reviews.
- Consider using a rebate program to update your home with electric retrofits.

On The Go

- If you are in the market for a new car, consider an EV.
- Explore EV incentives and rebates available through the California Air Resources Board or United States Environmental Protection Agency.
- Consider walking or riding your bike for short local trips.
- Download the Passio GO! app to easily track and utilize the Spirit Bus system.
- Pick a central location for attendees when you are planning an event.
- Use the GoMPK app to submit service requests for issues that prevent safe walking, biking, and public transportation use in Monterey Park.
- Carpool whenever you can.



4 - Nature Based Development



What Is Nature Based Development?

The nature based development pathway helps protect biodiversity and urban ecosystems, which are important elements of local economies and our communities. The programs under this pathway may help the City prioritize healthy local environments in which air, water, soil and all natural resources that sustain life are protected and nurtured. These programs could help integrate rainwater capture into City infrastructure or improve resident knowledge on how to keep rainwater in their gardens and out of the streets. Nature-based development programs support urban greening by planting trees, protecting parks, and encouraging native landscaping. Using programs under this nature based pathway will support the well-being of our community members, both human and non-human.

Water

The City of Monterey Park Water System receives water from one source - local groundwater. The water is produced by 12 City-owned wells located in the Rio Hondo, which is outside the city limits and in the Main San Gabriel groundwater basin.

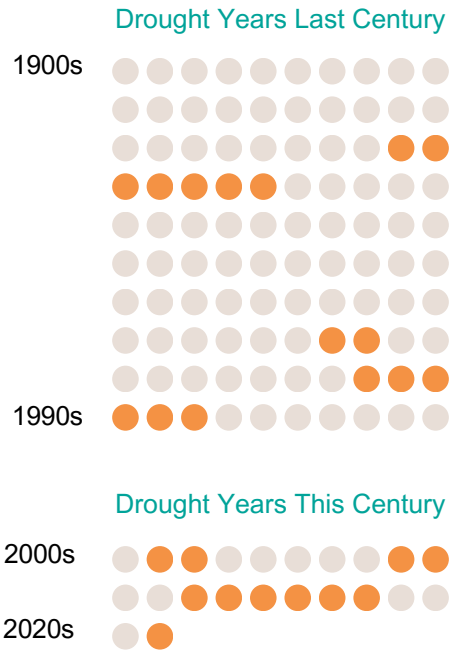
On average, about 65% of the water used in Monterey Park each year is supplied from local rainfall; the other 35% is imported from northern California and then percolated into the groundwater aquifers. The water is imported by the San Gabriel Valley Municipal Water District, a public agency.

The main San Gabriel groundwater basin is one of the few natural underground reservoirs in the United States. Rain and snowmelt flows down from the San Gabriel Mountains through a series of dams and are then diverted to "spreading basins."

Spreading basins are designated areas of land that are very permeable, such as sand and gravel areas where water can percolate into the ground. 100% of the water served to residents and businesses in Monterey Park comes from groundwater. Thus, keeping our groundwater resource clean is vitally important to all of us.

6. https://www.thewatersthatconnectus.com/copy-of-challenges

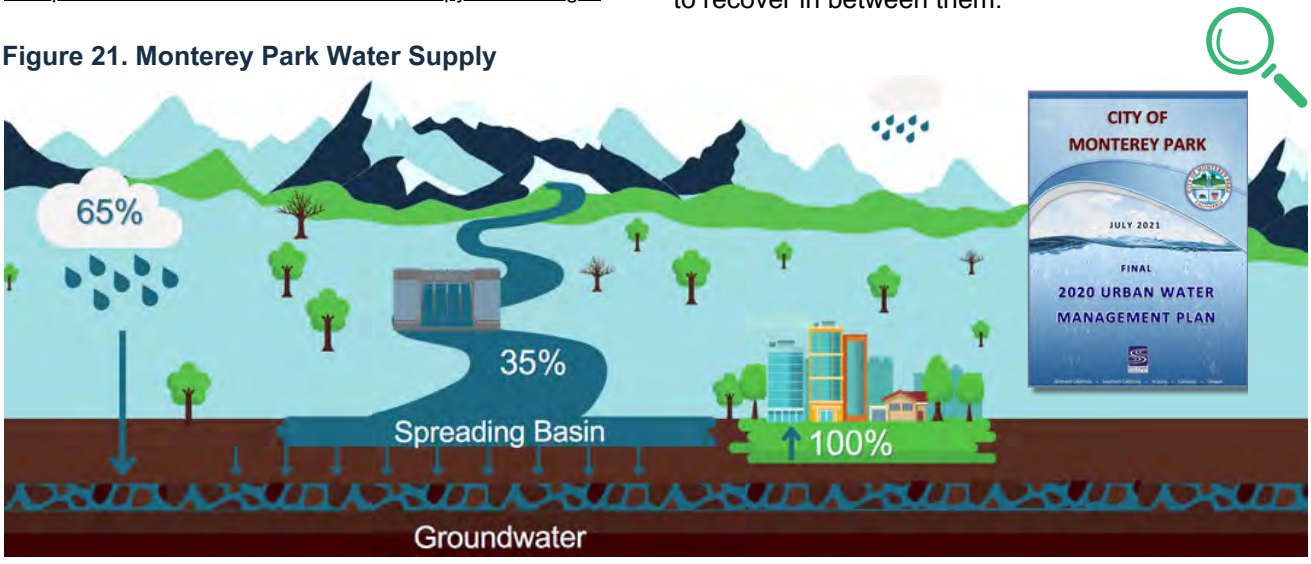
Figure 20. Number of Southern California Droughts per Century [6]



Drought

Droughts have always been a part of life in Southern California. They are now occuring more frequently. A comparison in droughts demonstrates this change: in the last century, there were three droughts that put the state in drought conditions roughly 15% of the time. Since 2000 California already experienced another four, putting the State in drought conditions nearly 50% of the time (Figure 18). These current droughts are also more extreme (in addition to more frequent). The result is our water basin has less time to recover in between them.

Figure 21. Monterey Park Water Supply



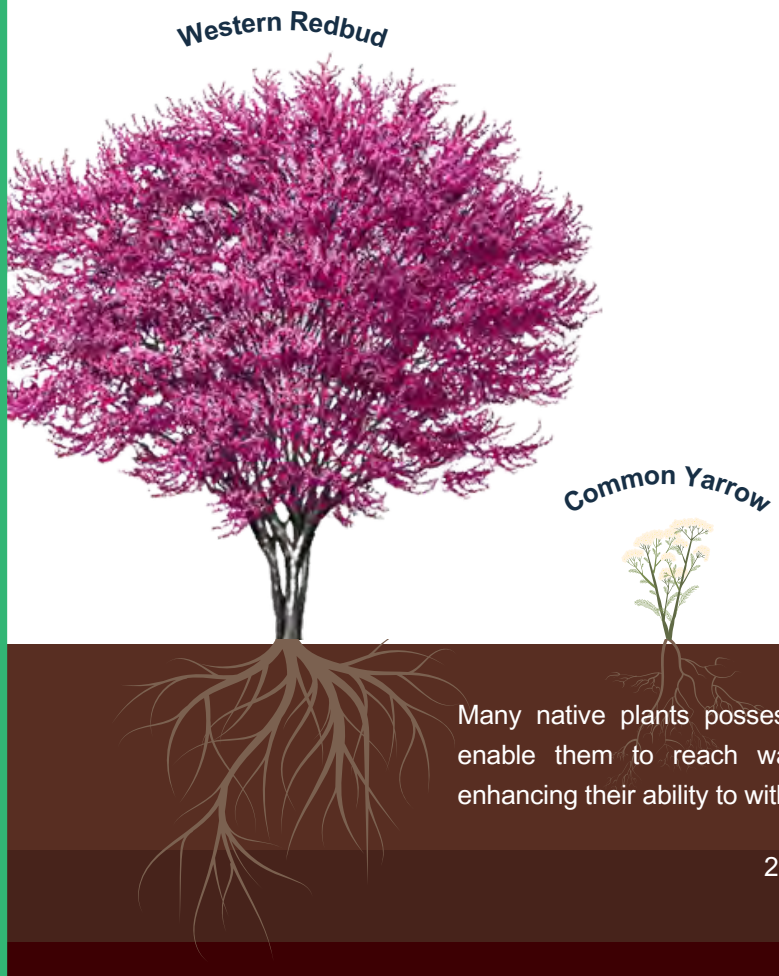
Strategy N1: Increase Water Conservation

Strategy N1 Policies	
N1-1	Consider reducing per capita water consumption, with the aim of achieving long-term reductions compared to the 2020 baseline.
N1-2	Explore options to gradually reduce municipal water consumption over time.
N1-3	Investigate strategies to enhance resilience to potential drought-induced water shortages or fluctuations in utility rate structures.

Reducing water consumption and building resilience to water shortages are critical goals in sustainable water management. Achieving these objectives involves a multifaceted approach. To begin, promoting the use of water-efficient technologies, such as low-flow fixtures and smart irrigation systems, is essential. These actions can lead to significant reductions in both residential and municipal water consumption. Moreover, educational campaigns can raise public awareness, offering valuable tips for responsible water use, such as fixing leaks and avoiding overwatering.

Landscaping practices are another integral aspect. Encouraging drought-tolerant and native species for landscaping can drastically cut down on irrigation demands. Native plants are particularly well-suited to local conditions and require less water and maintenance. Additionally, adopting xeriscaping principles can further reduce water consumption by incorporating low-water plants and efficient irrigation systems. Rainwater harvesting is another valuable technique for reducing reliance on municipal water supplies. This collected rainwater can be used for landscape irrigation, conserving the primary water source.

Efforts may also include monitoring and reporting of water usage data to residents, businesses, and local authorities, creating awareness and motivating water-saving behaviors. For long-term resilience, emergency planning and infrastructure investment are crucial. Developing contingency plans for drought conditions and investing in water infrastructure to ensure a dependable supply during dry periods is essential. These comprehensive strategies will collectively work towards conserving water resources and bolstering the ability to withstand water scarcity events.



Many native plants possess deep root systems that enable them to reach water deep in the ground, enhancing their ability to withstand periods of drought.



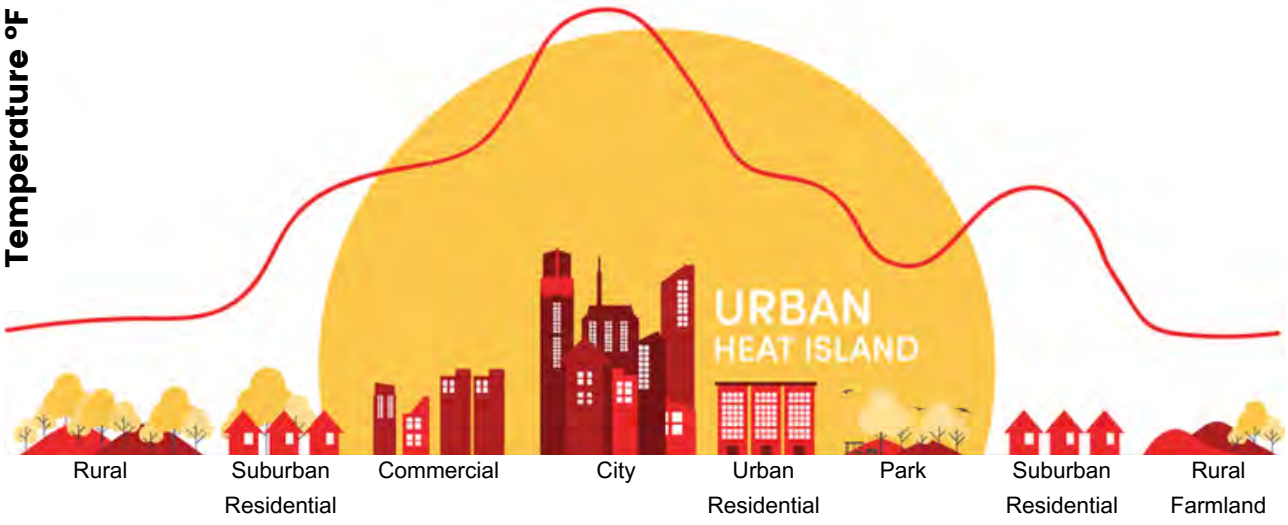
Strategy N2: Urban Greening ★

Strategy N2 Policies	
N2-1	Consider gradually increasing the number of trees in MPK, with an annual tree-planting initiatives.
N2-2	Explore options to enhance green infrastructure, with the aim of improving stormwater capacity during peak rain events, incorporating native plants and habitat restoration measures.

Heat Island Effect

Heat islands are urbanized areas that experience higher temperatures than outlying areas. Structures such as buildings, roads, and other infrastructure absorb and re-emit the Sun's heat more than natural landscapes such as forests and water bodies. Urban areas, where these structures are highly concentrated and greenery is limited, become "islands" of higher temperatures relative to outlying areas. Daytime temperatures in urban areas are about 1–7°F higher than temperatures in outlying areas and nighttime temperatures are about 2-5°F higher. [7]

Figure 22. Heat Island Effect: Temperature Variation by Environment



Source: World Meteorological Organization (WMO) 2020 [7]

As the populations in California's towns and cities continue to increase, the need for urban greening also increases. Adding nature back into the paved and developed environments in which we live, work and play helps to reduce a number of the issues that effect our quality of life. Trees, green roofs, and vegetation can help reduce urban heat island effects by shading building surfaces, deflecting radiation from the sun, and releasing moisture into the atmosphere. This leads to better energy efficiency and conservation, as demonstrated by a decreased need for air conditioning. Green spaces also provide wildlife habitat, promote urban biodiversity, and improve air and water quality by reducing pollutants.

7. https://community.wmo.int/en/activity-areas/urban/urban-heat-island

★ Community Identified Priority

Benefits of Urban Green Spaces

Urban green spaces, such as parks, gardens, and green rooftops, offer a multitude of benefits that enhance the quality of life for residents in cities. These green oases serve as vital respites in urban environments, contributing to both physical and mental well-being. One of the primary advantages is the positive impact on mental health. Spending time in natural environments within urban areas has been linked to reduced stress levels, improved mood, and enhanced cognitive function. The presence of greenery provides a calming effect, helping individuals to disconnect from the fast-paced urban environment and find moments of tranquility.

Moreover, urban green spaces play a crucial role in promoting physical health. They provide opportunities for outdoor activities such as jogging, cycling, yoga, and sports, encouraging people to engage in active lifestyles. This not only fosters physical fitness but also helps combat sedentary habits, which are often associated with urban living. In terms of economic benefits, well-maintained urban green spaces can boost property values and attract businesses and tourists. Access to green areas has been shown to increase property desirability and attract potential residents, ultimately contributing to a more vibrant and attractive urban environment.

Figure 23. The Benefits of Urban Greening



From an environmental perspective, green spaces contribute to biodiversity and ecological balance within cities. They act as habitats for various plant and animal species, supporting local ecosystems and enhancing the urban environment's resilience against pollution and climate change. These areas also help mitigate the urban heat island effect by absorbing heat and reducing surface temperatures, thus contributing to a more sustainable and comfortable urban climate.

Additionally, urban green spaces foster social interactions and community cohesion. They provide places for gatherings, events, and recreational activities, creating opportunities for people from diverse backgrounds to come together and bond. This sense of community and shared space can strengthen neighborhood connections and contribute to a greater sense of belonging and civic pride.

Urban green spaces offer a range of advantages that extend beyond their aesthetic appeal. They enhance mental and physical well-being, support biodiversity, encourage community engagement, and even have economic implications. As Monterey Park continues to grow, investing in and preserving these green havens becomes increasingly important for creating sustainable, livable, and enjoyable urban landscapes.

Did you know...?

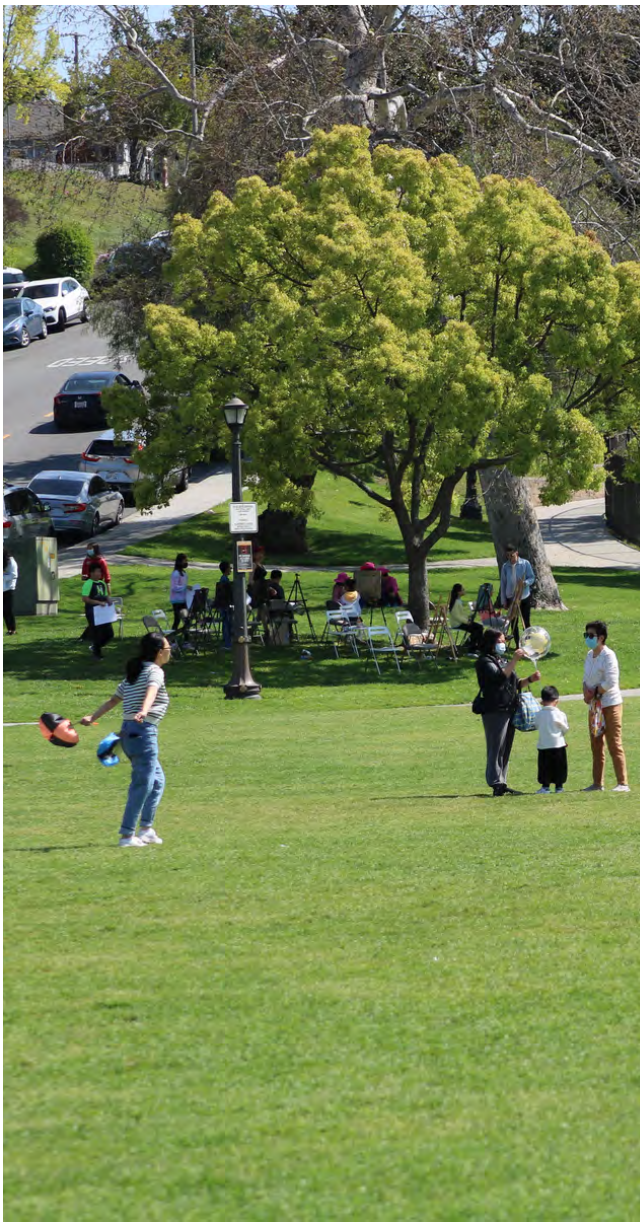
130 different bird species have been seen in MPK!

Strategy N3: Experiences in Nature

Strategy N3 Policies	
N3-1	Foster positive opportunities for the Monterey Park community to engage with the natural world.

Experiencing nature is profoundly beneficial for both human and environmental health, making it an important strategy for fostering more sustainable communities. From a human perspective, connecting with nature provides numerous mental, physical, and emotional advantages. Time spent in natural environments can reduce stress, anxiety, and depression, while boosting mood and overall well-being. It encourages physical activity, which promotes better health and fitness. Additionally, exposure to nature enhances creativity and cognitive function, contributing to a richer and more fulfilling life. Furthermore, it fosters a sense of connection to the environment, raising awareness about the need for its protection and preservation.

In the context of environmental health, embracing and preserving natural spaces within communities is important. Green spaces like parks, forests, and wetlands play a vital role in maintaining ecological balance. They provide habitat for wildlife, support biodiversity, and help mitigate the effects of climate change. Natural areas serve as buffers against floods, improve air and water quality, and reduce urban heat islands. By incorporating these elements into community planning and design, we not only enhance environmental resilience but also contribute to the overall sustainability of our communities. In essence, the well-being of both humans and the environment are deeply intertwined, and experiences in nature serve as a bridge between the two, strengthening the case for more sustainable and eco-conscious communities.



8. https://parkserve.tpl.org/mapping/#/?CityID=0648914

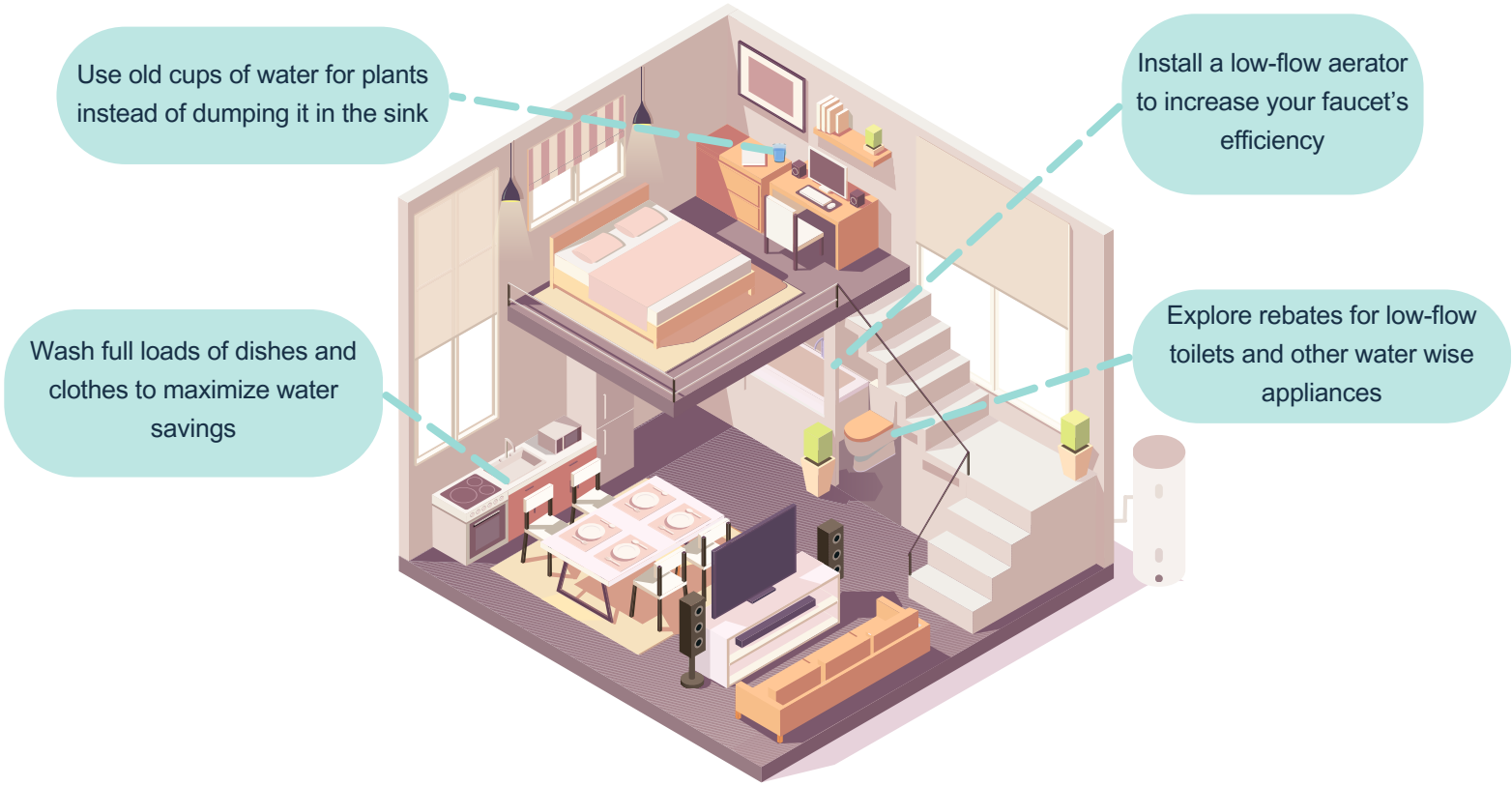


84%

of Monterey Park residents live within a 10-minute walk of a park! [8]

Saving Water & Creating Green Space: What Can I Do Today?

- Design a laundry grey water capture system for your garden irrigation needs.
- Avoid washing your car at home.
- Install a rain barrel at home.
- Replace hard surfaces such as concrete or asphalt with permeable surfaces such as gravel or pavers to capture rainwater and prevent flooding.
- Learn about water-wise gardening practices by attending a LA County Smart Gardening Workshop, frequently held at Garvey Ranch Park, or visit the Monterey Park Demonstration Garden for landscaping inspiration.
- Transform your land into a greenspace by planting native tree and plant species or utilize your space to grow your own food.
- Use the GoMPK app to report dead or unhealthy trees in your neighborhood.
- Plant shade trees around your home or garden.
- Use the Monterey Park Landscaping Guide to choose water-wise plants that will thrive in our City.
- Fix any leaky faucets immediately to reduce unwanted water waste.
- Replace high-consuming lawns with low-water and drought-tolerant vegetation, including California Native plants, grasses, and water-wise succulents.



Review Chapter 14.25 of the Monterey Park Municipal Code for details on water conservation regulations and Chapter 6.31 for Monterey Park's Water Efficient Landscape Ordinance.



5 - Circular Development



What Is Circular Development?

The circular development pathway promotes sustainable waste management options and prioritizes local economies born out of circular development where resources are exchanged, not wasted. Programs under this pathway support economic development while taking into consideration the environmental and social costs of goods and services. These programs can also support sustainable strategies for local businesses. Programs under this pathway take into account not just the GHG emissions from direct sources such as fuel and electricity use, but also the GHG emissions associated with the complete life cycle of the products we use every day. The circular development pathway provides ways that each member of the Monterey Park community can reduce their impact on the world and improve their community at the same time.

Strategy C1: Promote Reduce, Reuse, Repair, and Recovery

Strategy C1 Policies	
C1-1	Explore the procurement of recovered organic waste products for potential use in the City consistent with SB 1383 (2016).
C1-2	Promote the reduction of community waste generation by encouraging residents and businesses to participate in repair and reuse practices.

Senate Bill 1383 (SB1383) is legislation aimed at reducing short-lived climate pollutants, particularly methane and hydrofluorocarbons, by implementing regulations on organic waste disposal, promoting composting, and establishing targets for methane emissions reduction.

"Reduce" refers to the practice of minimizing the generation of waste in the first place. It involves using fewer resources, buying products with less packaging, and being mindful of consumption to reduce the overall volume of waste produced.

"Reuse" involves using items or products again in their current form without any significant alteration. It aims to extend the lifespan of items, reducing the need for new production and consumption.

"Repair" focuses on fixing or restoring items that are damaged or worn, rather than discarding them. This extends the useful life of products and reduces the amount of waste sent to landfills.

"Rot" represents the practice of composting organic waste, such as food scraps and yard debris. Through decomposition, organic matter is turned into nutrient-rich compost, diverting it from landfills and enriching soil.

"Recycle" involves the process of collecting and processing materials to be used as raw materials in the production of new products. Recycling reduces the demand for virgin resources and minimizes the environmental impact of manufacturing.

“Reduce, Reuse, Repair, and Recovery” embodies the principles of a circular economy, offering numerous environmental and economic benefits. These practices reduce resource consumption, waste, and energy use, as well as lower carbon emissions. They encourage a shift away from disposable culture, fostering more mindful and sustainable consumption. Moreover, embracing "reduce reuse, repair, and recover" practices stimulates economic growth by creating jobs and local economic opportunities. These practices help conserve raw materials, contribute to cultural shifts in favor of sustainable consumption, and effectively address issues like electronic waste. Overall, these practices promote resource efficiency, waste reduction, and a more sustainable, resilient future.

While many are familiar with the phrase "Reduce, reuse, recycle," there are two more facets of waste reduction worth learning about: Repair and Rot. These additional strategies play a crucial role in promoting sustainability and reducing the environmental impact of waste. Beyond the five "R's," the list continues to expand: refuse, repaint, repurpose, refurbish, and reclaim, to name a few. Each of these actions offers unique ways to minimize waste, conserve resources, and reduce our ecological footprint, contributing to a more environmentally responsible and resource-efficient lifestyle.

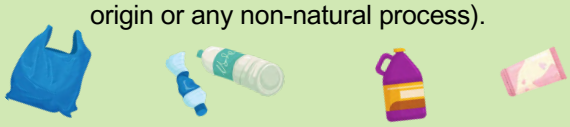
Strategy C2: Reduce Landfilled Waste ★

Strategy C2 Policies	
C2-1	Consider aligning with SB 1383 (2016) organics and recycling requirements, aiming to progressively reduce landfilled organic waste.
C2-2	Strive to meet or surpass the SB 1383 requirement of diverting edible food from the landfill to support food-insecure community members.
C2-3	Closely assess ways to reduce residential and commercial inorganic waste sent to landfills over time, with an aim to achieve gradual reductions.

Organic Waste
All waste of biological origin (which was once alive or part of a living thing).



Inorganic Waste
All waste from non-biological origin (industrial origin or any non-natural process).



Reducing landfilled waste is a crucial strategy for emissions reduction due to its significant impact on greenhouse gas emissions. When organic materials, such as food scraps and yard waste, end up in landfills, they decompose in an anaerobic environment, meaning without oxygen. During this process, they produce methane, a potent greenhouse gas that has a much greater heat-trapping capacity than carbon dioxide. By diverting organic waste away from landfills and into composting or anaerobic digestion systems, the release of methane is minimized.

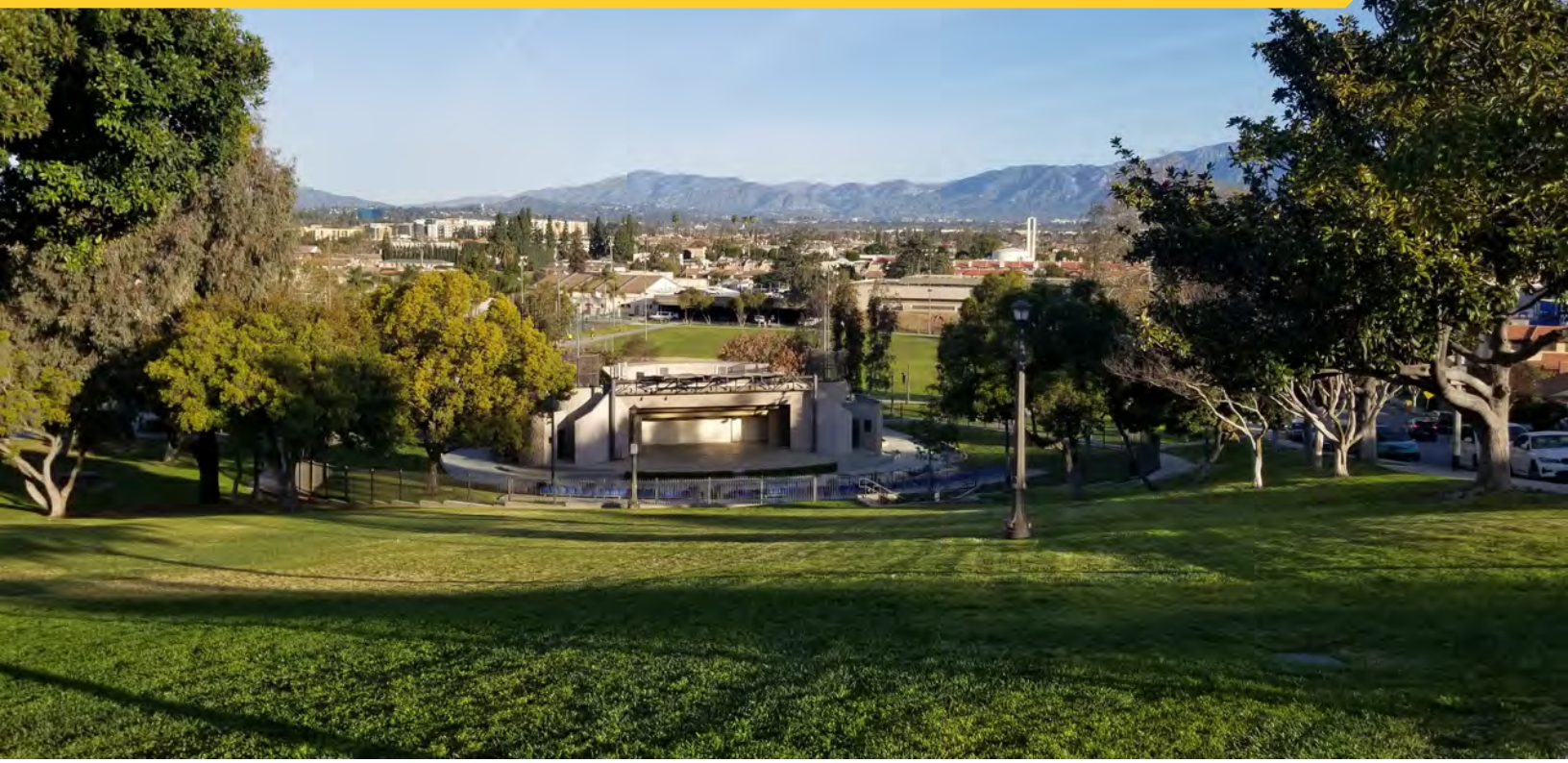
Reducing Waste: What Can I Do Today?

- Visit Monterey Park Public Works Organics Recycling Webpage for the most up to date information on how to sort your food waste for recycling by your local waste collection company.
- Learn how to compost by attending a LA County Smart Gardening Workshop, frequently held at Garvey Ranch Park.
- Visit Monterey Park Public Works How to Recycle Webpage for the most up to date information on recycling in the City.
- Start or join a "Buy Nothing" group online to donate unwanted items directly to individuals who need them.
- Try to buy secondhand items first to save money and keep waste out of landfills.
- When buying something new, buy high quality products that will last.
- Explore methods of repairing clothing and items before replacing them.

★ Community Identified Priority



6 - Resilient Development



What Is Resilient Development?

The resilient development pathway anticipates, prevents, absorbs, and recovers from shocks and stresses, especially those brought about by rapid environmental, technological, social and demographic change. Through this pathway, MPK will make resilience a core part of municipal strategies and prepare for new risks and impacts, taking into account the rights and needs of vulnerable sections of society. Programs under this pathway will continuously strengthen essential systems, alleviating the burden on people and the environment. Resilient development programs pursue a transparent and inclusive approach that will enhance trust in institutions and the processes that support them.

Strategy R1: Extreme Heat Resilience ★

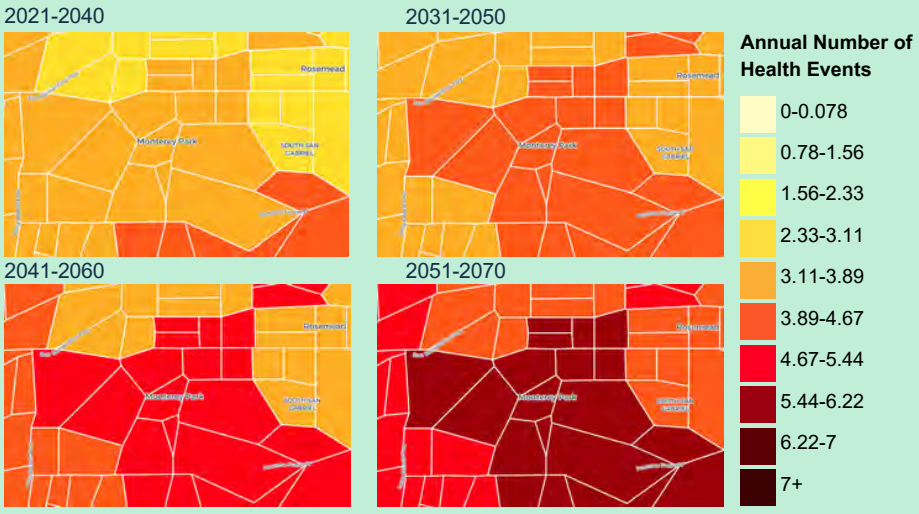
Strategy R1 Policies	
R1-1	Educate the community about the dangers of heat exposure and identify financial and technical resources to reduce impacts of extreme heat on the community.
R1-2	Reduce exposure of the community to extreme heat through a combination of cooling centers, low-cost cooling resources, building weatherization, and increased energy resilience.

Heat Health Events

Heat health events (HHEs), also known as heatwaves or extreme heat events, refer to periods of unusually high and prolonged temperatures that can have significant impacts on human health, infrastructure, and the environment. These events occur when temperatures rise above normal levels for a given region and persist for an extended period, often several days or even weeks. Over the next century, the frequency and intensity of heat health events are projected to increase in Monterey Park. Impacts of heat health events include:

- Health Impacts: Prolonged exposure to high temperatures can lead to various heat-related illnesses, including heat exhaustion, heatstroke, and dehydration. These conditions can range from mild discomfort to life-threatening emergencies, and they may require medical attention.
- Vulnerable Populations: Certain groups of people are more susceptible to the adverse effects of extreme heat, including the elderly, infants, pregnant women, individuals with chronic illnesses, and those who lack access to air conditioning or cool shelter. Social factors such as poverty and isolation can exacerbate these vulnerabilities.
- Impacts on Infrastructure: Extreme heat can damage infrastructure, such as roads, railways, and power grids, as well as reduce the efficiency of public transportation systems. Additionally, buildings not designed to withstand high temperatures may experience structural damage or require increased energy for cooling.
- Economic Consequences: Heat health events can lead to substantial economic losses, including decreased labor productivity, increased healthcare costs, and damage to crops. These financial impacts can be especially burdensome for communities that are already vulnerable.

Figure 24. Projected Annual Heat Health Events in Monterey Park [9]



9. https://www.cal-heat.org/explore

Strategy R2: Climate Change Preparedness

Strategy R2 Policies	
R2-1	Evaluate capacity to respond effectively to emergencies and prepare for unavoidable disasters.
R2-2	Evaluate the ability of the City and its residents to adapt to climate change impacts.

Strengthening the capacity to respond effectively to emergencies and preparing for the unavoidable disasters brought about by climate change is a central component of climate change preparedness. As the impacts of climate change continue to escalate, leading to more frequent and severe weather events, the need for robust emergency response and disaster preparedness has become increasingly crucial. This approach encompasses a multifaceted strategy.

First and foremost, early warning systems must be established and improved to provide communities with timely information about impending climate-related threats, such as hurricanes, floods, and wildfires. These warnings play a vital role in helping communities prepare, evacuate, if necessary, and reduce the risk of loss of life and property.

Equally important is the need to ensure that critical infrastructure, including transportation networks, power grids, and water supply systems, is resilient to climate-related threats. This enhances the ability to withstand disruptions during and after disasters, allowing for quicker recovery.

Engaging the community in emergency response planning is another vital element. Involving residents in disaster preparedness initiatives, such as developing evacuation plans, organizing neighborhood watch programs, and fostering a sense of shared responsibility, can significantly enhance overall resilience.

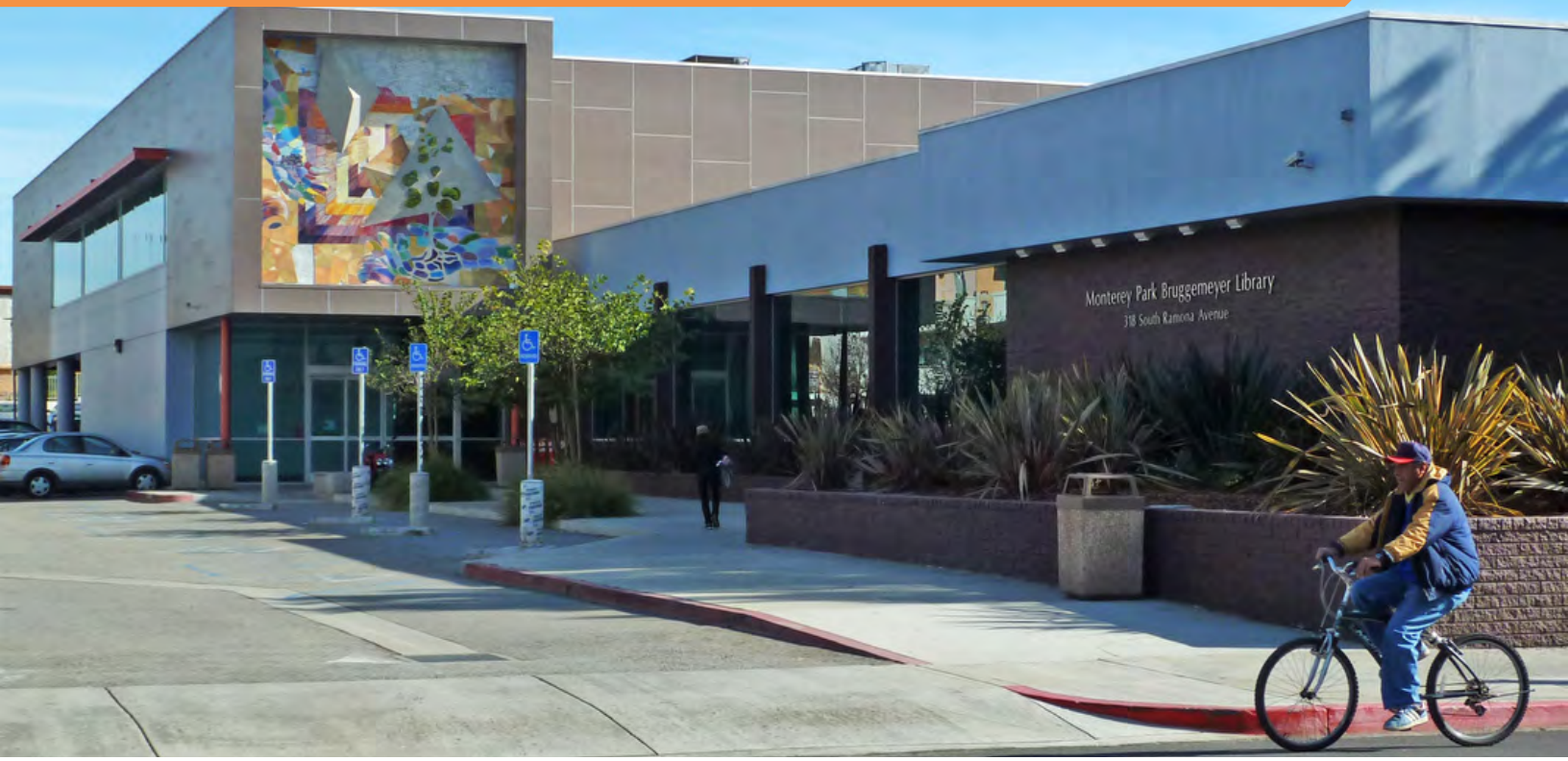
Furthermore, the healthcare system and social services must be adequately prepared for the increased demands that climate-related emergencies impose. Healthcare facilities need to be resilient, and communities should have access to necessary social services and mental health support.

Sustainable natural resource management practices, such as forest management to reduce wildfire risk, can also help mitigate the severity of climate-related disasters. Additionally, the development of comprehensive disaster recovery plans, which include access to financial resources and assistance programs, ensures that communities can rebuild effectively in the aftermath of a climate-related disaster.

Education plays a crucial role in this process, as educating the public about climate resilience, disaster preparedness, and the risks associated with climate change is essential. An informed and prepared community is better equipped to respond to emergencies effectively.

Finally, recognizing the global nature of climate change, international cooperation is paramount. Climate-related emergencies often transcend national borders, making collaboration between nations vital. Sharing resources, expertise, and collective efforts can significantly improve preparedness and response in the face of climate-related disasters.

7 - Equitable Development



What Is Equitable Development?

Equitable and people-centered development builds more just, livable, and inclusive urban communities and addresses poverty. Through this pathway, Monterey Park will pursue processes that support inclusive development for all that safeguard the natural support systems for human life. Programs under this pathway will ensure that the natural and built environment in and around cities improves livability and safety, promotes human health, and mitigates disease. These programs will pursue secure and safe access to food, water, energy and sanitation for all, and clean air and soil. They create and sustain human-centered, safe, socially, and culturally cohesive communities, where diversity and distinct identities are woven into the social fabric.

What Is Equity?

For this Plan, equity refers to the concept of fairness and justice in the distribution of resources, opportunities, and benefits within a society. In the context of a city, equity means ensuring that all residents, regardless of their background or circumstances, have access to the same opportunities and benefits.

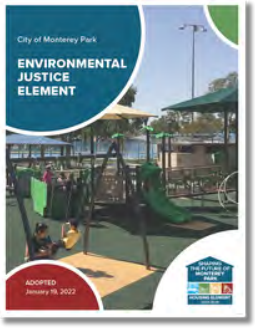
Equity vs Equality

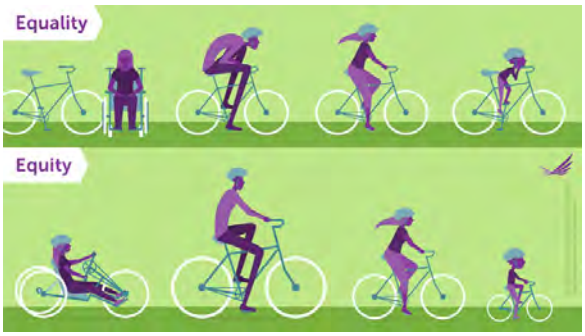
Equality and equity are related concepts but differ in their approach. Equality aims to treat everyone the same way, providing equal resources or opportunities to all individuals. In contrast, equity recognizes that not everyone starts from the same place and seeks to address historical and systemic disparities. Equity involves tailoring resources and support to meet the unique needs of different groups, thereby striving for equal outcomes.

Environmental Justice

Environmental justice is a concept within the broader framework of equity that focuses specifically on the fair treatment and distribution of environmental benefits and burdens, particularly in the context of communities that have historically been marginalized or disadvantaged. In the context of equity, environmental justice includes:

- Fair Treatment: Environmental justice demands that all individuals, regardless of their race, ethnicity, income level, or socioeconomic status, should have equal protection under environmental laws and regulations. It advocates for the fair distribution of environmental benefits, such as access to clean air, water, and green spaces, as well as the fair allocation of resources for environmental protection.





- Equitable Distribution of Environmental Burdens: Environmental justice addresses the disproportionate burden of pollution, environmental hazards, and negative impacts of climate change faced by certain communities, often low-income and minority populations, calling for the fair distribution of these burdens to prevent any group from unfairly enduring higher pollution levels or environmental risks.
- Community Empowerment: Environmental justice underscores involving affected communities in decision-making processes regarding environmental policies and projects, recognizing their valuable insights into unique environmental challenges and the need for their input in shaping solutions.
- Historical Context: Environmental justice acknowledges historical injustices, such as redlining, discriminatory zoning, and other policies that systematically disadvantaged certain communities, leading to the unequal distribution of environmental benefits and burdens. It aims to rectify these historical inequities by addressing past and present environmental injustices.

In summary, environmental justice is a critical component of equity, focusing specifically on ensuring that all individuals and communities, especially historically marginalized ones, have equal access to a clean and healthy environment and are not disproportionately burdened by environmental hazards. It seeks to rectify past injustices and promote fairness in environmental decision-making and resource allocation.

Strategy E1: Foster Community Engagement

Strategy E1 Policies	
E1-1	Conduct meaningful community engagement on implementation of sustainable development projects and foster community-led decision-making.
E1-2	Consider increasing access to technical, financial, and educational resources to facilitate community implementation of sustainable practices.

Community engagement is essential for cities in their efforts to mitigate climate change. As urban areas are significant contributors to greenhouse gas emissions, it is crucial to involve local residents in these initiatives. Engaging communities empowers individuals to contribute their insights and innovative ideas, fostering customized solutions. Moreover, community involvement can drive behavioral changes, promote social cohesion, and enhance the city's overall resilience.

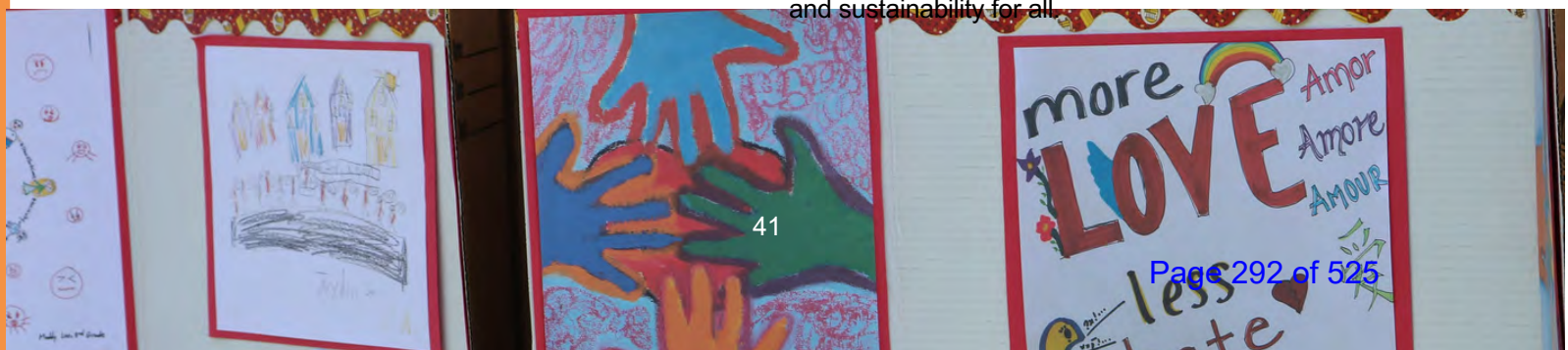
Local knowledge and expertise can be harnessed to develop effective climate strategies, while accountability is increased when city officials work closely with the community. Sustainable, long-term change is more likely to be achieved with ongoing support from engaged residents. Additionally, community engagement can facilitate resource mobilization, with volunteers, businesses, and organizations contributing their time and resources to climate projects, ensuring the City's sustainability efforts are well-supported and effective.

Strategy E2: Promote and Advance Equitable Spaces

Strategy E2 Policies	
E2-1	Promote affordable housing opportunities that connect residents to community services and improve quality of life.
E2-2	Evaluate health outcomes by providing residents with equitable access to public spaces and health services.
E2-3	Encourage community garden programs at schools, non-profit organizations, and religious entities to increase urban access to local food and greenspaces.

Equitable spaces are integral to effective climate mitigation efforts. Climate change disproportionately impacts vulnerable and marginalized communities, worsening existing inequalities. Failing to consider equity in climate action can lead to further disparities in access to resources, health, and economic opportunities. Equitable spaces emphasize fairness, justice, and inclusivity, distributing the burden of climate impacts and the benefits of mitigation policies more fairly.

They promote social justice by addressing the disproportionate effects on disadvantaged groups, ensuring inclusive decision-making, and fostering public health outcomes. Additionally, equitable spaces open doors to new economic opportunities in green industries, enhance community resilience, and contribute to long-term climate success. Moreover, they set an example for global collaboration by recognizing the interconnected nature of climate challenges. In essence, prioritizing equity in climate mitigation is essential for ensuring fairness, justice, and sustainability for all.



Strategy E3: Build a Strong, Connected Community ★

Strategy E3 Policies	
E3-1	Evaluate capacity for the City and community to implement climate action and better withstand climate shocks and stresses.

Strong community connections can play a pivotal role in enhancing resilience to the growing challenges posed by climate change. In a closely-knit community, people are more likely to come together in times of crisis, whether it's extreme weather events, flooding, or other climate-related emergencies. These connections facilitate the sharing of information and resources, ensuring a more coordinated response to these challenges.

A connected community is more adept at implementing sustainability initiatives, like reducing waste, conserving energy, and promoting environmentally friendly practices. By working together, residents can collectively adopt strategies to mitigate climate change, such as reducing greenhouse gas emissions through shared transportation options and energy-efficient practices. These initiatives can help the community become more resilient to the impacts of climate change, making it better prepared to adapt and recover from climate-related events.

Strategy E4: Equitably Distribute Costs and Benefits of Climate Action

Strategy E4 Policies	
E4-1	Consider investing in and prioritizing climate action implementation for historically underinvested communities.

Prioritizing climate action implementation in historically underinvested communities is an important step toward equitably distributing the costs and benefits of climate action. These communities have often experienced the greatest impact of environmental and climate-related challenges, experiencing higher levels of pollution, limited access to clean resources, and heightened vulnerability to climate impacts. By directing climate initiatives toward these areas, several key objectives are achieved. Firstly, it addresses environmental injustices by ensuring that historically marginalized communities gain access to cleaner air, water, and a healthier environment.

Secondly, it enhances resilience to climate impacts, safeguarding vulnerable populations from extreme weather events and other risks. Additionally, investing in these communities stimulates economic development, job creation, and poverty reduction, thereby distributing the economic and social benefits of climate action more equitably. Community engagement and participation in decision-making processes empower residents and lead to more effective and sustainable climate solutions. Lastly, it can positively impact public health and overall well-being, reducing healthcare costs and improving residents' quality of life.

★ Community Identified Priority

8 - Implementation & Monitoring



How Will The Plan Be Used?

The City of Monterey Park developed the Sustainability Plan to be a visionary roadmap to both decrease GHG emissions and improve overall resilience to climate change. The timelines, anticipated costs, legislative environment, and benefits assumed in this plan will continue to evolve as new information and opportunities become available. Therefore, this Plan should be viewed as a strategic framework that will be reevaluated over time. This chapter describes the priority areas on which the City should focus during the first five years of the Plan implementation. While other actions will likely be implemented as opportunities arise, the City should focus its resources on these foundational actions. Together, these actions will help reduce GHG emissions, improve resilience, spark innovation and collaboration, and engage the community.

Implementation

The Sustainability Plan outlines a series of strategies and policies designed to reduce greenhouse gas (GHG) emissions in alignment with the State's goals. Implementation is anticipated to occur between 2024 and 2045. However, a key purpose of this Plan is to identify and prioritize key measures and actions to be implemented in the near term (2024 – 2029) that are most impactful at to reduce GHG emissions.

Given the extended implementation period, policies may evolve as the City tracks progress, adapts to new technologies and legislation, and identifies funding opportunities for additional GHG emissions reduction and climate adaptation initiatives.

Building on Past Success

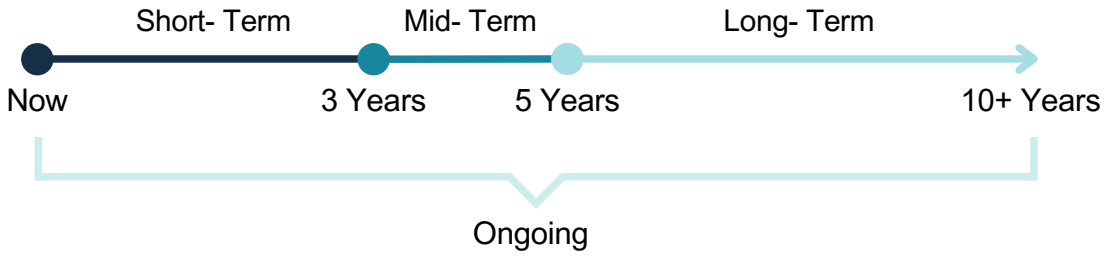
Monterey Park's 2012 Climate Action Plan (CAP) set targets to achieve GHG emission reductions in line with the 2020 State target (Assembly Bill 32). Since that time, the State of California has exceeded AB 32 targets returning to 1990 emissions levels in 2016, four years ahead of the AB 32 target. The City also adopted a new Healthy and Sustainable Community Element in the City's General Plan, retrofitted City facilities with solar panels and LED lighting, added three full service Compressed Natural Gas (CNG) buses to their public transit fleet, and adopted a water conservation ordinance. The Plan builds upon these initiatives from the 2012 CAP and includes a broad range of new initiatives that extend beyond climate mitigation efforts, such as incorporating adaptation and social equity strategies, increasing community connectivity, and improving GHG emissions reduction tracking mechanisms.

The Plan also fosters long-lasting and meaningful partnerships between the City, local partners, community leaders, and the larger community to confront climate change. Implementation of the Plan will help reduce GHG emissions, improve adaptation, and spark innovation and collaboration, all while engaging the community.

Looking Towards the Future

When implemented, strategies and policies outlined in the Plan (see Chapters 3-7) will help the City make substantial progress towards their GHG emission reduction and climate equity goals. The Plan builds on the foundation established in the 2012 CAP by identifying a suite of impactful policies and establishing a clear implementation plan which will transform strategies into on-the-ground programs and projects with real GHG reduction and climate resilience impacts. The policies focus on deep decarbonization within the built environment and transportation sector, promoting and advancing equitable development, and building adaptation to climate change impacts like extreme heat. Notable policies in the Plan include rapidly transitioning City electricity consumption to renewable or carbon-free energy sources, greatly expanding electric vehicle infrastructure, increasing the capacity of cooling centers, installing backup power sources, and creating educational programs/resources regarding climate change.

Figure 25. Policy Implementation Phasing



Phasing

To achieve significant GHG emission reductions, Monterey Park should begin implementing the strategies and policies as soon as possible to make real progress over the next decade. As depicted in Figure 22, the Plan takes a phased approach to implementation:

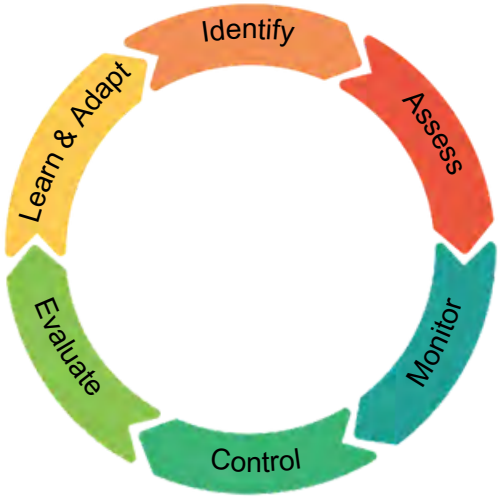
- Phase 1: Policies which will be implemented in the short-term, over the next three years (2024-2027)
- Phase 2: Policies which will be implemented in the mid-term, over the next five years (2024-2029)
- Phase 3: Policies which will be implemented in the long-term, over the next 10+ years (2024-2034)

Planning

The climate action planning process is a dynamic and iterative cycle designed to address the challenges of climate change. It involves six key steps: Identify, Assess, Monitor, Control, Evaluate, and Learn & Adapt.

1. Identify: In the initial phase, stakeholders identify and analyze potential climate-related risks and opportunities. This includes recognizing greenhouse gas emissions sources, vulnerable areas, and potential areas for mitigation and adaptation measures. Stakeholders may include government bodies, community representatives, and experts in climate science and policy.

Figure 26. Climate Planning Process



2. Assess: This step involves evaluating the current state of greenhouse gas emissions, vulnerability of communities, and the effectiveness of existing policies. The assessment provides a foundation for developing targeted strategies.
3. Monitor: Ongoing monitoring is crucial to track the implementation of climate actions and assess their effectiveness. This involves the regular collection of data on greenhouse gas emissions, climate-related impacts, and the progress of implemented measures. Monitoring allows for real-time adjustments and ensures that actions are aligned with the overarching goals.
4. Control: With the information gathered through monitoring, stakeholders implement control measures to manage and mitigate climate-related risks. This step involves the execution of planned interventions, such as introducing renewable energy initiatives, improving infrastructure resilience, and implementing sustainable practices.
5. Evaluate: Regular evaluations are conducted to measure the success and efficiency of implemented measures. This involves assessing the impact on emissions reduction, community resilience, and overall climate goals. Evaluation results help stakeholders understand what works well, what needs improvement, and where adjustments are required.
6. Learn & Adapt: Learning from both successes and challenges is integral to the climate action planning process. Stakeholders use evaluation findings to adapt strategies, improve policies, and enhance resilience. This step ensures that the planning process remains flexible and responsive to changing climate conditions, emerging technologies, and evolving community needs.

This cyclical approach promotes continuous improvement, allowing communities to respond effectively to the dynamic nature of climate change and its associated challenges. Through each iteration of the cycle, stakeholders refine their understanding and response to climate issues, fostering a more sustainable and adaptive community over time.

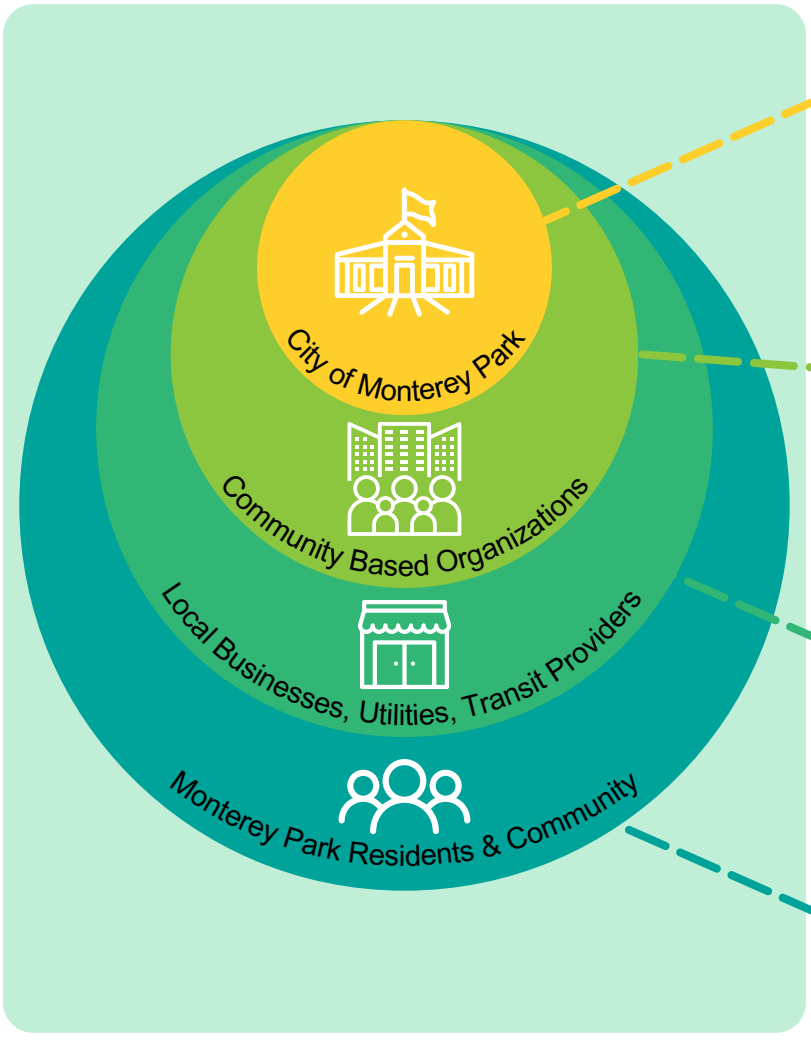


The Team

To successfully reduce GHG emissions and achieve climate adaptation goals, everyone in the community must be involved. The City can introduce new services and technologies, from organic waste diversion pathways and EV charging infrastructure to implementing public transit programs and coordinating environmental justice outreach, but success depends on community adoption and collaboration. Achieving meaningful progress towards reducing our GHG emissions and furthering adaptation practices starts with City leadership, through policies, education, and investments that act as catalysts for change throughout the broader community.

Valued partners in the community, including San Gabriel Valley Council of Governments (SGVCOG), Southern California Edison, other local utilities, and various community-based organizations, will provide support for these policies with programs and incentives. Partnerships can more effectively help businesses and residents leverage programs and incentives to work together to reduce environmental impact, adapt quicker to climate change, and decrease GHG emissions. As policies and programs evolve, City staff will continue to engage the community, provide progress updates, and create ongoing opportunities to solicit community feedback.

Figure 27. Community Roles in Climate Action



The City will create educational campaigns to communicate Plan goals, progress, and incentives for implementation.

Local and regional organizations will help institute adoption and behavioral changes, and provide input to the City on community priorities and needs.

External entities and local businesses will help to develop and build new services and update skills in the marketplace to address new technologies and communicate updates and benefits to the wider community.

The broader community will adopt new technologies and behaviors, utilize programs and incentives, and benefit from a cleaner environment. Monterey Park residents will also communicate benefits out to friends, family, and colleagues, maximizing the “ripple effect.”

City Leadership

Implementation and monitoring is central to the success of any plan in achieving GHG reduction targets and increasing adaptation to climate change. Implementation planning involves identifying responsible parties for implementation. Several departments within the City of Monterey Park will play a key role in the Plan's implementation and monitoring. Responsible parties are listed and described below.

City Manager's Office

The City Manager's Office serves as the chief executive officer of the City under the direction of the City Council. In this capacity, the City Manager's Office provides and oversees overall direction and coordination of city operations, continual monitoring and evaluation of services and programming to ensure their relevance with community needs, procurement of available grant funds to achieve special projects, and new commercial and industrial development.

Community Development

The Community Development Department is comprised of the Building and Safety, Planning, and Economic Development divisions. This Department maintains the City's physical environment through the effective and efficient use of the City's legislative mandates, including maintaining the General Plan, zoning, and building, which provide a solid foundation for an excellent quality of life for the community. Additionally, this Department is responsible for encouraging business investment opportunities and job creation, expanding the City's tax base, supporting business attraction and retention activities, and assisting business building efforts through innovative and implementable approaches that advance inclusion, diversity, and accessibility.

This Department will play a key role in developing energy ordinances, efforts to update or adopt climate-friendly building codes, efforts to equitably distribute costs and benefits of climate action in the procurement of grants for GHG emissions reduction projects and tracking and monitoring progress of the Plan.

Police

The Police Department has the primary responsibility of providing for the maintenance of social order within carefully prescribed ethical, legal, and constitutional restrictions. Its objective is the prevention of crime, detection and investigation of criminal conduct, and the apprehension of violators. This department will also play a key role in increasing the community's capacity to respond effectively to emergencies and prepare for unavoidable disasters, and help to enforce safety guidelines as part of active transportation plans.

Human Resources

The Human Resources Department is responsible for personnel matters affecting all city departments. Human resources serves as an internal consultant helping other city departments recruit and retain the best possible workforce, onboarding and training new employees, ensuring a fair and equitable system of personnel management, and resolving employee relations problems. This department will play a key role in community engagement training for City staff, understanding the liability of specific projects outlined in the Plan's measures and actions and updating and monitoring the City's rideshare policy to encourage increased active and public transit mode share.

Library

The Library Department provides informational, educational, and recreational materials and resources in a variety of formats to meet the needs of the community. The Library Department also collects and preserves historical documents, papers, photographs, and other memorabilia. The Library also partners with community based organizations to provide valuable services to members of the Monterey Park community including career resources, health programing, and legal assistance. This department will play a key role in helping provide information for extreme heat and other climate change education programs.

Recreation and Community Services
The Recreation and Community Services Department is responsible for the development, implementation, coordination, and delivery of recreational and leisure time activities. The programs are to promote the well-being and enjoyment of life for the City's residents through the fulfillment of their recreational, cultural, social, and educational needs. This Department will play a key role in community education and outreach, and partnering with community-based organizations and local utilities to ensure equitable transition to clean energy and other low emission opportunities. The Recreation and Community Services Department will also play a key role in assessing the effectiveness of current City cooling centers in serving the needs of vulnerable populations.

Public Works
The Public Works Department is responsible for providing and maintaining the City's infrastructure in a manner that ensures the health, safety, and welfare of the City's residents and visitors. This includes the planning, design, construction, repair and maintenance of City vehicles and equipment, and operations of public land in parks, roadways, sidewalks, public buildings, and sewer systems. This department will play a key role in developing active transportation infrastructure, nature-based solutions to climate change (e.g., Tree Master Plan, green stormwater infrastructure), and implementing programs like the Urban Water Management Plan's water conservation program.

Finance
The Finance Department works to preserve a strong financial condition by creating responsible financial strategies, effectively managing the City's resources, and providing analysis and recommendations that ensure optimal economic outcomes. The Finance Department also oversees and maintains the City's information systems and communication systems. Additionally, the Housing Division of this Department administers affordable housing. The Finance Department will play a key role in identifying funding and pathways for projects outlined in the Plan's measures and actions.

Fire
The Fire Department is responsible for providing quality emergency, preventative, and risk reduction activities to the community. Personnel are also responsible for risk identification, public education, safety education, code enforcement, increased Community Emergency Response Teams ("CERT") training, and fire investigation activities. The Fire Department is also responsible for developing the Local Hazard Mitigation Plan. This department will play a key role in working with Public Works to ensure electrification strategies are safe and equitably available and increasing the community's capacity to respond effectively to emergencies and prepare for unavoidable disasters.

Conclusion

In conclusion, while effective city leadership plays a pivotal role in steering the course toward sustainability, the success of our Sustainability Plan ultimately hinges on the active involvement and commitment of our community. City leaders provide the vision and framework, but it is through collective community support and participation that we will witness the tangible impact of emission reductions and the widespread adoption of sustainable practices. The synergy between leadership and community engagement creates a powerful force for positive change, fostering a resilient and environmentally conscious city for generations to come. Together, as stewards of our shared future, we have the opportunity to build a sustainable legacy that reflects the values and aspirations of our vibrant community.



9 - Acronyms & Abbreviations



Technical Language In The Plan

In the spheres of scientific and technical discourse, the frequent utilization of acronyms and abbreviations is customary for conciseness and precision. This section serves as an essential reference, providing definitions for the shorthand expressions encountered throughout the Sustainability Plan chapters. Whether you are a seasoned professional or a newcomer, familiarizing yourself with this table will enhance your comprehension of key terms in fields such as environmental science, technology, and climate change discussions.

AB	Assembly Bill
BAU	Business as usual
CalRecycle	California Department of Resource, Recycling, and Recover
Caltrans	California Department of Transportation
CAP	Climate Action Plan
CARB	California Air Resources Board
CEC	California Energy Commission
CH_4	Methane
CIP	Capital Improvement Project
CNG	Compressed Natural Gas
CO_2	Carbon dioxide
CO_2e	Carbon dioxide equivalent
DOT	Department of Transportation
EO	Executive Order
EV	Electric Vehicle
GHG	Greenhouse Gas
GWP	Global Warming Potential
HFCs	Hydrofluorocarbons
ICLEI	International Council for Local Environmental Initiatives

IPCC	United Nations Intergovernmental Panel on Climate Change
kW	Kilowatt
MT	Metric Ton
MT CO_2e	Metric tons of carbon dioxide equivalent
NASA	National Aeronautics and Space Administration
N_2O	Nitrous oxide
PFCs	Perfluorocarbons
PV	Photovoltaic
RCP	Representative Concentration Pathway
RPS	Renewable Portfolio Standard
RTP	Regional Transportation Plan
SCAG	Southern California Association of Governments
SB	Senate Bill
SF_6	Sulfur hexafluoride
TOD	Transit Oriented Development
US EPA	United States Environmental Protection Agency
VMT	Vehicle Miles Traveled
ZEV	Zero Emission Vehicle

Glossary

Term	Definition
Active Transportation	A means of transportation that is powered by human energy, for example walking or biking.
Adaptation	Adjustment or preparation of natural or human systems to a new or changing environment which moderates harm or exploits beneficial opportunities.
Anthropogenic	Made by people or resulting from human activities; usually used in the context of emissions that are produced as a result of human activities.
Atmosphere	The envelope of gases surrounding the Earth; the gases that make up the atmosphere primarily include nitrogen (78%) and oxygen (21%), as well as argon, helium, carbon dioxide, methane, and water vapor in trace amounts.
Backup Power	Any device that provides instantaneous uninterruptible power, for example, a battery or generator.
CALGreen	An abbreviated reference to the California Green Building Standards code, which sets minimum requirements for sustainable practices for construction (residential and commercial) projects throughout the state. It is updated every three years in accordance with the building cycle.
CALGreen Tier 1 & 2	Requirements beyond the mandatory policies laid out by CALGreen: Tier 1 adds additional requirements to the mandatory sustainability requirements, and Tier 2 further increases those sustainability requirements
CalRecycle	Agency that administers and provides oversight for all of California's state-managed non-hazardous waste handling and recycling programs.
California Air Resources Board (CARB)	The lead agency for climate change programs that also oversees all air pollution control efforts in California to attain and maintain health-based air quality standards.
California Building Standards Commission (CBSC)	The Commission is charged with administering California's building code adoption process, coordinating and managing the model code adoption process for state agencies, and reviewing and approving building standards adopted by state agencies, among other duties.
Carbon-free Energy	Energy produced by a resource that generates no carbon emissions, for example, wind power.
Climate Action Plan	A strategic roadmap outlining specific measures and policies to reduce greenhouse gas emissions and enhance resilience to climate change impacts.
Carbon-neutrality/Net-Zero Emissions	Balancing anthropomorphically generated emissions out by removing GHGs from the atmosphere in a process known as carbon sequestration.

Carbon Sequestration	The long-term storage or capture of carbon dioxide and other forms of carbon from the atmosphere through biological, chemical, and physical processes.
Clean Power Alliance (CPA)	A not-for-profit renewable energy provider across Los Angeles and Ventura Counties. The CPA is an administrator of the Community Choice Aggregation (CCA) program. A CCA program permits cities, counties, or other authorized entities like Community Choice Aggregators to purchase and or generate electricity for residents and businesses located within the boundaries of the jurisdiction.
Climate Hazard	A potential occurrence of climate related physical events or trends that may cause damage and loss.
Climate	The average of weather patterns over a long period of time (usually 30 or more years).
Climate Change	A change in the average conditions — such as temperature and rainfall — in a region over a long period of time.
Compressed Natural Gas (CNG)	CNG is primarily composed of methane and is stored under high pressure, making it suitable for use in vehicles and industrial processes as a sustainable and low-emission energy source.
Community Based Organization (CBO)	A public or private nonprofit organization that is representative of the community or specific segments of a community, and provides educational or outreach services to the community.
Commercial Vehicle	A vehicle which is used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property (for example, trucks and pickups).
Complete Streets	Are designed and operated to enable safe use and support mobility for all users. Complete Streets approaches address a range of elements including sidewalks, bicycle lanes, bus lanes, public transportation stops, and median islands.
Decarbonization	Replacing technologies and services that run on fossil fuels (ex. natural gas) with ones that run on zero-carbon sources of energy (for example electricity from renewable energy like solar or wind power), ideally from renewable sources.
Disadvantaged Communities	Areas which suffer disproportionately from a combination of economic, health, and environmental burdens (e.g., poverty, high unemployment, air and water pollution, presence of hazardous wastes, as well as higher rates of asthma and heart disease).
Emissions	The release of a substance (usually a gas when referring to the subject of climate change) into the atmosphere.
Environmental Justice	The fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies.

Electric Vehicle (EV)	A vehicle that uses one or more electric motors or traction motors for propulsion.
Electrification	Replacing technologies or processes that use fossil fuels, like internal combustion engines and gas boilers, with electrically-powered equivalents, such as electric vehicles or heat pumps. These replacements are typically more efficient, reducing energy demand, and have a growing impact on emissions as electricity generation is decarbonized.
Energy Storage	Can provide frequency regulation to maintain balance between the network's load and detected power generated, achieving more reliable power supplies. Batteries are an example of energy storage.
Fossil Fuel	A general term for fuel formed from decayed plants and animals that have been converted to crude oil, coal, natural gas, or heavy oils by exposure to heat and pressure in the Earth's crust.
Greenhouse Gas (GHG)	A gas that absorbs infrared radiation, traps heat in the atmosphere, and contributes to the greenhouse effect.
Global Warming Potential (GWP)	Total contribution to global warming resulting from the emission of one unit of that gas relative to one unit of the reference gas, carbon dioxide, which is assigned a value of 1.
Greywater	Greywater refers to water that has been used domestically, commercially, and industrially.
Global Warming Potential (GWP)	A measure of how much heat a greenhouse gas traps in the atmosphere over a specific time period, relative to carbon dioxide
Local Governments for Sustainability (ICLEI)	A global network of more than 1,750 local and regional governments committed to sustainable urban development – emissions estimates were calculated using ICLEI's best available methodologies.
Intergovernmental Panel on Climate Change (IPCC)	The United Nations body for assessing the science related to climate change.
Major Renovation	50% or more of the property area renovated
Mitigation	An action that will reduce or prevent greenhouse gas emissions, such as electrifying buildings that previously ran on natural gas.
Organic Material	Natural or organic materials, for example food scraps and yard waste.
Photovoltaic (PV)	Relates to the production of electric current at the junction of two substances exposed to light (e.g. solar energy).

Renewable Energy	Energy derived from natural sources that are replenished at a higher rate than they are consumed (ex. wind, biomass).
Resilience	Ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate.
Sequestration	The storage of carbon in plants or materials so that it cannot enter the atmosphere and cause additional warming.
Transportation Demand Management (TDM)	Transportation Demand Management focuses on how people make their transportation decisions, and facilitates greater usage of infrastructure for transit, ridesharing, walking, biking, and telework.
Transit Oriented Development	A type of urban development that maximizes the amount of residential, business and leisure space within walking distance of public transport.
Vehicle Miles Traveled (VMT)	The amount of total miles traveled by motor vehicle that are generated over a population over a given timeframe (Ex. 1 year).
Weather	The state of the atmosphere over a short period of time (usually an hour or day), describing if it is hot or cold, wet or dry, calm or stormy, clear or cloudy, etc.
Xeriscaping	A landscaping approach that focuses on water conservation by using drought-resistant plants and efficient irrigation techniques to create environmentally sustainable and water-efficient gardens.
Zero-Emissions-Vehicle	A vehicle that never emits exhaust gas from the onboard source of power.
Zero Waste	The conservation of all resources by means of responsible production, consumption, reuse, and recovery of materials and packaging, without burning, and with no discharges to land, water, or air that threaten human health.

10 - Appendix A: Regulatory Framework



State Climate Action History

California is a leader in championing legislation aimed at reducing the California's GHG emissions and adapting to a changing climate. California's first legislation that addressed climate change was in 1988, when Assembly Bill 4420 directed the State to prepare a GHG inventory to study the impacts of climate change. Since then, California's governors have issued several executive orders, and California's legislature has adopted numerous laws to assess climate change, analyze and reduce GHG emissions, and identify and prepare for the impacts of climate change.

Greenhouse Gas Emission Reduction

AB 32, the Global Warming Solutions Act- 2006

Assembly Bill 32 codified greenhouse gas reduction strategies, requiring California to reduce statewide GHG emissions to 1990 levels by 2020. The state achieved its 2020 GHG emissions reductions target of returning to 1990 levels in 2016, 4 years earlier than mandated by AB 32.

AB 802, the Building Energy Benchmarking Program - 2015

Requires building owners to benchmark their building's energy usage and report it to the State of California. This is known as an "Energy Benchmark". The State will then publish this data online so that owners can see how each building compares to its peers. The Building Energy Benchmarking Program requires owners of large commercial and multifamily buildings to report energy use to the California Energy Commission by June 1 annually.

SB 32, the Global Warming Solutions Act- 2016

Senate Bill 32 extended the strategies of AB 32 and set a 2030 strategy of reducing emissions 40 percent from 1990 levels

SB 375, the Sustainable Communities and Climate Protection Act-2008

Senate Bill 375 builds from AB 32 and aims to reduce GHG emissions by linking transportation funding to land use planning. It requires metropolitan planning organizations to create a sustainable communities strategy (SCS) for reducing urban sprawl in their regional transportation plans. Each SCS will demonstrate strategies the region will use to achieve the GHG emissions reduction target set by CARB for 2020 and 2035.

AB 1279, the California Climate Crisis Act- 2022

AB 1279 codified the statewide carbon neutrality, requiring California to reach carbon neutrality no later than 2045.

Renewable Energy Procurement

SB 350, the Clean Energy and Pollution Reduction Act-2015

Established clean energy, clean air, and greenhouse gas reduction strategies, including reducing GHG to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050.

SB 100, the 100 Percent Clean Energy Act- 2018

Established a landmark Measure requiring renewable energy and zero-carbon resources supply 100 percent of electric retail sales to end-use customers by 2045.

Sustainable Transportation Planning

SB 1, the Road Repair and Accountability Act-2017

Transportation funding legislation that increases the state's gasoline tax by $0.12 per gallon, raising over $5 billion per year for transportation projects including improvements in efficiency and emission reduction.

SB 375, the Sustainable Communities and Climate Protection Act-2008

Transportation planning legislation setting regional greenhouse gas emission reduction targets for passenger vehicles and requiring agencies to assess and mitigate the vehicle miles traveled (VMT) impacts of new developments.

Community Air Protection

AB 617, Community Air Protection Program-2017

Air quality legislation that increases air monitoring requirements and penalties for polluters who exceed limitations in vulnerable communities.

Disadvantaged Community Benefits

SB 535, the Greenhouse Gas Reduction Fund -2012

Established initial requirements for minimum funding levels to "Disadvantaged Communities" (DACs). The legislation gives CalEPA the responsibility for identifying those communities, stating that CalEPA's designation of disadvantaged communities must be based on "geographic, socioeconomic, public health, and environmental hazard criteria."

AB 1550, the Climate Investments for California Communities Act -2016

Established applicable minimum funding levels from funds generated by AB 32 in the Greenhouse gas Reduction Fund:

- At least 25 percent of funds must be allocated toward DACs
- At least 5 percent must be allocated toward projects within low-income communities or benefiting low-income households
- At least 5 percent must be allocated toward projects within and benefiting low-income communities, or low-income households, that are outside of a CalEPA-defined DAC but within ½ mile of a disadvantaged community

Adaptation and Resiliency

AB1482, the California Climate Adaptation Strategy -2015

Requires the California Natural Resources Agency (CNRA), in coordination with the Strategic Growth Council, to oversee and coordinate state agency actions to adapt to climate change. The bill requires CNRA to update the state's climate adaptation strategy (Safeguarding California), by July 1, 2017, and every three years thereafter.

SB246, the Integrated Climate Adaptation and Resiliency Program -2015

Established an Integrated Climate Adaptation and Resiliency Program for California as of January 1, 2017. The program coordinates regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change.

SB 379, Climate Adaptation Planning and General Plans-2015

Requires all cities and counties to address climate change adaptation and resilience, in the safety elements of their general plans, in their local hazard mitigation plans, or in stand-alone plans like the PCSP. The bill requires the climate adaptation and resilience review and update to include a set of goals, policies, and objectives based on a vulnerability assessment, as well as implementation strategies, including the conservation and implementation of natural infrastructure that may be used in adaptation projects., policies, and objectives based on a vulnerability assessment, as well as implementation strategies, including the conservation and implementation of natural infrastructure that may be used in adaptation projects.

AB2800, Infrastructure Planning -2016

Ensures that the planning and design of state infrastructure projects consider future climate change impacts including prolonged heat waves, extreme precipitation events, severe drought, increasing wildfires, and other potentially dangerous climate impacts on critical infrastructure.

SB1035, General Plan, Safety Element -2018

Requires the safety element to be revised to identify new information on fire hazards, flood hazards, and climate adaptation and resiliency strategies applicable to the city or county that was not available during the previous revision of the safety element.

SB30, Insurance: Climate Change -2018

Looks to innovative insurance and reinsurance businesses to provide opportunities for local communities and homeowners to reduce their risk to climate change impacts. The law focuses on finding incentives for investing in and insuring natural infrastructure to mitigate against climate risks.

SB852, Climate Resilience District -2022

Creates the Climate Resilience Districts Act which authorizes local agencies to create climate resilience districts to address climate change effects and impacts. The districts must be formed for the purpose of raising and allocating funding for and the operating expenses of projects designed and implemented to address climate change mitigation, adaptation, or resilience. The climate resilience districts are limited to funding projects that address sea level rise, extreme heat, extreme cold, and the risk of wildfire, drought, and the risk of flooding.

Energy Storage

AB2514, Energy Storage Targets-2010

Requires electric utilities to install minimum levels of grid-scale energy storage infrastructure.

Automobile Emission Standards

AB1493, California's Greenhouse Gas Vehicle Emission Standards -2002

Identifies climate change as a public health concern, that motor vehicles are a major source of the state's greenhouse gas emissions, and that reducing these emissions will protect public health and the environment while stimulating the economy and enhancing job opportunities. Among other things, the bill directed the Air Resources Board (CARB) to adopt regulations that achieve the maximum feasible and cost effective reduction of greenhouse gas emissions from passenger vehicles, beginning with the 2009 model year.



Short-Lived Climate Pollutant Reduction

SB605, Short-Lived Climate Pollutant Reduction Strategy -2016

Directed CARB, in coordination with other State agencies and local air districts to develop a comprehensive short-lived climate pollutant (SLCP) reduction strategy for methane, fluorinated gases (HFCs), and black carbon.

SB1383, Mandatory Organics Recycling -2016

Statewide effort to reduce emissions of short-lived climate pollutants by reducing organic waste disposal to 50% by 2020 and 75% by 2025.

California Climate Registry

SB1771, Greenhouse Gas Emission Reductions-2000

Established the California Climate Registry, which cataloged early greenhouse gas emission reductions and set reduction goals and standards for measurement and verification, as a precursor to AB 32 as well as other states' and international efforts.

Electric Vehicle Charging

AB1236, EVCS Permit Streamlining-2015

Requires local governments to develop streamlined ordinances for electric vehicle charging infrastructure.

Appendix B: Completed Projects

Low Emission Development

Project	Department	Completion Year
Drafted code updates for Mixed Use Zones with Development Standards and Design Guidelines that reduce Vehicle Miles Traveled (VMT)	Community Development	2023
Completed Spirit Bus and Dial-A-Ride evaluation too identify potential barriers and opportunities for improvement	Public Works	2023
Partnered with Metro to accept TAP fare and special fare types on Spirit Buses, including reduced fare during special events	Public Works	2023
Implemented the Passio Go! App to provide real time information on Spirit Bus Services to increase ridership and rider experience	Public Works	2023
Partnered with SoCal Edison to provide free seminars on electric induction cooking for small businesses	Economic Development	2023
Updated the Density Bonus Ordinance to include a Green Building Incentive that encourages building practices above standard requirements	Planning	2023
Adopted a Complete Streets Policy	City Council	2022
Added three electric parking enforcement vehicles to become the first SGV agency to have an all-electric parking enforcement fleet	Public Works	2021
Retrofit 3,248 streetlights with LED bulbs	Public Works	2021
Adopted a Measure implementing Vehicle Miles Traveled for the purpose of analyzing transportation impacts under CEQA	Public Works	2021
Added three CNG vehicles to the Spirit Bus fleet	Public Works	2019
Replaced four city cars with hybrid vehicles for engineering, planning, management services, and fire	Public Works	2018
Installed EVGO charger station at City Hall	Public Works	2017






Retrofit external and internal lighting and HVAC systems at City Siemens facility	Public Works	2016
Replaced 32W lighting with 25W LED lamps at 13 City facilities through the Direct Install Program	Public Works	2016
Installed public CNG fueling stated at City Yard	Public Works	2015
Adopted the Monterey Park Bicycle Master Plan by reference as a component of the large San Gabriel Valley Regional Bicycle Master Plan	Public Works Planning	2014
Installed solar panels at Langley Center, Bruggemeyer Library, and City Hall	Public Works	2013
Adopted a Climate Action Plan	City Council	2012
Adopted voluntary CALGreen Tier 1 policies to the building code	Community Development	2011
Adopted the Downtown Monterey Park Mixed-Use and Pedestrian Linkages Plan	Public Works	2005

Equitable Development

Project	Department	Completion Year
Drafted revised Safety Element and new Environmental Justice Elements for City Council review and approval	Community Development	2022
Formed the Environmental Commission to develop and implement policies and increase public awareness of environmental programs	Public Works	2005

Nature Based Development

Project	Department	Completion Year
Adopted a Water Conservation ordinance and implementation policies to address ongoing drought conditions	Public Works	2020
Implemented Industrial Waste Program to prevent impacts of sewage overflows	Public Works	2017
Renovated the Monterey Park Demonstration Garden to offer examples of smart irrigation methods and California Native landscaping	Public Works	2017
Replaced water meters with Automatic Meter Reading systems to improve water usage reporting accuracy	Public Works	2016
Implemented a tiered water rates structure to promote water conservation by customers	Recreation and Community Services Public Works	2014

Circular Development

Project	Department	Completion Year
Provided City Staff with high quality reusable water bottles to reduce single use plastics	HR and Risk Management	2023
Updated Administrative Policy 20-02: Close the Loop/Buy Recycled to include SB 1383 Organics Recycling requirements	City Managers	2022
Joined the SGVCOG Regional Food Recovery Program for compliance with SB 1383	Public Works	2022
Utilized recycled tires for street resurfacing projects to divert passenger tires from the landfill	Public Works	2020

Resilient Development

Action	Responsibility	Timeframe
Drafted revised Safety Element and new Environmental Justice Elements for City Council review and approval.	Community Development	2022
Promoted Earthquake Brace & Bolt Supplemental Grants for Income-Eligible Homeowners	Building & Safety Division	2022
Formed the Environmental Commission to develop and implement policies and increase public awareness of environmental programs	Environmental Commission	2005

Appendix C: Outreach



Outreach for the Sustainability Plan included workshops and a Sustainability Survey which provides a detailed record of the community's perspective on climate change and priorities on specific climate actions. The survey functions as a pivotal resource for comprehending the perspectives, concerns, and aspirations of Monterey Park residents, establishing a data-driven foundation for the formulation of sustainable initiatives.

Sustainability Survey

Term definitions as used in this survey:

Climate Change: Long-term changes in average temperature and weather patterns across the planet.

Sustainability: Maintaining conditions under which humans and nature can exist in productive harmony to support present and future generations.

Greenhouse Gasses: Gasses that trap heat in the atmosphere and contribute to warming temperatures.

Many human activities create GHGs such as electricity generation, transportation fuel, and decomposing waste in landfills.

Name: _____ Email: _____

Are you a resident of Monterey Park? ◯ Yes ◯ No

Would you like to receive email updates on the Going Green program and involvement opportunities? ◯ Yes ◯ No

---

How would you like to receive news about the City's sustainability work? Select all that apply.

◯ Email ◯ Mail ◯ Twitter ◯ Instagram

◯ Text ◯ MPK-TV ◯ Facebook ◯ Cascades Newspaper

Rank your level of agreement with the following statements:

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
I understand what climate change means	◯	◯	◯	◯	◯
I understand what sustainability means	◯	◯	◯	◯	◯
The City needs to take action to protect the environment	◯	◯	◯	◯	◯
I would like more opportunities to learn about climate change and sustainability	◯	◯	◯	◯	◯

In your opinion, how important are the following issues for the City of Monterey Park?

	NOT IMPORTANT	SOMEWHAT IMPORTANT	IMPORTANT	VERY IMPORTANT	EXTREMELY IMPORTANT
Air Pollution	○	○	○	○	○
Water Pollution	○	○	○	○	○
Litter	○	○	○	○	○
Traffic/Congestion	○	○	○	○	○
Extreme Heat & Drought	○	○	○	○	○
Decreasing Waste	○	○	○	○	○

Rank your level of agreement with the following statements:

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE
I am aware of sustainable programs and activities offered in my community	○	○	○	○	○
I know how to reduce my water use at home	○	○	○	○	○
I know how to recycle and reduce waste at home	○	○	○	○	○
I know how to reduce my electricity use at home	○	○	○	○	○
I am aware of programs and rebates available to make my home more efficient	○	○	○	○	○

Are you aware of the City's Climate Action Plan or sustainability efforts?

○ Yes ○ Somewhat ○ No

Which strategies should the community and City implement to improve **transportation** sustainability? Rank using 1-5 where 1 is the most important.

#___ Add bike and pedestrian pathways, trails, and sidewalks

#___ Improve convenience of public transit (e.g., Spirit Bus, increased weekend transit service)

#___ Add electric vehicle charging stations and incentives to drive electric vehicles

#___ Transition school and transit buses to electric or hybrid

#___ Improve pedestrian safety (e.g., sidewalk maintenance, streetlights, etc.)

Which strategies should the community and City implement to improve **energy** conservation? Rank using 1-5 where 1 is the most important.

#___ Use more renewable energy in city buildings and parks (e.g., solar, wind, etc.)

#___ Make it more affordable to install rooftop solar on homes (e.g. solar pilot program)

#___ Require new homes and commercial buildings to be more energy efficient

#___ Provide incentives to replace gas heating systems and appliances with efficient electric versions in existing homes and commercial buildings

#___ Set a target to achieve low greenhouse gas emissions

Which strategies should the community and City implement to improve **water** conservation? Rank using 1-5 where 1 is the most important.

#___ Provide incentives to replace residential lawns with drought-tolerant landscaping

#___Promote drought-tolerant landscaping in public spaces

#___ Provide water check-ups to homes and businesses to optimize water use

#___ Promote "green infrastructure" to economically and sustainably manage stormwater (e.g., rain gardens, rainwater harvesting systems, etc.)

#___Provide classes on how to reduce water use at home

Which strategies should the community and City implement to **decrease waste**?
Rank using 1-4 where 1 is the most important.

#___ Improve recycling habits through workshops and handouts

#___ Take steps to decrease single use plastics (e.g., disposable plastic water bottles, takeout boxes, cutlery, etc.)

#___ Divert excess food from grocery stores and restaurants to provide for those in need

#___ Host item-swapping events for Monterey Park Residents

How much do you think climate change impacts your personal health and safety?

Not at all ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ An extreme amount

1 2 3 4 5 6 7 8 9 10

Do you have any ideas to improve sustainability in the City of Monterey Park?

Thank you for helping Monterey Park Go Green!

Please send any questions or comments to GoingGreen@montereypark.ca.gov

走向綠色：蒙特利公園市可持續性調查

本調查中使用的術語定義氣候變化：全球範圍內平均溫度和天氣模式的長期變化。

可持續性：維持人類與自然能夠以富有成效的和諧共存的條件，以支持現代和後代。

溫室氣體：在大氣中捕獲熱量並導致溫度升高的氣體。
許多人類活動都會產生溫室氣體，例如發電、運輸燃料和在垃圾填埋場分解廢物。

姓名: _____ 電郵: _____

您是蒙特利公園市的居民嗎? ◯ 是 ◯ 不是

您想透過電子郵件收到有關走向绿色計劃和參與機會的最新資訊嗎? ◯ 是 ◯ 不是

您選擇用甚麼方式接收有關市政府可持續策劃進展的最新消息？選擇所有適合的答案。

◯ 電郵 ◯ 郵件 ◯ 推特 ◯ Instagram

◯ 短信 ◯ MPK電視 ◯ 臉書 ◯ Cascades 報紙

請用以下陳述對您的同意程度進行排名：

	強烈反對	不同意	中立	同意	非常同意
I我明白氣候變化意味著什麼	◯	◯	◯	◯	◯
我明白可持續性意味著什麼	◯	◯	◯	◯	◯
城市需要採取行動保護環境	◯	◯	◯	◯	◯
我希望有更多機會了解氣候變化和可持續性	◯	◯	◯	◯	◯

依您看來，以下問題對蒙特利公園市有多重要？

	不重要	有一些重要	重要的	很重要	極其重要
空氣污染	○	○	○	○	○
水污染	○	○	○	○	○
垃圾	○	○	○	○	○
交通擁堵	○	○	○	○	○
極端高溫和乾旱	○	○	○	○	○
減少浪費	○	○	○	○	○

請對以下敍述的認同程度進行排名，請將對您最重要的排在最先

	強烈反對	不同意	中立	同意	非常同意
我知道社區內有可持續性發展計劃及活動	○	○	○	○	○
我知道如何減少家用水量	○	○	○	○	○
我知道如何在家做資源回收及減少垃圾排量	○	○	○	○	○
我知道如何減少家用電量	○	○	○	○	○
I我知道有改善住屋能源效率的計劃及補貼	○	○	○	○	○

您知道市政府的氣候行動和可持續發展計劃嗎？

○ 是 ○ 有些/略有所聞 ○ 不是

社區及市府應該實行那些措施以改善交通可持續性？請將對您最重要的排在最先

#___ 增設單車及行人專用道

#___ 增加公共運輸系統便利程度（例如：Spirit 巴士、增加週末服務等）

#___ 增設電動汽車充電站及獎勵使用電動車

#___ 將校車及公共巴士改為電動或混合動力

#___ 改善行人安全以鼓勵行走及騎單車（例如:人行道維護、路燈等）

社區及市府應該實行那些措施節能？請將對您最重要的排在最先

#___ 市府管理的建築物及公園內使用更多可再生能源（例如：太陽能、風力等）

#___ 減少在屋頂裝設太陽能發電板的成本（例：太陽能試點計劃）

#___ 新建房屋和工業用建築物規定增加節能性

#___ 獎勵現有房屋和工業用建築物將天然氣暖氣系統替換成較節能的電暖爐

#___ 設置降低溫室氣體排放量目標

社區及市府應該實行那些措施節省水資源用量？請將對您最重要的排在最先

#___ 設置降低溫室氣體排放量目標

#___公共區域推廣耐旱景觀

#___ 為家庭和企業提供用水檢查以優化用水

#___ 鼓勵綠色基建，在經濟及資源利用層面更有效地管理雨水（例：雨水花園、回收雨水等）

#___提供如何減少家用水量的課程

社區及市府應該實行那些措施減少垃圾？請將對您最重要的排在最先

#___ 用課程及發派傳單提倡資源回收習慣

#___為蒙特利公園居民組織物品交換活動

#___ 採取行動減少一次性塑膠用量（例如：礦泉水瓶、外賣盒、餐具等）

#___ 將超市和餐館多餘的食物，提供給有需要的人

您認為氣候變化對您的個人健康和安全有多大影響？

一點也沒有 ○ ○ ○ ○ ○ ○ ○ ○ ○ ○ 極之大

一 二 三 四 五 六 七 八 九 十

您有對於蒙特利公園市改善可持續性有任何其他想法嗎？

感謝您協助使蒙特利公園市更加環保

請將問題或意見發送至 GoingGreen@montereypark.ca.gov

Appendix D: Greenhouse Gas Inventory



Monterey Park Sustainability Plan

Greenhouse Gas Inventory, Forecast, and Targets Report

prepared by

City of Monterey Park
Community Development Department
320 West Newmark Avenue
Monterey Park, California 91754
Contact: Jessica Serrano, Interim Director of Community Development

prepared with the assistance of

Rincon Consultants, Inc.
250 East 1st Street, Suite 1400
Los Angeles, California 90012

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RINCON CONSULTANTS, INC.
Environmental Scientists | Planners | Engineers
rinconconsultants.com

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1 Introduction

This document presents the data, methods, and results for the 2021 greenhouse gas (GHG) emissions inventory, forecast, and targets for the City of Monterey Park (the City). The 2021 GHG emissions inventory will be used to update the City's GHG emission reduction targets in support of the development of the City's Sustainability plan (SP).

California (the State) has set statewide GHG emissions reduction goals to mitigate negative climate change impacts and transition the State to a low-carbon economy. In particular, the State has established goals to reduce statewide GHG emissions 40 percent below 1990 levels by 2030, as established by Senate Bill (SB) 32 and achieve net zero GHG emissions as soon as possible, but no later than 2045, as established by Assembly Bill (AB) 1279.[1] The California Air Resources Board (CARB) is the agency responsible for addressing these goals and developing strategies to achieve them. Many local jurisdictions are completing their own GHG inventories, forecasts, and Climate Action Plans (CAPs) to align with SB 32 and AB 1279.

Local governments play a fundamental role in reducing local GHG emissions and preparing for a more resilient future. Local government policies can influence high-emissions behavior and mitigate climate change effects.[2] To this end, the City is developing a SP to align with SB 32 and AB 1279 goals, increase resilience and climate change preparedness, maintain healthy air and water resources, and improve community health and the local economy. The forthcoming SP will include the 2021 GHG inventory for the community (2021 Community GHG Inventory) and the associated GHG emissions forecast, in addition to the municipal operations inventory (2021 Municipal GHG Inventory). Municipal GHG emissions are a subset of community GHG emissions and are therefore already accounted for within the community GHG inventory and associated forecast.

The 2021 Community GHG Inventory completed for the City includes GHG emissions from activities within the City's jurisdictional boundaries during 2021. Based on the inventory, Rincon developed a back-cast of the City's GHG emissions to 1990 to set emissions targets in alignment with the State's goals as well as a forecasted emission levels in 2030, 2035, 2040, and 2045. The emissions forecast provides an up-to-date projection of how GHG emissions are expected to change for the City in the future based on changes in population and employment, as well as existing State and federal legislation aimed at reducing GHG emissions through 2045. This document also presents provisional GHG targets and a gap analysis, which identifies the level of GHG emissions reduction that will need to be achieved through local action to meet the GHG emissions reduction targets. The analysis in this document relies on the best available data and calculation methodologies currently available.

[1] AB 1279 defines net zero GHG emissions as reducing GHG emissions at least 85 percent below 1990 levels. California also set a goal to reach 1990 levels by 2020, as established by AB 32, The 2020 goal set by AB 32 was achieved by the State in 2016. CARB. Frequently Asked Questions – California's 2022 Climate Scoping Plan. Accessed November 14, 2022 at: https://ww2.arb.ca.gov/sites/default/files/2022-06/2022_Scoping_Plan_FAQ_6.21.22.pdf

[2] CARB. California's 2017 Climate Change Scoping Plan. Accessed November 14, 2022 at: https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/scoping_plan_2017.pdf

2 Background

2.1 Legislative Context

The State has developed statewide legislative goals and programs to reduce GHG emissions. CARB has issued guidance concerning the establishment of GHG emissions reduction targets for local CAPs so communities can contribute their fair share towards the State's achievement of the GHG emissions reduction goals. In the first Climate Change Scoping Plan (referred to as the 2008 Scoping Plan), CARB encouraged local governments to adopt a reduction target for their own community emissions that parallels the State commitment to reduce GHG emissions.[3] In 2017, CARB published the 2017 Climate Change Scoping Plan (referred to as the 2017 Scoping Plan Update) outlining the strategies the State will employ to reach the additional State targets set by SB 32.[4]

On May 10th, 2022, the Draft 2022 California Climate Change Scoping Plan Update was published for public comment and includes recommendations for achieving the goal of carbon neutrality by 2045 codified by AB 1279.[5]

The State of California has adopted legislation and policies to address climate change, the most relevant of which are summarized below.

- **Executive Order S-3-05**, signed in 2005, establishes statewide GHG emissions reduction goals to achieve long-term climate stabilization as follows: by 2020, reduce GHG emissions to 1990 levels and by 2050, reduce GHG emissions to 80 percent below 1990 levels. The 2050 goal was accelerated by the 2045 carbon neutral goal established by EO B-55-18 and AB 1279, as discussed below.
- **Assembly Bill 32**, known as the Global Warming Solutions Act of 2006, requires California's GHG emissions be reduced to 1990 levels by the year 2020 (approximately a 15 percent reduction from 2005 to 2008 levels). The 2008 Scoping Plan identifies mandatory and voluntary measures to achieve the statewide 2020 GHG emissions limit.
- **Senate Bill 32**, signed in 2016, establishes a statewide mid-term GHG emissions reduction goal of 40 percent below 1990 levels by 2030. CARB formally adopted the 2017 Scoping Plan Update in December 2017, laying the roadmap to achieve 2030 goals and giving guidance to achieve substantial progress toward the 2050 State goals. The Draft 2022 Scoping Plan Update provides further guidance for reaching the State's SB 32 goal.
- **Executive Order B-55-18**, signed in 2018, expanded upon EO S-3-05 by creating a statewide GHG emissions goal of carbon neutrality by 2045. EO S-55-18 identifies CARB as the lead agency to develop a framework for implementation and progress tracking toward this goal in the 2022 Climate Change Scoping Plan Update.

[3] CARB. Climate Change Scoping Plan: A Framework for Change. Dec. 2008. Accessed November 14, 2022 at: ww2.arb.ca.gov/sites/default/files/classic//cc/scopingplan/document/adopted_scoping_plan.pdf

[4] CARB. California's 2017 Climate Change Scoping Plan. Accessed November 14, 2022 at: https://ww2.arb.ca.gov/sites/default/files/classic/cc/scopingplan/scoping_plan_2017.pdf

[5] CARB. Draft 2022 Scoping Plan Update. Accessed November 14, 2022 at: https://ww2.arb.ca.gov/sites/default/files/2022-05/2022-draft-sp.pdf

- **Assembly Bill 1279**, known as the California Climate Crisis Act, signed by the governor in 2022, codifies the GHG emissions reduction goals of achieving carbon neutrality by 2045 and expands upon this goal to define carbon neutrality as reducing direct emissions 85 percent below 1990 levels and removing the remaining 15 percent of emissions via other technologies and practices, like carbon sequestration. The 2022 Scoping Plan Update November 2022 provides the pathway for reaching the State's AB 1279 goal.

2.2 Climate Science Context

Greenhouse Gases

GHGs are chemical compounds found in the earth's atmosphere which affect climate conditions by trapping infrared radiation from sunlight which can serve to raise global temperatures. Emissions can occur from natural processes as well as human activities which release excess GHGs into the atmosphere. Table 1 presents the six internationally recognized GHGs commonly quantified in GHG inventories. The City's 2021 inventories focus on the three GHGs most relevant to the City's operations: carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). The other gases (hydrofluorocarbons, perfluorocarbons, and sulfur hexafluorides) are emitted primarily in private sector manufacturing and electricity transmission and are therefore omitted from the inventory. This approach is consistent with typical community and municipal inventory approaches, as industrial emissions are typically outside of the City's jurisdictional control. Table 1 also includes the global warming potentials (GWP) for each gas. The 2021 inventories used 100-year GWPs for each gas that are consistent with the Intergovernmental Panel on Climate Change (IPCC) Fourth Assessment Report,[6] which were also used by the State in the latest State-wide GHG emissions inventory. The GWP refers to the ability of each gas to trap heat in the atmosphere. For example, one pound of methane gas has 25 times more heat capturing potential than one pound of carbon dioxide gas. GHG emissions are reported in metric tons of CO_2 equivalent (MT CO_2e).

Table 1 2021 Inventory GHGs and GWPs

Greenhouse Gas	Primary Source	100-year GWP
Carbon dioxide (CO_2)	Combustion	1
Methane (CH_4)	Combustion, anaerobic decomposition of organic waste (e.g., in landfills, wastewater treatment plants)	25
Nitrous Oxide (N_2O)	Leaking refrigerants and fire suppressants	298
Hydrofluorocarbons	Leaking refrigerants and fire suppressants	4 - 12,400
Perfluorocarbons	Aluminum production, semiconductor manufacturing, HVAC equipment manufacturing	6,630 - 11,100
Sulfur Hexafluoride (SH6)	Transmission and distribution of power	23,500

Source: Intergovernmental Panel on Climate Change (IPCC). 2007. AR4 Synthesis Report: Climate Change 2007. Available at: https://www.ipcc.ch/assessment-report/ar4/

[6] Intergovernmental Panel on Climate Change (IPCC). 2014. AR5 Synthesis Report: Climate Change 2014. Accessed January 5, 2023 at: https://www.ipcc.ch/report/ar5/syr/

3 GHG Emissions Inventory - Community

Conducting a GHG emissions inventory provides a comprehensive understanding of a jurisdiction's GHG emissions, and may be developed to serve the following purposes:

- Establishes perspective of GHG emissions conditions in the applicable inventory year.
- Provide an understanding of where the highest sources of GHG emissions in the jurisdiction originate and where the greatest opportunities for emissions reduction exist.
- Create a GHG emissions baseline from which the jurisdiction can establish a forecast, reduction targets, and track progress over time.

GHG inventories are developed by identifying the sources and sinks (sectors) for GHGs within the geographic or system boundary of interest (e.g., City), collecting activity data for each sector, and applying an emissions factor to determine the carbon dioxide equivalence (CO_2e). On the level of cities or counties, there are often many potential sectors contributing to the jurisdiction's GHG emissions. However only a select few sectors are typically considered the major contributors to the jurisdiction's GHG inventory. The GHG emissions sectors used for the City's GHG inventory are identified in Section 3.

3.1 Methodology

Protocol

The City's 2021 Community GHG Inventory was developed in alignment with accounting protocols provided by the Local Governments for Sustainability International Council for Local Environmental Initiatives (ICLEI) as recommended by the Association of Environmental Professionals (AEP) and the California Office of Planning and Research (OPR).[7] ICLEI protocols are designed for local-scale accounting of GHG emissions that contribute to climate change and provide authoritative guidance to account for GHG emissions accurately and consistently. The ICLEI U.S. Community Protocol for Accounting and Reporting Greenhouse Gas Emissions Version 1.2 (Community Protocol) serves to guide the measurement and reporting of GHG emissions in a standardized way and is used by other jurisdictions to support their own inventory, forecast, and climate action planning efforts. The Community Protocol also includes steps to evaluate the relevance, completeness, consistency, transparency, and accuracy of data used in the GHG inventory.

GHG emissions were calculated by multiplying the activity data in each GHG emissions sector (e.g., transportation, energy, waste, water and wastewater) by an associated emission factor. Activity data refer to the relevant measured or estimated level of GHG-generating activity (e.g., energy consumption, miles traveled). Emission factors are observation-based conversion factors used to equate activity data to generated GHG emissions. The 2021 Community GHG Inventory leverages the latest available models and best available data in accordance with the Community Protocol. The inventory serves to provide a comprehensive understanding of the community's current GHG

[7] Association of Environmental Professionals (AEP). 2013. AEP Climate Change Committee's "The California Supplement to the United States Community-Wide Greenhouse Gas (GHG) Emissions Protocol". Available at: https://califaep.org/docs/California_Supplement_to_the_National_Protocol.pdf

emissions. The following sections contain further information on the inventory approach, calculation methodologies, data used, and results.

Emissions Boundary

The City's community inventory covers the relevant emissions sources within the boundary of the City. The inventory thereby reflects emissions sectors over which the City has jurisdictional control and influence. Sectors where the jurisdiction has limited influence are generally excluded from the 2021 GHG Community Inventory as the City does not have the power to develop measures to impact associated emissions. The emissions boundary set forth in the analysis here in aligns with general GHG inventory accounting principles as well as methods set forth by the Community Protocol.

Scope

The Community Protocol recommends reporting GHG emissions from five basic reporting activities in a community inventory, which include:

- Use of electricity by the community
- Use of fuel in residential and commercial stationary combustion equipment
- On-road passenger and freight motor vehicle travel
- Use of energy in potable water and wastewater treatment and distribution
- Generation of solid waste by the community

The Community Protocol also provides recommendations for additional GHG emissions source reporting for activities that can be influenced by the accounting agency. Based on reporting practices in California, it is recommended that GHG emissions from off-road equipment fuel combustion and wastewater treatment processes are also included in community GHG emissions inventories. GHG emissions sources can be categorized more generally into the following five activity sectors:

- Electricity
- Natural Gas
- Transportation
- Water and Wastewater
- Solid Waste

The City's 2021 Community GHG Inventory includes an assessment of the community-wide GHG emissions associated with these five sectors which serve as the basis for the GHG emissions forecast and target setting.

3.2 2021 Community GHG Emissions Inventory

3.2.1 Energy

Energy: Residential and Nonresidential Electricity

The community's residential and nonresidential sectors source electricity solely from Southern California Edison (SCE). SCE provided the activity data through electricity usage reports for the residential sector and nonresidential sector (including commercial, industrial, and agricultural

sectors), though agricultural energy use for SCE did not pass the 15/15 Rule[8] and is aggregated in the reported industrial energy use. The State's Cap and Trade program regulates industrial GHG emissions. Because a jurisdiction has little control and influence over such emissions, industrial electricity reported by SCE was excluded from the 2021 Community GHG Inventory.

Emissions from residential and nonresidential electricity were calculated using Community Protocol Equation BE.2.1. To account for only electricity only consumed in the built environment, equation 3.1 subtracts electricity consumed by electric vehicles (EVs) from total purchased electricity by removing passenger car EV electricity use from residential electricity consumption and commercial and bus EV electricity consumption from nonresidential consumption. Electricity use from passenger, commercial, and bus EVs are instead accounted for under the transportation sector of the inventory to provide a more thorough differentiation between building and transportation sector emissions. More information regarding EV energy use can be found in Section 3.2.2. Equation 3.1 and Table 2 provide the equation, associated parameters, and data sources used to quantify GHG emissions associated with community electricity consumption.

EQUATION 3.1

BE.2.1 RESIDENTIAL/NONRESIDENTIAL ELECTRICITY SECTOR EMISSIONS

$$CO_2e_{electricity,j} = \sum_i \left(Elec_{i,j} - EV_{i,j}\right) \times EF_{elec,i,j} \quad 3.1$$

Table 2 Emissions Parameters and Data Sources – Community Electricity Use BE.2.1

Definition	Parameter	Value	Unit	Data Source
Annual GHG emissions from electricity consumption per building type	$CO_2e_{electricity,j}$	See Table 4	MT CO_2e/year	Calculated
Electricity consumption per building type per energy provider	$Elec_{i,j}$	See Table 3	kWh/year	SCE Electricity Report[1]
Attributed electric vehicle electricity consumption	$EV_{i,j}$	See Table 3	kWh/year	EMFAC2021[2]
Electricity emission factor based on energy provider	$EF_{elec,i,j}$	See Table 4	MT CO_2e/kWh	SCE 2021 Power Content Label[3]
Energy Providers	i	SCE	Categorical	
Building type	j	Residential Nonresidential[4]	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; MWh = megawatt hour

1. Southern California Edison (SCE) Electricity Report provided by the City via SharePoint on June 30, 2023

2. California Air and Resources Board (CARB). 2023. Emission FACtor (EMFAC2021 v1.0.2) Model. Available at: https://arb.ca.gov/emfac/emissions-inventory/5e0cb7d6006cc10661f4b3ffb9c120a486d46ea6

3. California Energy Commission (CEC). 2023. 2021 Power Content Label submitted by Southern California Edison. Available at: https://www.energy.ca.gov/filebrowser/download/4676

4. Nonresidential includes kWh consumption from commercial sources and excludes energy consumption from industrial and agricultural sources.

[8] The 15/15 Rule is a policy put in place by the California Public Utilities Commission which protects the privacy of energy users. Aggregated energy information must have more than 15 customers, with no one customer representing 15 percent of the aggregated energy consumption. SCE reports kWh usage for the agricultural sector to be between 8,000,000 – 9,000,000 kWh annually.

Table 3 below shows the SCE provided electricity activity data, allocated EV electricity use data, and subsequent building activity data used to determine GHG emissions for the community's electricity consumption in the built environment.

Table 3 Community Residential and Nonresidential Electricity Activity Data Adjustment

Sector	Provider	Provided Activity Data [kWh]	Attributed EV[1] [kWh]	Building Activity Data [kWh]
Residential	SCE	108,960,575	4,462,398	104,498,177
Nonresidential[2]	SCE	108,159,810	4,486	108,155,324

Notes: kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent; EV = electric vehicles

1. Attributed EV allocates electric vehicle kWh consumption to each provider based on the vehicle type, electricity sector, and proportion of electricity provided by each provider per sector. EV kWh usage from passenger vehicles is removed from residential electricity, while commercial and bus EV kWh usage is removed from nonresidential electricity.

2. Nonresidential includes kWh consumption from commercial sources and excludes energy consumption from industrial and agricultural sources.

Resulting activity data, emissions factors, and GHG emissions per building type and provider is summarized in Table 4.

Table 4 Community Residential and Nonresidential Electricity GHG Emissions Calculations

Sector	Provider	Building Activity Data [kWh]	Emission Factor [MT CO2e/kWh]	GHG Emissions [MT CO2e]
Residential	SCE	104,498,177	0.000263	27,492
Nonresidential	SCE	108,155,324	0.000263	28,454

Notes: kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent

Energy: Electricity Transmission and Distribution Losses

Electricity Transmission and Distribution (T&D) losses arise from electricity lost during delivery to the buildings and associated end-uses in the City. Electricity T&D losses occur in the electricity transmission and distribution system and are therefore upstream of the delivery endpoints located within the City's jurisdictional boundaries. This means this electricity is lost before it is counted. However, T&D losses are estimated and included in the 2021 Community GHG Inventory as they are associated with energy usage in the City and thereby directly impacted by the community's electricity consumption. Additionally, emissions from T&D losses are recommended for inclusions in community GHG inventories by the Community Protocol. Equation 3.2 and Table 5 provide the calculation method, associated parameters, and data sources used to quantify GHG emissions associated with community T&D losses from electricity consumption. T&D losses associated with EV electricity use are considered negligible and therefore are included in the quantification of residential and nonresidential electricity T&D.

EQUATION 3.2

BE.4 ELECTRICITY T&D LOSS SECTOR EMISSIONS

$$CO_2e_{T\&D,j} = \sum_i Elec_{i,j} \times L_{T\&D} \times EF_{elec,i,j} \quad 3.2$$

Table 5 Emissions Parameters and Data Sources – Community Electricity T&D Loss

Definition	Parameter	Value	Unit	Data Source
Annual GHG emissions from transmission and distribution losses per building type	$CO_2e_{T\&D,i}$	See Table 6	MT CO_2e/year	Calculated
Electricity consumption per energy provider and building type	$Elec_{i,j}$	See Table 6	kWh/year	SCE invoice request[1]
Electricity emissions factor per energy provider and building type	$EF_{elec,i,j}$	See Table 6	MT CO_2e/kWh	SCE 2021 Power Content Label[2]
Electricity loss factor	$L_{T\&D}$	4.40%	Percent	EPA eGRID[3]
Energy Providers	i	SCE	Categorical	
Building type	j	Residential Nonresidential[4]	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; MWh = megawatt hour

1. Southern California Edison (SCE) Electricity Report provided by the City via SharePoint on June 30, 2023

2. California Energy Commission (CEC). 2023. 2021 Power Content Label submitted by Southern California Edison. Available at: https://www.energy.ca.gov/filebrowser/download/4676

3. Environmental Protection Agency (EPA). 2023. eGRID Data Explorer 2021 Western Energy Grid. Available at: https://www.epa.gov/egrid/data-explorer

4. Nonresidential includes kWh consumption from commercial sources and excludes energy consumption from industrial and agricultural sources.

The activity data, emissions factors, and GHG emissions associated with electricity T&D losses is summarized in Table 4 per building type and provider.

Table 6 Community Electricity T&D Loss GHG Emissions Calculations

Sector	Provider	Activity Data [kWh]	T&D Losses [kWh][1]	Emission Factor [MT CO_2e/kWh][2]	GHG Emissions [MT CO_2e]
Residential	SCE	108,960,575	4,794,265	0.000263	1,261
Nonresidential	SCE	108,159,810	4,759,032	0.000263	1,252

Notes: kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent

1. T&D losses include the kWh consumption associated with EV charging.

Energy: Residential and Nonresidential Natural Gas

GHG emissions from natural gas result from the stationary combustion of natural gas in both the residential and nonresidential building sectors. The City's natural gas is supplied by Southern California Gas Company (SoCalGas) which provided activity data through natural gas usage reports. GHG emission calculations are based on natural gas used in residential and nonresidential buildings (i.e., commercial, and industrial). Like industrial electricity use, industrial use of natural gas is excluded from the GHG inventories as these emissions are regulated by the Cap-and-Trade program.

Emissions from residential and nonresidential natural gas use were calculated using Community Protocol Equation BE.1.1. Though the majority of GHG emissions result from the combustion of natural gas, not all the natural gas purchased is combusted. Natural gas that leaks from pipes and processing plants has a larger GHG impact compared to combusted natural gas due to the higher global warming potential of methane. Some natural gas also leaks from fittings and appliances

within a building, after the natural gas meter which is used to quantify total gas usage. Therefore, Community Protocol has been adjusted to remove this small percentage of "behind the meter" natural gas from the combustion calculation, and instead count it as leakage. More information regarding emissions associated with natural gas leaks can be found under "Energy: Natural Gas Methane Leaks" subsection below. Equation 3.3 and Table 7 provide the equation used, associated parameters, and data sources used to quantify GHG emissions associated with community natural gas consumption in residential and nonresidential buildings.

EQUATION 3.3

BE.1.1 RESIDENTIAL/NONRESIDENTIAL NATURAL GAS SECTOR EMISSIONS

$$CO_2e_{NatGas,i} = \left(Fuel_{NG,i} - [1 - L_{enduse}]\right) \times \left[\left(EF_{NG,CO_2} \times GWP_{CO_2}\right) + \left(EF_{NG,CH_4} \times GWP_{CH_4}\right) + \left(EF_{NG,N_2O} \times GWP_{N_2O}\right)\right] \times 10^{-1} \times 10^{-3} \quad (3.3)$$

Table 7 Emissions Parameters and Data Sources – Community Natural Gas Use BE.1.1

Definition	Parameter	Value	Unit	Data Source
Annual GHG emissions from stationary combustion of natural gas per building type	$CO_2e_{NatGas,i}$	See Table 8	MT CO_2e/year	Calculated
Natural gas consumed per building type	$Fuel_{NG,i}$	See Table 8	therms/year	SCG Natural Gas Report[1]
Percent natural gas lost during consumer end-use	L_{enduse}	0.50%	Percent	Environmental Defense Fund[2]
Carbon dioxide emission factor for natural gas combustion	EF_{NG,CO_2}	53.06	kg CO_2/MMBtu natural gas	EPA Emission Factors Hub[3]
Methane emission factor for natural gas combustion	EF_{NG,CH_4}	0.001	kg CH_4/MMBtu natural gas	EPA Emission Factors Hub
Nitrous oxide emission factor for natural gas combustion	EF_{NG,N_2O}	0.0001	kg N_2O/mmBTU natural gas	EPA Emission Factors Hub
Global warming potential of carbon dioxide	GWP_{CO_2}	1		IPCC Fourth Assessment Report[4]
Global warming potential of methane	GWP_{CH_4}	25		IPCC Fourth Assessment Report
Global warming potential of nitrous oxide	GWP_{N_2O}	298		IPCC Fourth Assessment Report
Conversion factor	10^{-1}	0.1	MMBtu/therm	
Conversion factor	10^{-3}	0.001	MT/kg	
Building type (i.e. residential or nonresidential)	i	Residential Nonresidential	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; therms = thermal unit; MMBtu = metric million British thermal unit; kg = kilograms

1. Southern California Gas (SCG) Natural Gas Report provided by the City via SharePoint on June 30, 2023
2. Environmental Defense Fund USER GUIDE FOR NATURAL GAS LEAKAGE RATE MODELING TOOL. Available at: https://www.edf.org/sites/default/files/US-Natural-Gas-Leakage-Model-User-Guide.pdf
3. Environmental Protection Agency (EPA). 2022. GHG Emission Factors Hub (April, 2022). Available at: https://www.epa.gov/climateleadership/ghg-emission-factors-hub

Definition	Parameter	Value	Unit	Data Source

4. Intergovernmental Panel on Climate Change (IPCC). 2007. AR4 Synthesis Report: Climate Change 2007. Available at: https://www.ipcc.ch/assessment-report/ar4/

5. Nonresidential includes natural gas use from commercial sources and excludes energy consumption from industrial and sources.

The total natural gas consumption, combusted natural gas activity data, emissions factors, and GHG emissions associated with community natural gas use is summarized in Table 8 per building type and provider.

Table 8 Community Residential and Nonresidential Natural Gas GHG Emissions Calculations

Sector	Provided Activity Data [therms]	End-use Leakage [therms]	Combustion Activity Data [therms]	Emissions Factor [MT CO_2e/therm]	GHG Emissions [MT CO_2e]
Residential	5,992,889	29,964	5,962,925	0.005311	31,672
Nonresidential	2,818,116	14,091	2,804,025	0.005311	14,894

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

Energy: Natural Gas Methane Leaks

Natural gas methane leaks occur during delivery to the buildings and during associated end-uses in the community. Gas methane leaks from delivery occur in the pipeline distribution system and are therefore upstream of the delivery endpoints located in the City and not reflected in reported total natural gas purchased. While natural gas pipeline distribution leakage is technically outside of the City's jurisdictional boundaries, the leakage is directly impacted by natural gas consumption in the community. As leakage is directly connected to the community's natural gas consumption, it is best practice to include leakage as an emissions sector and is therefore included in the City's 2021 Community GHG Inventory. Methane leaks from end-use discussed previously occur at the point of use in the City and therefore occur within the City's jurisdictional boundaries. Though a recommended source of emissions, the Community Protocol does not provide a specific calculation methodology for determining GHG emissions from natural gas leakage. Therefore, emissions from natural gas leaks were calculated using Equation 3.4 which aligns with energy calculation principles set forth by the Community Protocol and the guidance provided under Community Protocol Section BE.5 Upstream Emissions from Energy Use. Table 9 shows the parameters and data sources associated with Equation 3.4 which were used to quantify GHG emissions from natural gas distribution and end-use leakage.

EQUATION 3.4

NATURAL GAS LEAKAGE SECTOR EMISSIONS

$$CO_2e_{leak,i} = Fuel_{NG,i} \times EF_{NG\ leak} \times (L_{enduse} + L_{dist}) \quad 3.4$$

Table 9 Emissions Parameters and Data Sources – Community Natural Gas Leaks

Definition	Parameter	Value	Unit	Data Source
Annual GHG emissions from natural gas distribution leakage per building type	$CO_2e_{leak,i}$	See Table 10	MT CO_2e/year	Calculated
Natural gas consumed per building type	$Fuel_{NG,i}$	See Table 10	therms/year	SCG Natural Gas Report[1]
Emission factor for natural gas leakage	$EF_{NG\ leak}$	0.047381	MT CO_2e/therm	Calculated[2]
Percent natural gas lost during distribution	L_{dist}	2.3%	Percent	Alvarez, Ramón et al. (2018)[3]
Percent natural gas lost during consumer end-use	L_{enduse}	0.5%	Percent	Environmental Defense Fund[4]
Building type (i.e. residential or nonresidential)	i	Residential Nonresidential[5]	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; therms = thermal unit

1. Southern California Gas (SCG) Natural Gas Report provided by the City via SharePoint on June 30, 2023
2. Emission factor is calculated using the following equation:

$$2.85\ \frac{cubic\ meters}{therm} * 95\%\ methane\ content * 0.7\ \frac{kg}{cubic\ meter} * 25\ \frac{CO_2e}{CH_4} * 0.001\ \frac{MT}{kg}$$

3. Alvarez, Ramón et al. (2018). Assessment of methane emissions from the U.S. oil and gas supply chain. Science. 361. Accessed January 12, 2023 at: https://www.science.org/doi/abs/10.1126/science.aar7204
4. Environmental Defense Fund USER GUIDE FOR NATURAL GAS LEAKAGE RATE MODELING TOOL. Accessed January 12,2023 at: https://www.edf.org/sites/default/files/US-Natural-Gas-Leakage-Model-User-Guide.pdf
5. Nonresidential includes natural gas use from commercial sources and excludes energy consumption from industrial and sources.

The total natural gas use and resulting leakage activity data, emissions factors, and GHG emissions per building type is summarized in Table 10.

Table 10 Community Natural Gas Methane Leaks GHG Emissions Calculations

Natural Gas Sector	Provided Activity Data [therms]	Leakage Source	Methane Leakage [therms]	Emissions Factor [MT CO_2e/therm]	GHG Emissions [MT CO_2e]
Residential	5,992,889	Distribution	137,836	0.047381	7,951
		End-use	29,964	0.047381	
Nonresidential	2,818,116	Distribution	64,817	0.047381	3,739
		End-use	14,091	0.047381	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

3.2.2 Transportation

Transportation: On-road

On-road vehicles in the community produce GHG emissions from the mobile combustion of fossil fuels (i.e., internal combustion engines) and up-stream from the production of electricity (i.e., electric vehicles). GHG emissions from the on-road transportation sector were calculated in accordance with Community Protocol TR.1.A and TR.2.B. The methodology leverages on-road transportation emissions factor and EV penetration data from CARB's 2021 EMission FACtor

(EMFAC2021) model.[9] EMFAC2021 provides data on the county-wide data level and does not differentiate data according to cities. This assessment assumes county-wide data reported by EMFAC2021 is representative of city-level on-road transportation emissions factors and EV penetration.

The Community Protocol recommends use of regional travel demand models to differentiate passenger, commercial, and bus vehicle miles travelled activity data attributed to the community. This assessment utilizes data provided by Iteris, Inc.[10] The study provided by Iteris is based on data pulled from the Southern California Association of Governments (SCAG) Regional Transportation Model,[11] an origin-destination model which generates attributable daily average vehicle miles travelled (VMT) for participating counties and cities in Southern California. The model provides VMT data from trips occurring within City limits (internal-internal), traversing City limits (internal-external), and trips which are entirely outside City limits (external-external). Daily VMT provided by Iteris accounted for 100 percent of internal-internal trips and 50 percent of internal-external trips and was annualized[12] to determine 2021 VMT activity data for the City. Equation 3.5 and Table 11 define the equations, parameters, and data sources used to convert resulting Replica VMT activity data to GHG emissions from on-road transportation fuel combustion.

EQUATION 3.5

TR.1.A & TR.2.B ON-ROAD TRANSPORTATION COMBUSTION EMISSIONS

$$CO_2e_{onroad,i} = \left(T_i + \frac{1}{2}T_{O,i} + \frac{1}{2}T_{D,i}\right) \times EF_{auto,i} \quad 3.5$$

[9] California Air and Resources Board. 2023. Emission FACtor (EMFAC2021 v1.0.1) Model. Available at: https://arb.ca.gov/emfac/emissions-inventory/5e0cb7d6006cc10661f4b3ffb9c120a486d46ea6

[10] https://www.iteris.com/

[11] https://scag.ca.gov/activity-based-model

[12] Daily VMT is scaled based on a 347 days per year conversion as specified by Iteris and the SCAG Regional Transportation Model. The conversion factor accounts for difference between weekend vs weekday transportation activities.

Table 11 Emissions Parameters and Data Sources – Community On-road Transportation TR.1.A and TR.2.B

Definition	Parameter	Value	Unit	Data Source
Total annual community on-road GHG emissions per vehicle class	$CO_2e_{Onroad,i}$	See Table 14	MT CO_2e/year	Calculated
VMT occurring within jurisdictional boundaries per vehicle class	T_i	See Table 14	miles	SCAG Regional Transportation Model (Iteris)[1]
VMT originating within and terminating outside of jurisdictional boundaries per vehicle class	$T_{O,i}$	See Table 14	miles	SCAG Regional Transportation Model (Iteris)
VMT originating outside of and terminating within jurisdictional boundaries per vehicle class	$T_{D,i}$	See Table 14	miles	SCAG Regional Transportation Model (Iteris)
Emissions factor for on-road vehicles per vehicle class	$EF_{auto,i}$	See Table 14	MT CO_2e/mile	EMFAC2021 v1.0.1[2]
Vehicle class	i	Passenger Commercial Bus	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; VMT = vehicle miles travelled

1. Southern California Association of Governments (SCAG) Regional Transportation Model activity data provided by Iteris, Inc. via email on June 26, 2023. Further information regarding the regional transportation model is available at: https://scag.ca.gov/activity-based-model

2. California Air Resources Board (CARB). 2023. EMission FACtor (EMFAC2021 v1.0.1) Model. Available at: https://arb.ca.gov/emfac/emissions-inventory/5e0cb7d6006cc10661f4b3ffb9c120a486d46ea6

In addition to mobile combustion emissions accounted under Community Protocol Equations TR.1.A and TR.2.B, GHG emissions from electric vehicles were included in the City's 2021 Community GHG Inventory for more accurate accounting of on-road transportation trends. This was achieved through modifying Equation 3.5 to account for EV modeshare estimates based on total VMT. EMFAC2021 emissions factors attribute GHG emissions to be zero for EV activity, therefore application of the emission factor to total VMT data do not result in double counting of emissions associated with EVs. The equation, parameters, and data sources used to estimate GHG emissions attributable to on-road EV activity is provided in Equation 3.6 and Table 12 below.

EQUATION 3.6

ON-ROAD TRANSPORTATION ELECTRIC VEHICLE EMISSIONS

$$CO_2e_{onroad,EV,i} = \left(T_i + \frac{1}{2}T_{O,i} + \frac{1}{2}T_{D,i}\right) \times EV_{share,i} \times EPM_i \times EF_{elec,j} \quad 3.6$$

Table 12 Emissions Parameters and Data Sources – Community On-road Transportation EV

Definition	Parameter	Value	Unit	Data Source
Total annual community on-road EV GHG emissions per vehicle class	$CO_2e_{Onroad,EV,i}$	See Table 14	MT CO_2e/year	Calculated
VMT occurring within jurisdictional boundaries per vehicle class	T_i	See Table 13	miles	SCAG Regional Transportation Model (Iteris)[1]
VMT originating within and terminating outside of jurisdictional boundaries per vehicle class	$T_{O,i}$	See Table 13	miles	SCAG Regional Transportation Model (Iteris)
Vehicle miles travelled originating outside of and terminating within jurisdictional boundaries per vehicle class	$T_{D,i}$	See Table 13	miles	SCAG Regional Transportation Model (Iteris)
Percent share of VMT attributable to EVs	$EV_{share,i}$	See Table 13	%	EMFAC2021 v1.0.1[2]
Average rate of electricity consumption per EV-mile per vehicle class	EPM_i	See Table 13	kWh/mile	EMFAC2021 v1.0.1
Weighted average electricity emissions factor per building type	$EF_{elec,j}$	See Table 13	MT CO_2e/kWh	SCE 2021 Power Content Label[3]
Vehicle class	i	Passenger Commercial Bus	Categorical	
Building type	j	Residential Nonresidential	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; EV = electric vehicles; VMT = vehicle miles travelled; kWh = kilowatt hour

1. SCAG Regional Transportation Model activity data provided by Iteris, Inc. via email on June 26, 2023. Further information regarding the regional transportation model is available at: https://scag.ca.gov/activity-based-model

2. California Air Resources Board (CARB). 2023. EMission FACtor (EMFAC2021 v1.0.1) Model. Available at: https://arb.ca.gov/emfac/emissions-inventory/5e0cb7d6006cc10661f4b3ffb9c120a486d46ea6

3. California Energy Commission. 2023. 2021 Power Content Label submitted by Southern California Edison. Available at: https://www.energy.ca.gov/filebrowser/download/4676

Table 13 shows the VMT activity data for community vehicles per vehicle class as well as the EV share of VMT and EVMT used to determine EV activity data expressed as electricity consumption.

Table 13 Community On-road EV Activity Data Calculations

Vehicle Class	VMT Activity Data [miles]	EV Share [%]	EVMT [miles]	EPM [kWh/mile]	EV Activity Data [kWh]
Passenger	483,695,445	2.54%	12,285,864	0.36	4,462,398
Commercial	16,519,282	0.00%	0	0.00	0
Bus	416,380	0.51%	2,124	2.11	4,486

Notes: VMT = vehicle miles travelled; EV = electric vehicle; EPM = electricity per mile; EVMT = electric vehicle miles traveled; kWh = kilowatt hour

The activity data, emissions factors, and resulting GHG emissions from on-road transportation quantified in accordance with Equation 3.5 and Equation 3.6 is summarized in Table 14 below.

Table 14 Community On-road Transportation GHG Emissions Calculations

Sector	Activity Data[1]		Emission Factor		GHG Emissions [MT CO_2e]
Passenger VMT	483,695,445	VMT	0.000354	MT CO2e/mile	171,228
Commercial VMT	16,519,282	VMT	0.001198	MT CO2e/mile	19,790
Bus VMT	416,380	VMT	0.002123	MT CO2e/mile	884
Passenger EVMT[1]	4,462,398	kWh	0.000263	MT CO2e/kWh	1,174
Commercial EVMT[2]	0	kWh	0.000263	MT CO2e/kWh	0
Bus EVMT[2]	4,486	kWh	0.000263	MT CO2e/kWh	1
Total					**193,077**

Notes: VMT = vehicle miles traveled; EVMT = electric vehicle miles traveled; kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent

1. EV activity data does not include kWh associated with T&D losses as these emissions are considered negligible and are included under energy sector emissions.

2. Emissions factor for on-road passenger EV electricity use is weighted according to the portion of electricity supplied per provider in the residential electricity sector (see Table 4)

3. Emissions factor for on-road commercial and bus EV electricity use is weighted according to the portion of electricity supplied per provider in the residential electricity sector (see Table 4)

Transportation: Off-road

Off-road equipment and vehicles in the community generate GHG emissions from the mobile combustion of fossil fuels. Off-road fuel usage results from equipment operation for sectors such as agricultural, construction, lawn and garden, or recreational equipment. Community Protocol Equation TR.8 was used to quantify GHG emissions from off-road equipment fuel consumption and is shown under Equation 3.7 below. Table 15 lists the parameters, values, and data sources used to quantify emissions in according with the Community Protocol.

EQUATION 3.7

TR.8 OFF-ROAD EQUIPMENT SECTOR EMISSIONS

$$CO_2e_{offroad,j} = EF_j \times \sum_i Fuel_{offroad,i,j} \times AF_i \quad 3.7$$

Table 15 Emissions Parameters and Data Sources – Community Off-Road Equipment TR.8

Definition	Parameter	Value	Unit	Data Source
Annual GHG emissions from offroad equipment	$CO_2e_{offroad,j}$	See Table 17	MT CO_2e/year	Calculated
Annual fuel consumption in the County per sector per fuel type	$Fuel_{offroad,i,j}$	See Table 17	Gallons/year	OFFROAD2021[1]
Fuel attribution factor per equipment type	AF_i	See Table 16	Percent	SCAG Growth Forecast[2]
Emission factor per fuel type	EF_j	See Table 17	MT CO_2e/gallon	EPA Emission Factors Hub[3]
Equipment Type	i	See Table 16	Categorical	OFFROAD2021
Fuel type	j	Gasoline Diesel Natural Gas	Categorical	OFFROAD2021

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. California Air Resource Board (CARB). 2023. Mobile Source Emissions Inventory Off-road (OFFROAD2021). Available at: https://arb.ca.gov/emfac/emissions-inventory/5e0cb7d6006cc10661f4b3ffb9c120a486d46ea6

2. Southern California Association of Governments (SCAG). 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

3. Environmental Protection Agency (EPA). 2022. GHG Emission Factors Hub. Available at: https://www.epa.gov/climateleadership/ghg-emission-factors-hub

Locally applicable activity data in alignment with ICLEI protocol standards reports off-road equipment fuel consumption on a county-wide basis. Attribution factors per equipment type used to allocate City off-road fuel usage were determined based on demographic data and land use data relating to population size, number of jobs, and agricultural acreage where applicable. The demographic attribution metrics and percent attribution used for each off-road equipment type is shown in Table 16.

Table 16 Community Off-road Equipment Sector Attributions

Equipment Type	Attribution Metric	Attribution	Data Source
Agricultural	Excluded – Other[1]	0.00%	Not Applicable
Airport Ground Support	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Cargo Handling Equipment	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Commercial Harbor Craft	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Construction and Mining	Employment	0.73%	SCAG Growth Forecast[2]
Industrial	Employment	0.73%	SCAG Growth Forecast
Lawn and Garden	Population	0.60%	SCAG Growth Forecast
Light Commercial	Employment	0.73%	SCAG Growth Forecast
Locomotive	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Ocean Going Vessel	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Oil Drilling	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Outboard Marine Tanks	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Pleasure Craft	Population	0.60%	SCAG Growth Forecast
Portable Equipment	Employment	0.73%	SCAG Growth Forecast
Transport Refrigeration Unit	Employment	0.73%	SCAG Growth Forecast
Recreational	Population	0.60%	SCAG Growth Forecast
Military Tactical Support	Excluded – Not Under Jurisdictional Control	0.00%	Not Applicable
Forestry	Excluded – Other[3]	0.00%	Not Applicable

Notes:

1. Agricultural off-road equipment was excluded to remain consistent with the scope of the City's 2021 Community Inventory which excludes agricultural electricity and natural gas sector GHG emissions due to aggregation rules.

2. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

3. Though forestry occurs withing the County of Los Angeles, there appears to be minimal opportunity for forestry within the City's boundaries. Therefore, it is assumed that offroad fuel consumption for forestry activities is negligible and thereby exclude d.

The allocated and aggregated activity data by fuel type, emission factors, and emissions results for the inventory's off-road equipment sector are provided in Table 17.

Table 17 Community Off-road GHG Emissions Calculations

Fuel Type	Activity Data (gallons)	Emission Factor (MT CO_2e/gallon)[1]	GHG Emissions (MT CO_2e)
Diesel	605,302	0.010496	6,353
Gasoline	621,263	0.009199	5,715
Natural Gas	392,276	0.005882	2,307
TOTAL			**14,376**

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; Values may not add due to rounding

1. Emission factors per fuel type represent a weighted average based on the emissions factor and fuel consumption per offroad equipment type as determined according to EPA's Emissions Factor Hub available at: https://www.epa.gov/climateleadership/ghg-emission-factors-hub

3.2.3 Solid Waste

GHG emissions associated with the waste sector result from the decomposition of waste at a landfill as well as landfill operation processes. City solid waste is collected by Athens Services which contracts with San Bernadino County landfills. GHG emissions from waste decomposition were calculated using Community Protocol Method SW.4. Equation 3.8 and Table 18 provide the calculation method, associated parameters, and data sources used to quantify GHG emissions in accordance with Community Protocol SW.4.

EQUATION 3.8

SW.4.1 SOLID WASTE FUGITIVE EMISSIONS

$$CO_2e_{Waste,fugitive} = GWP_{CH_4} \times (1 - CE) \times (1 - OX) \times M \times \sum_i P_i \times EF_i \quad 3.8$$

Table 18 Emissions Parameters and Data Sources – Community Solid Waste SW.4.1

Definition	Parameter	Value	Unit	Data Source
Annual community generated waste GHG emissions	$CO_2e_{Waste,fugitive}$	17,770	MT CO_2e/year	Calculated
Methane global warming potential	GWP_{CH_4}	28		IPCC Fourth Assessment Report[1]
Default LFG collection efficiency	CE	0.75	Fraction	ICLEI Community Protocol
Oxidation rate	OX	0.10	Fraction	ICLEI Community Protocol
Total mass of waste entering landfill	M	See Table 20	Wet short tons	1. CalRecycle[2] 2. SCAG[3]
Proportion of total waste material per material type	P_i	1	Fraction	
Emission factor per material type[4]	EF_i	0.060	MT CH_4/wet short ton	ICLEI Community Protocol
Material type	i	Multiple	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. Intergovernmental Panel on Climate Change (IPCC). 2007. AR4 Synthesis Report: Climate Change 2007. Available at: https://www.ipcc.ch/assessment-report/ar4/

2. California Department of Resources Recycling and Recovery (CalRecycle). 2019. Multi-year Countywide Origin Summary. Available at: https://www2.calrecycle.ca.gov/LGCentral/DisposalReporting/

3. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

4. For mixed municipal waste streams where the proportion of material type is unknown, ICLEI specifies a default value of 0.060 MT CH_4 per wet short ton may be used.

Landfill process emissions were quantified according to Equation SW.5 of the Community Protocol. Equation 3.9 and Table 19 provide the calculation method, associated parameters, and data sources used to quantify GHG emissions from landfill operations.

EQUATION 3.9

SW.5 SOLID WASTE PROCESS EMISSIONS

$$CO_2e_{Waste,process} = M \times EF_p \quad (3.9)$$

Table 19 Emissions Parameters and Data Sources – Community Solid Waste SW.5

Definition	Parameter	Value	Unit	Data Source
Annual landfill process GHG emissions	$CO_2 e_{Waste,process}$	561	MT CO_2e/year	Calculated
Total mass of solid waste that enters the landfill in the inventory year	M	See Table 20	Wet short tons/year	1. CalRecycle[1] 2. SCAG[2]
Emissions factor for landfill process emissions	EF_p	0.011	MT CO_2e/wet short ton	ICLEI Community Protocol

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. California Department of Resources Recycling and Recovery (CalRecycle). 2019. Multi-year Countywide Origin Summary. Available at: https://www2.calrecycle.ca.gov/LGCentral/DisposalReporting/

2. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

As CalRecycle tonnage data by jurisdiction is currently only available up through the year 2019, the tonnage activity data for Equations 3.8 and 3.9 was determined based on a per capita tonnage factor and the City's 2021 population. The calculation method used to estimate 2021 solid waste tonnage for the City is provided in Table 20 below.

Table 20 Community Solid Waste Tonnage Allocation

Sector	2019 Activity Data [wet short ton]	Population (2019)	Allocation [wet short ton/capita]	Population (2021)	2021 Activity Data [wet short ton]
Solid Waste	49,654	61,057	0.81	62,700	50,990

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. Emissions factor provided by the EPA AP-42 –EPA Emission Factor Database, Chapter 2.4 Municipal Solid Waste Landfills (1998) WARM—Exhibit 6 of http://epa.gov/epawaste/conserve/tools/warm/pdfs/Landfilling.pdf, February 2012.

The total GHG emissions from solid waste emissions sources is summarized in Table 21.

Table 21 Community Solid Waste Tonnage Allocation

Emissions Source	GHG Emissions [MT CO_2e/year]
Landfill Fugitive Emissions	17,209
Landfill Process Emissions	561
Total	**17,770**

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

3.2.4 Water

Water consumption generates GHG emissions from the electricity used to deliver water to the community, as well as the energy used to treat and convey the water prior to delivery. Monterey Park's water sources include City-pumped groundwater and purchased local groundwater from San Gabriel Valley Water Company (SGVWC). The City is the primary water service provider and sources all of its water from groundwater wells within the Main Basin. Emissions from electricity used for City-supplied water is anticipated to be accounted under the non-residential electricity sector and is therefore excluded from the inventory to avoid double counting. However, GHG emissions associated with City water production is quantified and presented below for information purposes.

Table 22 shows the parameters and data sources associated with Equation 3.10 which were used to quantify GHG emissions from local and imported water sources.

EQUATION 3.10

WW.14 WATER SECTOR EMISSIONS

$$CO_2e_{Water,i} = Vol_i \times \sum_j EI_{i,j} \times EF_{elec,i,j} \quad 3.10$$

Table 22 Emissions Parameters and Data Sources – Community Water WW.14

Definition	Parameter	Value	Unit	Data Source
Annual GHG emissions from water consumption per water district	$CO_2e_{Water,i}$	See Table 26	MT CO_2e/year	Calculated
Volume of water supplied to the community per water district	Vol_i	See Table 23	AF	2021 Water Production Report provided by the City via email on August 23, 2023
Energy intensity of water distribution per water district	$EI_{i,j}$	See Table 24	kWh/AF	1. City of Monterey Park 2020 UWMP[1] 2. San Gabriel Valley Water Company 2020 UWMP[2]
Electricity emissions factor per water process stage per source type	$EF_{elec,i,j}$	See Table 25	MT CO_2e/kWh	1. SCE 2021 Power Content Label[3] 2. EPA eGRID[4]
Water district	i	See Table 23	Categorical	
Water process stage	j	Extraction Conveyance Treatment Distribution	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; AF = acre-feet; kWh = kilowatt hour; UWMP = Urban Water Management Plan

1. City of Monterey Park. 2021. 2020 Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

2. San Gabriel Valley Water Company. 2021. 2020 Urban Water Management Plan. Available at: https://www.sgvwater.com/wp-content/uploads/2021/07/FINAL-San-Gabriel-Valley-Water-Company-2020-UWMP.pdf

3. California Energy Commission. 2023. 2021 Power Content Label submitted by Southern California Edison. Available at: https://www.energy.ca.gov/filebrowser/download/4676

4. Environmental Protection Agency (EPA). 2023. eGRID Data Explorer 2021 Western Energy Grid. Available at: https://www.epa.gov/egrid/data-explorer

Table 23 shows the total water supplied to the City by each water district or provider and classifies the activity data as local vs imported sources of water.

Table 23 Community Water Activity Data

Water Districts	Activity Data [AF]
Local Water Supply	
City of Monterey Park	7,305.95
Imported Water Supply	
San Gabriel Valley Water Company	27.53

Notes: AF = acre-feet

The energy intensities and emissions factors per water district or provider are summarized in Table 24 and Table 25, respectively. As SGVWC's operations occur outside of the City's jurisdictional boundaries and is anticipated to be supplied by multiple electricity providers, the CAMX grid mix emissions factor provided by eGRID was used to estimate emissions.

Table 24 Community Water Energy Intensities Per Water District

	Energy Intensities [kWh/AF]					
Water District	**Extraction**	**Conveyance**	**Treatment**	**Distribution (Purveyor)**	**Distribution (Consumer)**	**All Stages**
Local Water Supply						
City of Monterey Park[1]	—	—	—	—	—	1,071
Imported Water Supply						
San Gabriel Valley Water Company[2]	—	—	—	—	—	1,127

Notes: kWh = kilowatt hour; AF = acre-feet

1. Energy Intensity information for the City of Monterey Park was sourced from the City's 2020 Urban Water Management Plan available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=
2. Energy Intensity information for San Gabriel Valley Water Company was sourced from the company's 2020 Urban Water Management Plan available at: https://www.sgvwater.com/wp-content/uploads/2021/07/FINAL-San-Gabriel-Valley-Water-Company-2020-UWMP.pdf

Table 25 Community Water Emissions Factors Per Water District

	Emissions Factors [MT CO_2e/kWh]					
Water District	**Extraction**	**Conveyance**	**Treatment**	**Distribution (Purveyor)**	**Distribution (Consumer)**	**All Stages**
Local Water Supply						
City of Monterey Park[1]	—	—	—	—	—	0.000263
Imported Water Supply						
San Gabriel Valley Water Company[2]	—	—	—	—	—	0.000242

Notes: kWh = kilowatt hour; AF = acre-feet
1. Emissions factors are sourced from the City's electricity provider (SCE) power label information available at: https://www.energy.ca.gov/filebrowser/download/4676
2. As San Gabirel Valley Water Company's operation are outside of City boundaries, the CAMX grid mix emissions factor provided by eGRID was used to estimate emissions. Information on CAMX emissions factor for 2021 is available at: https://www.epa.gov/egrid/data-explorer

Table 26 shows the City's water sector GHG emissions and total GHG emissions added to the City's 2021 Community GHG Inventory.

Table 26 Community Water GHG Emissions and Inclusions

Water District		Emissions [MT CO_2e/year]					
		Extraction	Conveyance	Treatment	Distribution (Purveyor)	Distribution (Consumer)	All Stages
Local Water Supply							
City of Monterey Park	Emissions	—	—	—	—	—	2,059
	Inclusion	—	—	—	—	—	No
Imported Water Supply							
San Gabriel Valley Water Company	Emissions	—	—	—	—	—	8
	Inclusion	—	—	—	—	—	Yes
Total Water Supply							
Inventory Total							**8**

Notes: kWh = kilowatt hour; AF = acre-feet

3.2.5 Wastewater

Management of wastewater produces emissions through every stage of the process from collection to final use or discharge. The City's wastewater is treated by the Sanitation Districts of Los Angeles County (LACSD) and is not processed or disposed of within the City's boundaries. The City's wastewater is sent to either LACSD's Whittier Narrows Water Reclamation Plant (WNWRP) or the Joint Water Pollution Control Plant (JWPCP). It is unknown how much of the City's water is processed by each wastewater treatment plant. LACSD estimates approximately 69 gallons per person per day of wastewater is generated within LACSD's service area.[13]

WNWRP has a 15 MGD capacity and serves a population of 150,000 people. The plant provides primary, secondary, and tertiary treatment using anoxic and aerobic processes without digester systems. Treated wastewater produced at the plant meets sanitation requirements of the Regional Water Quality Control Board for recycled water and is ultimately reused as recycled water for industrial, commercial, agricultural, and recreational activities.[14]

JWPCP has a treatment capacity of 300 MGD and serves a population of 3.5 million people. Solids are treated in a primary and secondary treatment system before being sent to anaerobic digester tanks. Biogas produced by the anaerobic digesters is collected and used for energy production to power the facility and is also sold to Southern California Edison. Disinfected wastewater from JWPCP is ultimately discharged to the Pacific Ocean.[15]

[13] City of Monterey Park. 2020. Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

[14] Los Angeles County Sanitation Districts. 2023. Whittier Narrows Water Reclamation Plant. Available at: https://www.lacsd.org/services/wastewater-sewage/facilities/whittier-narrows-water-reclamation-plant

[15] Los Angeles County Sanitation Districts. 2023. Wastewater Treatment Process at JWPCP. Available at: https://www.lacsd.org/services/wastewater-sewage/facilities/joint-water-pollution-control-plant/wastewater-treatment-process-at-jwpcp

GHG emissions from JWPCP operations are a result of stationary combustion, process emissions which occur without nitrification/denitrification, effluent discharge into the Pacific Ocean, and electricity use. WNWRP emissions are the result of process emissions with nitrification/denitrification and electricity use. Community protocol methods used to quantify GHG emissions from stationary combustion, process emissions, and effluent discharge rely on population served by the wastewater facility as activity data. As information is not available regarding how much of the City's wastewater is processed by WNWRP or JWPCP, activity data was estimated by apportioning the City's population served based on each facility's wastewater treatment capacity. The method and calculations used to determine wastewater activity data is provided in Table 27 below.

Table 27 Wastewater Population Served Allocation Per WWTP

Wastewater Treatment Plant (WWTP)	Total Activity Data [population served]	Capacity [MGD]	Allocation [%]	Allocated Activity Data [population served]
Whittier Narrows Water Reclamation Plant (WNWRP)	97,093	15	4.76%	4,623
Joint Water Pollution Control Plant (JWPCP)		300	95.24%	92,470

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. Serviced Population = the combined total number of employees and residents in the City

The set of methods used to quantify stationary combustion emissions is outlined in Equation 3.11 and Table 28 as well as Equation 3.12 and Table 29 below.

EQUATION 3.11

WW.1. (ALT) WASTEWATER DIGESTER GAS STATIONARY COMBUSTION EMISSIONS (CH_4)

$$CO_2e_{WW,Stat,CH4,i} = (P_i \times Digester\ Gas \times f_{CH4} \times BTU_{CH4} \times 10^{-6} \times EF_{CH4} \times 365.25 \times 10^{-3}) \times GWP_{CH4} \quad 3.11$$

Table 28 Emissions Parameters and Data Sources – Community Wastewater WW.1.(alt)

Definition	Parameter	Value	Unit	Data Source
Total annual GHG emitted by devices designed to combust digester gas	$CO_2e_{WW,Stat,CH4}$	See Table 35	MT CO_2e/year	Calculated
Population served[1]	P_i	See Table 27	People	1. SCAG Growth Forecast[2] 2. City of Monterey 2020 UWMP[3]
Rate of digester gas volume production	$Digester\ Gas$	1.00	std ft^3/person/day	ICLEI Community Protocol
Fraction of methane in digester gas	f_{CH4}	0.65	Fraction	ICLEI Community Protocol
Default higher heating value of methane	BTU_{CH4}	1,028	BTU/ft^3	ICLEI Community Protocol
Conversion factor	10^{-6}	0.000001	MMBtu/BTU	
Methane emissions factor	EF_{CH4}	0.0032	kg CH_4/MMBtu	ICLEI Community Protocol
Conversion factor	365.25	365.25	Days/year	ICLEI Community Protocol
Conversion factor	10^{-3}	0.001	MT/kg	
Global warming potential of methane	GWP_{CH4}	25		IPCC Fourth Assessment Report
Wastewater treatment plant (WWTP)	i	WNWRP JWPCP	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; std ft^3 = standard cubic feet; BTU = British thermal unit; MMBtu = one million British thermal units; kg = kilograms;

1. Population serviced (or service population) is the sum of population and employment

2. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

3. City of Monterey Park. 2021. 2020 Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

EQUATION 3.12

WW.2.(ALT) WASTEWATER DIGESTER GAS STATIONARY COMBUSTION EMISSIONS (N_2O)

$$CO_2e_{WW,Stat,N2O,i} = (P_i \times Digester\ Gas \times f_{CH4} \times BTU_{CH4} \times 10^{-6} \times EF_{N2O} \times 365.25 \times 10^{-3}) \times GWP_{N2O} \quad 3.12$$

Table 29 Emissions Parameters and Data Sources – Community Wastewater WW.2.(alt)

Definition	Parameter	Value	Unit	Data Source
Total annual GHG emitted by devices designed to combust digester gas	$CO_2e_{WW,Stat,N2O}$	See Table 35	MT CO_2e/year	Calculated
Population served[1]	P_i	See Table 27	People	1. SCAG Growth Forecast[2] 2. City of Monterey 2020 UWMP[3]
Rate of digester gas volume production	$Digester\ Gas$	1.00	std ft^3/person/day	ICLEI Community Protocol
Fraction of methane in digester gas	f_{CH4}	0.65	Fraction	ICLEI Community Protocol
Default higher heating value of methane	BTU_{CH4}	1,028	BTU/ft^3	ICLEI Community Protocol
Conversion factor	10^{-6}	0.000001	MMBtu/BTU	
Nitrous Oxide emissions factor	EF_{N2O}	0.0006	kg N_2O/MMBtu	ICLEI Community Protocol
Conversion factor	365.25	365.25	Days/year	ICLEI Community Protocol
Conversion factor	10^{-3}	0.001	MT/kg	
Global warming potential of nitrous oxide	GWP_{N2O}	298		IPCC Fourth Assessment Report
Wastewater treatment plant (WWTP)	i	WNWRP JWPCP	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; std ft^3 = standard cubic feet; BTU = British thermal unit; MMBtu = one million British thermal units; kg = kilograms;

1. Population serviced (or service population) is the sum of population and employment

2. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

3. City of Monterey Park. 2021. 2020 Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

Equation 3.13 shows the calculation method use to quantify process emissions with nitrification/denitrification in accordance with Community Protocol WW.7. Table 30 show the parameter definitions, default factors, and data sources used.

EQUATION 3.13

WW.7 CENTRALIZED WWTP W/ NITRIFICATION/DENITRIFICATION

$$CO_2e_{WW,nit/denit,i} = P_i \times F_{ind-com} \times EF_{nit/denit} \times 10^{-6} \times GWP_{N2O} \quad 3.13$$

Table 30 Emissions Parameters and Data Sources – Community Wastewater WW.7

Definition	Parameter	Value	Unit	Data Source
Total annual GHG emitted by WWTP processes	$CO_2e_{WW,nit/denit,i}$	See Table 35	MT CO_2e/year	Calculated
Population served[1]	P_i	See Table 27	People	1. SCAG Growth Forecast[2] 2. City of Monterey 2020 UWMP[3]
Factor for insignificant industrial or commercial discharge	$F_{ind-com}$	1.00		ICLEI Community Protocol
Emissions factor for a WWTP without nitrification or denitrification	$EF_{w/o\ nit/denit}$	7.00	g N_2O/person/year	ICLEI Community Protocol
Conversion factor	10^{-6}	0.000001	MMBtu/BTU	
Global warming potential of nitrous oxide	GWP_{N2O}	298		IPCC Fourth Assessment Report
Wastewater treatment plant (WWTP)	i	WNWRP JWPCP	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; std ft^3 = standard cubic feet; BTU = British thermal unit; MMBtu = one million British thermal units; kg = kilograms;

1. Population serviced (or service population) is the sum of population and employment

2. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

3. City of Monterey Park. 2021. 2020 Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

Equation 3.14 shows the calculation method use to quantify process emissions without nitrification/denitrification in accordance with Community Protocol WW.8. Table 31 show the parameter definitions, default factors, and data sources used.

EQUATION 3.14

WW.8 CENTRALIZED WWTP W/O NITRIFICATION/DENITRIFICATION

$$CO_2e_{WW,w/o\,nit/denit,i} = P_i \times F_{ind-com} \times EF_{w/o\,nit/denit} \times 10^{-6} \times GWP_{N2O} \quad 3.14$$

Table 31 Emissions Parameters and Data Sources – Community Wastewater WW.8

Definition	Parameter	Value	Unit	Data Source
Total annual GHG emitted by WWTP processes	$CO_2e_{WW,w/o\ nit/denit,i}$	See Table 35	MT CO_2e/year	Calculated
Population served[1]	P_i	See Table 27	People	1. SCAG Growth Forecast[2] 2. City of Monterey 2020 UWMP[3]
Factor for insignificant industrial or commercial discharge	$F_{ind-com}$	1.00		ICLEI Community Protocol
Emissions factor for a WWTP without nitrification or denitrification	$EF_{w/o\ nit/denit}$	3.20	g N_2O/person/year	ICLEI Community Protocol
Conversion factor	10^{-6}	0.000001	MMBtu/BTU	
Global warming potential of nitrous oxide	GWP_{N2O}	298		IPCC Fourth Assessment Report
Wastewater treatment plant (WWTP)	i	WNWRP JWPCP	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; std ft^3 = standard cubic feet; BTU = British thermal unit; MMBtu = one million British thermal units; kg = kilograms;

1. Population serviced (or service population) is the sum of population and employment

2. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

3. City of Monterey Park. 2021. 2020 Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

Community Protocol Equation WW.12.(alt) was used to quantify GHG emissions associated with treated wastewater effluent discharge into natural water bodies. Equation 3.15 shows the calculation method use to quantify process emissions without nitrification/denitrification in accordance with the Community Protocol while Table 32 shows the parameter definitions, default factors, and data sources used.

EQUATION 3.15

WW.12.(ALT) NITROUS OXIDE EMISSIONS FROM EFFLUENT DISCHARGE

$$CO_2e_{WW,effluent,i} = P_i \times F_{ind-com} \times (Total\ N\ Load - N\ Uptake_i \times BOD_5\ load) \times EF_{effluent,i} \times \frac{44}{28} \times (1 - F_{plant,i}) \times 365.25 \times 10^{-3} \times GWP_{N2O} \quad 3.15$$

Table 32 Emissions Parameters and Data Sources – Community Wastewater WW.12.(alt)

Definition	Parameter	Value	Unit	Data Source
Total annual GHG emitted by WWTP processes	$CO_2e_{WW,w/o\ nit/denit,i}$	See Table 35	MT CO_2e/year	Calculated
Population served[1]	P_i	See Table 27	People	1. SCAG Growth Forecast[2] 2. City of Monterey 2020 UWMP[3]
Factor for industrial or commercial discharge	$F_{ind-com}$	1.00		ICLEI Community Protocol
Average total nitrogen per day	$Total\ N\ Load$	0.026	kg N/person/day	ICLEI Community Protocol
Nitrogen uptake for cell growth per system type (aerobic vs anaerobic)	$N\ Uptake_i$	0.005	kg N/kg BOD_5	ICLEI Community Protocol
Rate of BOD_5 produced	$BOD5\ load$	0.09	kg BOD_5/person/day	ICLEI Community Protocol
Emissions factor of discharge to water body type (ocean)	$EF_{effluent,i}$	0.003	kg N_2O-N/kg sewage-N discharged	ICLEI Community Protocol
Molecular weight ratio of N_2O to N_2	$\frac{44}{28}$	1.57	Fraction	
Fraction of nitrogen removed from the WWTP per system type (w/ or w/o nit/denit)	$F_{plant,i}$	0.00	Fraction	ICLEI Community Protocol
Conversion factor	365.25	365.25	Days/year	
Conversion factor	10^{-3}	0.001	MT/kg	
Global warming potential of nitrous oxide	GWP_{N2O}	298		IPCC Fourth Assessment Report
Wastewater treatment plant (WWTP)	i	WNWRP JWPCP	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; std ft^3 = standard cubic feet; kg = kilograms; BOD_5 = five-day biochemical oxygen demand

1. Population serviced (or service population) is the sum of population and employment

2. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

3. City of Monterey Park. 2021. 2020 Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

Wastewater electricity use occurs from the collection and treatment of wastewater. Electricity use from City wastewater treatment at WNWRP and JWPCP were quantified in alignment with Community Protocol Equation WW.15. However, the City's utility expenses includes wastewater infrastructure used for wastewater collection within the City's boundaries and is therefore anticipated to be included under nonresidential energy sector activity data. To avoid double counting, electricity consumption associated with wastewater collection is excluded from the inventory. The inventory does include emissions associated with electricity use for wastewater treatment occuring outside the City's boundary. Community Protocol Equation WW.15 has been updated to account for T&D losses to remain consistent with electricity consumption in other sectors of the City's 2021 Community GHG Inventory. Equation 3.16 and Table 33 outline the

method, parameters, and data sources used to determine GHG emissions attributable to wastewater facility electricity use.

EQUATION 3.16

WW.15 ENERGY-RELATED EMISSIONS ASSOCIATED WITH WASTEWATER COLLECTION AND TREATMENT

$$CO_2e_{WWelec,i} = \left(\sum_j EI_{WW,i,j}\right) \times Vol_i \times (1 + L_{T\&D}) \times EF_{elec,i} \quad 3.16$$

Table 33 Emissions Parameters and Data Sources – Community Wastewater WW.15

Definition	Parameter	Value	Unit	Data Source
Total annual GHG emitted by WWTP electricity use	$CO_2e_{WWelec,i}$	See Table 35	MT CO_2e/year	Calculated
Energy intensity per WWTP and wastewater management stage	$EI_{WW,i,j}$	See Table 34	kWh/MG	ICLEI Community Protocol
Volume of community wastewater production	Vol_i	See Table 34	MG	1. SCAG Growth Forecast[1] 2. City of Monterey 2020 UWMP[2]
Electricity loss factor	$L_{T\&D}$	4.40%	Percent	EPA eGRID[3]
Electricity emission factor per WWTP	$EF_{elec,i}$	0.000242	MT CO_2e/kWh	EPA eGRID
Wastewater treatment plant or (WWTP)	i	WNWRP JWPCP	Categorical	
Wastewater management stage	j	Collection Treatment	Categorical	

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; MG = million gallons; kWh = kilowatt hour

1. Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071

2. City of Monterey Park. 2021. 2020 Urban Water Management Plan. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/12162/FINAL-City-of-Monterey-Park-2020-UWMP?bidId=

3. Environmental Protection Agency (EPA). 2023. eGRID Data Explorer 2021 Western Energy Grid. Available at: https://www.epa.gov/egrid/data-explorer

As information regarding the volume of the City's wastewater production is not tracked by the City, activity data for the volume of wastewater and resulting kWh consumption attributable to the City is estimated using a per person wastewater production factor according to method shown in Table 34.

Table 34 Wastewater Electricity Use Activity Data Allocation Per WWTP

Wastewater Treatment Plant (WWTP)	Population Served[1] [people]	Volume Rate[2] [gal/person/ day]	Allocation[3] [%]	City Production[4] [MG]	EI [kWh/MG]	Electricity Use [kWh]
WNWRP	97,093	69	4.76%	117	3,000	349,567
JWPCP			95.24%	2,330	1,400	3,262,627

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. Serviced Population = the combined total number of employees and residents in the City as provided by SCAG Growth Forecast data
2. Volume of wastewater production per person per day based on the average rate of LACSD production as reported in the City of Monterey Park's 2020 UWMP
3. See Table 27
4. MGD converted to MG using a day per year conversion factor of 365.25

Table 35 summarizes the City's wastewater sector activity data, emissions factors, and GHG emissions per WWTP.

Table 35 Community Wastewater GHG Emissions Calculations

Emissions Source	Protocol Equation	Activity Data		Emissions Factor[1]		GHG Emissions [MT CO_2e/year]
WNWRP						
Stationary Combustion	—	—		—		—
Process N_2O	WW.7	4,623	people	0.002086	MT CO_2e/person	9.64
Effluent Discharge	—	—		—		—
Electricity Use	WW.15	349,567	kWh	0.0002421	MT CO2e/kWh	84.62
Electricity Use T&D	WW.15	15,381	kWh	0.0002421	MT CO2e/kWh	3.72
JWPCP						
Stationary Combustion	WW.1.(alt) WW.2.(alt)	92,470	people	0.000065	MT CO_2e/person	6.04
Process N_2O	WW.8	92,470	people	0.000954	MT CO_2e/person	88.18
Effluent Discharge	WW.12.(alt)	92,470	people	0.010915	MT CO_2e/person	1,009.34
Electricity Use	WW.15	3,262,627	kWh	0.0002421	MT CO2e/kWh	789.82
Electricity Use T&D	WW.15	143,556	kWh	0.0002421	MT CO2e/kWh	34.75
All WWTP						
Stationary Combustion		97,093	people	0.000062	MT CO_2e/person	6.04
Process N_2O[1]		97,093	people	0.001008	MT CO_2e/person	97.82
Effluent Discharge		97,093	people	0.010396	MT CO_2e/person	1,009.34
Electricity Use		3,612,194	kWh	0.0002421	MT CO2e/kWh	874.44
Electricity Use T&D		158,937	kWh	0.0002421	MT CO2e/kWh	38.48
Total						**2,026.13**

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. Emissions Factors for "All WWTP" are weighted based on each WWTP's the activity data and emissions factors per emissions source category.

3.3 2021 Community GHG Emissions Inventory Results

The inventory provides the City with current GHG emissions estimates that follow the Community Protocol and current best practices for GHG accounting. The results of the GHG inventory are shown in Figure 2 and Figure 2 summarized in detail in Table 36.

Figure 1 Updated Inventory GHG Emissions by Sector

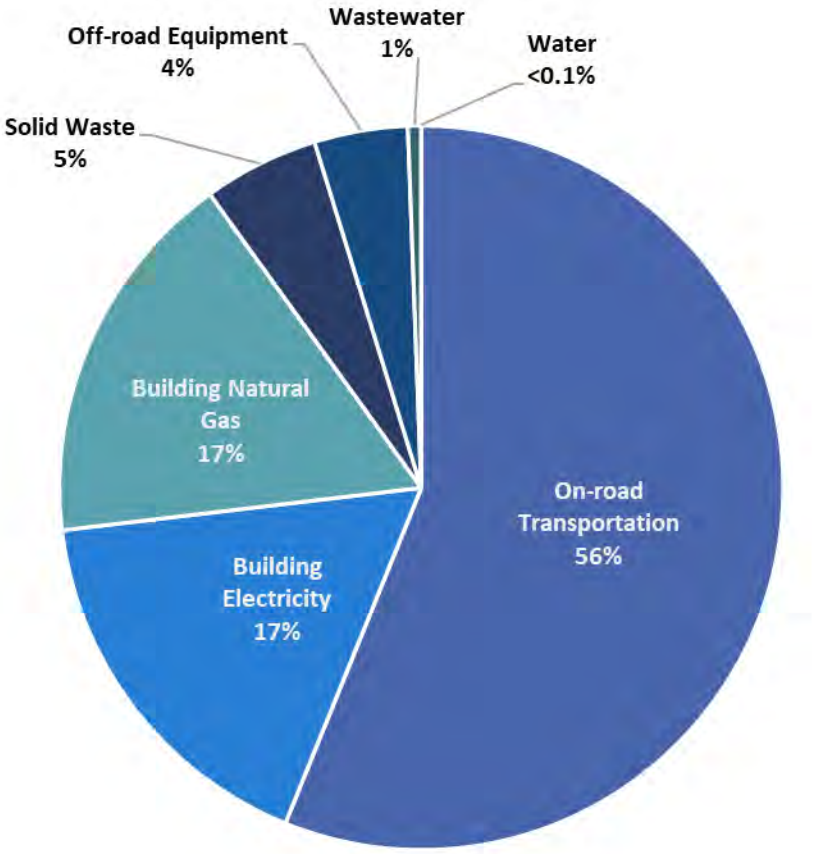


Figure 2 Updated Inventory GHG Emissions by Sub-Sector

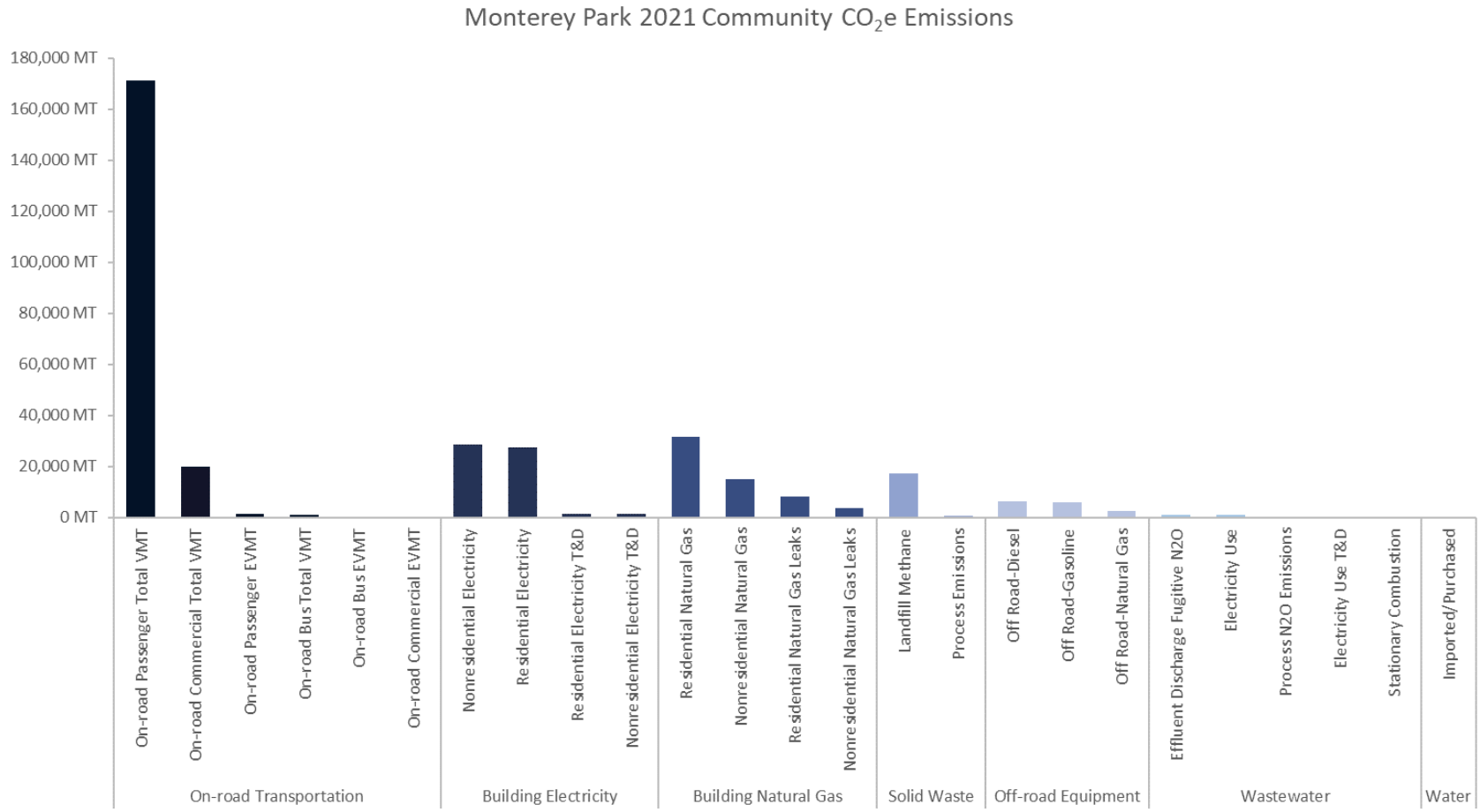


Table 36 2021 Community GHG Emissions Inventory

GHG Emissions Sector	GHG Emissions Subsector	Activity Data		Emission Factor		GHG Emissions (MT CO_2e)
Energy	Residential Electricity	104,498,177	kWh	0.000263	MT CO_2e/kWh	27,492
	Residential Electricity T&D	4,794,265	kWh	0.000263	MT CO_2e/kWh	1,261
	Nonresidential Electricity	108,155,324	kWh	0.000263	MT CO_2e/kWh	28,454
	Nonresidential Electricity T&D	4,759,032	kWh	0.000263	MT CO_2e/kWh	1,252
	Residential Natural Gas	5,962,925	therms	0.005311	MT CO_2e/therm	31,672
	Residential Natural Gas Leaks	167,801	therms	0.047381	MT CO_2e/therm	7,951
	Nonresidential Natural Gas	2,804,025	therms	0.005311	MT CO_2e/therm	14,894
	Nonresidential Natural Gas Leaks	78,907	therms	0.047381	MT CO_2e/therm	3,739
Transportation	Passenger VMT	483,695,445	VMT	0.000354	MT CO_2e/mile	171,228
	Commercial VMT	16,519,282	VMT	0.001198	MT CO_2e/mile	19,790
	Bus VMT	416,380	VMT	0.002123	MT CO_2e/mile	884
	Passenger EVMT	4,462,398	kWh	0.000263	MT CO_2e/kWh	1,174
	Commercial EVMT	0	kWh	0.000263	MT CO_2e/kWh	0
	Bus EVMT	4,486	kWh	0.000263	MT CO_2e/kWh	1
	Off-road Diesel	605,302	Gallons	0.010496	MT CO_2e/gal	6,353
	Off-road Gasoline	621,263	Gallons	0.009199	MT CO_2e/gal	5,715
	Off-road Natural Gas	392,276	Gallons	0.005882	MT CO2e/gal	2,307
Solid Waste	Landfill Methane	50,990	Wet short tons	0.337500	MT CO_2e/ton	17,209
	Process Emissions	50,990	Wet short tons	0.011000	MT CO_2e/ton	561
Water	Local	-	kWh	-	MT CO_2e/kWh	-
	Imported	31,026	kWh	0.000242	MT CO_2e/kWh	8
Wastewater	Stationary Combustion	97,093	people	0.000062	MT CO_2e/person	6
	Process N2O Emissions	97,093	people	0.001008	MT CO_2e/person	98
	Effluent Discharge Fugitive N2O	97,093	people	0.010396	MT CO_2e/person	1,009

GHG Emissions Sector	GHG Emissions Subsector	Activity Data		Emission Factor		GHG Emissions (MT CO_2e)
	Electricity Use	3,612,194	kWh	0.000242	MT CO2e/kWh	874
	Electricity Use T&D	158,937	kWh	0.000242	MT CO2e/kWh	38
Total						**343,970**

Notes: VMT = vehicle miles traveled; EVMT = electric vehicle miles traveled; kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent; gal = gallons

4 GHG Emissions Inventory - Municipal

4.1 Methodology

The City's municipal GHG inventory (2021 Municipal Inventory) was competed using the Local Government Operations Protocol[16] (LGOP) developed by ICLEI, CARB, California Climate Action Registry, and The Climate Registry (TCR). The LGOP methodology includes the calculation of GHG emissions which can be attributed directly to the City's operations in the given inventory year. The municipal inventory allows the City to track its GHG emissions resulting from the municipally owned facilities, vehicles, and equipment over which it can exert control with GHG reduction policies and ultimately lead by example.

The results of GHG emission calculations are presented by emissions *scope*, relating to the degree of control the City has over emissions sources, and the specific sources that the emissions are associated with. Emissions sources are categorized as direct (i.e., Scope 1) or indirect (i.e., Scope 2 or Scope 3), in accordance with the World Resources Institute and the World Business Council for Sustainable Development's Greenhouse Gas Protocol Corporate Standard, which are summarized below:

- **Scope 1:** Direct GHG emissions from sources within a local government's operations that it owns and/or controls. This includes stationary combustion to produce electricity, steam, heat, and power equipment; mobile combustion of fuels; process emissions from physical or chemical processing; fugitive emissions that result from production, processing, transmission, storage, and use of fuels; and other sources.
- **Scope 2:** Indirect GHG emissions associated with the consumption of electricity, steam, heating, or cooling that are purchased from a utility provider that also provides energy to other jurisdictions and/or is located outside City boundaries.
- **Scope 3**: All other indirect GHG emissions not covered in Scope 2, such as emissions resulting from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the City (e.g., employee commuting and business travel) outsourced activities, waste disposal, etc.

Scope

Similar to the community inventory, the GHG emissions sources and sectors for the municipal operations inventory are categorized into various sectors and subsectors to match the GHG emissions reporting of the community GHG emissions inventory, with the granularity required by the LGOP. The primary sectors of GHG emissions sources include:

- Electricity
- Natural Gas
- Transportation
- Water and Wastewater
- Solid Waste

[16] ICLEI. May 2010. Local Government Operations Protocol for the quantification and reporting of greenhouse gas emissions inventories.

Further granularity can be achieved by also reporting GHG emissions sources by the following subsectors when possible:[17]

- Buildings and other facilities
- Streetlights and traffic signals
- Water delivery facilities
- Vehicle fleet
- Transit fleet
- Wastewater facilities
- Employee commute
- Employee business travel
- Water consumption
- Solid waste generation

The City's 2021 Municipal Inventory includes an assessment of the City's operational GHG emissions according to the above subsectors and categorized to reflect the City's municipal Scope 1-3 emissions.

Emissions Boundary

The 2021 Municipal GHG Emissions Inventory includes all emissions occurring within the City's direct jurisdictional authority (i.e., sources of emissions resulting from facilities that the City owns and/or operates).

4.2 2021 Municipal GHG Emissions Inventory

4.2.1 Buildings and Other Facilities

Buildings and facilities generate Scope 1 and Scope 2 emissions that relate to the stationary combustion of natural gas (i.e., Scope 1) and the use of electricity (i.e., Scope 2) in the City's facilities.

Natural gas which is used for heating and cooling of buildings and facilities is provided to the City by SoCalGas. However, similar to the community natural gas used, not all the natural gas used is combusted, some fraction is leaked during distribution and at end-uses.[18,19,20] The activity data provided by SoCalGas is adjusted to remove end-use leakage and an emission factor from the EPA Emission Factors for Greenhouse Gas Inventories report is applied to calculate GHG emissions from

[17] The LGO Protocol recommends additional subsector reporting; however, the following have been excluded due to inapplicability to the City of Camarillo's operations: port facilities, airport facilities, and solid waste facilities.

[18] See Section 3.2.1, *Energy: Natural Gas Methane Leaks* for more information

[19] Alvarez, Ramón et al. (2018). Assessment of methane emissions from the U.S. oil and gas supply chain. Science. 361. https://www.science.org/doi/abs/10.1126/science.aar7204

[20] Environmental Defense Fund USER GUIDE FOR NATURAL GAS LEAKAGE RATE MODELING TOOL. Available at: https://www.edf.org/sites/default/files/US-Natural-Gas-Leakage-Model-User-Guide.pdf

natural gas combustion.[21] Emissions from distribution and end-use methane leaks are calculated separately using the attributed activity data and a calculated natural gas methane leak emission factor. The GHG emission calculation details associated with the buildings and other facilities sector's natural gas usage and leakage are provided in Table 37.

Table 37 Municipal Buildings and Facilities Sector Natural Gas GHG Emissions Calculations

GHG Emissions Source	Total Activity Data [therms]	Source Activity Data[1] [therms]	Emissions Factor [MT CO_2e/therm]	Emissions [MT CO_2e]	Scope
Natural Gas Combustion	123,243	122,627	0.005311	651	Scope 1
Natural Gas Methane Leaks[2]		3,451	0.047381	164	Scope 1
Total				**815**	**Scope 1**

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent

1. See Equations 3.3 and 3.4 as well as Table 7 and Table 9 for more information on how natural gas activity data is attributed between combustion and leakage emissions sources

2. Emission factor is calculated using the following equation:

$$2.85\ \frac{cubic\ meters}{therm} * 95\%\ methane\ content\ * 0.7\ \frac{kg}{cubic\ meter} * 28\ \frac{CO_2e}{CH_4} * 0.001\ \frac{MT}{kg}$$

Electricity used to light and power municipal buildings and facilities is provided to the City by SCE and is considered Scope 2 emissions. An annual electricity consumption utility data summary report was provided by the City for all municipal buildings and operations. Buildings and facilities activity data was identified from the annual summary and applied to SCE's 2021 power label emissions factor as reported to CEC to quantify GHG emissions.[22] Additionally, T&D electricity losses are included in the City's 2021 Municipal GHG Inventory to align with sector inclusions of the City's 2021 GHG Community Inventory. The GHG emission calculation details associated with buildings and other facilities sector's electricity usage are provided in Table 38.

[21] Environmental Protection Agency (EPA). 2022. GHG Emission Factors Hub. Available at: https://www.epa.gov/climateleadership/ghg-emission-factors-hub

[22] California Energy Commission (CEC). 2023. 2021 Power Content Label submitted by Southern California Edison. Available at: https://www.energy.ca.gov/filebrowser/download/4676

Table 38 Municipal Buildings and Facilities Sector Electricity GHG Emission Calculations

GHG Emissions Source	Utility Provider	Activity Data[1] [kWh]	Emissions Factor[2] [MT CO_2e/kWh]	Emissions [MT CO_2e]	Scope
Electricity Consumption	SCE	2,152,933	0.000263	566	Scope 2
Electricity Consumption T&D[3]	SCE	94,729	0.000263	25	Scope 2
Total				**591**	**Scope 2**

Notes: kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent
1. See Equation 3.1 and Table 2 for calculation methodology and data sources
2. See Equation 3.2 and Table 5 for calculation methodology and data sources
3. Electricity consumption T&D includes the T&D associated with electric vehicle charging at City buildings and facilities.

4.2.2 Streetlights and Traffic Signals

The City's streetlights and traffic signals generate Scope 2 emissions related to the use of electricity and resulting T&D losses. Activity data was reported in the City's annual electricity consumption utility data report and emissions factors for SCE and T&D losses were determined according to Table 5. The GHG emission calculation details associated with buildings and other facilities sector's electricity usage are provided in Table 39.

Table 39 Municipal Streetlights and Traffic Signals Sector Electricity GHG Emission Calculations

GHG Emissions Source	Utility Provider	Activity Data[1] [kWh]	Emissions Factor[2] [MT CO_2e/kWh]	Emissions [MT CO_2e]	Scope
Streetlights & Traffic Signals	SCE	2,229,759	0.000263	587	Scope 2
Streetlights & Traffic Signals T&D	SCE	98,109	0.000263	26	Scope 2
Total				**612**	**Scope 2**

Notes: kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent
1. See Equation 3.1 and Table 2 for calculation methodology and data sources
2. See Equation 3.2 and Table 5 for calculation methodology and data sources

4.2.3 Water Delivery Facilities

Water consumption typically generates Scope 3 GHG emissions from the electricity used to deliver water to the City facilities, as well as the energy used to treat and convey the water prior to delivery. A portion of the City's water which is purchased from SGVWC is considered Scope 3 as the City does not control the electricity used to extract, convey, treat, and transport SGVWC's water prior to delivery. However, the portion of water provided by SGVWC is considered negligible and therefore excluded from the 2021 Municipal GHG Inventory.

City produced water is considered a Scope 2 emissions source as the facility and distribution infrastructure are owned and operated by the City. The City's annual electricity consumption utility data report provided aggregated activity data for water supply and irrigation systems which is assumed to include municipal building water consumption.

T&D losses associated with the City's water supply and irrigation systems was quantified to maintain consistency with the community inventory and the buildings and facilities emissions sectors. The GHG emission calculations details are provided in Table 40.

Table 40 Municipal Water Consumption GHG Emissions Calculations

GHG Emissions Source	Activity Data[1] [kWh]	Emissions Factor[2] [MT CO_2e/kWh]	Emissions [MT CO_2e]	Scope
Water Supply Infrastructure	6,250,401	0.000263	1,644	Scope 2
Water Supply Infrastructure T&D	275,018	0.000263	72	Scope 2
Total			**1,717**	**Scope 2**

Notes: kWh = kilowatt hour; MT CO_2e = Metric tons of carbon dioxide equivalent; Values may not add due to rounding

1. For T&D loss activity data, see Equation 3.2 and Table 5 for calculation methodology and data sources

2. See Equation 3.10 and Table 22 for calculation methodology and data sources

4.2.4 Vehicle Fleet

Vehicle fleet emissions include Scope 1 sources that relate to the combustion of fossil fuels in the City's on-road and off-road fleet vehicles as well as Scope 2 emissions from the charging of EVs. On-road fleet vehicles include light and medium-duty vehicles and trucks as well as the use of personal vehicles for work. The employee commute sector accounts for emissions generated by City employees' trips to and from work and is treated as separate from the use of personal vehicles for work and is discussed in the section below. The City tracks data regarding vehicle make, model and model year, vehicle identification numbers (VIN), vehicle type, and odometer readings from the beginning and end of each fiscal year. Data regarding public transit and Dial-A-Ride vehicles were identified in the City's municipal vehicle mileage report and excluded from vehicle fleet emissions as they are included under the transit fleet sector. Due to the small amount of EVs currently owned by the City[23], electricity emissions from City-owned EVs were considered negligible and therefore not calculated as part of the 2021 Municipal GHG Inventory. However, electricity emissions from these vehicles are assumed to already be captured in building electricity usage.

Annual mileage, or hours of use in the case of off-road equipment, were determined by comparing 2020 and 2021 vehicle fleet based on VIN information and subtracting odometer readings. Type of fuel used (i.e., gasoline, diesel, or natural gas) was identified based on type of vehicle identification. Total GHG emissions were quantified for on-road vehicles using emissions factors obtained from the EPA Emission Factors for Greenhouse Gas Inventories report.[24] EPA per gallon emissions factors were applied to fuel efficiency standards identified using the U.S. Department of Energy's Fuel Economy database[25] to determine the GHG emissions per mile. Miles travelled was aggregated based on vehicle fuel type and GHG emissions were quantified using a weighted average per mile emissions factor.

Off-road equipment emissions were calculated by applying annual hours of operation activity data to horsepower designations, load factors, and per horsepower-hour emissions factors provided by

[23] The City currently owns and operates 2 electric cars and 2 electric scooters.

[24] Environmental Protection Agency (EPA). 2022. GHG Emission Factors Hub (April, 2022). Available at: https://www.epa.gov/climateleadership/ghg-emission-factors-hub

[25] U.S. Department of Energy. 2023. www.fueleconomy.gov, the official U.S. government source for fuel economy information. Available at: https://fueleconomy.gov/

the California Emissions Estimator Model (CalEEMod).[26] The GHG emission calculation results associated with vehicle fleet sector sources are provided in Table 41.

Table 41 Municipal Vehicle Fleet Sector GHG Emission Calculations

GHG Emission Source	Activity Data		Emissions Factor		Emissions [MT CO_2e]	Scope
On-road vehicles						
Diesel	196,821	miles	0.00101	MT CO_2e/mile	199	Scope 1
Gasoline	588,404	miles	0.00044	MT CO_2e/mile	258	Scope 1
Natural Gas	0	miles	—	MT CO_2e/mile	—	Scope 1
Off-road Equipment[1]						
Diesel	1,029	hours	0.03	MT CO2e/hour	26	Scope 1
Gasoline	839	hours	0.01	MT CO2e/hour	6	Scope 1
Natural Gas	11	hours	0.02	MT CO2e/hour	0.2	Scope 1
Total					**505**	**Scope 1**

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; gal = gallons; kWh = kilowatt hour; Values may not add due to rounding

1. Emission factor for off-road equipment is calculated using the following equation:

$$hp \times Load\,Factor \times \left(\frac{g\ CO_2}{hp-hr} + \left[\frac{g\ CH_4}{hp-hr} \times GWP_{CH4}\right] + \left[\frac{g\ N_2O}{hp-hr} \times GWP_{N2O}\right]\right)$$

4.2.5 Transit Fleet

Transit fleet emissions include Scope 1 sources that relate to the mobile combustion of fossil fuels in the City's public transit fleet (e.g., buses and Dial-A-Ride). Activity data was obtained from the City's annual municipal vehicle milage report which tracks data regarding vehicle make, model and model year, vehicle identification numbers (VIN), vehicle type, and odometer readings from the beginning and end of each fiscal year. The quantification process to determine activity data and emissions factors for transit fleet vehicles follows the same procedure used for the City's vehicle fleet (see Section 4.2.4 above). The GHG emission calculation details associated with transit fleet sector sources are provided in Table 42.

Table 42 Municipal Transit Fleet Sector GHG Emission Calculations

GHG Emission Source	Activity Data		Emissions Factor		Emissions [MT CO_2e]	Scope
Natural Gas	2,367	miles	0.00230	MT CO_2e/mile	5	Scope 1
Gasoline	18,751	miles	0.00064	MT CO_2e/mile	12	Scope 1
Total					**17**	**Scope 1**

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; gal = gallons; Values may not add due to rounding

4.2.6 Solid Waste Facilities

Solid waste generated at municipal buildings and facilities produces Scope 3 GHG emissions from process emission and the decomposition of waste at a landfill. The City's solid waste is collected by

[26] California Emissions Estimator Model (CalEEMod). 2022. User Guide for CalEEMod Version 2022.1, Appendix G, Default Data Tables. Available at: https://www.caleemod.com/user-guide

Athens Services which contracts with San Bernadino County landfills. For consistency in GHG emissions accounting, municipal solid waste GHG emissions were quantified consistent with the methodology applied to the City's 2021 Community GHG Inventory. The GHG emissions calculations for municipal solid waste are summarized in Table 43.

Table 43 Municipal Solid Waste GHG Emission Calculations

Sector	Activity Data [wet short ton]	Emission Factor [MT CO_2e/wet short ton]	GHG Emissions [MT CO_2e]	Emission Source Scope
Landfill Decomposition[1]	1,445	0.3375	488	Scope 3
Landfill Process	1,445	0.0110	16	Scope 3
Total			**504**	**Scope 3**

Note: MT CO_2e = Metric tons of carbon dioxide equivalent

1. For information regarding methodology, default factors, and data sources used to quantify emissions from solid waste decomposition see Equation 3.8 and Table 18

2. For information regarding methodology, default factors, and data sources used to quantify emissions from landfill processes see Equation 3.9 and Table 19

4.2.7 Wastewater Facilities

Wastewater management produces emissions through every stage of the collection and treatment process and falls under Scope 3 emissions as the City's wastewater is treated by the LACSD whose WNWRP and JWPCP facilities exist outside of the City and are not under the City's jurisdictional control. However, the wastewater collection and conveyance infrastructure is managed by the City, therefore Scope 2 emissions from electricity used by wastewater collection infrastructure within the City are also included. Electricity consumption activity data for wastewater collection infrastructure was reported in the City's annual electricity consumption utility data summary report. Additionally, the inventory for wastewater facilities includes T&D losses associated with the City's wastewater collection infrastructure to maintain consistency with the community inventory and the buildings and facilities emissions sectors.

Except for electricity use, activity data for emissions associated with wastewater treatment at WNWRP and JWPCP are based on the number of full time City employees as provided by the City. The total number of employees is apportioned between wastewater treatment plants according to the methodology specified in Table 27. Activity data for wastewater treatment electricity use was determined using the same methodology applied in Table 34 based on the number of City employees. T&D losses associated with electricity used for wastewater facility treatment processes are excluded from the municipal wastewater inventory as they are considered to be negligible. Default emission factors applicable to each wastewater treatment plant were applied to the activity data consistent with methods used in the City's 2021 Community GHG Inventory.[27] The total GHG emissions generated by the City produced wastewater and wastewater infrastructure can be found in Table 44.

[27] See Community Protocol wastewater sector methods (Section 3.2.5) for all default inputs including emissions factors used to calculate wastewater emissions.

Table 44 Municipal Wastewater GHG Emissions

GHG Emission Source	Activity Data		Emissions Factor[1]		Emissions [MT CO_2e]	Scope
Wastewater Collection						
Wastewater Collection Infrastructure[2]	1,387,154	kWh	0.000263	MT CO_2e/kWh	365	Scope 2
Wastewater Collection Infrastructure T&D[2]	61,035	kWh	0.000263	MT CO_2e/kWh	16	Scope 2
Wastewater Treatment						
Stationary Combustion[3]	443	employees	0.000062	MT CO_2e/employee	0	Scope 3
Effluent Discharge Fugitive N2O[4]	443	employees	0.010396	MT CO_2e/employee	5	Scope 3
Process N2O Emissions[5]	443	employees	0.001008	MT CO_2e/employee	0	Scope 3
Electricity Use[6]	16,481	kWh	0.000242	MT CO2e/kWh	4	Scope 3
Total					**381**	**Scope 2**
Total					**9**	**Scope 3**

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; kg = kilogram; kWh = kilowatt hour; Values may not add due to rounding

1. See Table 35 for a summary of emissions factors calculated according to methods detailed in Section 3.2.5
2. See Equation 3.16 and Table 33; this only includes electricity emissions from wastewater collection infrastructure
3. See Equation 3.11 and Table 28 as well as Equation 3.12 and Table 29
4. See Equation 3.15 and Table 32
5. See Equation 3.13 and Table 30 as well as Equation 3.14 and Table 31
6. See Equation 3.16 and Table 33; this includes electricity emissions from wastewater treatment processing

4.2.8 Employee Commute

Emissions from employee commute include Scope 3 GHG emissions sources from the mobile combustion of fossil fuels generated by the City's employee vehicles due to employees commute to and from work. The annual commute miles travelled per year were estimated based on number of full time employee data provided by the City, the average commute miles per one way trip as reported by a study published by SCAG,[28] and a 260 work days per year conversion factor. The passenger vehicle emissions factor provided by EMFAC2021[29] was applied to activity data to determine GHG emissions from employee commute. The GHG emissions associated with the employee commute sector are provided in Table 45.

[28] Southern California Association of Governments. 2021. Spatiotemporal Analysis of Jobs-Housing Fit in Southern California (ID: P21-20281). Available at: https://scag.ca.gov/sites/main/files/file-attachments/ej_jhfit_scag_2021trb.pdf?1612993870

[29] California Air and Resources Board. 2023. Emission FACtor (EMFAC2021 v1.0.1) Model. Available at: https://arb.ca.gov/emfac/emissions-inventory/5e0cb7d6006cc10661f4b3ffb9c120a486d46ea6

Table 45 Municipal Employee Commute GHG Emissions

GHG Emission Source	City Employees	Avg One-way Distance [mi/trip]	Work Days per Year	Emissions Factor [MT CO_2e/mi]	Emissions [MT CO_2e]	Emission Source Scope
Employee Commute	443	9.10	260.00	0.00035	742	Scope 3

Notes: MT CO_2e = Metric tons of carbon dioxide equivalent; mi = miles; Values may not add due to rounding

5 GHG Emissions Forecast

A GHG emissions inventory sets a reference point for a single year; however, annual GHG emissions change over time due to factors such as population and job growth as well as new technologies and policies. A GHG emissions forecast estimates future GHG emission changes by accounting for projected community growth. Calculating the difference between the GHG emissions forecast and GHG emissions reduction targets set by a jurisdiction determines the gap in GHG emissions that needs to be closed through the implementation of local GHG reduction policies. This section includes an estimate of the future emissions for the City in the years 2030, 2035, 2040 and 2045 in a *business-as-usual scenario* (BAU) forecast and a *legislative adjusted scenario* (adjusted) forecast, which are defined as follows:

- B*usiness-as-usual scenario*- Provides a forecast of how future GHG emissions would change if consumption trends continue as they did in 2021 and growth were to occur as projected in Southern California Association of Government's (SCAG) 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) Final Growth Forecast, absent any regulations that would reduce local emissions.
- *Legislative adjusted scenario*- Provides a forecast of how currently adopted legislation would reduce GHG emissions from the *business-as-usual scenario*. The *legislative adjusted scenario* represents the State's contribution to reducing local GHG emissions to meet state goals.

Because the adjusted forecast incorporates the impact of State regulations that provide GHG emission reduction potential to offer a more accurate picture of future GHG emission growth and the responsibility of the City for GHG reductions.

5.1 Business-as-usual Scenario GHG Emissions Forecast

For the BAU forecast, future GHG emissions were calculated by multiplying projected activity data with the baseline emission factors utilized in the 2021 community GHG emissions inventory. Several indicator growth rates were developed from 2021 activity data and applied to demographic projections to project future activity data.

Demographics applied to the growth factors use SCAG's RTP/SCS 2016-2040 Final Growth Forecast estimates of population, employment, and households.[30] Household based growth factors from SCAG's RTP/SCS forecast are adjusted to account for the 6th Cycle Regional Housing Needs Assessment (RHNA) allocation of housing needs for the City between 2021 and 2029. As such, the number of households in the City is expected to grow by 5,257 units between 2020 and 2029[31], with steady growth after 2030 at a rate of about 36 households per year. On-road transportation VMT projections and off-road fuel use projections utilize data obtained from Iteris, Inc. and the CARB EMFAC OFFROAD2021 model, respectively, as described in the Community Inventory section. A summary of the demographics and projection metrics for each forecast year in the BAU forecast are provided in Table 46.

[30] Southern California Association of Governments. 2023. 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. Available at: https://scag.ca.gov/sites/main/files/file-attachments/2016_2040rtpscs_finalgrowthforecastbyjurisdiction.pdf?1605576071.

[31] City of Monterey Park. 2023. 2023 Housing Element. Available at: https://www.montereypark.ca.gov/DocumentCenter/View/14974/Housing-Element-2023?bidId=

Table 46 BAU Forecast Demographic and Projection Metrics by Forecast Year

Metric	Data Source	2021	2030	2035	2040	2045
Population	SCAG 2016-2040 RTP/SCS	62,700	63,600	64,100	65,000	65,900
Employment	SCAG 2020 RTP/SCS	34,393	35,391	35,700	36,500	37,300
Service Population	SCAG 2020 RTP/SCS	97,093	98,991	99,800	101,500	103,200
Households	SCAG 2020 RTP/SCS and SCAG 6th Cycle RHNA Allocation	20,833	26,406	26,557	26,757	26,957
Passenger Annual VMT	Iteris, Inc.	483,695,445	492,860,756	497,952,634	503,044,859	508,137,084
Commercial Annual VMT	Iteris, Inc.	16,519,282	17,834,759	18,566,235	19,297,364	20,028,493
Bus Annual VMT[1]	Iteris, Inc.	416,380	N/A	N/A	N/A	N/A
Off-road gasoline usage (gallons)	CARB OFFROAD2021	621,263	673,143	691,873	709,122	726,981
Off-road diesel usage (gallons)	CARB OFFROAD2021	605,302	642,586	673,444	704,153	739,068
Off-road natural gas usage (gallons)	CARB OFFROAD2021	392,276	429,606	451,568	474,690	474,690

Notes: VMT = vehicle miles traveled; RHNA = Regional Housing Needs Allocation; Demographics for 2030 and 2045 are quantified assuming growth rate remains consistent between the years of 2035-2045

1. Bus VMT for 2021 is obtained from Iteris Inc.'s VMT analysis and growth factor is applied for forecast years, as seen in Table 2 below.

A description of the demographic metrics used to project activity data and associated growth factors for each forecasted GHG emission source in the 2021 community GHG emissions inventory are provided in Table 47.

Table 47 GHG Emission Sources and Growth Factors for BAU Scenario Forecast

GHG Emissions Source	Demographic Projection Metric	Growth Factor	Value	Units
Energy[1]				
Residential Natural Gas Consumption	Households	Natural Gas Consumption per Household	286	therms
Non-residential Natural Gas Consumption	Employment	Natural Gas Consumption per Job	82	therms
Residential Electricity Consumption	Households	Electricity Consumption per Household	5,016	kWh
Non-residential Electricity Consumption	Employment	Electricity Consumption per Job	3,145	kWh
Residential Natural Gas Leaks	Households	Natural Gas Leakage per Household	8	therms

Non-residential Natural Gas Leaks	Employment	Natural Gas Leakage per Job	2	therms
Transportation				
On-Road Passenger Vehicles[2]	N/A	N/A	N/A	N/A
On-Road Commercial Vehicles[3]	N/A	N/A	N/A	N/A
On-Road Buses	Service Population	Annual Bus Service per Service Person	4	VMT
Off-Road Equipment[4]	N/A	N/A	N/A	N/A
Water & Wastewater[5]				
Imported Water Supply Electricity Consumption	Service Population	Imported Potable Water Supply Electricity Consumption per Service Person	0.32	kWh
Wastewater Electricity Consumption	Service Population	Wastewater Electricity Consumption per Service Person	37	kWh
Wastewater Process and Fugitive Emissions	Service Population	Wastewater Process and Fugitive Emissions per Service Person	0.01	MT CO2e
Solid Waste				
Solid Waste Disposal	Service Population	Solid Waste Disposed per Service Person	0.18	tons

Notes: MT CO2e = Metric tons of carbon dioxide equivalent; kWh = kilowatt-hour; VMT = vehicle miles traveled; N/A = Not Applicable; SP = Service Population – the combined total number of employees and residents in the City

1. Electricity T&D growth factor is not included as GHG emissions from electricity T&D is added to each forecasted year's total electricity amount.

2. Annual Vehicle Miles Traveled (VMT) for each forecast year are obtained from Iteris Inc.'s VMT analysis.

3. VMT for each forecast year are obtained from Iteris Inc.'s VMT analysis.

4. Fuel consumption for each forecasted year are obtained from the CARB OFFROAD2021 Model, available at: https://arb.ca.gov/emfac/emissions-inventory/5e0cb7d6006cc10661f4b3ffb9c120a486d46ea6

5. Electricity emissions associated with local water consumption use are captured within the energy sector, as previously described in the Community Inventory section of this technical report. GHG emissions from wastewater electricity T&D is added to each forecasted years' wastewater electricity amount.

Using the above demographic and projection metrics in Table 46, multiplied by the growth factors in Table 47 and the 2021 community GHG inventory emission factors, the BAU forecast can be calculated. In the BAU forecast, GHG emissions are expected to increase through 2045. A summary of the BAU forecast results by GHG emission sector is provided in Table 48.

Table 48 BAU Forecast Results Summary by Emission Sector

GHG Emissions Source	2021	2030	2035	2040	2045
Energy	116,714	136,394	137,323	139,104	140,885
Residential Electricity + T&D	28,753	36,432	36,640	36,916	37,192
Nonresidential Electricity + T&D	29,706	30,568	30,835	31,526	32,216
Residential Natural Gas	31,672	40,144	40,373	40,677	40,981
Residential Natural Gas Leaks	7,951	10,077	10,135	10,211	10,288
Nonresidential Natural Gas	14,894	15,326	15,459	15,806	16,152
Nonresidential Natural Gas Leaks	3,739	3,847	3,881	3,968	4,055
Transportation	207,453	213,401	216,725	220,048	223,286

On-road Passenger Vehicles	172,402	175,669	177,484	179,299	181,114
On-road Commercial Vehicles	19,790	21,366	22,242	23,118	23,994
On-road Buses	885	902	910	925	941
Off-road Equipment	14,376	15,464	16,089	16,706	17,237
Water and Wastewater	2,034	2,073	2,090	2,126	2,162
Imported Water Supply	8	8	8	8	8
Wastewater Process and Fugitive Emissions	1,113	1,135	1,144	1,164	1,183
Wastewater Electricity + T&D	913	931	938	954	970
Solid Waste	17,770	18,117	18,265	18,576	18,888
Solid Waste Disposal	17,770	18,117	18,265	18,576	18,888
Total GHG Emissions	343,970	369,985	374,404	379,855	385,219

Notes: All values are presented in metric tons of carbon dioxide equivalent (MT CO2e)

5.2 Legislative Adjusted Scenario GHG Emissions Forecast

Several federal and state regulations have been enacted that would reduce the City's GHG emissions below the BAU forecasted levels in 2030, 2035, 2040 and 2045. The impact of these regulations was quantified and incorporated into the adjusted forecast to provide a more accurate depiction of future emissions growth and the GHG emission reduction responsibility of the City. The state legislation included in the adjusted forecast reduce GHG emissions associated with transportation, building efficiency and renewable electricity. A brief description of each regulation and the methodology used to calculate associated reductions is provided in the following, as well as a description of why specific legislation was excluded from the analysis.

5.2.1 Legislative Reduction Programs

Additional legislative programs are expected to reduce GHG emissions in specific sectors throughout California, as identified in the 2017 Scoping Plan Update. Many of these programs were incorporated into the forecast analysis and are summarized in the subsections below.

Transportation Legislation

Advanced Clean Cars Programs

Prior to 2012, mobile emissions regulations were implemented on a case-by-case basis for GHG and criteria pollutant emissions separately. In January 2012, CARB approved a new emissions-control program (the Advanced Clean Cars program) combining the control of smog, soot causing pollutants, and GHG emissions into a single coordinated package of requirements for passenger cars and light trucks model years 2017 through 2025. The Advanced Clean Cars program coordinates the goals of the Low Emissions Vehicles, Zero Emissions Vehicles, and Clean Fuels Outlet programs, and is more stringent than the federal Corporate Average Fuel Economy (CAFE) standards. The new

standards will reduce California's GHG emissions by 34 percent in 2025 which is modeled under the CARB EMission FACtor (EMFAC) Model and included in the GHG forecast.[32]

Advanced Clean Cars II was approved by CARB in August 2022 and expands the program's roadmap so that by 2035 all new cars and passenger trucks will be zero-emission vehicles (ZEV). This regulation effectively binds the State to EO N-79-20. The executive order was passed by the governor in 2020 and requires all new cars and passenger trucks sold in California be ZEV by 2035. While these legislations will lead to an expedited timeline for ZEV adoption in California, modeling data is not yet available in CARB's EMFAC Model, and emissions reductions attributable to the Advanced Clean Cars II program were therefore, excluded from the GHG forecast.

Advanced Clean Trucks was approved by CARB in June 2020 sets a zero emission vehicle (ZEV) percent-of-sales requirement on medium- and heavy- duty vehicle manufacturers to promote increased truck ZEV sale from 2024 to 2035. The standard is intended to reduce NO_x pollution and GHG emissions, which are disproportionately high in medium- and heavy-duty vehicle classes compared to passenger vehicles, as well as promote first-wave ZEV truck technology penetration in the market.[33] EMFAC models the effect of the Advanced Clean Trucks regulation on ZEV truck penetration and associated GHG emissions and in included in the forecast.

Assembly Bill 1493

Signed into law in 2002, AB 1493 (Pavley Standards) required vehicle manufacturers to reduce GHG emissions from new passenger vehicles and light trucks from 2009 through 2016. Regulations were adopted by CARB in 2004 and took effect in 2009 when the United States Environmental Protection Agency (USEPA) issued a waiver confirming California's right to implement the bill. CARB anticipates that the Pavley I standard will reduce GHG emissions from new California passenger vehicles by about 30 percent in 2016, while simultaneously improving fuel efficiency and reducing motorists' costs.[34]The impacts of the Pavley Standards on zero emission vehicle market penetration was incorporated into the EMFAC model starting in 2014 and is included in the forecast assessment.

Innovative Clean Transit

Public transit GHG emissions will be reduced in the future through the Innovative Clean Transit (ICT) regulation, which was adopted in December 2018. It requires all public transit agencies to gradually transition to a 100-percent zero-emission bus fleet by 2040. Under ICT, large transit agencies are expected to adopt Zero-Emission Bus Rollout Plans to establish a roadmap towards zero emission public transit buses.[35] The effects of the ICT regulation on GHG emissions are modeled in EMFAC2021 and is therefore included in the forecast.

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[32] California Air and Resource Board (CARB). 2019. Advanced Clean Cars Summary.. Available at: https://ww2.arb.ca.gov/sites/default/files/2019-12/acc%20summary-final_ac.pdf

[33] California Air and Resource Board (CARB). 2023. Advanced Clean Trucks. Available at: https://ww2.arb.ca.gov/our-work/programs/advanced-clean-trucks/about

[34] CARB. Clean Car Standards – Pavley, Assembly Bill 1493. May 2013. Accessed November 14, 2022 at: http://www.arb.ca.gov/cc/ccms/ccms.htm

[35] Innovative Clean Transit. Approved August 13, 2019. Accessed November 14, 2022 at: https://ww2.arb.ca.gov/sites/default/files/2019-10/ictfro-Clean-Final_0.pdf?utm_medium=email&utm_source=govdelivery

Energy Legislation

Title 24

Although it was not originally intended to reduce GHG emissions, California Code of Regulations Title 24, Part 6: California's Energy Efficiency Standards for Residential and Nonresidential Buildings, was adopted in 1978 in response to a legislative mandate to reduce California's energy consumption, which in turn reduces fossil fuel consumption and associated GHG emissions. The standards are updated triennially to allow consideration and possible incorporation of new energy-efficient technologies and methods. Starting in 2020, new residential developments had to include on-site solar generation and near-zero net energy use. For projects implemented after January 1, 2020, the California Energy Commission (CEC) estimates that the 2019 standards will reduce electricity consumption by 53 percent for residential buildings and 30 percent for non-residential buildings, relative to the 2016 standards. The CEC further estimates residential natural gas efficiency increases of 7 percent for residential end uses.[36] No efficiency increases were estimated for commercial natural gas end uses, based on lack of requirements in this sector in the 2019 standards. These percentage savings relate to heating, cooling, lighting, and water heating only and do not include other appliances, outdoor lighting not attached to buildings, plug loads, or other energy uses. In December 2022 the CEC published the new Title 24 2022 Building Efficiency Standards.[37]

Due to the complexity of the new code there is currently no available model establishing projected efficiency increase as a result of the standard. Therefore, the updated 2022 code was not included to provide a conservative estimate of forecasted GHG emissions reductions resulting from efficiency increases.

Renewables Portfolio Standard, Senate Bill 100, & Senate Bill 1020

Established in 2002 under SB 1078, enhanced in 2015 by SB 350, and accelerated for the first time in 2018 under SB 100, California's Renewable Portfolio Standard (RPS) is one of the most ambitious renewable energy standards in the country. The RPS program requires investor-owned utilities, publicly owned utilities, electric service providers, and community choice aggregators to increase procurement from eligible renewable energy resources to 50 percent of total procurement by 2026 and 60 percent of total procurement by 2030. The RPS program further requires that by 2045 that 100 percent of total energy procured be a combination of eligible renewable energy resources and zero-carbon resources.

California's RPS was further accelerated in 2022 by SB 1020 which established additional requirements that procurement from eligible renewable energy resources and zero-carbon resources increase to 90 percent of total procurement by 2035 and 95 percent of total procurement by 2040. The requirements of SB 1020 do not affect those previously set forth and are to be considered additional to the existing RPS requirements. The RPS program and SB 1020 were incorporated into the GHG forecast by adjusting the electricity emissions factors for future years, as discussed in Section 4.4.

Southern California Edison (SCE) currently provides electricity to the City and is subject to the RPS requirements. SCE's emission factors adjusted for RPS requirements were used to project emissions

[36] California Energy Commission. 2019 Building Energy Efficiency Standards Frequently Asked Questions. January 1, 2020. Accessed November 8, 2022 at: https://www.energy.ca.gov/sites/default/files/2020-03/Title_24_2019_Building_Standards_FAQ_ada.pdf

[37] California Energy Commission (CEC). 2023. 2022 Building Energy Efficiency Standards. Available at: https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2022-building-energy-efficiency

through 2045. Table 49 provides the estimated electricity emission factors that would result from SB 100.

Table 49 Southern California Edison Forecasted RPS and Electricity Emission Factor

Metric	2021	2030	2035	2040	2045
Renewables Portfolio Standard Percentage	31%	60%	90%	95%	100%
Electricity Emission Factor (MT CO_2e/kWh)	0.00026	0.00015	0.000038	0.000019	0

Notes: MT CO2e = Metric tons of carbon dioxide equivalent; kWh = kilowatt-hour

Waste Legislation

Assembly Bill 939 & Assembly Bill 341

In 2011, AB 341 set the target of 75 percent recycling, composting, or source reduction of solid waste by 2020 calling for the California Department of Resources Recycling and Recovery (also known as CalRecycle) to take a statewide approach to decreasing California's reliance on landfills. This target was an update to the former target of 50 percent waste diversion set by AB 939.

As actions under AB 341 are not assigned to specific local jurisdictions, potential future reductions from the bill were conservatively not included in the GHG forecast analysis.

Assembly Bill 1826

In 2014, AB 1826 set regulations in place requiring California businesses to recycle all of their organic waste starting in April 2016. The bill also required jurisdictions across the State to provide organic waste recycling programs to accommodate diverted waste from local businesses. As the City has already implemented an organics collection program, implementation of AB 1826 compliance is reflected in the City's community inventory solid waste activity data and is thereby included in the BAU and adjusted forecast.

Senate Bill 1383

SB 1383 established a methane emission reduction target for short-lived climate pollutants in various sectors of the economy, including waste. Specifically, SB 1383 establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025.[38] Additionally, SB 1383 requires a 20 percent reduction in "current"[39] edible food disposal by 2025. Although SB 1383 has been signed into law, compliance with this Senate Bill must occur at the jurisdiction-level rather than the state-level. Due to current limitations in local jurisdiction's ability to comply with organic waste targets set by SB 1383, anticipated emissions reductions attributable to the bill are conservatively excluded from the forecast. However, estimated impacts associated with SB 1383 will be included in the GHG reduction measures in the SP.

[38] CalRecycle. California's Short-Lived Climate Pollutant Reduction Strategy. https://calrecycle.ca.gov/organics/slcp/

[39] SB 1383 does not specify a baseline year for the 20 percent food recovery target, however, CalRecycle's 2018 statewide waste characterization studies will be used to help measure the baseline for the State to meet its SB 1383 goals. See CalRecycle FAQ accessed November 14, 2022 for more information:https://calrecycle.ca.gov/organics/slcp/faq/foodrecovery/#:~:text=SB%201383%20requires%20the%20state,for%20individual%20jurisdictions%20to%20achieve.

5.2.2 Legislative Adjusted Scenario Forecast Results

In the adjusted emissions forecast, the electricity and water sectors all experience a strong downward trend, approaching near-zero in 2045 due to stringent RPS requirements from SB 100/1020. Natural gas emissions are expected to continue an upward trajectory until 2045 due to population and employment growth projections. This trend is partially offset due to the increasingly stringent efficiency requirements for new construction in the upcoming Title 24 code cycles. Transportation emissions are expected to decrease sharply in the next 10 to 15 years due to existing fuel efficiency requirements, fleet turnover rates, and increased electric vehicle penetration. As most current regulations expire in 2025 or 2030, emissions standards will experience diminishing returns while VMT continues to increase, leading to lower rates of emissions reduction in the transportation sector as 2045 is approached. A detailed summary of the City's projected GHG emissions under the adjusted forecast by sector and year through 2045 can be found in Table 50.

Table 50 Legislative Adjusted Scenario Forecast Results

GHG Emissions Source	2021	2030	2035	2040	2045
Energy	116,714	105,261	78,288	74,522	70,661
Residential Electricity + T&D	28,753	18,927	4,750	2,386	0
Nonresidential Electricity + T&D	29,706	17,682	4,451	2,263	0
Residential Natural Gas	31,672	39,551	39,764	40,047	40,330
Residential Natural Gas Leaks	7,951	9,928	9,982	10,053	10,124
Nonresidential Natural Gas	14,894	15,326	15,459	15,806	16,152
Nonresidential Natural Gas Leaks	3,739	3,847	3,881	3,968	4,055
Transportation	207,453	180,915	171,627	168,002	167,629
On-road Passenger Vehicles	172,402	147,380	139,526	136,651	136,181
On-road Commercial Vehicles	19,790	17,358	15,513	14,335	14,040
On-road Buses	885	713	499	310	172
Off-road Equipment	14,376	15,464	16,089	16,706	17,237
Water and Wastewater	2,034	1,510	1,239	1,212	1,183
Imported Water Supply	8	3	1	<1	0
Wastewater Process and Fugitive Emissions	1,113	1,135	1,144	1,164	1,183
Wastewater Electricity + T&D	913	372	94	48	0
Solid Waste	17,770	18,117	18,265	18,576	18,888
Solid Waste Disposal	17,770	18,117	18,265	18,576	18,888
Total GHG Emissions	343,970	305,803	269,419	262,312	258,361

Notes: All values are presented in metric tons of carbon dioxide equivalent (MT CO2e)

5.2.3 Legislative GHG Emission Reduction Contribution

A summary of the reductions from the BAU forecast that can be expected under the adjusted forecast are provided in Table 51.

Table 51 Summary of Legislative GHG Emission Reductions

Metric	2030	2035	2040	2045
California Renewable Portfolio Standards	28,236	58,866	65,251	71,517
Title 24	5,026	5,301	5,695	6,094
Transportation (Pavley, Innovative Clean Transit, etc.)	30,920	40,818	46,597	49,248
Total	64,182	104,985	117,542	126,858

Notes: All values are presented in metric tons of carbon dioxide equivalent (MT CO2e)

6 Provisional GHG Emissions Targets

GHG reduction targets are used in climate action planning to establish metrics that guide the community's commitment to achieve GHG emissions reductions and help gauge progress reducing emissions over time. California has established statewide GHG reduction goals for 2030 and 2045, relative to a baseline emissions level. CARB's 2022 Scoping Plan encourages local agencies to take ambitious, coordinated climate action that is consistent with and supportive of the state's climate goals[40]. Thus, local agencies are recommended to establish equivalent reduction targets at the local level by establishing community wide GHG reduction goals for climate action that will help California achieve its 2030 and 2045 goals. CARB has issued several guidance documents concerning the establishment of GHG emission reduction targets for CAPs or SPs, to comply with California Environmental Quality Act (CEQA) Guidelines § 15183.5(b). Even if a plan is not CEQA-qualified, CARB has long recommended that local targets be a part of the process of developing, monitoring, and updating a CAP or SP.

6.1 1990 Level GHG Emissions Back-cast

The City does not have a 1990 GHG emissions inventory from which to develop GHG reduction targets consistent with SB 32, however, 1990 GHG emissions can be estimated for the community relative to the City's updated 2021 inventory using a state-level emissions change metric.

The City's 1990 GHG emissions have been calculated using the State's 2020 GHG emissions inventory as compared to the State's GHG emissions inventory in 1990 to calculate approximate percent reduction in the City between 2021 and 1990. The State's 2020 GHG emissions inventory was used as this is the most recently available statewide inventory from CARB. It is assumed that the 1990-2020 Statewide GHG emissions change is similar to the 1990-2021 Statewide GHG emissions change, therefore it can be used to estimate 1990 level GHG emissions for Monterey Park based on the 2021 community GHG emissions inventory. This approach assumes that the City's community GHG emissions have generally remained consistent with the State's GHG emissions. The calculation is developed using the published State-wide emissions results from CARB,[41] after removing emissions from sectors not included in the City's inventory (e.g., agriculture, aviation, non-specified, industrial). The 1990 back-cast for the City is shown in Table 52.

Table 52 1990 Back-cast Calculations

1990 Back-cast Calculations	
2020 Statewide GHG Emissions (MMT CO_2e)	254.30
1990 Statewide GHG Emissions (MMT CO_2e)	306.65
2020 to 1990 Statewide GHG Emissions Change (%)	20.59%
2021 Monterey Park GHG Emissions (MT CO_2e)	343,970

[40] California Air Resources Board. 2022. California's Climate Change Scoping Plan, p.268. https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf

[41] California Air Resources Board. 2023. California GHG Emission Inventory Program. https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf

6.2 GHG Emissions Reduction Target Setting

The purpose of target setting is to develop the trajectory toward achieving the State's 2030 goal (SB 32) and prepare for the deep decarbonization needed by 2045 in a cost-effective manner by setting an incremental path toward achieving AB 1279 targets. CARB guidance is for jurisdictions to first strive to exceed the SB 32 targets of reducing GHG emissions 40% below 1990 levels, while establishing a policy framework to achieve the long-term target of carbon neutrality by 2045.

Target setting is an iterative process which must be informed by the reductions that can realistically be achieved through the development of feasible GHG reduction measures. While the provisional mitigation measures and actions outlined in the City's SP have a high level of probability to achieve GHG emissions reductions in line with SB 32, uncertainty increases over time. If the City determines that implementation of specific strategies is not achieving the anticipated emissions reductions, the strategy and/or targets may have to be revised or replaced to establish a path forward to align with the State's GHG emissions targets.

According to the Association of Environmental Professionals (AEP), the feasibility of achieving substantial reductions through local action only is questionable given limitations on local municipality authority. The AEP also states that no city or county is completely autonomous in matters of energy and transportation systems; and notes that a municipality can influence certain matters; however, many decisions about the electricity and transportation systems are under the control of the State and federal government, and/or are controlled by market determinations. Achieving the established target will require major shifts in how communities within California obtain and use energy, transport themselves and goods, and how the population lives and builds. These transformations would require implementation across all levels of the economy, not just what local jurisdictions have authority over. As such, placing the burden predominantly on local jurisdictions would thus be highly disproportional, costly, and potentially subject to litigation[42].

To maintain consistency with State targets, the City's provisional GHG emissions reduction targets are:

- Reduce GHG emissions to 40% below 1990 levels by 2030 (SB 32 target year)
- Make substantial progress towards carbon neutrality by 2045 (AB 1279 target year)

With GHG emission reduction targets in place, the reduction gap that the City will be responsible for through local action can be calculated. The City's GHG emissions reduction gap is based on the difference between the adjusted forecast, discussed previously, and the established GHG emission reduction targets. Table 53 provides a summary of the GHG emission reduction targets.

[42] Association of Environmental Professionals. Beyond Newhall and 2020: A Field Guide to New CEQA Greenhouse Gas Thresholds and Climate Action Plan Targets in California. October 2016.

Table 53 GHG Emissions Reduction Targets and Gap Analysis

Emissions Forecast or Pathway	2021	2030	2035	2040	2045
Mass Emissions Target Pathway Scenario (MT CO2e)					
Adjusted Forecast	343,970	305,803	269,419	262,312	258,361
SB 32 Mass Emissions Target Pathway[1]	343,970	248,868	165,912	82,956	-
Remaining Emissions Gap	0	56,936	103,507	179,356	258,361

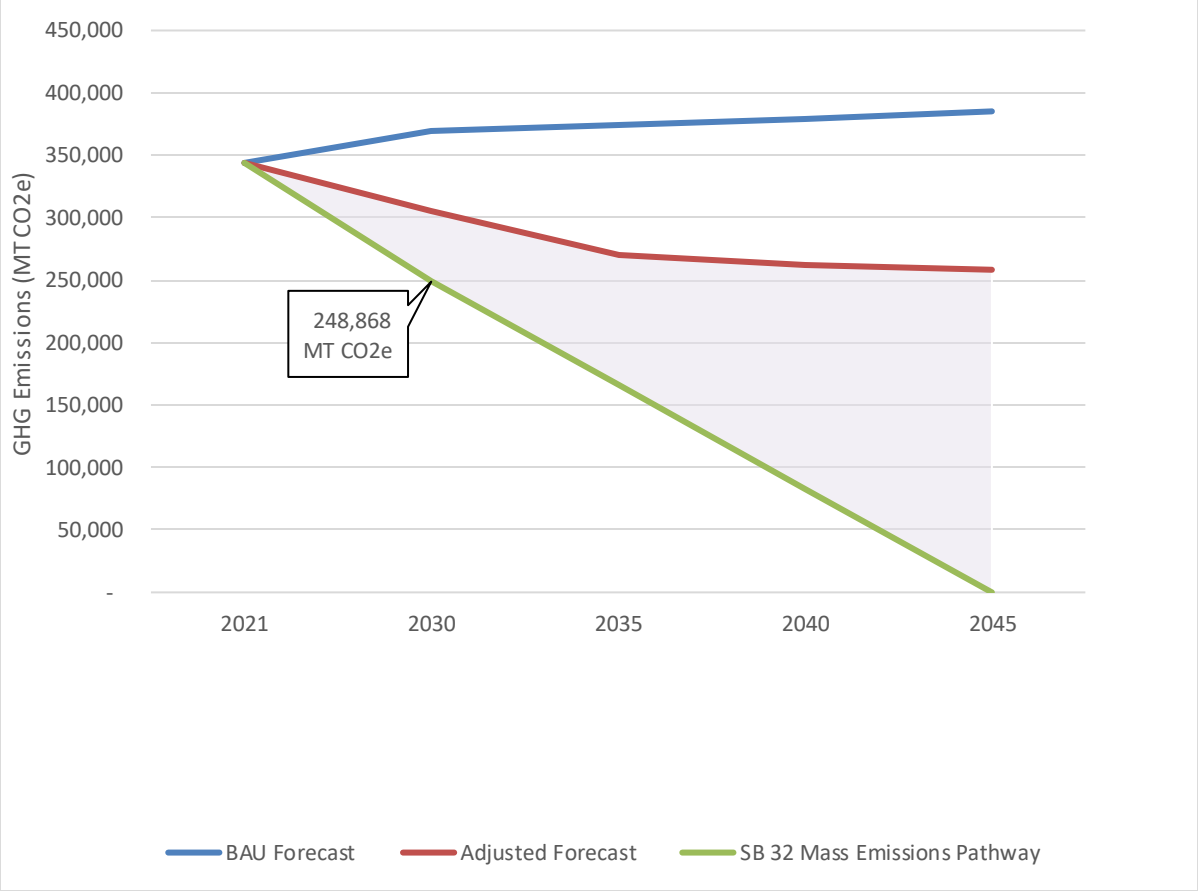
Notes: MT CO2e = Metric tons of carbon dioxide equivalent

Emissions have been rounded to the nearest whole number and therefore sums may not match.

1. The target pathway is calculated by reducing 1990 mass emissions by 40% in 2030 and to 0 in 2045. This provisional target pathway is consistent with both SB 32 and a trajectory set forth to achieve AB 1279.

Figure 3 provides a visual representation of future GHG emissions, with the impacts of State legislation and the remaining gap the City will be responsible for to meet the GHG emission reduction targets set by the State.

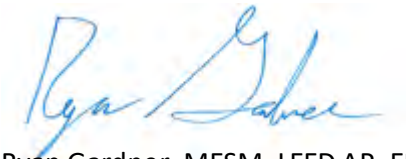
Figure 3 GHG Emissions Forecast and Provisional Target Pathways (Mass Emissions)



6.3 Meeting the Targets

The 2030, 2035, and 2045 targets identified above will be achieved through a combination of existing state measures and the implementation of local measures that are identified in the Monterey Park Sustainability Plan. Local measures were identified through a comprehensive assessment of existing local and regional policies, programs, and actions and by assessing any gaps and identifying additional opportunities. Additional measures were developed from best practices of other similar and neighboring jurisdictions, as well as those recommended by organizations and agencies, such as the California Air Pollution Control Officers Association (CAPCOA), the Office of Planning and Research, CARB's 2022 Scoping Plan, and Association of Environmental Professionals (AEP).

Sincerely,
Rincon Consultants, Inc.



Ryan Gardner, MESM, LEED AP, ENV-SP
Sustainability Program Manager



Hannah Mize
Project Manager

ATTACHMENT 2
Implementation Program

CITY OF MONTEREY PARK
320 West Newmark Avenue • Monterey Park • California 91754-2896
www.montereypark.ca.gov

City Council
Henry Lo
Vinh Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

City Clerk
Maychelle Yee

City Treasurer
Amy Lee

Implementation and Monitoring Plan

The Sustainability Plan (the Plan) outlines specific measures and actions to achieve greenhouse gas (GHG) emissions reductions to meet the City's established targets. Implementation of the Plan is anticipated to occur between 2024 and 2045. However, a key purpose of this Plan is to identify and prioritize key measures and actions to be implemented in the near term (2024 – 2029) that are most impactful at meeting the City's 2030 target. The development of an implementation plan and monitoring schedule will aid the City in tracking progress over time and modifying the Plan as needed to meet their GHG reduction targets.

This document details the implementation plan, including timelines, high-level cost of implementation, responsible parties (i.e., which City Department will oversee the specific tasks), and establishes a monitoring and reporting process. Implementation of the Plan is based on the best available data and current best practices in climate action and adaptation planning. Due to the long implementation time-period of the Plan, measures and actions may evolve over time as the City tracks progress, new technologies and legislation emerge, and funding opportunities for additional GHG emissions reduction and climate adaptation opportunities are identified.

Implementation

Building on Past Success

Monterey Park's 2012 Climate Action Plan (CAP) set targets to achieve GHG emission reductions in line with the 2020 State target (Assembly Bill 32 [AB 32]). Since that time, the State of California has exceeded AB 32 targets returning to 1990 emissions levels in 2016, four years ahead of the AB 32 target. The City also adopted a new Healthy and Sustainable Community Element in the City's General Plan, retrofit City facilities with solar panels and LED lighting, added three full service compressed natural gas (CNG) buses to the public transit fleet, and adopted a water conservation ordinance. The Plan builds upon these initiatives from the 2012 CAP and includes a broad range of new initiatives that extend beyond climate mitigation efforts, such as incorporating adaptation and social equity strategies, increasing community connectivity, and improving GHG emissions reduction tracking mechanisms. The Plan also fosters long-lasting and meaningful partnerships between the City, local partners, community leaders, and the larger community to confront climate change. Implementation of the Plan will significantly reduce GHG emissions, improve adaptation, and spark innovation and collaboration, all while engaging the community.

Looking Towards the Future

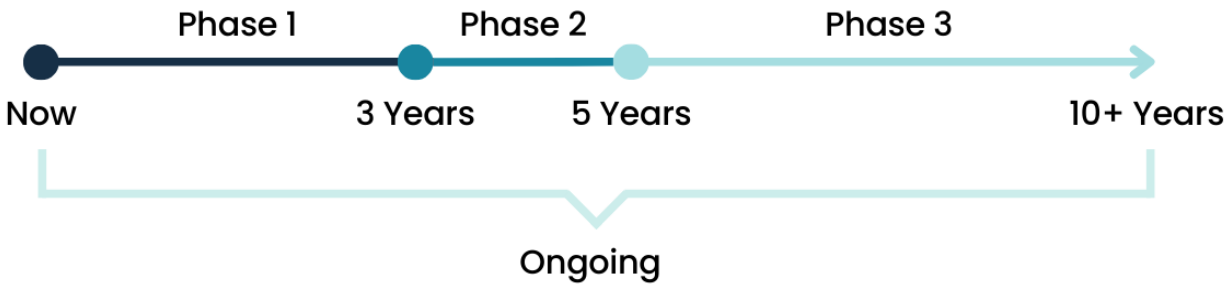
When implemented, measures and actions outlined in the Plan (see Chapters 3-7, and Table 4 - Table 7, below) will help the City make progress towards their GHG emission reduction and climate equity goals. The Plan builds on the foundation established in the 2012 CAP by identifying a suite of impactful measures and establishing a clear implementation plan which will transform measures into on-the-ground polices, programs, and projects with real GHG reduction and climate resilience impacts. Further, the Plan promotes interdepartmental accountability and collaboration by identifying the lead departments in the City that are responsible for implementation of each action. The measures focus on deep decarbonization within the built environment and transportation sector, promoting and advancing equitable development, and building adaptation to climate change impacts like extreme heat. Notable measures in the Plan include rapidly transitioning City electricity consumption to renewable or carbon-free energy sources, greatly expanding electric vehicle infrastructure, establishing a community garden program, increasing the capacity of cooling centers, installing backup power sources, and creating educational programs/resources regarding climate change. Alongside each of these measures are SMART (specific, measurable, achievable, relevant, and time-bound) actions that increase the likelihood of implementation of each measure, and ultimately the Plan.

Phasing

To make ongoing progress toward the State's emission reduction goals, Monterey Park will continue implementing the measures and actions as efficiently as possible, in a stepwise process that results in real change. As depicted in Figure 1, the Plan takes a phased approach to implementation:

- **Phase 1:** Actions which will occur in the short-term, over the next three years (2024-2027)
- **Phase 2:** Actions which will occur in the mid-term, over the next five years (2028-2030)
- **Phase 3:** Actions which will occur in the long-term, over the next 10+ years (2031 and beyond)
- **Ongoing:** Actions which are currently underway and will continue to occur across the phases

Figure 1 Plan Phasing



Some actions such as adopting ordinances or resolutions to purchase more renewable and carbon-free energy can be done on a short timetable; while others, such as the preparation and implementation of an Active Transportation Plan will require longer timelines for both rollout of the infrastructure and use by the community. Chapters 3-7 of the Sustainability Plan and Table 4 - Table 5 below identify the timeline for each measure and action. If the actions identified to meet the 2030 GHG emissions reduction milestone targets are not implemented according to the identified timelines, it is likely additional actions will need to be developed. In many cases, when actions are delayed, more significant actions would need to be taken to achieve the longer-term GHG emissions reduction targets.

The Team

To successfully reach ambitious GHG emission reduction targets and climate adaptation goals, everyone in the community must be involved. The City can introduce new services and technologies, from organic waste diversion pathways and EV (electric vehicle) charging infrastructure to implementing public transit programs and coordinating environmental justice outreach, but success depends on community adoption and collaboration. Achieving meaningful progress towards reducing our GHG emissions and furthering adaptation practices starts with City leadership, through policies, education, and investments that act as catalysts for change throughout the broader community. Valued partners in the community, including San Gabriel Valley Council of Governments (SGVCOG), Southern California Edison, other local utilities, and various agencies, such as Southern California Association of Governments (SCAG), also support these policies with programs and incentives. Partnerships can more effectively help businesses and residents leverage programs and incentives to work together to reduce environmental impacts, adapt quicker to climate change, and decrease GHG emissions. As policies and programs evolve, City staff will continue to engage the community, provide progress updates, and create ongoing opportunities to solicit community feedback.

Ongoing Community Outreach and Education

As policies and programs are developed and infrastructure is constructed, ongoing community outreach and education will be imperative to meet the community's needs. Listed below are the roles in which Monterey Park, City partners, and the community can catalyze behavioral change and monitor progress.

- **City of Monterey Park.** The City will create educational campaigns to communicate Plan goals, progress, and incentives for implementation. Education is delivered via City Departments including Public Works, Community Development, Economic Development, the Police and Fire Departments, and Recreation and Community Services.
- **Community-Based Organizations and Trusted Local Stakeholders.** Local and regional organizations will help institute adoption and behavioral changes, as well as provide input to the City on community priorities and needs. Partners could potentially include organizations like Active San Gabriel Valley, Tree People, Los Angeles Unified School District, Monterey Park Chamber of Commerce, Federally Qualified Health Centers, Crescent Gateway Association, Asian Youth Center, Club Cultural Cubano, Boys & Girls Club of West San Gabriel Valley, and non-governmental organizations like the Sierra Club and the US Green Building Council-Los Angeles.
- **Local Businesses, Utilities, and Transit Providers.** External entities and local businesses will help to develop and build new services and update skills in the marketplace to address new technologies and communicate updates and benefits to the wider community. Partners could include San Gabriel Valley Water Company, Southern California Edison, Southern California Gas, Los Angeles County Metropolitan Transportation Authority, waste haulers, local developers, local businesses, and major employers.
- **Monterey Park Residents.** The broader community will adopt new technologies and behaviors, utilize programs and incentives, and benefit from a cleaner environment. Monterey Park residents will also communicate benefits out to friends, family, and colleagues, maximizing the "ripple effect."

City Leadership

Implementation and monitoring is central to achieving GHG reduction targets and increasing adaptation to climate change. Implementation planning involves identifying responsible parties for implementation. Several departments within the City of Monterey Park will play a key role in the Plan's implementation and monitoring. Responsible parties are listed and described below.

City Manager's Office

The City Manager's Office serves as the chief executive officer of the City under the direction of the City Council. In this capacity, the City Manager's Office provides and oversees overall direction and coordination of City operations, continual monitoring, and evaluation of services and programming to ensure their relevance with community needs, procurement of available grant funds to achieve special projects, and new commercial and industrial development.

Community Development

The Community Development Department is comprised of the Building and Safety, Planning, and Economic Development divisions. This Department maintains the City's physical environment through the effective and efficient use of the City's legislative mandates, including maintaining the General Plan, zoning, and building, which provide a solid foundation for an excellent quality of life for the community. Additionally, this Department is responsible for encouraging business investment opportunities and job creation, expanding the City's tax base, supporting business attraction and retention activities, and assisting business building efforts through innovative and implementable approaches that advance inclusion, diversity, and accessibility.

This Department will play a key role in developing energy ordinances, efforts to update or adopt climate-friendly building codes, efforts to equitably distribute costs and benefits of climate action in the procurement of grants for GHG emissions reduction projects, and tracking and monitoring progress of the Plan.

Recreation and Community Services

The Recreation and Community Services Department is responsible for the development, implementation, coordination, and delivery of recreational and leisure time activities. The programs promote the well-being and enjoyment of life for the City's residents through the fulfillment of their recreational, cultural, social, and educational needs. This Department will play a key role in community education and outreach, as well as partnering with community-based organizations and local utilities to ensure equitable transition to clean energy and other low emission opportunities. The Recreation and Community Services Department will also play a key role in assessing the effectiveness of current City cooling centers in serving the needs of vulnerable populations.

Public Works

The Public Works Department is responsible for providing and maintaining the City's infrastructure in a manner that protects the health, safety, and welfare of the City's residents and visitors. This includes the planning, design, construction, repair, and maintenance of City vehicles and equipment, and operations of public land in parks, roadways, sidewalks, public buildings, and sewer systems. This Department will play a key role in developing active transportation infrastructure, nature-based solutions to climate change (e.g., Tree Master Plan, green stormwater infrastructure), and implementing programs like the Urban Water Management Plan's water conservation program.

Finance

The Finance Department works to preserve a strong financial condition by creating responsible financial strategies, effectively managing the City's resources, and providing analysis and recommendations that ensure optimal economic outcomes. The Finance Department also oversees and maintains the City's information systems and communication systems. Additionally, the Housing Division of this Department administers affordable housing. The Finance Department will play a key role in identifying funding and pathways for projects outlined in the Plan's measures and actions.

Human Resources

The Human Resources Department is responsible for personnel matters affecting all City departments. Human Resources serves as an internal consultant helping other City departments recruit and retain the best possible workforce, onboarding, and training new employees, protecting a fair and equitable system of personnel management, and resolving employee relations problems. This Department will play a key role in community engagement training for City staff, understanding the liability of specific projects outlined in the Plan's measures and actions and updating and monitoring the City's rideshare policy to increase active and public transit mode share.

Library

The Library Department provides informational, educational, and recreational materials and resources in a variety of formats to meet the needs of the community. The Library Department also collects and preserves historical documents, papers, photographs, and other memorabilia. The Library additionally partners with community-based organizations to provide valuable services to members of the Monterey Park community including career resources, health programing, and legal assistance. This Department will play a key role in helping provide information for adaptation and resilience, including ways to adapt to or cope with extreme heat and other climate change education programs.

Fire

The Fire Department is responsible for providing quality emergency, preventative, and risk reduction activities to the community. Personnel are also responsible for risk identification, community specific safety education, code enforcement, increased Community Emergency Response Teams (CERT) training, and fire investigation activities. Additionally, the Fire Department is responsible for developing the Local Hazard Mitigation Plan. This Department will play a key role in working with Public Works to confirm that electrification strategies are safe and equitably dispersed, as well as increasing the community's capacity to respond effectively to emergencies and prepare for unavoidable disasters.

Police

The Police Department has the primary responsibility of providing the maintenance of social order within carefully prescribed ethical, legal, and constitutional restrictions. Its objective is the prevention of crime, detection and investigation of criminal conduct, and the apprehension of violators. This Department, in tandem with the Fire Department, will also play a key role in increasing the community's capacity to respond effectively to emergencies and prepare for unavoidable disasters, and help to enforce safety guidelines as part of active transportation plans.

Cost of Implementation

Anticipated cost estimates for each goal are provided as a range in The Strategy, Measure, Action matrices below. For each goal, the cost estimate focuses on both internal costs (municipal-focused) and external costs (community-focused) and provides insight into the variability of these costs. The primary variables that may affect cost effectiveness include upfront versus lifecycle costs and the cost of inaction, which are discussed further below in more detail.

Upfront versus Lifetime Costs

When evaluating how much specific initiatives cost, it is important to differentiate between the upfront costs, such as purchasing an electric vehicle, versus the lifecycle costs which include purchasing, operating, maintaining, and ultimately disposing of that vehicle. Purchasing an electric vehicle could cost more than a comparable fossil fuel powered vehicle up-front. However, the lifecycle costs of owning an electric vehicle are lower than the lifecycle costs of owning an internal combustion engine vehicle. While electric vehicles are more expensive upfront, their operating and maintenance costs are lower since they do not have fluids to replace, have fewer moving parts like transmissions, and experience less brake wear. Over 200,000 miles, operating an EV is over $8,000 cheaper than a gas vehicle.[1] This example demonstrates the importance of considering the lifecycle costs for each goal rather than just the upfront costs.

The Cost of Inaction

One immediate example demonstrating the cost of inaction is installing conduit and panel capacity for electric vehicle chargers for all new construction. While this action increases upfront costs, the lack of such infrastructure can result in costs that are an order of magnitude higher (~$3,000). Given the move towards electric vehicles, the cost of not installing EV infrastructure today could cost the community significantly more in the future. In a similar vein, adaptation goals will cost the City and the community today. Planting trees, installing microgrids, and setting up cooling centers all have upfront costs. However, it is important to weigh these costs against the costs of a future without these adaptive goals given what we know about the impacts from a changing climate. Research published in the journal Nature predicts the global cost of not decreasing emissions to reach carbon neutrality by mid-century could range between $149.78 trillion to $791.98 trillion by the end of the century.[2] That same study found that if we mitigate climate change and achieve carbon neutrality by mid-century, the world could see a $127 to $616 trillion economic benefit after considering the cost of mitigation. The humanitarian impact is also significant. The Red Cross and Red Crescent Societies estimate that the number of people in need of humanitarian aid each year could double to 200 million annually by 2050 due to climate change, costing approximately $20 billion per year.[3] Furthermore, the World Resources Institute has cited that investing in adaptation and resilience provides a benefit-cost ratio ranging from 2:1 to 10:1, meaning that for every dollar invested in resilience and adaptation, it can equate to $2 to $10 dollars' worth of benefits.[4]

[1] https://thehill.com/changing-america/sustainability/energy/559971-finally-heres-the-exact-cost-of-owning-an-electric-car/

[2] https://www.nature.com/articles/s41467-020-15453-z

[3] https://reliefweb.int/report/world/cost-doing-nothing-humanitarian-price-climate-change-and-how-it-can-be-avoided

[4] https://www.wri.org/news/release-global-leaders-call-urgent-action-climate-adaptation-commission-finds-adaptation-can

Prioritization of Funding

In general, five main principles guide how measures and future sustainability initiatives should be prioritized, which include:

1. **Equity.** The costs of implementing policies should be equitably spread amongst the community, taking extra care to limit new costs being placed upon segments of the population that are least able to shoulder them (i.e., disadvantaged and vulnerable communities). Where certain segments of the community will benefit disproportionately from an action, the costs should be spread accordingly.
2. **Cost-Effectiveness.** Measure implementation should prioritize cost-effective actions, which can generate cost savings that will offset the costs to those who are required to pay for its implementation. While some actions may require some initial capital outlay, whenever possible, these actions should generate long-term cost savings that will repay and even generate a return on investment.
3. **Ability to Leverage Local Resources.** Leveraging will involve using outside sources of funding to augment local resources to fund implementation of the Plan whenever possible. The City will seek grants, matching funds, in-kind contributions, and other resources from State, Federal, and philanthropic sources to help pay for actions and limit the cost to the City, residents, and businesses.
4. **Mandates.** As the climate change mitigation and adaptation space evolves, so will the State regulatory framework. State mandates often set the legal and regulatory framework within which local governments must operate. The City will prioritize measures that align with State-based requirements for GHG emission reductions, renewable energy targets, energy efficiency standards, and other climate-related policies.
5. **Community Interests.** Measures and actions outlined in the Plan were informed by community interests and concerns gathered through extensive community engagement, including the City's Going Green surveys and workshops. Monterey Park relies on community feedback to draft and implement climate policies that are both effective and acceptable to residents. Additionally, the City understands that climate action planning must consider the different impacts climate change can have on various segments of the population, especially vulnerable communities. Addressing these concerns can result in more equitable and just climate initiatives.

These components were identified and analyzed for each of the goals during the development phase to establish a plan that can be successfully implemented over time, with the smallest burden on the community.

Implementation Cost Tiers

Making progress on the City's 2030 GHG reduction target and 2045 reduction target will require strategic investments in infrastructure, technology systems, and policies and programs to influence behavioral change. To develop transparency around the prioritization of these investments, this technical analysis has been prepared, which details the estimated cost tiers (i.e., no-cost, low cost, moderate cost, or high cost) associated with the implementation of each of the 22 identified measures in the Sustainability Plan.

Climate action and sustainability plans exhibit variability in implementation costs depending on the measures identified, their level of specificity, and the accompanying funding and financing strategies. For example, costs may vary from capital-intensive investments like the installation of bike infrastructure to encourage alternative means of transportation to less capital-intensive but more staff-intensive investments to conduct outreach and educational campaigns. The intent of this analysis is to

distill these variable considerations into a document that provides a clear understanding of the potential cost tiers and the primary variables that drive cost for each measure to help the City prioritize measure implementation.

Cost Considerations

This document considers several types of costs when assessing each measure. First, internal and external costs are considered. Internal costs are those experienced by the City (i.e., municipal costs) while external costs are those felt by the community (e.g., residents and businesses). Cost tiers for each measure are assessed separately for the City and the community. Second, the analysis considers upfront and lifecycle costs. Upfront costs include the costs associated with purchasing and installing an item. Lifecycle costs include the costs associated with operating, maintaining, and disposing of that item, as well as the costs associated with purchasing and installing the item.

The assumptions associated with the four different cost tiers are presented in Table 1. These costs tiers are representative of current (Q1 2024) for each of the key project components. For example, policy updates and community outreach can generally be completed by City staff for a relatively low cost, while completing feasibility studies, providing incentives, and developing pilot projects will require a greater investment and will likely require time from consultants, contractors, engineers, and others as appropriate. Installing major infrastructure like bike lanes, energy storage systems, and upgrades to the EV charging network, for example, would be developed based on the findings of the feasibility studies and success of pilot projects and would likely require more significant investments in both time and money to complete. Although infrastructure upgrades and refinements often have the greatest monetary cost, they also have the greatest emissions reduction benefits by connecting gaps in networks, improving accessibility to resources and infrastructure, and creating a resilient community.

Table 1 Cost Tiers and Assumptions

Cost Tier	City Cost Assumptions	Community Cost Assumptions
No-Cost	Measures are assigned to this cost tier when they are associated with operational changes that do not include upfront costs or lifecycle costs. An example could include: • Partnering with local community-based organizations to promote new initiatives.	Measures are assigned to this cost tier when they are associated with changes that do not include upfront costs or lifecycle costs. An example could include: • Switching transportation modes from single occupancy vehicles to active transportation.
Low-Cost *City: <$25,000*[5]	Measures associated with low upfront costs and will only require staff time to implement, such as: • Policy Updates • Community Outreach	Measures associated with low upfront costs compared to existing alternatives, such as: • Additional energy bill costs for renewable energy compared to fossil fuel-based energy
Moderate-Cost *City: $25,001 – 750,000*	Measures associated with moderate upfront costs to the City and require moderate capital costs or consultant time along with staff time, such as: • Feasibility Studies • Incentive and Compliance Programs • Pilot Projects	Measures associated with moderate upfront costs that are not comparable to existing costs nor are offset over lifetime, such as: • New fees • Upfront costs partially offset by rebate opportunities
High-Cost *City:* $750,001+	Measures associated with high upfront costs and require substantial investments into infrastructure and technology system upgrades, such as: • Bike Lanes • Energy Storage Systems	Measures associated with high upfront costs that are not comparable to existing cost nor are offset over lifetime, such as: • New electric vehicle purchases prior to existing vehicle replacement

[5] Assuming average $100/hr City staff hourly rate and no higher than 250 hours total.

- EV Charging Networks

The cost analysis and cost category for the City and community for each of the 22 measures in the Sustainability Plan are summarized in Table 4- Table 7 below.

Monitoring Timeframe and Tools

The planning process is iterative, as shown in Figure 2. As measures and actions are implemented, it is imperative to assess success by tracking emissions reductions and variables such as cost and additional benefits, as described previously in the Plan, to understand the overall impact of each measure. While the mitigation and adaptation measures outlined in this Plan have a may achieve the 2030 target, consistent with SB 32, and increase resilience to climate change, uncertainty increases over time. If Monterey Park determines that implementation of specific measures is not achieving the anticipated emissions reductions or adaptation improvements, the measure may have to be revised or replaced in order to establish a path forward to align with the State's target of carbon neutrality by 2045.

Figure 2 Plan Implementation and Monitoring Process



To track emissions and emissions reductions, the City will complete an annual progress report using the Climate Action Planning Dashboard (CAPDash) as well as review and update the Plan every five - ten years. The City will also appoint dedicated staff responsible for monitoring and reporting on the implementation of the Plan, which will occur annually, as discussed further below under Monitoring Tool - CAPDash. This team will collaborate with stakeholders to collect data and information on the effectiveness of implemented measures and report the progress to the City Council and the public. The City Council will in turn provide oversight and guidance regarding the implementation of the Plan.

Monitoring Tool – CAPDash

CAPDash is a web-based dashboard developed by Rincon Consultants, Inc. that allows Monterey Park to monitor the annual emission reductions achieved through the implementation of each measure. Clicking on the link below Figure 3 will direct you to Monterey Park's CAPDash page, where a summary of the Plan and GHG inventory and targets can be viewed. The City will conduct annual implementation monitoring of the GHG emissions reduction measures by tracking and quantifying measure implementation status. These statuses rely on specific target metrics identified for each of the quantifiable sustainability measures and actions. By committing to annual monitoring of implementation progress and adjusting as needed, Monterey Park will effectively respond to the local and global imperative of reducing GHG emissions. In pursuing this challenge, the City will also reap the additional public health, economic growth, and other co-benefits stemming from the GHG emissions reduction measures. This strategic plan represents another significant step in the City's dedication to a sustainable future.

Figure 3 Monterey Park's CAPDash Dashboard



Click here to visit Monterey Park's CAPDash

Adaptive Management

Adaptive management is an approach used in various fields, including environmental and natural resource management, that emphasizes continuous learning and flexibility. As depicted previously in Figure 2 planning involves a cyclical process of decision-making, action, monitoring, and adjustment. This approach is crucial because it recognizes the inherent complexity and uncertainty associated with a constantly evolving field, like climate policy. By regularly evaluating outcomes and making necessary adjustments, Monterey Park can improve the effectiveness of their measures, engage stakeholders, and promote sustainable resource management. Adaptive management provides a structured framework for addressing complex issues and achieving better outcomes over time. Described in more detail below, Monterey Park will instill adaptative management into their implementation and monitoring of the Plan.

Evaluating and Adjusting

To keep adaptation and mitigation progress tracking in sync, the City of Monterey Park will update the public on progress of measures and actions on the same timeline as annual updates to City Council. As mentioned above, every five to ten years, the Plan will be updated to incorporate new climate science data and projections, shifting community priorities and regulatory mandates, implementation hurdles, changes in best practice, and advances in technology. Each update to the Plan will involve engagement with the Monterey Park community. The measures and actions will be adjusted or the plan for implementation will change when the following findings are made by the City as part of their annual review. These findings use the framework from the U.S. EPA Regional Resilience Toolkit, which is a guidebook for local governments on how to increase adaptation to natural disasters:

- The measures were successfully implemented, and new priorities are needed.
- Implementation is not achieving the results expected.
- The measure has unintended consequences.
- Funding has changed.
- Political and/or public priorities have changed.
- New climate science data is available.
- Other significant changes in the environment or circumstances.

Adjustments do not necessarily need to be extensive, requiring a full rewrite of the Plan. For example, Measure L3-3 (Electrify existing residential buildings and implement energy efficiency improvements to reduce residential natural gas usage 15% by 2030 and 100% by 2045) promotes the retrofit of existing buildings. If the rate of retrofits, and thus GHG mitigation potential, was not keeping pace with the 2030 reduction target, the City could consider moving towards more aggressive measures for retrofit promotion and make it a requirement through building code revisions.

Low Emission Development Pathway

Table 2 Strategy L1. Reduce Passenger Car Vehicle Miles Travelled (VMT) and Increase Active/Shared Transportation

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L1-1 Develop and implement an Active Transportation Plan to achieve a 5% active transportation mode share by 2030 and 8% by 2045, prioritizing investments in disadvantaged communities. **KPI:** % active transportation mode share								
Sustainability Plan Policy: Promote active transportation with investments in disadvantaged communities.								
L1-1a	Continue to coordinate with the San Gabriel Valley Bike Plan Partner Cities to establish a target timeline and funding strategy that addresses each of the proposed projects for Monterey Park in the San Gabriel Valley Regional Bicycle Master Plan. The timeline shall outline a path that confirms a focus on improvement projects that will benefit residents living in disadvantaged communities and cost burdened households.	Ongoing	Public Works	Feasibility, Funding	High	• Consultant and staff time to conduct a feasibility study, develop a timeline, and prepare a funding strategy for the San Gabriel Valley Regional Bicycle Master Plan (moderate) • Capital costs and staff time to implement recommendations for City's Complete Street's Policy (high) • Staff time to obtain grants, update codes, develop partnerships, and perform education, engagement, and community events (low) • Staff and consultant time to update the Downtown Mixed-Use and Pedestrian Linkages Plan, and complete the Vision Zero Plan (moderate) • Infrastructure investments to install bikeways (high) • Staff time to develop new minimums for bicycle lockers and parking in new developments (low) • Staff time to complete annual pedestrian access audit (low)	No-cost	• Cost savings of reducing single occupancy vehicle use (no-cost) • Short-term disruption of construction but long-term increase in revenue for small business owners (low)
L1-1b	Continue implementing the City's Complete Street's Policy in all new development projects and/or require traffic calming measures in new construction and complete streets.	Ongoing	Public Works	Structural Change				
L1-1c	Coordinate with Active San Gabriel Valley (ActiveSGV) to promote the Regional Electric Bike Share Program to Monterey Park residents to increase the availability of affordable electric bicycles in the City with a focus on disadvantaged communities and cost burdened households. Research recent projects local jurisdictions and private rideshare companies (e.g., GoSGV Regional Bikeshare Program, Lime Micromobility) have implemented to increase bicycle mode share and provide last-mile mobility options for transit users. Based on the information and lessons learned from these projects, design and implement an electric bike share pilot project with SGV Transit, Metrolink, or other public or private transit providers to provide last-mile mobility options for transit users of the new transit hub.	Ongoing	Community Development	Partnerships, Structural Change, Equity				
L1-1d	Continue to complete annual analysis of sidewalks in the City and aim to build new Americans with Disabilities Act (ADA) -compliant sidewalks and ramps that bridge gaps, prioritizing low-income communities and areas connecting transit to services.	Ongoing	Public Works	Feasibility, Equity				
L1-1e	Conduct a survey of core transportation partners (e.g. Metro, East Los Angeles College) to determine existing Transportation Demand Management (TDM) projects and identify obstacles and opportunities to improve and expand the project.	Short	Community Development	Feasibility				
L1-1f	Partner with Monterey Park schools, employers, the Los Angeles County Metropolitan Transportation Authority (Metro), and community-based organizations such as ActiveSGV and the League of American Bicyclists to teach bicycle and pedestrian safety in schools and workplaces and to educate residents and businesses about safe route availability and the health and environmental benefits of walking, bicycling, and using public transit.	Short	Community Development, Recreation & Community Services, Police, Library	Partnership, Education				
L1-1g	Complete the Vision Zero Plan, which will include a Safe Routes to School Plan and Complete Streets Guideline.	Short	Public Works	Partnerships, Structural Change				
L1-1h	Join ActiveSGV's inaugural 626 Golden Streets event to promote active transportation and support Monterey Park local businesses by closing Monterey Park streets to cars for the event.	Short	Public Works, Police, Recreation & Community Services	Partnerships, Education				
L1-1i	Require the creation of plazas, outdoor dining areas, and other community gathering places in mixed use areas to support use by pedestrians	Short	Community Development	Structural Change				
L1-1j	Update the Downtown Mixed-Use and Pedestrian Linkages Plan. The plan update should include: • Reevaluation of existing conditions, issues, opportunities, and constraints • Equity mobility analysis to understand barriers to accessing active transportation options by disadvantaged and vulnerable communities • Evaluation of progress made on implementing the original plan's public and private realm recommendations • Updated recommendations to align with the goal to achieve an 5% active transportation mode share by 2030 and 8% by 2045 • An implementation plan including timeline, funding strategy, and outreach to implement private and public realm recommendations.	Mid	Community Development	Feasibility				

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L1-1k	Establish bicycle lockers and bicycle parking minimums for new developments by land use type and increase safe, accessible, and convenient bicycle parking and lockers at City facilities and designated bus stops along transit corridors with a focus on areas around East Los Angeles College, as well as the proposed new transit hub.	Mid	Public Works, Community Development	Structural Change				
L1-1l	Dedicate City staff time to track and apply for grant funding to complete active transportation projects in the community.	Mid	Community Development	Funding				
L1-1m	Identify streets and complete the required traffic studies, environmental analysis, and economic analysis to potentially close the identified streets to through traffic using bollards at regular intervals to prioritize safe walking and biking.	Mid	Public Works, Community Development	Feasibility				
L1-1n	Implement the proposed Class I, Class II, and Class III bikeways for Monterey Park in the San Gabriel Valley Regional Bicycle Master Plan as funding is made available.	Mid – Long	Public Works	Structural Change				
L1-2 Implement public and shared transit programs to achieve a 10% public transit mode share by 2030 and 15% by 2045. **KPI:** % public transportation mode share								
Sustainability Plan Policy: Explore the implementation of public and shared transit programs to support increased public transit usage.								
L1-2a	Continue working with the San Gabriel Valley Council of Governments, in partnership with Los Angeles Metro, to complete the San Gabriel Valley Transit Feasibility Study to identify feasible transit solutions that provide equitable and accessible transit services, reduce travel times, manage roadway congestion, and enhance connections to the regional/local transit networks (e.g., Cal State Los Angeles Metrolink station).	Ongoing	Public Works, Community Development	Partnerships	Moderate	• Staff time to complete the SGV Transit Feasibility Study and complete updates to the Spirit Bus and Dial-A-Ride services (high) • Staff time to update codes and perform engagement (low) • Staff time to develop partnerships and hold community engagement events (low) • Capital costs and staff time to provide better bus stops (high)	Moderate	• Employee cost savings from transit incentives (no-cost) • Business costs of implementing transit incentives (moderate) • Potential costs of disincentive-based policies (moderate) • Cost savings of reducing single occupancy vehicle use (no-cost)
L1-2b	Continue working with transit providers to identify opportunities to collaborate on stoplight timing, transit stops, and funding opportunities.	Ongoing	Public Works	Partnership, Structural Change				
L1-2c	Continue working with transit providers and other stakeholders to provide better bus stops with shade and seats at a minimum to help prepare for increased temperatures.	Ongoing	Public Works	Equity				
L1-2d	Conduct engagement efforts in the community with direct outreach to disadvantaged communities, cost burdened households, and residents with disabilities to understand the community's concerns around or barriers to using public and/or shared transit.	Short	Community Development, Public Works, Recreation & Community Services	Feasibility				
L1-2e	Establish minimums for carpool/vanpool, shuttle, and electric vehicle only parking spaces in new nonresidential development and major nonresidential redevelopment projects.	Short	Community Development	Structural Change				
L1-2f	Complete updates to the Spirit Bus and Dial-A-Ride services to help close the first-last mile gap and increase senior and disabled residents' access to the on-demand micro transit service.	Mid	Public Works	Structural Change				
L1-3 Increase mixed-use and residential densities in neighborhoods with access to transit or well-connected active transportation networks. **KPI:** # of transit-adjacent, Below Market Rate (BMR) dwelling units								
Sustainability Plan Policy: Consider increasing mixed-use and residential densities in neighborhoods with access to transit or well-connected active transportation networks.								
L1-3a	Offer incentives and concessions through the density bonus ordinance for developers who incorporate affordable housing and mixed-use elements in their projects near transit.	Ongoing	Community Development	Structural Change	Moderate	• Staff time to develop policies and incentives as well as explore funding opportunities (moderate) • Staff time to update codes (low)	No-cost	• Increased access to grocery stores, services, and other resources (no- cost) • Cost savings of reducing single occupancy vehicle use (no-cost) • Rising housing costs and risk of displacement will be offset by affordable housing bonuses for developers (moderate)
L1-3b	Explore funding opportunities for transit-oriented development (TOD) Planning, such as the Department of Transportation (DOT) Pilot Program	Ongoing	Community Development	Funding				
L1-3c	Revise zoning codes to encourage mixed-use development and higher residential densities in areas near transit hubs and active transportation networks to prioritize TOD.	Short	Community Development	Structural Change				
L1-3d	Provide incentives for developers to build denser, mixed-use projects close to public transportation nodes.	Mid	Community Development	Structural Change				
L1-3e	Identify and promote development of grocery stores in areas with limited access to healthy food (e.g., food deserts) to reduce VMT.	Mid	Community Development	Equity				

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L1-4 Adjust parking standards in transit-rich and walkable neighborhoods to reduce reliance on single-occupancy vehicles. **KPI:** # of parking standards/adjustments that result in reduced single-occupancy vehicle use								
Sustainability Plan Policy: Review parking standards in transit-rich and walkable neighborhoods to potentially reduce reliance on single-occupancy vehicles.								
L1-4a	Encourage shared parking arrangements among neighboring developments, where parking spaces can be used by multiple businesses or residential units at different times of the day.	Ongoing	Community Development	Structural Change	Moderate	• Staff time to update standard parking requirements and zoning codes (low) • Staff and consultant time to complete analysis of existing parking requirements (moderate) • Staff time and cost to launch Multi-Modal Mobility Initiative (moderate)	No-cost	• Long-term cost savings by switching to public transportation (no cost) • Reduced cost of housing as parking requirements for developers decrease (no cost)
L1-4b	Conduct a thorough review of existing parking requirements in transit-rich and walkable neighborhoods to identify areas where adjustments can be made.	Short	Community Development	Feasibility				
L1-4c	Analyze the specific needs and characteristics of each neighborhood to determine appropriate parking standards based on factors such as transit accessibility, nearby amenities, and existing parking demand.	Mid	Community Development	Feasibility, Equity				
L1-4d	Collaboratively launch a "Multi-Modal Mobility Initiative" that is led by the City and includes community members, community-based organizations, and other interested parties to study transit accessibility and prepare parking standards in transit-rich and walkable neighborhoods.	Mid	Community Development, Public Works	Partnership				
L1-4e	Implement reduced parking ratios for residential and commercial developments in transit rich and walkable neighborhoods, reflecting the lower need for parking due to alternative transportation options.	Mid	Community Development	Structural Change				
L1-4f	Modify zoning codes to allow developers to provide low or no parking if they can demonstrate that alternative transportation options are available, provide electric car share, or increase affordable housing.	Mid	Community Development	Structural Change				
L1-4g	Consider implementing paid parking for off street and City-owned parking that reflects demand, such as higher rates during peak hours or discounted rates for carpools and electric vehicles. Use revenues for active transportation and transit projects.	Long	Community Development	Funding				
L1-5 Reduce City employee commutes by encouraging use of alternative transportation options and teleworking opportunities. **KPI:** % of City employees that commute using active, public, or shared transportation								
Sustainability Plan Policy: Encourage City Employees to explore alternative transportation options and teleworking opportunities to potentially reduce their commutes.								
L1-5a	Continue to revise and promote the City's Rideshare Policy to provide enhanced incentives (e.g., discounted transit passes, discounted bike-sharing memberships) for City staff to carpool, use public transit, and actively commute to work.	Ongoing	Public Works, Finance, Human Resources	Funding	Moderate	• Staff time and cost to revise and promote rideshare incentives (low) • Staff time and materials to provide educational materials, build partnerships, and develop financial incentives (moderate) • Staff time to develop the comprehensive teleworking policies, update the performance metrics, and evaluate need for increased bicycle storage (low) • Staff time and capital cost to install bicycle amenities, including bike storage and lockers (moderate) • Infrastructure costs to install public electric vehicle chargers (high)	No-cost	N/A – measure relates to municipal operations and does not have a community cost.
L1-5b	Partner with an entity such as the Broadband Consortium of the Pacific Coast (BCPC) and or surrounding jurisdictions to prepare a Broadband Plan that includes the following to support remote work and hybrid work schedules: • A robust inventory of current broadband assets (e.g., conduit, fibers, antennas, poles, towers, abandoned or active facilities, and other relevant infrastructure) in the public right-of-way. • Thoughtful community engagement • A conceptual network design, financial assessment, organizational structure, and program details	Short	Public Works, Human Resources, Finance	Feasibility, Partnership				
L1-5c	Implement flexible work hours for eligible employees to allow them to avoid peak traffic times and utilize less congested travel periods.	Short	Human Resources	Structural Change				
L1-5d	Establish performance metrics and track employee commuting behaviors and teleworking rates through the City's teleworking policy to enable the City to monitor progress and make necessary adjustments.	Short	Finance, Human Resources	Structural Change				
L1-5e	Review and update the comprehensive teleworking policies that enable eligible employees to work from home or remote locations, reducing the need for daily commuting.	Short	Human Resources	Structural Change				
L1-5f	Evaluate the demand for increased bicycle storage, showers, and changing rooms at City buildings and facilities to support employees who cycle to work. Based on results of the evaluation, install bicycle amenities in City buildings and facilities, where needed, to support employees who cycle to work.	Mid	Public Works	Structural Change				

Table 3 Strategy L2. Increase the Adoption of Zero Emission Vehicles (ZEVs)

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L2-1 Expand electric vehicle infrastructure equitably to increase passenger ZEV adoption to 25% by 2030 and 100% by 2045. **KPI:** % passenger ZEV adoption								
Sustainability Plan Policy: Consider expanding electric vehicle infrastructure to encourage greater passenger ZEV adoption, with a focus on disadvantaged communities.								
L2-1a	Allow for the granting of ZEVs access to preferred parking spaces in new private parking lots, where it is logical, feasible, and not cost-prohibitive.	Ongoing	Community Development	Structural Change	High	• Staff time to update policy accordance with AB 1236 (low) • Upfront cost to purchase a ZEV instead of internal combustion engine vehicle and off-road equipment with lifecycle cost savings (moderate) • Infrastructure investments to install chargers (high) • Staff time to develop the Electric Vehicle (EV) Readiness Plan, perform engagement and education, and develop partnerships (moderate) • Staff time to assess feasibility of and prepare ordinance (low)	Low	Upfront cost of zero-emission vehicle ownership compared to internal combustion engine ownership (i.e., potential higher purchase price) with lower operating costs) (moderate)
L2-1b	Maintain a streamlined permitting processes for EV charging infrastructure in accordance with AB 1236.	Ongoing	Community Development	Structural Change				
L2-1c	Work with the CPA to incentivize Level 2 EV charger installations in multi-family properties through their partnership with California Electric Vehicle Infrastructure Project (CALeVIP). Promote incentives through direct outreach to multi-family property owners.	Short	Community Development	Funding				
L2-1d	Develop an Electric Vehicle (EV) Readiness Plan to increase publicly accessible EV charging infrastructure in the community and support the transition to ZEVs. The plan should include: • An EV feasibility study to assess charging infrastructure needs, including potential access issues for residents and visitors who may lack access to overnight charging. • A prioritized list of locations for 365 new publicly accessible Level 2 and Level 3 (DC Fast Charging) EV charging stations with consideration for equitable distribution of chargers to renters, residents of multi-family homes, cost burdened households, and disadvantaged communities. Include locations for Level 2 charging where residents make extended stops and locations for Level 3 charging (DC Fast Charging) for residents without access to overnight charging and for highway travelers. • A timeline and funding strategy (including public-private partnership approach) to install the 365 new publicly accessible chargers by 2030.	Short	Community Development, Public Works	Feasibility				
L2-1e	Work with SCE to promote their Pre-Owned Electric Vehicle Rebate program to Monterey Park residents, including members of disadvantaged communities and cost burdened households to support the purchase of EVs. Include information on the benefits of pre-owned EVs and steps to determining current battery range.	Short	Community Development	Funding, Equity				
L2-1f	Coordinate with community-based organizations, local agencies, and non-profits to conduct ZEV education events for residents and targeted events for members of disadvantaged communities and cost burdened households that would engage the community to evaluate the barriers to ZEV adoption, promote information on the costs and benefits of owning ZEVs, and promote steps on how to receive incentives for ZEVs (including those offered by SCE and CPA along with the California Electric vehicle Rebate Project and South Coast Air Quality Management District [SCAQMD]).	Short	Community Development	Education				
L2-1g	Develop culturally appropriate, multi-lingual outreach and education materials and distribute to local businesses, property owners, and developers on the financial (e.g., new funding streams), environmental, and health and safety benefits of ZEVs. Provide information on available funding opportunities.	Mid	Community Development	Education				
L2-1h	Become a supporting partner for the Los Angeles Cleantech Incubator's (LACI) Transportation Electrification Partnership to accelerate ZEV adoption through regional collaboration and public-private partnerships. Work with the Transportation Electrification Partnership to fund an EV charging pilot in a multi-family affordable housing site and/or disadvantaged community.	Long	Community Development	Partnerships Funding				
L2-1i	Consider adopting an EV reach code requiring new commercial and multi-family construction to meet or exceed Tier 2 CalGreen EV charging requirements.	Long	Community Development	Feasibility				
L2-1j	Consider adopting an ordinance that requires any parking lot upgrades including adding parking spaces or modifying lighting to add EV charging infrastructure.	Long	Community Development	Structural Change				
L2-2 Increase commercial ZEV adoption to 25% by 2030 and 100% by 2045. **KPI:** % commercial ZEV adoption								
Sustainability Plan Policy: Explore options to increase commercial ZEV adoption over time.								
L2-2a	Identify commercial fleets belonging to small and minority-owned businesses that will need assistance to transition to ZEVs. Work with organizations such as LACI and SCE to provide technical assistance and funding.	Mid	Community Development	Equity, Partnership	Moderate		Low	Upfront cost of zero-emission vehicle

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L2-2b	Provide commercial vehicle fleet operators educational material on the benefits of ZEVs (e.g., fuel cost savings through networked charging and current availability of ZEVs ahead of State mandates), steps to the City's streamlined permitting process, and compiled information on potential funding opportunities.	Mid	Community Development	Education		• Staff time to evaluate licensing fee and perform education (low) • Capital costs to install ZEV chargers (moderate) • Staff time to engage fleet operators and provide support (low) • Staff time to perform engagement and education and develop partnerships (low)		ownership compared to internal combustion engine ownership (i.e., higher upfront costs but lower operating costs) (moderate)
L2-2c	Partner with the CPA or similar agency to support incentives for Level 2 EV charger installations in business and commercial properties through their partnership with CALeVIP or similar programs. Promote incentives through direct outreach to property owners, including property owners renting to small and minority-owned businesses.	Mid	Community Development	Funding, Education. Partnership				
L2-2d	Work with large fleet operators like LA County, SoCal Gas, SCE, and the Community College to identify opportunities to electrify their fleets and see where the City can provide support.	Mid	Community Development	Partnership				
L2-3 Convert 100% of the City's on-road vehicle fleet to ZEV by 2030. **KPI:** % of City's on-road vehicle fleet that is fully electrified								
Sustainability Plan Policy: Consider electrifying a significant portion of the City's on-road vehicle fleet and off-road equipment in the coming years.								
L2-3a	Develop a replacement schedule and EV charging infrastructure plan to electrify 100% of the City's on-road vehicles by 2030. The schedule should be based on an assessment of the City's current fleet, available ZEV alternatives, and Advanced Clean Fleet requirements. The EV charging infrastructure plan should consider capacity needs of both the City ZEV fleet and employee ZEVs used for commuting.	Short	Public Works	Feasibility	High	• Staff time to conduct feasibility study, formulate a schedule, develop transition plan, and obtain funding (moderate) • Staff time to update policy (low) • Infrastructure costs to install chargers and transition fleets (high)	No cost	N/A – measure relates to municipal operations and does not have a community cost.
L2-3b	Pursue funding from programs such as the Clean Vehicle Rebate Project and the Truck and Bus Voucher Incentive Program to increase procurement of ZEVs and installation of EV charging infrastructure. Additionally, explore opportunities for Low Carbon Fuel Standard (LCFS) credit generation from use of low-carbon fuels/electricity for fleet vehicles.	Short	Public Works	Funding				
L2-3c	Utilize municipal fleet electrification to promote ZEVs to the community, including the commercial sector. Highlight steps for planning and procurement as well as any cost-savings and noise benefits experienced.	Short	Community Development	Education				
L2-3d	Consider adopting an electrification first policy that would require all new City vehicles to be all-electric unless a technological or life cycle cost hurdle is identified.	Mid	Community Development, Public Works	Structural Change				
L2-3e	Develop educational materials that are shared on the City website and included in flyers as appropriate to advertise the zero-emission characteristics of public transit vehicles that highlight the GHG emission reduction benefits and versatility of electric and zero-emission vehicles.	Mid	Public Works	Education				
L2-4 Transition 10% of off-road equipment to zero-emission alternatives by 2030 and 100% by 2045. **KPI:** % of community off-road equipment that produce zero emissions								
Sustainability Plan Policy: Investigate the transition of a portion of off-road equipment to zero-emission alternatives, with a gradual approach toward full adoption.								
L2-4a	Develop and enforce small off-road equipment (SORE) guidelines in alignment with California Air Resources Board's (CARB) goals encouraging that at time of replacement, zero-emission landscape equipment be used starting in 2025 and portable generators be zero-emissions by 2029.	Short	Community Development, Fire	Structural Change	Moderate	• Staff time to develop guidelines and perform outreach (low) • Consultant and staff time to conduct a commercial fleet investigation and identify opportunities for adopting municipal policy for contractor prioritization (moderate) • Capital costs and staff time to develop SORE guidelines (moderate)	Low	Upfront cost of equipment (i.e., higher upfront costs but lower operating costs) (moderate)
L2-4b	Identify major commercial off-road equipment fleets in Monterey Park, fleets with highest decarbonization potential, fleets in disadvantaged communities, and fleets belonging to small- and minority-owned businesses that will need targeted support to transition.	Short	Community Development	Feasibility, Equity				
L2-4c	Partner with SCAQMD to identify funding opportunities to encourage residents to replace gas- and diesel-powered off-road equipment with zero-emission equipment (i.e., electric alternatives or renewable diesel use) with a focus on procedural equity.	Short	Community Development	Funding, Partnership				
L2-4d	Develop an off-road Equipment Replacement Outreach Campaign that provides information to contractors, residents, and fleet operators in Monterey Park on off-road equipment decarbonization. Information should include equivalent zero-emission alternatives to fossil-fueled off-road equipment, public health and safety benefits of zero-emission off-road equipment, and funding opportunities available (i.e., SCAQMD funding, Clean Off-Road Equipment Voucher Incentive Program [CORE]).	Mid	Community Development	Education				

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L2-4e	Consider adopting a municipal policy to prioritize contractors who use electric or zero carbon equipment in their contracts.	Mid	Public Works, Finance, City Manager's Office	Structural Change				
L2-4f	Require all off-road equipment replacements be all-electric by 2030. Where not technologically or financially feasible, evaluate the opportunity to use renewable biodiesel as a drop-in fuel for traditionally diesel-powered equipment.	Long	Community Development	Structural Change				

Table 4 Strategy L3. Decarbonize Community and Municipal Building Energy

ID	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L3-1 Transition 100% of Citywide electricity consumption to renewable or carbon-free energy sources by 2025 and maintain through 2045. **KPI:** % of Citywide electricity consumption that is from renewable or carbon-free energy								
Sustainability Plan Policy: Explore the transition of a significant portion of City electricity consumption to renewable or carbon-free energy sources.								
L3-1a	Adopt an ordinance by 2025 approving the Joint Powers Agreement for Clean Power Alliance of Southern California (CPA), authorizing the implementation of a Community Choice Aggregation Program, and making 100% Green Power the default choice for community accounts in the City by automatic enrollment.	Short	Community Development	Structural Change	Low	• Consultant and staff time to prepare and adopt ordinance (low) • Staff time to build partnerships and perform outreach, engagement, and education (low)	Low	Upfront cost of slightly higher utility bills for all household; however, SCE rebates are available to assist cost burdened households
L3-1b	Support an equitable transition to renewables by partnering with community-based organizations (CBO) to provide equitable, culturally appropriate information to cost burdened households about special rates and programs such as the California Alternate Rates for Energy and Family Electric Rate Assistance (CARE/FERA) Program discounts and the CPA's Power Share, Medical Baseline, Level Pay, and Summer Discounts programs.	Short	Community Development	Partnership, Equity, Education, Funding				
L3-1c	Partner with the CPA to implement existing educational campaigns, including tabling at community events, establishing informational resources on the City's website, regularly posting on social media, and developing energy bill inserts, to highlight the benefits and cost-competitiveness of 100% renewable energy.	Short	Community Development	Education				
L3-1d	Work with the CPA to maintain an opt-out rate of 3% or less by conducting an annual analysis of opt-out rates in the City and analyzing why residents and businesses opt out of the CPA. Include targeted outreach to cost-burdened households to identify barriers to remaining with the CPA.	Short	Community Development,	Structural Change, Equity, Feasibility				
L3-2 Electrify or otherwise decarbonize 100% of new buildings by 2025. **KPI:** % of new buildings that are fully electrified or decarbonized								
Sustainability Plan Policy: Consider options for electrifying or decarbonizing new buildings.								
L3-2a	Conduct a cost effectiveness and feasibility study to analyze the impact of adopting an electrification ordinance for all-new construction to inform future consideration of an ordinance.	Short	Community Development	Feasibility	Moderate	• Consultant and staff time to conduct cost-effectiveness and feasibility study (moderate) • Staff time to develop partnerships and perform outreach, engagement, and education (low) • Staff time to prepare standards and permit requirements, and any future ordinances (low)	No-cost	• Upfront cost savings of building all-electric homes and buildings (no-cost) • Long-term energy bill savings (no-cost)
L3-2b	Establish and streamline standards and permit requirements for electrification-related installations and battery storage systems to allow for easier implementation of these technologies in Monterey Park. Include targeted outreach to disadvantaged communities and cost-burdened households to identify barriers related to electrification.	Short	Community Development	Structural Change, Equity				
L3-2c	Partner with SCE to offer educational sessions on cooking with electric appliances during community events like the Farmers' Market, or other public events that have the infrastructure to support these demonstrations.	Short	Recreation & Community Services, Community Development	Education, Partnership				
L3-2d	Work with partners to connect developers with zero-carbon building designers, incentives, and other support.	Short	Community Development	Funding				
L3-2e	Identify and partner with local community-based organizations, such as Maravilla Foundation, with connections to disadvantaged communities and cost burdened households to conduct culturally appropriate, multi-lingual outreach to identify and analyze equity concerns with an electrification ordinance for all-new construction to inform future consideration of an ordinance.	Short	Finance	Partnerships, Education, Equity				
L3-2f	Establish partnerships with organizations such as the Building Decarbonization Coalition, CPA, Southern California Regional Energy Network (SoCalREN), the International Brotherhood of Electrical Workers, and the Los Angeles Cleantech Incubator (LACI) to engage with local interested parties from the building industry to evaluate the feasibility of adopting an electrification ordinance for all-new construction and inform future consideration of an ordinance.	Mid	Community Development	Partnership, Feasibility				
L3-2g	Consider adopting a zero-carbon preferred ordinance which requires new construction which utilizes natural gas to meet higher efficiency and design standards than zero carbon buildings.	Mid	Community Development	Structural Change				

ID	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L3-3 Electrify existing residential buildings and implement energy efficiency improvements to reduce residential natural gas usage 15% by 2030 and 100% by 2045. **KPI:** % reduction of existing residential building natural gas usage								
Sustainability Plan Policy: Investigate electrifying existing residential buildings and implementing energy efficiency improvements to reduce residential and natural gas usage.								
L3-3a	Partner with stakeholders such as SoCal Gas, SCE, CPA, and SoCal REN to establish and promote funding pathways to ease community costs for electric appliances and tools, electrification retrofits, and panel upgrades through: ▪ Federal and state grants/subsidies (e.g., High-Efficiency Electric Home Rebate program for cost burdened households) ▪ Inflation Reduction Act rebates and tax credits ▪ Linking electrification to existing weatherization programs ▪ Regularly review funding pathways for procedural equity and work with interested parties to improve the distribution of the funding to household cost burdens.	Short	Community Development	Partnership, Funding, Equity	Moderate	Consultant and staff time to conduct cost analysis and develop a residential building electrification strategy (moderate) Staff time to develop partnerships and perform outreach, engagement, and education (low) Staff time to adopt air conditioning unit ordinance and develop incentive program (moderate) Staff time to partner and develop electrification concierge service (moderate) Capital costs and staff time for complete neighborhood electrification pilot (high) Staff time to create and maintain water heater loan program (high) Staff time to prepare any future ordinances and/or renovation checklists (low)	Moderate	Long-term energy bill savings (no-cost) Additional cost from installation of electric appliance compared to installation of natural gas-powered appliance (moderate)
L3-3b	Partner with an organization such as SCE or SoCalREN to provide free electrification assessments to rental and multi-family properties to provide recommendations for electric upgrades and funding opportunities.	Short	Fire	Partnerships, Equity, Education, Funding				
L3-3c	Conduct targeted outreach to rental and multi-family property owners to distribute information about available electrification assessments, retrofit incentives, and long-term benefits associated with electrification and weatherization.	Short	Fire	Education				
L3-3d	Partner with a local business to create and manage a water heater loan program where residents who are replacing their natural gas-powered water heaters with electric-powered water heaters can borrow or rent a working natural gas water heater for a specified period of time (e.g., three weeks) to use during any electrical panel upgrades that may be required to install an electric water heater. Residents' participation in this program could signify the initiation of the permit request process and serve as a mechanism to support thoughtful residential transition. Consider expanding the loan program to induction stoves as well.	Short	Community Development	Partnership				
L3-3e	Utilize the City's existing program, Accela, to track permits for existing building electrification.	Short	Community Development	Structural Change				
L3-3f	Explore a partnership with non-profit organizations to implement a solar installation program for cost burdened households.	Short	Community Development	Partnership, Funding, Equity				
L3-3g	Develop a residential building electrification strategy with a detailed existing building analysis and electrification costs analysis to understand cost implications and identify potential equity concerns/impacts. Develop equitable strategies and recommended standards for residential building electrification such as those that increase energy efficiency and tenant protections. Identify and partner with local community-based organizations with connections to disadvantaged communities and cost burdened households to conduct intentional, thoughtful, and specific culturally appropriate and multi-lingual outreach during development of the electrification strategy to understand the community's concerns and needs around electrification. During the electrification strategy development process, engage the community to evaluate the feasibility of adopting a time of replacement electrification ordinance in the future for HVAC and water heaters.	Mid	Community Development	Feasibility, Equity				
L3-3h	Organize workshops or webinars in collaboration with SCE and local community-based organizations to offer homeowners and rental property owners' clear explanations of electrification benefits, covering topics such as energy efficiency, reduced carbon footprint, cost savings, and improved indoor air quality. Showcase real-life examples of Monterey Park homeowners and multi-family properties who have successfully transitioned to partially or fully electrified residences. These case studies could emphasize energy savings, increased comfort, and positive experiences with electric appliances like heat pumps and induction stoves.	Mid	Community Development	Partnership, Education				
L3-3i	Consider adopting an ordinance that requires all new air conditioning units to be "two-way" air conditioners (heat pumps) which efficiently provide both heating and cooling.	Mid	Community Development	Structural Change				
L3-3j	Consider adopting a renovation checklist which encourages all new major renovations (e.g., 50% or more of the property area renovated) to complete energy efficiency, electrification, or weatherization measures which have been demonstrated to be cost effective.	Mid	Community Development	Structural Change				
L3-3k	Work with the Monterey Park Housing Authority and private parties to identify an affordable housing electrification pilot project leveraging the Inflation Reduction Act and other funding sources and act as a guide to other existing buildings.	Mid	Finance	Partnership, Funding				

ID	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
L3-3l	Work with stakeholders in the region to develop and promote a decarbonization concierge service which connects residents and building owners to technical expertise and incentives to accelerate zero carbon retrofits.	Mid	Community Development	Partnership, Funding				
L3-3m	Develop an incentive program to allow for equitable electrification of buildings. Identify and implement a pilot project for electrification of a complete neighborhood composed of cost burdened households and affordable housing.	Long	Community Development	Partnership, Funding, Equity				
L3-4 Electrify existing commercial buildings and implement energy efficiency improvements to reduce commercial natural gas usage by 10% by 2030 and 100% by 2045. **KPI:** % reduction of commercial residential building natural gas usage								
Sustainability Plan Policy: Evaluate electrifying existing commercial buildings and implementing energy efficiency improvements to reduce commercial natural gas usage.								
L3-4a	Use municipal electrification efforts to promote the benefits and feasibility of electrification to the commercial sector. Promote municipal building electrification efforts on the City's website and at City permit counters with information on costs, timescale, and utility bill savings for each project.	Short	Community Development	Education	Moderate	Staff time to develop partnerships, and perform engagement, outreach, and education (low) Create initiatives and recommended standards for retrofitting commercial buildings (low) Staff time to assess feasibility of a building performance standard (moderate) Capital costs and staff time to develop the incentive program (moderate)	Moderate	Long-term energy bill savings (no-cost) Additional cost from installation of electric appliance compared to installation of natural gas-powered appliance (moderate)
L3-4b	Develop a strategy to support commercial building electrification, including initiatives and recommended standards for retrofitting commercial buildings, prioritizing appliance replacements, and avoiding expansion of natural gas infrastructure.	Mid	Community Development	Structural Change				
L3-4c	Conduct engagement efforts for the commercial sector during development of the building electrification strategy to understand potential concerns and barriers to commercial electrification and educate commercial property owners on the potential cost savings and other benefits of electrification. Include targeted outreach to small businesses and minority-owned businesses to understand potential equity concerns with commercial electrification during the strategy development process.	Mid	Community Development	Feasibility				
L3-4d	Conduct focused interviews with commercial property owners to evaluate the feasibility of adopting a commercial building electrification ordinance to ban the expansion of natural gas infrastructure and require appliance replacements to be all-electric, where technologically feasible. Include interviews specifically with small and minority-owned businesses.	Mid	Community Development	Feasibility				
L3-4e	Track annual progress on commercial building electrification through Accela, the City's permit tracking program.	Mid	Community Development	Structural Change				
L3-4f	Work with organizations such as CPA, SCE, and SoCalREN to implement and promote commercial electrification rebates and financing opportunities. Regularly review the incentives for procedural equity and promote them to small and minority-owned businesses through targeted outreach.	Mid	Community Development	Partnerships Funding Equity				
L3-4g	Partner with the chamber of commerce, or similar entity, to inform and facilitate electrification for commercial business owners.	Mid	Community Development	Partnerships				
L3-4h	Monitor opportunities to develop a regional building performance standard similar to those required by the State of California and the Los Angeles Existing Buildings Energy and Water Efficiency Program to benchmark buildings over 25,000 square feet.	Mid-Long	Community Development	Structural Change				
L3-4i	Require retro-commissioning of covered buildings in the building performance standard program after three years of reporting.	Mid-Long	Community Development	Structural Change				
L3-4j	Work with the local community college to pilot commercial decarbonization strategies including replacement of rooftop package units, boilers, pool heaters, and other gas appliances with zero carbon alternatives.	Long	Community Development	Education				
L3-4k	Provide tax breaks, transfer tax rebates, or other incentives for commercial buildings which fully decarbonize.	Long	Community Development	Funding				
Measure L3-5: Increase local renewable energy generation and storage to increase resilience during power shutoffs and from climate hazards. **KPI:** New renewable energy generation and storage capacity (MW)								
Sustainability Plan Policy: Examine the possibility of increasing local renewable energy generation and storage to enhance resilience during power shutoffs and climate hazards.								
L3-5a	Coordinate with SCE, CPA, and/or other community partners to support and incentivize local, on-site energy generation and storage. This could include: Connecting home and business owners, particularly those in disadvantaged and vulnerable communities and cost burdened households, to incentives for renewable energy and storage projects. Promoting installation of storage technology in concert with renewable energy infrastructure through multi-lingual education programs, outreach, and information provided via City platforms.	Short	Community Development	Partnership, Equity	Moderate	Staff time to update standards and permit requirements (low) Staff time to assess feasibility of ordinance (moderate)	Moderate to High	Long-term energy bill savings of renewable energy generation (no-cost) Infrastructure costs of battery installation (i.e.,

ID	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
	Working with the CPA to bring community solar to disadvantaged communities in the City. Working with SCE to promote the self-generation credit and other financial assistance programs					Capital costs and staff time to develop the incentive program (moderate) Staff time to prepare any future ordinances (low)		costs not covered by funding opportunities) (high)
L3-5b	Conduct engagement efforts to the commercial sector to identify ways the City can support commercial battery storage installations.	Mid	Community Development, Public Works	Feasibility				
L3-5c	Provide educational materials and workshops to large commercial developers and large business property owners on the benefits of microgrids and energy resilience. Provide resources to identify opportunities for solar installations and/or battery storage on site.	Mid	Community Development	Education				
L3-5d	Conduct a study to develop pre-approved plans and guidelines to streamline permitting for battery storage installations within the City by pre-approving certain design standards.	Mid	Community Development, Public Works City Attorney	Structural Change				
L3-5e	Consider adopting a PV (photovoltaic, i.e., solar) Ordinance incentivizing newly constructed and majorly renovated (e.g., 50% or more of the property area renovated) multi-family and commercial buildings to install PV systems and storage that meet minimum requirements of Tier 2 Voluntary Standards under CalGreen.	Mid	Community Development	Structural Change				
L3-6 Electrify or otherwise decarbonize all municipal buildings and facilities by 2035. **KPI:** # of fully electrified or decarbonized municipal buildings								
Sustainability Plan Policy: Consider electrifying or decarbonizing all municipal buildings and facilities.								
L3-6a	By 2025, develop a plan to electrify or otherwise decarbonize all municipal buildings which will include: An inventory of existing fossil fuel-powered building equipment, available electric or zero/low-carbon alternatives for replacing each, and relevant costs and benefits of replacing each (e.g., lifespan, equipment costs, operational quality). A schedule for completion based on potential to reduce natural gas and propane usage.	Short	Community Development	Feasibility	High	Consultant and staff time to conduct an electrification feasibility study for municipally owned facilities as well as a replacement schedule (moderate) Consultant and staff time to develop an electrification first policy (moderate) Staff time to develop partnerships (no cost) Staff time to evaluate and implement Public Energy Performance program and identify/install an all-electric municipal pilot project (moderate) Capital costs associated with increased Clean Power Alliance participation (moderate) Infrastructure investments to install energy storage systems and pilot project (high)	No-cost	N/A – measure relates to municipal operations and does not have a community cost.
L3-6b	Develop and adopt an electrification or alternative fuel first policy for all new municipal buildings and facilities starting in 2025.	Short	Public Works	Structural Change				
L3-6c	Develop and adopt an electrification first policy for Capital Improvement Projects (CIP) whenever feasible to electrify existing municipal buildings and facilities.	Short	Public Works	Structural Change				
L3-6d	Opt-up 100% of municipal accounts to CPA's 100% Green Power energy option by 2025.	Short	Public Works	Structural Change				
L3-6e	Identify a municipal building to pilot an all-electric retrofit and energy efficiency improvement project. Partner with CLEAResults, or a similar entity, to track the change in energy usage and utility bill costs before and after the retrofit through their Public Energy Performance (PEP) program. Use the retrofit results as an electrification case study for commercial sector electrification.	Mid	Public Works	Feasibility, Education				
L3-6f	Partner with SCE or a similar entity to evaluate the on-site energy generation and storage capacity needs at City buildings and facilities to back up critical loads during an outage as the City's fleet and employee's vehicles are electrified.	Mid	Public Works	Partnerships				
L3-6g	Review the potential to adopt a zero-carbon requirement for all new municipal buildings which requires new municipal buildings to be all-electric or otherwise zero carbon.	Mid	Public Works	Structural Change				
L3-6h	Implement the building electrification plan (Action L3-6a) to electrify or otherwise decarbonize all municipal buildings by 2035.	Mid - Long	Public Works	Structural Change				

Nature Based Development Pathway

Table 5 Strategy N1. Water Conservation

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
N1-1 Reduce per capita water consumption by 10% by 2030 and 20% by 2045 compared to the 2020 baseline. **KPI:** % reduction of per capita water consumption								
Sustainability Plan Policy: Consider reducing per capita water consumption with the aim of achieving long-term reductions compared to the 2020 baseline.								
N1-1a	Continue to implement the Urban Water Management Plan water conservation programs and enforce the Water Conservation Regulations Ordinance.	Ongoing	Public Works	Structural Change	Low	Staff time to continue partnerships and education (low) Water bill savings from conservation (no-cost) Capital costs and staff time to implement water conservation strategies at City facilities, enforce ordinances, and create incentives (high)	No-cost	Water bill savings from conservation (no-cost)
N1-1b	Analyze the current irrigation control systems used at parks and City-owned land and modernize at least three irrigation controllers each year, as needed, to reduce water usage and maximize watering efficiencies, upgrading systems throughout the entire City by 2030.	Ongoing	Public Works	Feasibility, Structural Change				
N1-1c	Implement a culturally appropriate and multi-lingual public education campaign that highlights water conservation practices and provides demonstrations of graywater and rainwater systems. Educational materials should include technical and financial resources for water-wise gardening practices, including steps to landscape with plants and trees that are drought tolerant or water-efficient, provide habitat for wildlife, produce food, treat stormwater, and/or offer shade, as well as low-flow appliances and leakage repairs. Partner with community-based organizations to distribute resources to cost burdened households and rental property owners.	Short	Public Works	Education, Equity				
N1-1d	Install a new Advanced Metering Infrastructure (AMI) system in the next four years that will include easy-to-use web-based tools that allow customers to track and monitor water use. Promote the availability of Home Water Reports and provide materials on how to utilize the available information.	Short	Public Works	Structural Change				
N1-1e	Consider adopting an ordinance to require new developments to use onsite water reuse systems – like greywater and blackwater systems – for non-potable uses like toilet flushing and irrigation.	Mid	Community Development	Structural Change				
N1-1f	Explore funding opportunities to provide residents with turf replacement rebates to incentivize drought tolerant landscaping and water conservation efforts	Mid	Community Development	Funding				
N1-1g	Review the building and plumbing code requirements for multi-faucet showers and update the design standards to incorporate water-saving measures, aligning with or exceeding the latest regulations and standards in new construction projects or major upgrades.	Mid	Community Development	Structural Change				
N1-1h	Review City's water efficient landscaping ordinance to ensure consistency with state requirements.	Short	Community Development	Structural Change				
N1-2 Reduce municipal water consumption by 30% 2030 and 40% by 2045. **KPI:** % reduction of municipal water consumption								
Sustainability Plan Policy: Explore options to gradually reduce municipal water consumption over time.								
N1-2a	Track utility bill savings from these water conservation actions and dedicate budget saved to water conservation efforts in disadvantaged communities and for cost burdened households.	Ongoing	Community Development	Funding, Equity	High	Staff time to track utility bill savings (low) Capital cost for turf and lawn removal and installation of smart irrigation systems in City parks (high) Staff time to build partnerships (low) Staff time to complete a water use audit, evaluate City facility runoff, and educate the community (moderate)	No-cost	N/A – measure relates to municipal operations and does not have a community cost.
N1-2b	Remove non-functional turf and ornamental lawns at City-owned facilities, along City-owned roadways, and in medians, and replace with native and drought tolerant landscaping with enough coverage to provide shade and reduce heat absorption.	Ongoing	Public Works	Structural Change				
N1-2c	Install smart irrigation systems in all City parks and track water use by location quarterly to understand trends and identify opportunities to further reduce water use.	Short	Public Works	Structural Change				
N1-2d	Complete a water use audit by 2026 to identify areas of high-water use and potential leaks in City buildings and facilities along with opportunities to install low-flow fixtures.	Short	Public Works	Feasibility				
N1-2e	Evaluating City facility runoff to be diverted from City roof drains into planters and landscaped items.	Short	Public Works	Structural Change				
N1-2f	Partner with surrounding jurisdictions and local water providers to identify and implement innovative solutions to saving water in City buildings and facilities that have been successful in similar jurisdictions and can be implemented at City Hall to be used as a demonstration project for commercial and/or residential building owners.	Short	Community Development, Public Works	Partnership				
N1-2g	Utilize the City's native and drought tolerant landscaping and rain barrels to educate the community on ways to reduce water consumption through signage at these features and community events at these locations.	Mid	Community Development	Education				

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
N1-3 Increase resilience to drought-induced water shortages or changes in utility rate structure. **KPI:** Completion of a feasibility study for a local recycled water system								
Sustainability Plan Policy: Investigate strategies to enhance resilience to potential drought-induced water shortages or fluctuations in utility rate structures.								
N1-3a	Support the San Gabriel Valley Municipal Water District to seek funding to bring recycled water lines and infrastructure to the City.	Short	Public Works	Funding	Moderate	Materials and supplies to engage the community (low) Staff time to secure funding (low) Staff time to conduct a feasibility study and a risk evaluation (moderate)	No-cost	N/A
N1-3b	Conduct a feasibility study for developing a local recycled water system to diversify water supply.	Short	Public Works	Feasibility				
N1-3c	Upon the next update to the Urban Water Management Plan, review the historical record to identify the longest recorded drought and consider a similar drought length in the UWMP analysis. To avoid inequitable outcomes, engage directly with low-income households with high utility burdens during water rate structure changes processes.	Mid	Finance	Structural Change, Equity				
N1-3d	In collaboration with SCE, conduct a study evaluating the risk of power outages impacting the City's water treatment facilities and pump stations. Determine if the City has adequate backup water supply in case of regional water supply disruptions and share the results of the analysis with the project team, community, and interested parties.	Mid	Public Works	Partnership, Education				

Table 6 Strategy N2. Urban Greening

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
N2-1 Increase number of trees in Monterey Park by planting 50 annually through 2045. **KPI:** # of trees planted								
Sustainability Plan Policy: Consider gradually increasing the number of trees in MPK, with annual tree planting initiatives.								
N2-1a	Continue to develop a Tree Master Plan to identify City's potential capacity for new tree planting, identify a timeframe for implementation and provide a management plan for existing trees. The Tree Master Plan should consider carbon sequestration potential and extreme heat and how tree canopy can reduce the urban heat island effect. It should also identify opportunities for placing vegetative barriers between busy roadways and developments to reduce exposure to air pollutants from traffic.	Ongoing	Public Works	Feasibility, Funding	Moderate	Staff time to develop a Tree Master Plan (moderate) Staff time to educate the community and build partnerships to promote tree-planting (moderate) Staff time and cost to adopt a Greenscaping Ordinance (moderate) Capital cost of planting trees (moderate) Lifecycle cost of tree maintenance (low)	No-cost	Property value appreciation from increased tree canopy (no-cost) Potential energy bill savings from tree shade (no-cost)
N2-1b	Promote tree-planting in disadvantaged communities through City-led initiatives to educate the community on the benefits of urban canopy and improve local air quality and reduce heat impacts using shade trees and drought-tolerant plants.	Short	Public Works	Structural Change, Equity, Education				
N2-1c	Partner with a community-based organization or entity such as California State University, Los Angeles (Cal State LA) to create a map of locations in the City that are managed as open space or park land and establish a prioritized list of areas needing upgrades or enhancements with focus disadvantaged communities and areas with lower-than-average tree canopy coverage	Short	Public Works	Feasibility, Equity, Partnership				
N2-1d	Consider adopting a Greenscaping Ordinance that has a street tree requirement for all zoning districts; has a shade tree requirement for new development; requires greening of parking lots with appropriate sized tree wells; and increases permeable surfaces in new developments.	Mid	Community Development, Public Works	Structural Change				
N2-1e	Identify and map additional public spaces that can be converted into greenspace, including underutilized parking, vertical walls, and available rooftops.	Mid	Public Works	Feasibility				
N2-2 Increase green infrastructure to augment stormwater capacity during peak rain events. **KPI:** Completion of a green infrastructure pilot project								
Sustainability Plan Policy: Explore options to enhance green infrastructure with the aim of improving stormwater capacity during peak rain events.								
N2-2a	Continue providing educational programing for the community at City events on stormwater pollution reduction efforts.	Ongoing	Public Works	Education	High	Enhanced staff time to manage new development (moderate) Capital costs to expand permeable surfaces, bioswales, or other stormwater management strategies (high) Staff time to amend the City's ordinance, prepare a Stormwater Master Plan, and evaluate code requirements (moderate)	No-cost	Water bill savings from reduced losses (no-cost)
N2-2b	Evaluate the Monterey Park Municipal Code requirements regarding hillside development and consider recommending changes to further reduce landslide risk, including managing peak stormwater runoff flows, impacts from increased runoff volumes associated with projected climate change conditions, and site design development standards.	Short	Community Development	Equity				
N2-2c	Continue to regularly inspect most at risk locations, directly following major storm or atmospheric river events.	Ongoing	Public Works	Feasibility				
N2-2d	Distribute educational materials to tenants and homeowners at highest risk of stormwater flooding that includes technical and financial resources to retrofit their properties for flooding.	Short	Community Development	Partnership				
N2-2e	Revise the City's stormwater ordinance to prioritize low-impact stormwater best practices for private development, with a specific emphasis on incorporating native plants and habitat restoration measures.	Short	Community Development, Public Works	Funding				
N2-2f	Continue to prepare a Stormwater Master Plan to identify grey and green infrastructure improvements to the stormwater system considering precipitation rates projections based on climate change. Update the Stormwater Master Plan as needed.	Mid	Community Development, Public Works	Structural Change				
N2-2g	Continue to identify funding and explore developing a pilot project using permeable surfaces for street gutters and City-owned parking lot, incorporating vegetation, soil, and engineered systems to slow, filter, and cleanse stormwater runoff	Mid	Public Works	Education				

Table 7 Strategy N3. Experiences in Nature

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
N3-1 Foster positive opportunities for the Monterey Park community to engage with the natural world. **KPI:** Development of multi-lingual educational programs that encourage residents to visit local natural ecosystems and utilize local hiking trails								
Sustainability Plan Policy: Foster positive opportunities for the Monterey Park community to engage with the natural world.								
N3-1a	Review and identify funding opportunities to update and maintain a tracking mechanism to regularly evaluate biodiversity in the City.	Ongoing	Community Development	Funding	Low	Staff time to build partnerships (no cost) Staff time to review and identify funding opportunities (low)	No-cost	Improved experience of existing green spaces (no-cost)
N3-1b	Work with Trails LA County and to design and implement a multi-lingual and educational program that invites all residents to visit the local natural ecosystems and utilize the local hiking trails, with an emphasis on targeting cost burdened households and disadvantaged community members.	Short	Recreation & Community Services	Education, Equity				
N3-1c	Partner with researchers and students at the University of California, Los Angeles (UCLA) to utilize the Biodiversity Atlas of Los Angeles to understand best practices on how to track, interpret, update, and maintain data associated with biodiversity throughout the City.	Short	Community Development	Partnership, Education				
N3-1d	Provide a direct link on the City's website to the Biodiversity Atlas of Los Angeles in addition to any updated biodiversity inventories, which should be completed regularly. Establish a portal that provides citizen scientists the ability to participate in reporting and tracking species.	Short	Community Development	Education				
N3-1e	Partner with local school districts (Alhambra, Garvey Ranch, Montebello, La County), community-based organizations, and other interested parties to create and implement an educational campaign to ignite the curiosity of elementary school-aged children and introduce them to the benefits of the urban forest. As part of this program, work with a local nursery to identify and provide free or discounted appropriate and cost-effective California native plants/trees that can be both planted in the ground or remain potted for students living in rental/multi-family homes.	Mid	Community Development	Partnership, Structural Change				

Circular Development Pathway

Table 8 Strategy C1. Promote Reuse, Repair, and Recovery

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
C-1 Align with SB 1383 requirements by procuring recovered organic waste products annually in alignment with the CalRecycle requirements for use in the City.[6] **KPI:** Tons of recovered organic waste products procured								
Sustainability Plan Policy: Explore the procurement of recovered organic waste products for potential use in the City, consistent with SB 1383 (2016).								
C1-1a	Establish a new program to deliver compost to local schools and community organizations. Expand free compost giveaways to residents, local urban farmers, and other organizations. Track the success of the program based on tons of compost given away and promote the program on the City's website and through the City's social media channels.	Short	Public Works	Structural Change	Low	Staff time and cost to expand the community education program (low) Staff time to update City website and adjust park hours (low) Staff time to update the zoning ordinance and City education programs (low)	Low	Community time to participate in outreach programs (low)
C1-1b	Using established education materials from RecycleMore and other organizations, provide outreach and education to resident groups, community gardens, and commercial landscapers in Monterey Park on the benefits of using recovered organic waste products.	Short	Public Works	Education				
C1-1c	Partner with large composting operations in close proximity to the City, to provide recovered organic waste products to the community at cost-effective rates.	Short	Public Works, City Manager's Office	Partnership				
C1-1d	Investigate the opportunity to participate in a regional compost trading program to help meet organic waste procurement goals. Consider collaborating and exploring options through the California Compost Coalition.	Mid	Public Works, Community Development	Feasibility, Partnerships				
C1-1e	Use financial grants and assistance from CalRecycle to fund the purchase of organic end products. Focus effort on projects in disadvantaged communities or for cost burdened households.	Mid	Public Works	Funding, Equity				
C1-2 Reduce community waste generation by increasing repair and reuse by residents and businesses in the community. **KPI: #** of community-based repair and reuse workshops								
Sustainability Plan Policy: Promote the reduction of community waste generation by encouraging residents and businesses to participate in repair and reuse practices.								
C1-2a	Continue digitizing City processes by increasing online document formats to reduce paper use.	Ongoing	All City Departments	Structural Change	Moderate	Staff time to partner with organizations and develop a City cooling center assessment, energy grid protocols, and tree canopy evaluation (moderate) Staff time and cost to expand community education programs and SCE or CPA programs to subsidize costs (low) Staff time and cost to support microgrids (moderate) Staff time and cost to assess cool pavement application (moderate) Staff time to update ordinance (low)	No-cost	Long-term cooling benefits for vulnerable communities (no-cost)
C1-2b	Continue providing educational recycling programming to Monterey Park schools through EcoHero.	Ongoing	Public Works	Funding				
C1-2c	Provide sustainable purchasing trainings for department purchasing representatives to enforce Admin Policy 20-02 of the General Plan.	Short	Public Works	Structural Change, Education				
C1-2d	Partner with local businesses nonprofits, East Los Angeles College, and community-based organizations to organize regular workshops where local experts teach residents hands-on repair skills for common items like clothing, bicycles, small appliances, and electronics.	Short	Community Development, Recreation & Community Services	Education, Partnership				
C1-2e	Develop an online directory listing local repair businesses and relevant professionals, making it easier for residents to find repair services.	Short	Community Development	Education				
C1-2f	Organize annual upcycling challenges where participants creatively repurpose discarded materials into new, functional items, or local artists and designers create functional art pieces using reclaimed materials.	Short	Public Works, Recreation & Community Services	Partnership				

[6] The current requirements are for 4,830 tons of recovered organic waste products annually, and it is anticipated that that will increase during the 2025 CalRecycle update.

Table 9 Strategy C2. Reduced Landfilled Waste

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
C2-1 Meet SB 1383 organics and recycling requirements, reducing landfilled organic waste 75% by 2025 and 100% by 2045. **KPI:** % reduction of landfilled organic waste								
Sustainability Plan Policy: Consider aligning with SB 1383 (2016) organics and recycling requirements, aiming to progressively reduce landfilled organic waste.								
C2-1a	Work with the approved waste hauler to provide adequate and frequent assessments of customers' landfill, recycling, and organics containers to reduce contamination in compliance with SB 1383. Expand assessments as needed to meet SB 183 goals.	Ongoing	Public Works	Partnership	Moderate	Staff time to update municipal procurement policies, support the County, establish education and outreach programs, and develop partnerships (low) Capital costs and staff time to provide compost bins, monitor bill increases, and develop incentive programs (moderate)	Low cost	Fee on single-use items (low) Cost savings from increase in repair and reuse (no-cost)
C2-1b	Continue and enhance educational campaigns to ensure all residents are separating landscaping waste, food scraps, and 100% fiber based, food-soiled paper into their green organics container per Monterey Park's recent mandatory organics recycling program. Circulate multi-lingual food scrap collection flyers to residents.	Ongoing	Public Works	Education				
C2-1c	Provide free compost bins and kitchen-top food waste containers to members of disadvantaged communities, cost burdened households, and senior citizens to increase participation in organics recycling program.	Short	Community Development	Equity				
C2-1d	Develop zero-waste educational programs and workshops for residents that include how to: Reduce food waste at the source through meal planning, portion control, and better food storage practices Compost at home with widely accessible tools and vessels Troubleshoot common composting issues, such as potential odors or pests Efficiently apply and incorporate compost into soil	Mid	Public Works, Recreation & Community Services	Education				
C2-1e	Partner with LA Compost or a similar organization to provide a compost collection booth at the weekly Farmer's Market.	Mid	Public Works	Partnership				
C2-2 Align with the SB 1383 requirement to divert 20% of edible food from the landfill by 2025 and provide to food insecure community members. **KPI:** % reduction of diverted edible food from landfill								
Sustainability Plan Policy: Strive to meet or surpass the SB 1383 requirements of diverting edible food from the landfill to support food-insecure community members.								
C2-2a	Complete an audit of commercial edible food generators to ensure the maximum amount of edible food that would otherwise be disposed of is being recovered, and that proper contracts or written agreements with food recovery organizations and services are in place, using CalRecycle's model edible food recovery agreement as a guide.	Ongoing	Public Works	Feasibility	Moderate	Staff time to complete an audit of commercial edible food generators and implement tracking system (moderate) Staff time to build partnerships expand food recovery infrastructure (moderate) Capital costs for adding bins in public areas (moderate) Staff time and materials to launch campaigns (low)	No-cost	N/A
C2-2b	Implement systems to track and document food recovery efforts, including the amount of food diverted and the beneficiaries reached; regularly measure progress and outcomes, and adjust strategies as needed to achieve or exceed the SB 1383 target.	Ongoing	Public Works	Structural Change				
C2-2c	Continue partnership with San Gabriel Valley Council of Governments (SGVCOG) Regional Food Recovery Program and work to expand food recovery hubs and increase Monterey Park's food recovery capacity and infrastructure.	Ongoing	Public Works	Partnerships				
C2-2d	Launch public awareness campaigns to educate residents, businesses, and food producers about the environmental and social benefits of reducing food waste and diverting surplus food to those in need. Promote the currently available food donation resources (FoodDrop, FoodOasis, FoodFinders, etc.).	Mid	Public Works, Community Development	Education				
C2-3 Reduce residential and commercial inorganic sent to landfills by 5% by 2030 and 10% by 2045. **KPI:** % reduction of landfilled residential and commercial inorganic waste								
Sustainability Plan Policy: Closely assess ways to reduce residential and commercial inorganic waste sent to landfills over time, with an aim to achieve gradual reductions.								
C2-3a	Promote and circulate free bulky item and e-waste collection guidelines to residents from approved waste haulers via virtual flyers or social media campaigns. Similarly, promote the free monthly household hazardous and e-waste collection events held in conjunction the County of Los Angeles.	Ongoing	Public Works	Education	Moderate	Staff time to develop and adopt new ordinances related to waste reduction and promote e-waste collection guidelines (moderate) Staff time to continue partnerships and prepare education (low)	Low	Additional cost of product replacement with sustainable alternatives (low)
C2-3b	Consider adopting an ordinance banning the use, distribution, and sale of polystyrene food service ware within the City.	Mid	Public Works, Community Development	Structural Change				
C2-3c	Consider adopting an ordinance that requires any regulated entity in the City to only sell or distribute utensils, stirring sticks, or straws made from materials which are acceptable by the City's organics collection program and only upon a customer's request for any of those items.	Mid	Public Works, Community Development	Structural Change				

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
C2-3d	Consider adopting an ordinance that requires food or beverages served for consumption on the premises of any regulated entity to only be served on or in food service ware that is reusable.	Long	Public Works, Community Development	Structural Change				

Resilient Development Pathway

Table 10 Strategy R1. Extreme Heat Resilience

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
R1-1 Educate the community about the dangers of heat exposure and identify financial and technical resources to reduce impacts of extreme heat on the community. **KPI: #** of climate change related community education programs and campaigns								
Sustainability Plan Policy: Educate the community about the dangers of heat exposure and identify financial and technical resources to reduce impacts of extreme heat on the community.								
R1-1a	Expand the community education program related to low-cost mechanisms to reduce the impact of extreme heat on the community, especially on the most vulnerable members of society (i.e., children, older adults, disadvantaged communities, and those with chronic health conditions made worse by heat exposure), and review grant opportunities to fund and implement.	Ongoing	Public Works, Community Development, Recreation & Community Services, Library	Funding, Equity, Education	Low	Staff time and cost to expand the community education program (low) Staff time to update City website and adjust park hours (low) Staff time to update the zoning ordinance and City education programs (low)	Low	Community time to participate in outreach programs (low)
R1-1b	Incorporate links and multi-lingual references on the City website and incorporate interpretive signage at transit facilities, parks, and community centers providing education on heat related illness and personal care steps.	Short	Recreation & Community Services, Public Works	Structural Change, Equity				
R1-1c	Update existing City-run educational programs and campaigns to incorporate information regarding potential health effects of climate change, particularly associated with worsening air quality and extreme heat days, and personal care steps and financial resources.	Short	Community Development	Education				
R1-1d	Analyze and adjust Parks and Recreation Program hours to discourage outdoor programming during peak warm periods and program outdoor activities in shady areas.	Short	Recreation & Community Services	Feasibility, Structural Change				
R1-1e	Update Monterey Park's design guidelines for mixed use zoning districts to allow awnings, canopies, arcades and/or colonnades that can encroach into required setbacks and public sidewalk areas to create shade for pedestrians.	Mid	Community Development	Structural Change				
R1-2 Reduce exposure of the community to extreme heat through a combination of cooling centers, low-cost cooling resources, building weatherization, and increased energy resilience. **KPI: #** of cooling centers in the community; # of buildings in the community with enhanced building envelopes (e.g., cool roofs, cool walls)								
Sustainability Plan Policy: Reduce exposure of the community to extreme heat through a combination of cooling centers, low-cost cooling resources, building weatherization, and increased energy resilience.								
R1-2a	In partnership with community-based organizations, conduct an assessment on the effectiveness of current City cooling centers in serving the needs of vulnerable populations by evaluating ease of access, current amenities, and resources available at the cooling centers, and number of visitors.	Ongoing	Library, Recreation & Community Services	Partnership	Moderate	Staff time to partner with organizations and develop a City cooling center assessment, energy grid protocols, and tree canopy evaluation (moderate) Staff time and cost to expand community education programs and SCE or CPA programs to subsidize costs (low) Staff time and cost to support microgrids (moderate) Staff time and cost to assess cool pavement application (moderate) Staff time to update ordinance (low)	No-cost	Long-term cooling benefits for vulnerable communities (no-cost)
R1-2b	Continue to partner with CPA, SCE, and emergency management services to establish backup power and energy grid shutdown protocols that protect the most vulnerable populations (e.g., older adults, individuals with chronic health conditions, children, individuals with disabilities).	Ongoing	Fire, Public Works	Partnership				
R1-2c	Assess all City park and recreational facilities to evaluate availability of tree canopy, shade structures and materials with low solar gain to evaluate usability on high heat days and ability to reduce heat retention.	Short	Public Works	Feasibility				
R1-2d	Build on the existing City of Los Angeles cool pavement pilot projects, as well as other cool pavement projects and determine if and where it would be viable in Monterey Park.	Short	Public Works	Feasibility				
R1-2e	Conduct a pilot project of cool pavement application at one location in a neighborhood with a high number of socially vulnerable populations, those with less resources to deal with stressors like extreme heat, as identified in the Climate Vulnerability Assessment.	Short	Public Works	Structural Change, Education, Equity				
R1-2f	Increase outreach and education around SCE or CPA programs that subsidize cooling costs and back-up power devices for low-income households.	Short	City Manager's Office	Education				
R1-2g	Update zoning ordinance to include density bonuses, expedited permitting, or reduced fees for multi-family and mixed-use developments to install cool roofs or cool walls. Provide under-resourced populations with incentives such as expedited permitting or reduced fees to decrease barriers associated with installing cool roofs.	Mid	Community Development	Structural Change				
R1-2h	Install on-site battery storage at City's cooling centers to mitigate service disruptions and provide redundancy in the event of a power outage. Regularly replace air filters.	Mid	Public Works	Structural Change				

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
R1-2i	Support development of community-serving microgrids and prioritize areas with high social vulnerability.	Mid	Community Development	Structural Change				

Table 11 Strategy R2. Climate Change Preparedness

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
R-2 Increase capacity to respond effectively to emergencies and prepare for unavoidable disasters. **KPI: #** of targeted outreach education programs or campaigns regarding the Community Emergency Response Team (CERT) program								
Sustainability Plan Policy: Evaluate capacity to respond effectively to emergencies and prepare for unavoidable disasters.								
R2-1a	Regularly reevaluate existing plans, policies, and procedures regarding response to large-scale hazardous materials emergencies, including the potential for spill during transport within and through the City, and identify necessary steps to improve City preparedness.	Ongoing	Fire, Police, Public Works	Structural Change	Moderate	Staff and/or consultant time to evaluate hazardous materials emergencies plans, develop emergency early warnings system, and update the Garvey Reservoir Emergency Action Plan (moderate) Staff time and material to build partnerships and education materials to raise awareness on CERT program (low) Staff time to work with local and small businesses (low)	Low	Community time to participate in outreach programs (low)
R2-1b	Continue to partner with the Los Angeles County Health Department and Office of Emergency Management to develop and enhance disaster and emergency early warning systems to incorporate objective data and information for potential health threats such as heat-illness, and illnesses complicated by low air quality due to climate change hazards.	Ongoing	Fire	Partnership				
R2-1c	Continue to inform residents about the Community Emergency Response Team (CERT) program and the Neighborhood Watch program by disseminating information in English, Spanish, and Traditional Chinese.	Ongoing	Fire, Police	Education				
R2-1d	Continue to coordinate with local utility providers, including electricity, water, internet, and phone service providers, to confirm service reliability is consistent during emergencies.	Ongoing	Public Works	Feasibility				
R2-1e	Coordinate with Metropolitan Water District to maintain and regularly update the Garvey Reservoir Emergency Action Plan which details procedures to be implemented in the unlikely event of a dam failure.[7]	Short	Fire, Public Works	Equity				
R2-1f	Assist local and small businesses in planning for continuity of operations and emergency preparedness.	Short	Fire, Community Development	Partnership				
R2-ig	Implement a multi-lingual early warning mass notification system by conducting a comprehensive assessment of communication infrastructure, selecting an appropriate notification platform, and establishing clear protocols for disseminating timely and accurate information during emergencies. Integrate seamless integration with various communication channels and regularly conduct drills to test the effectiveness of the early warning system to enhance overall preparedness and response capabilities.	Short	Fire, Community Development	Structural Change				
R2-2 Increase the ability of the City and its residents to adapt to climate change impacts. **KPI:** Development of virtual adaptation hub on City website; # of adaptation hub webpage views and shares								
Sustainability Plan Policy: Evaluate the ability of the City and its residents to adapt to climate change impacts.								
R2-2a	On the City's website, develop a virtual resilience hub that provides residents with education information on Monterey Park specific projected climate impacts, community vulnerabilities, and adaptation programming and resources including resilience hub locations and preparedness guides and trainings.	Ongoing	Fire, Community Development	Education	Moderate	Staff time to develop a virtual hub, update education programs, and host community workshops (moderate) Staff time to implement City's Climate Change Vulnerability Assessment (moderate) Staff time to develop a clean air program (moderate)	Low	Community time to participate in outreach programs (low)
R2-2b	Update existing City-run educational programs and campaigns to incorporate information regarding potential health effects of climate change, particularly associated with worsening air quality and extreme heat days, and personal care steps.	Ongoing	Public Works, Recreation & Community Services, Library, City Manager's Office	Education				
R2-2c	Host a community workshop focused on identifying and addressing key climate-related issues impacting disadvantaged communities.	Short	Community Development, Recreation & Community Services	Education, Equity				
R2-2d	Implement the City's Climate Change Vulnerability Assessment and work with the Environmental Commission to steer the implementation in a direction that continues to make an equitable impact in the community.	Short	Fire	Structural Change, Equity				
R2-2e	Complete and implement the Local Hazard Mitigation Plan (LHMP) to minimize the impact from disasters.	Short	Fire, Sustainability Staff	Structural Change				
R2-2f	Complete an evaluation of areas to invest in sustainable backup power sources to provide redundancy and continued services for critical facilities during periods of high demand during extreme heat events or possible outages because of safety power shut offs and power outages from extreme precipitation events and include future projects as part of the capital improvement program.	Mid	Public Works, Fire	Structural Change				
R2-2g	Utilize the development review process to require that new large-scale projects incorporate best practices to mitigate the impacts of climate change through conditions of approval.	Mid	Planning	Structural Change				
R2-2h	Work with the South Coast Air Quality Management District to provide information on existing clean air programs	Mid	Community Development, Public Works	Education				

[7] https://www.mwdh2o.com/media/5kdobnnv/garvey-reservoir-rehabilitation-project-initial-study.pdf

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
R2-2i	Utilize the complete streets checklist for project design considerations for capital projects to incorporate consideration of climate change impacts as part of planning and operation.	Mid	Public Works	Structural Change				

Equitable Development Pathway

Table 12 Strategy E1. Foster Community Engagement

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
E1-1 Conduct meaningful community engagement on implementation of sustainable development projects and foster community-led decision-making. **KPI: #** of participants in City workshops and meetings. Specifically, members of disadvantaged communities, people who live in cost-burdened households, people of color, limited English-speaking persons, residents with children, and those without access to private vehicles								
Sustainability Plan Policy: Conduct meaningful community engagement on implementation of sustainable development projects and foster community-led decision-making.								
E1-.1a	Increase participation of members of disadvantaged communities, people who live in cost-burdened households, people of color, limited English-speaking persons, residents with children, and those without access to private vehicles in City workshops and meetings. Strategies to accommodate these community members could include providing virtual attendance opportunities for all events, locating events in targeted communities, timing events outside of work hours, and providing child-friendly options at the events.	Ongoing	Community Development	Structural Change	Moderate	Staff time to conduct outreach with local schools and other stakeholders and provide education on incentives (low) Materials and supplies for outreach and education (low) Staff time to develop partnerships with tribes and develop sustainable project scopes (low) Capital costs to provide new or expanded incentives (moderate)	No-cost	Community members would invest time in participating in community engagement workshops (No-cost)
E1-1b	Incorporate community outreach plans into grant applications to secure funding for meaningful community engagement.	Ongoing	Community Development	Funding				
E1-1c	Establish a formal consultation policy with local tribes, such as Gabrieleno Band of Mission Indians - Kizh Nation and Gabrielino Tongva Indians of California Tribal Council, to increase tribal involvement in the scoping, development, adoption, and implementation of sustainable projects above and beyond the requirements of Assembly Bill 52.	Short	Community Development	Structural Change				
E1-1d	Train City staff that engage directly with the community on the process of continual learning, how to identify and improve community power dynamics, and meeting people where they are.	Short	Community Development, Human Resources	Education				
E1-1e	Track community participation in City sustainability workshops and meetings by key demographic factors (e.g., income, race, language spoken, private vehicle access, children) and use results to monitor progress and update the guidelines and policies as needed.	Short	Community Development	Structural Change				
E1-1f	Partner with local school districts (Alhambra, Garvey Ranch, Montebello, LA County) and youth groups (e.g. Junior Friends, Boys & Girls Club) to keep the Youth Advisor positions on the City's Environmental Commission filled with active young leaders.	Short	Public Works	Partnership				
E1-1g	Establish community engagement guidelines, or a set of principles and strategies, to facilitate effective and respectful communication and collaboration with community members. Key aspects of community engagement guidelines could include transparency, inclusivity, and responsiveness, with an aim to build trust and actively involve all community members in decision-making processes.	Mid	Community Development, City Manager's Office	Structural Change, Equity				
E1-2 Increase access to technical, financial, and educational resources to facilitate community implementation of sustainable practices. **KPI:** Development of sustainability resource center on City webpage; # of resource webpage views and shares								
Sustainability Plan Policy: Consider increasing access to technical, financial, and educational resources to facilitate community implementation of sustainable practices.								
E1-2a	Strive to produce all sustainability-related engagement, outreach, and promotional materials in multi-lingual and culturally appropriate formats to reach all Monterey Park community members more effectively.	Ongoing	Community Development	Structural Change	High	Staff time to develop partnerships (no cost) Staff time and capital costs to construct a sustainability resource center, create a webpage, track results, and secure funding (high)	No-cost	Increased access to sustainability resources (no-cost)
E1-2b	Partner with the ELAC and local community-based organizations (e.g. Chinatown Service Center, Asian and Pacific Islander Forward Movement [APIFM]) to support translation of engagement, outreach, and promotion material.	Short	Community Development	Partnerships				
E1-2c	Create a sustainability resource center that connects community members to building electrification, ZEV, energy efficiency, water efficiency, waste reduction/diversion information, building weatherization information, contractors, and financial rebates and resources. Create a webpage on the City's website for the resource center and a hotline to respond to community members' inquiries.	Short	Community Development	Structural Change, Education				
E1-2d	Pursue funding for the sustainability resource center from community partners and private partners (e.g., SCE).	Short	City Manager's Office	Funding				
E1-2e	Track use of the sustainability resource center by key demographic factors (e.g., income, race, language spoken, private vehicle access, number of children) and use results to monitor progress and update resources as needed to reach the most vulnerable members of the community.	Mid	Community Development	Feasibility, Equity				

Table 13 Strategy E2. Promote and Activate Equitable Spaces

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
E-2 Increase affordable housing opportunities that connect residents to community services and improve quality of life. **KPI:** % of cost-burdened households								
Sustainability Plan Policy: Promote affordable housing opportunities that connect residents to community services and improve quality of life.								
E2-1a	Increase cost burdened households' access to healthy foods by continuing to partner with community-based organizations (e.g., Young Women's Christian Association), schools, and regional governments to bring food pantries, food pick-up sites, community kitchens, and farmers markets to areas with vulnerable community members and areas with limited access to affordable, healthy food (e.g., food deserts).	Ongoing	Recreation & Community Services	Structural Change	Moderate	Staff time to develop partnerships with tribes and develop sustainable project scopes (low) Time allocated to training staff on community education and workshop facilitation (moderate) Capital costs and staff time to develop principles and strategies to facilitate communication between community members and local partners such as schools (moderate)	Low cost	Community members would invest time in participating in community engagement workshops (no-cost)
E2-1b	Continue to partner with local community-based organizations (e.g. Maravilla Foundation) to educate and provide funding to cost burdened and overcrowded households to reduce indoor exposure to pollutants, toxins, and safety hazards including mold, toxic gases, air pollutants, and fall hazards.	Ongoing	Community Development	Partnerships, Funding				
E2-1c	Update local codes to streamline the approval process for affordable housing sites in higher-density and transit-rich areas consistent with the Housing Element implementation strategies. Updates could include allowing affordable housing on property zoned for public facilities, or adopting up-zoning policies that permit multiple dwelling units on property zoned for single-family only housing.	Short	Community Development	Structural Change				
E2-1d	Work with affordable housing advocacy groups to conduct a general educational campaign to increase the community's understanding of affordable housing and promote the positive impacts it has on the community.	Short	Community Development	Education				
E2-1e	Connect developers to organizations such as the Southern California Association of Non-Profit Housing (SCANPH) that provide networking, education, and funding for affordable housing development in the region.	Short	Community Development	Education				
E2-1f	Consider joining the Los Angeles County Affordable Housing Solutions Agency (LACAHSA) to work on regional affordable housing planning and action.	Short	Community Development	Partnerships, Equity				
E2-2 Improve health outcomes by providing residents with equitable access to public spaces and health services. **KPI:** Acres of parkland per 1,000 residents								
Sustainability Plan Policy: Evaluate health outcomes by providing residents with equitable access to public spaces and health services.								
E2-2a	Promote the inclusion of recreation facilities, gardens, and usable open spaces in multi-unit housing and rehabilitation projects to developers.	Ongoing	Community Development	Equity	High	Capital costs and staff time to create a sustainability center and webpage for resources (high) Staff time to develop partnerships and perform multi-lingual education, engagement, and community events (low)	Low cost	Community members would invest time in participating in community engagement workshops (no-cost)
E2-2b	Continue to promote the use of City parks and facilities for physical activity, through organized activities as well as spontaneous opportunities, and provide recreation programs in a variety of locations to increase participation by different segments of the community.	Ongoing	Recreation & Community Services	Structural Change, Education				
E2-2c	Incorporate access to healthcare services as a factor in public and shared transit program studies and improvements to Metro's, Spirit Bus', and Dial-A-Ride's transit services (see Strategy L1-2). Support the efforts of health providers to reach residents with limited access to health care due to lack of insurance, financial difficulty, mobility limitations, language barriers, or lack of familiarity with the health care system.	Ongoing	Public Works, Recreation & Community Services, Recreation & Community Services, Library	Feasibility, Partnership				
E2-2d	Coordinate with health providers and schools to organize neighborhood events offering free or low-cost health screening, mobile services, and other resources for community members with limited access to healthcare.	Ongoing	Recreation & Community Services, Library	Partnership				
E2-2e	As part of the upcoming Parks Master Plan, provide an easily accessible inventory of all open space in Monterey Park (e.g., parks and public lands, forested areas, playgrounds, community gardens, etc.) to help enhance stewardship of open space.	Short	Public Works	Education				
E2-2f	Study opportunities to create new natural areas in existing open spaces, parklands, and fields with native species, biodiverse ecology, and improved recreational connectivity for the community.	Mid	Public Works	Feasibility				
E2-2g	Explore funding opportunities for equitable access to outdoor spaces, such as grants from CA Department of Parks & Recreation or the United States Department of Agriculture Forest Service.	Mid	Recreation & Community Services	Funding				

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
E2-3 Encourage community garden programs at schools, non-profit organizations, and religious entities to increase urban access to local food and greenspaces. **KPI: #** of community garden programs								
Sustainability Plan Policy: Encourage community garden programs at schools, non-profit organizations, and religious entities to increase urban access to local food and greenspaces.								
E2-3a	Identify potential sites for community gardens by assessing vacant privately-owned property. Work with the County tax assessor's office to gather private landowner information and initiate discussions around using proposed site as a space for community gardens. Identify community partners to maintain and manage garden sites.	Short	Community Development	Feasibility	Low	Staff time to support an off-site community garden program (low)	Low – moderate	Community resources and time to establish, maintain, and support community garden program (moderate) Long-term savings for disadvantaged communities and greater access to food-secure areas (no-cost)
E2-2b	Consider implementing a program to enable community groups to utilize and maintain privately owned lots and transform them into community-serving public spaces, such as community gardens.	Mid	Community Development	Structural Change				
E2-3c	Provide resources on the City website to assist interested groups in developing gardens. Provide information on nonprofit organizations that support community gardens by shouldering responsibilities such as providing basic insurance, access to water, outreach and educational programs for gardeners.	Mid	Recreation & Community Services	Structural Change Partnerships, Education				
E2-3d	Evaluate zoning code and consider amendments to allow community gardens.	Mid	Community Development	Structural Change				
E2-3e	Help identify locations for community gardens in disadvantaged communities and areas with limited access to greenspaces or healthy food (e.g., food deserts).	Long	Recreation & Community Services	Equity				

Table 14 Strategy 3. Build a Strong, Connected Community

ID #	Action	Timeframe	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
E3-1 Increase capacity for the City and community to implement climate action and better withstand climate shocks and stresses. **KPI: #** of sustainability coordinator roles within each of the City's main departments								
Sustainability Plan Policy: Evaluate capacity for the City and community to implement climate action and better withstand climate shocks and stresses.								
E3-1a	Identify a Sustainability Coordinator from each of the City's main departments and divisions. The Sustainability Coordinators will meet for quarterly sustainability peer-to-peer information sharing sessions, to discuss challenges, brainstorm solutions, and track progress towards reaching the City's climate and sustainability related key performance indicators. This team will serve as the key organizers for cross-departmental collaboration needed to implement sustainability goals, as well as community contacts, and key researchers for emerging technologies, and best practices in sustainability.	Ongoing	All City Departments	Structural Change	Moderate	Staff time for a Sustainability Coordinator and to secure funding to develop a fellowship/internship program (moderate) Secure funding to establish a new position for the oversight of the Sustainability Plan (moderate) Staff time to incorporate the Cool Block Program (low)	No-cost	Greater access to community-based organizations (no-cost)
E3-1b	Apply for sustainability staffing assistance through fellowship/internship programs including the Climate Corps Fellowship, East Los Angeles College, and CivicSpark, increasing internal staff capacity to implement sustainability goals and bring in innovative ideas.	Ongoing	Community Development	Funding				
E3-1c	Provide and encourage community events, such as Lunar New Year Festival, Cherry Blossom Festival, Cinco de Mayo, Hispanic Heritage Month, PRIDE, AAPI Heritage Month, that promote cultural understanding and a shared sense of pride in Monterey Park and incorporate these factors into existing community events hosted by the City.	Ongoing	Recreation & Community Services	Education				
E3-1d	Develop a community-based organization partnership program that includes criteria for partnership participation, funding for compensation, and a memorandum of understanding (MOU) to establish a network of locally trusted community-based organization that the City can partner with to implement projects and conduct community engagement. Prioritize partnerships with community-based organizations that work in and have connections to disadvantaged communities and cost burdened households.	Ongoing	Recreation & Community Services, Community Development	Partnership, Equity				
E3-1e	Continue to work with the community-based organization partnership program to identify and assess ways to increase community capacity to respond to climate hazards.	Ongoing	Fire, Recreation & Community Services	Feasibility				
E3-1f	Create and fund a new position that will oversee the implementation and future updates of the Sustainability Plan.	Short	City Manager's Office	Funding, Structural Change				
E3-1g	Through the Cool Block Program, Neighborhood Water, and Town Hall Meeting, or similar programs, encourage residents to get to know their neighbors and to organize neighborhood associations through which they can collectively address issues such as safety and climate hazards, and methods to improve quality of life.	Mid	Community Development	Education				

Table 15 Strategy 4. Equitably Distribute Costs and Benefits of Climate Action

ID #	Action	Time Frame	Lead Department	Pillar	City Cost Tier	City Cost Variables	Community Cost Tier	Community Cost Variables
E4-1 Invest in and prioritize climate action implementation for historically disadvantaged communities, including those that are cost burdened renters. **KPI:** Amount of funding spent or allocated directly towards climate action implementation for disadvantaged communities								
Sustainability Plan Policy: Consider investing in and prioritizing climate action implementation for historically underinvested communities.								
E4-1a	Continue prioritizing grant opportunities that provide early funding opportunities for climate action initiatives including weatherization, electrification, EV's, and resilience for members of disadvantaged communities and cost burdened households.	Ongoing	Community Development	Structural Change	Moderate	Staff time to apply for grants, develop an equity investment program (low) Staff time and resources review incentives and rebates for procedural equity (low) Cost to host annual workshops (low)	No-cost	Greater access to community resources for disadvantaged and cost-burdened households (no-cost)
E4-1b	Identify equitably designed climate action programs to prioritize for funding and support.	Short	Community Development	Feasibility				
E4-1c	Dedicate staff time to track and apply for grants from California Climate Investments and other grants designated for disadvantaged communities.	Short	City Manager's Office	Funding				
E4-1d	Develop an equity investment program with local private partners, including local utilities and local employers, to secure local match funding for grants for disadvantaged communities.	Short	Community Development	Partnership				
E4-1e	Review City and partner (e.g., CPA) incentives and rebates for procedural equity, and evaluate opportunities to improve funding mechanisms to increase disadvantaged communities' and cost burdened households' access to them.	Mid	City Manager's Office	Funding				
E4-1f	Host annual workshops on investing in Monterey Park's disadvantaged communities and cost burdened households. Through the workshop, convene local investors and community-based organizations implementing equitably designed climate action to connect actors to funders, and share best practices and lessons learned.	Mid	Community Development	Education				

ATTACHMENT 3
Notice of Exemption

Notice of Exemption

From: City of Monterey Park Planning
320 W. Newmark Avenue
Monterey Park, CA 91754

To:

☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

☐ Los Angeles, County Clerk
Environmental Filings
12400 Imperial Highway #1201
Norwalk, CA 90650
Attn: Business Filings and Registration

Project Title: City of Monterey Park Sustainability Plan
Project Location - Specific: City Wide
Project Location - City: Monterey Park
Project Location - County: Los Angeles

Description of Project:
The Sustainability Plan is a continuation of the City's efforts to reduce greenhouse gas (GHG) emissions and outlines emissions reduction strategies and policies for the City to implement. These actions aim to lead the community towards a path of reduced GHG emissions, prioritizing equity and resilience.

Name of Public Agency Approving Project: City of Monterey Park
Name of Person or Agency Carrying Out Project: City of Monterey Park

Exempt Status: (*check one*)

☐ Ministerial (Sec. 21080(b)(1); 15268);

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));

☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

☒ Categorical Exemption. State type and section number: §§ 15060(c)(2), 15061(b)(3), 15308, 15378

☐ Statutory Exemptions. State code number: _____

Reasons why project is exempt:
The City reviewed the environmental impacts of the proposed Resolution pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA Guidelines §§ 15060(c)(2), 15061(b)(3), 15378, and 15308 exempt activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, activities where there is possibility that it may have a significant effect on the environment, activities that do not constitute a "project" as defined, and actions to protect the environment, respectively. This activity is for general policies and procedure-making intended to promote environmental sustainability and protect the environment. Any subsequent construction or development will be evaluated separately under the CEQA Guidelines. Accordingly, this Resolution is exempt from further review.

Lead Agency Contact Person: Jessica Serrano Telephone (626) 307-1463

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project? ☒ Yes ☐ No

Signature: J. Serrano Date: 4/17/2024 Title: Community Development Director

☐ Signed by Lead Agency Date received for filing at OPR:

☐ Signed by Applicant

City Council Staff Report

DATE: April 17, 2024

AGENDA ITEM NO: Consent Calendar - 3A

TO: The Honorable Mayor and City Council

FROM: Maychelle Yee, City Clerk

SUBJECT: Minutes

RECOMMENDATION:

It is recommended that the City Council consider:

1. Approving the minutes from the regular meetings of January 17, 2024, February 7, 2024 and February 21, 2024 and the special meetings of January 17, 2024, February 3, 2024, February 7, 2024, and February 20,2024; and

2. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

None.

BACKGROUND:

None.

FISCAL IMPACT:

None.

Respectfully submitted,

Maychelle Yee
City Clerk

Prepared by:

Helena Cho
Assistant Deputy City Clerk

Approved By:

Inez Alvarez
City Manager

ATTACHMENT(S):

1. Draft Minutes

ATTACHMENT 1
Draft Minutes

MINUTES
MONTEREY PARK CITY COUNCIL
FINANCING AUTHORITY (MPFA)
HOUSING AUTHORITY (MPHA)
GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
SUCCESSOR AGENCY (SA)
SPECIAL MEETING
JANUARY 17, 2024

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Special Meeting of the Council in Room 266, Second Floor of City Hall located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, January 17, 2024 at 5:30 p.m.

CALL TO ORDER:
Mayor Sanchez called the meeting to order at 5:37 p.m.

ROLL CALL:
City Manager Inez Alvarez called the roll:

Council Members Present:	Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu
Council Members Absent:	None

ALSO PRESENT: City Manager Inez Alvarez, City Attorney Karl Berger, Assistant City Manager Diana Garcia

PUBLIC COMMUNICATIONS: None.

1. CLOSED SESSION
The City Council adjourned to Closed Session at 5:37 p.m.

1-A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - GOVERNMENT CODE § 54956.9(d)(1)

Renyong Dong v. City of Monterey Park, et al., LASC case no. 23AHCV01201

1-B. CONFERENCE WITH LABOR NEGOTIATORS, PURSUANT TO CALIFORNIA GOVERNMENT CODE § 54957.6

City Negotiators:	Steve Berliner (not present) and Christine Tomikawa
Employee Organizations:	Confidential Employees' Association, Firefighters' Association, Mid-Management Association, Police Captains' Association, Police Officers' Association, Police Officers' Mid-Management Association, Professional Chief Officers' Association, and Service Employees International Union, Local 721

Action Taken: This item was continued to a later date.

RECONVENE & ADJOURNMENT

The City Council reconvened from Closed Session with all Council Members present. The meeting was adjourned at 5:44 p.m.

Action Taken: No reportable action taken in Closed Session.

_____

Maychelle Yee
City Clerk

MINUTES
MONTEREY PARK CITY COUNCIL
FINANCING AUTHORITY (MPFA)
HOUSING AUTHORITY (MPHA)
GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
SUCCESSOR AGENCY (SA)
REGULAR MEETING
JANUARY 17, 2024

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Regular Meeting of the Council in the Council Chamber, located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, January 17, 2024 at 6:30 p.m.

CALL TO ORDER:
Mayor Sanchez called the meeting to order at 6:34 p.m.

FLAG SALUTE:
The Monterey Park Police Explorer led the flag salute. Pledge of Allegiance presented by Civic Superstar Mia Sanchez.

ROLL CALL:
City Clerk Maychelle Yee called the roll:

Council Members Present:	Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu
Council Members Absent:	None

ALSO PRESENT: City Treasurer Amy Lee, City Manager Inez Alvarez, City Attorney Karl Berger, Assistant City Manager Diana Garcia, Director of Finance Martha Garcia, Police Chief Scott Wiese, Fire Chief Matthew Hallock, Director of Human Resources and Risk Management Christine Tomikawa, Director of Community Development Jessica Serrano, Director of Recreation and Community Services Robert Aguirre, City Librarian Kristin Olivarez, Finance Manager Laura Borjon, Recreation Manager Christina Alatorre, Public Works Administrative Manager Xochitl Tipan, Interim Planning Manager Beth Chow, Senior Librarian Leonie Jordan, Senior Librarian Lauren Frazier, Adult Literacy Coordinator Victor Castellanos, Library Technician Michael Le, City Consultant Ziad Mazboudi, Deputy City Clerk Cindy Trang

VIRTUALLY PRESENT: Director of Public Works Shawn Igoe

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS

City Attorney Berger requested to move Agenda Item No. 2B to be heard as part of Consent Calendar. City Manager Alvarez requested Agenda Item No. 5B be heard after Old Business items.

PUBLIC COMMUNICATIONS

- Jairo Avalos stated that there are 2 capital improvement projects coming up this year for improvement on Potrero Grande Drive and asked the City Council to take safety measures to protect bicyclists and pedestrians.

- Lisa Duong and Bradon Vuong spoke on behalf of Los Angeles Monterey Park (LAMP) Optimist Club, invited young adults under the age of 19 to enter the upcoming essay competition to win scholarship. She also encouraged the public to donate to this cause.

- City Treasurer Lee, on behalf of the Monterey Park Community Healing Fund, reminded the public of the Gun Violence Restraining Order training scheduled for January 18, 2024 at 6 p.m. in the council chambers.

STAFF COMMUNICATIONS

- City Manager's Office: City Manager Alvarez announced the appointments of Kristin Olivarez as the new City Librarian, Diana Garcia as the Assistant City Manager, the resignation of Fire Chief Matthew Hallock, and the appointment of Christopher Thompson as Interim Fire Chief. The City Council thanked Chief Hallock for 22 years of service and presented him with a plaque.

- Fire Department: Interim Fire Chief Thompson spoke of the Northridge earthquake and invited the community to the Community Preparedness Clinic scheduled for February 24, 2024.

- Library: City Librarian Olivarez introduced Leonie Jordan, Senior Librarian in the Adult & Teen Services and Lauren Frazier, Senior Librarian in Children Services. She recognized Adult Literacy Coordinator Victor Castellanos, Library Technician Michael Le and Library Assistant Madison Traylor for completing their master's degree in library and information science. Senior Librarian Fraizer provided a recap on the Teen Winter Reading Challenge, the Adult Craft Programs, and the Bluey Party. She talked about the upcoming events including the Library Card Design Contest, Volunteer Income Tax Assistance (VITA) Clinic, Teen ESL Conversation Club, Small Business Workshop, and the Free Legal Assistance Clinic.

- Recreation and Community Services: Recreation Manager Alatorre provided a recap of past events including Letters to Santa, Holiday Snow Village, Santa's Jolly Journey, and the Langley Holiday Luncheon.

  She provided information on the upcoming events including the January 21 Candlelight Virgil, Lunar New Year Festival on January 27-28, Langley Health Education on January 18 and February 15, Youth Mental Health Summit on February 24 and provided project updates for Sequoia, Bella Vista, and Garvey Ranch parks.

1. PRESENTATION

The matters listed under presentation are informational content and for discussion only.

1-A. METROPOLITAN WATER DISTRICT

Sam Mouawad, Representative of the Metropolitan Water District (MWD), presented a PowerPoint presentation regarding the Garvey Reservoir Rehabilitation which entails improving major reservoir facilities, maintaining reliability, improving operations efficiency and maintenance, and enhancing site security. He said the surrounding residents will be receiving a Notice of Preparation (NOP) regarding the public review process. City Manager Alvarez said staff will be working with MWD to have translations available.

1-B. MPK HOPE RESILIENCY CENTER UPDATES

Peter Ng and Nina Loc, Representatives from Chinatown Service Center (CSC), presented a PowerPoint presentation on the development of the Resilience Center which is currently located at Sierra Vista Park. Ms. Loc said the operation is in collaboration with several partnering organizations including AJSoCal, Tzu Chi Buddhist Foundation, Special Service for Groups (SSG) SILVER and SSG APCTC, to provide trauma-related healing, counseling, support group, workshops, and linkage and system navigation support. She added their future plans are to bring in more resources, expand the Ballroom Dance Workshop and secure a permanent space for the center.

1-C. RECREATION STAFF RECOGNITION

City Manager Alvarez recognized Chan Lim and Michelle Chen for their immediate action taken on December 22 at the Langley Senior Center, to call 911 and using the Automated External Defibrillator (AED) machine to administer first aid to an 80-year-old male community member who had collapsed and was non-responsive. She reported that the community member is well and has returned to Langley Center and is participating in programs.

2. OLD BUSINESS

2-A. DISCUSSION OF FINDINGS ON CITY'S INCLUSIONARY HOUSING ORDINANCE FEASIBILITY/FEE STUDY

On September 6, 2023, the City Council adopted an Inclusionary Housing Ordinance (IHO) and an IHO in-lieu fee formula. As part of this action, Council also directed the City Manager to conduct an evaluation of the City's IHO to determine whether it is financially feasible and recommend in-lieu fees in cases where an IHO is feasible. Based on the Council's direction, the City partnered with the San Gabriel Valley Council of Governments (SGVCOG) and was able to participate in SGVCOG's sub-regional effort to provide technical assistance addressing affordable housing issues. The City entered into an agreement with the SGVCOG, for its consultant, Economic & Planning Systems (EPS), to conduct an IHO feasibility study tailored to Monterey Park.

EPS's feasibility study is intended to inform and educate the City Council on the potential effects of the IHO on future residential development in the City. The study's overall conclusion states that the requirements of the IHO are likely to be financially challenging for new residential development within the City and may constrain new projects.

Public Speakers:

- Jerry Garner said he is a development consultant with Archivelopment Real Estate and is working with a development group in the city that is looking at developing a large mixed use or condominium project. He shared that his client can't move forward with the project with the imposition of the affordable housing criteria.

- Oliver Chen, representative of Teamrise LLC, cited the increasing costs combined with affordable housing requirements has delayed investment and developments. He requested the City Council consider postponing the enactment of the Inclusionary Housing Act for a few years so that the housing market will be gradually saturated.

- Selena Zhang said she is a resident, and she feels that this city lacks entertainment in comparison to other cities. She encouraged the City Council to consider allowing developers to develop more plazas before addressing low income housing.

Discussion: Director of Community Development Serrano introduced Julie Cooper and Chinmay Damle, representatives of Economic & Planning Systems (EPS), to present a PowerPoint presentation to recite the findings of the IHO feasibility study tailored to the City. They were available for questions.

Action Taken: The City Council received and filed the report and presentation and directed staff to suspend the IHO for 12 months for further analysis, and to report back to the City Council in approximately 9 months with recommendations.

Motion: Moved by Mayor Pro Tem Wong and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Wong, Sanchez
Noes:	Council Members:	Ngo
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

2-B. LEGISLATIVE SUBPOENAS

The City Attorney's office delayed posting a staff report for this item pending discussions with TRC's counsel regarding a City proposal to process land use applications utilizing a team of consultants (separate from City staff) paid for by TRC.

TRC accepted this proposal by email dated January 12, 2024 at 10:00 a.m.

Consequently, it is recommended that the City Council postpone this matter until February 21, 2024. This will give TRC and the City enough time to put together the reimbursement team and allow the City to assemble the land use team.

If all elements are in place before February 21, then the legislative subpoena matter will be taken off calendar. Staff will instead provide a receive and file item on that date regarding the "next steps."

Action Taken: The City Council moved this item to be heard and approved as part of the Consent Calendar. The City Council continued this matter until the regular meeting of February 21, 2024, on Consent Calendar.

2-C. SR-710 NORTH MOBILITY IMPROVEMENTS PROJECT UPDATE AND FUNDING AGREEMENT

The SR-710 Mobility Improvement Projects are the result of reallocated Measure R Funds for the SR-710 North Project to new mobility improvement projects within the San Gabriel Valley subregion. These projects are consistent with the purpose and need of the Gap Closure Project to relieve congestion on local streets along the SR-710 alignment between Interstates 10 and 210, with the highest priority for projects proximate to the Interstate 10 freeway. As part of the SR-710 North Mobility Improvements Projects, the City received a total allocation of $100,300,000 from Los Angeles County Metropolitan Transportation Authority (LACMTA) to complete seven projects.

It is recommended that the City Council approve the funding agreement for the Garvey Avenue Capacity Improvement project which includes a modified scope of work from the originally proposed project, eliminating the need for adding third lanes and removal of parking along Garvey Avenue.

CEQA (California Environmental Quality Act):
The City reviewed the environmental impacts of the Project under the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA Guidelines §§ 15060(c)(2), 15061(b)(3), and 15378 exempt activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, activities where there is possibility that it may have a significant effect on the environment, and activities that do not constitute a "project" as defined, respectively. This activity is primarily a legislative tool to assess legislative and budgetary priorities and does not approve any of the specific projects for construction, and therefore does not have the potential to have a significant effect on the environment. Accordingly, no further review is required.

Public Speakers:

- Maychelle Yee, resident, stated she protests this item alluding to heavy traffic on Garvey Ave and the elimination of parking lanes to accommodate the additional traffic diverted from the 710 freeway and the additional pollution. She commented on bike lanes that don't lead anywhere.

- City Clerk Yee received, filed, and read into the records a written communication from Bill Lam stating his opposition to the project and expressing concerns regarding the transit system.

Discussion: Director of Public Works Shawn Igoe, virtually present, presented a PowerPoint presentation providing an overview of I-710, SR-710, and 710 Mobility Improvement Projects, Adaptive/Responsive Traffic Signal Project, Garvey Ave Improvement Project, Monterey Pass Road Project, Garvey/Lincoln Parking Structure Project, and other projects for review and further consideration.

Action Taken: Council Member Ngo declared a potential conflict of interest as his residence is within 1000 feet of the proposed project, left the dais and did not participate in discussion for this item. The City Council (1) authorized the City Manager to execute a funding agreement with Los Angeles County Metropolitan Transportation Authority ("LACMTA"), on a form approved by the City Attorney, for the Garvey Avenue Capacity Improvements totaling $18,202,000; (2) authorized the City Manager to appropriate project funds for the Garvey Avenue Capacity Improvements project per the project funding schedule included in the terms and conditions of the funding agreement; and (3) adopted Resolution No. 2024-R1 to add the Garvey Avenue Capacity Improvement and Parking Structure projects to the fiscal year 2023-2024 Capital Improvement Program ("CIP").

Motion: Moved by Mayor Pro Tem Wong and seconded by Council Member Lo, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	Ngo

Resolution No. 2024-R1
A RESOLUTION AMENDING RESOLUTION NO. 2022-R52 TO ADD THE GARVEY AVENUE CAPACITY IMPROVEMENT AND PARKING STRUCTURE PROJECTS TO THE CAPITAL IMPROVEMENT PLAN ("CIP") AND FINDING SUCH AMENDMENT CONFORMS WITH THE GENERAL PLAN

RECESSED AND RECONVENED
The City Council recessed at 9:57 p.m. and reconvened with all council members present at 10:09 p.m.

3. CONSENT CALENDAR ITEMS NOS. 3A-3J

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

Consent Calendar items were heard after Agenda Item No. 5B. Agenda Item No. 2B was moved, heard, and approved as part of the Consent Calendar.

Public Speakers:

- Maychelle Yee, resident, asked that the City Council provide updates on efforts to recuperate monies from the Goodview project for Item No. 3D and on Item No. 3I, she commented on creative recycling solutions.

Action Taken: The City Council approved and adopted Agenda Item Nos. 3A, 3B, 3C, 3D, 3E, 3F, 3G, 3H, 3J and 2B on Consent Calendar, excluding Item No. 3I which was pulled for discussion, separate motion, reading resolutions and ordinances by the title only and waiving further reading thereof.

Motion: Moved by Mayor Pro Tem Wong and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

3-A. MINUTES

Approving the minutes from the special and regular meetings of November 15, 2023.

Action Taken: The City Council approved the minutes from the special and regular meetings of November 15, 2023, on Consent Calendar.

3-B. MONTHLY INVESTMENT REPORT – DECEMBER 2023

As of December 31, 2023, invested funds for the City of Monterey Park total $57,582,853.44.

Action Taken: The City Council received and filed the monthly investment report, on Consent Calendar.

3-C. RECEIVE AND FILE EFFECTIVE DATE FOR THE INCREASE IN WATER RATES AND CHARGES

At the December 6, 2023, City Council meeting the Council introduced an Ordinance that set a "cap rate" on water increases at 32%, 8%, 8%, 7%, 8% for the five-year period from FY 2023-24 through FY 2027-28. The second reading and adoption of ordinance occurred on December 20, 2023; the ordinance becomes effective January 19, 2024 and the rates are scheduled for implementation on February 1, 2024.

On November 15, 2023, Council directed staff to explore bond financing for water infrastructure needs. It is anticipated that this matter will be placed onto the City Council agenda for consideration on February 7th or 21st. Should the City Council decide to issue bonds, then the rates that become effective on January 20th may be lowered. Should that occur, then such new rates would be March 1, 2024.

Action Taken: The City Council received and filed effective date for the increase in water rates and charges and directed the City Manager to postpone implementing the approved rates until after the City Council considers issuing bonds for infrastructure financing (in February 2024), on Consent Calendar.

3-D. CONSIDERATION AND POSSIBLE ACTION TO ADOPT A RESOLUTION TO RECORD A NOTICE OF NUISANCE ABATEMENT LIEN AGAINST CERTAIN REAL PROPERTY IN THE CITY (APN 5254-002-031)

Adopting the attached resolution to the staff report, will allow the City to recover costs, including attorney's fees, incurred the City's abatement of the public nuisance present on certain real property located in the City (Lot 1 of Tract No. 34875—APN 5254-002-031) (the "Property") owned by Center Int'l Investments, Inc. ("CII").

The Resolution authorizes recording the associated Notice of Nuisance Abatement Lien in the amount of $3,683,075.89. This will be the sixth lien placed on the Property and covers expenses that the City incurred between July 1, 2023, and September 30, 2023. After recording this lien, the liens against the Property will total $15,776,980.16.

CEQA (California Environmental Quality Act):
Adoption of the Resolution is exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines § 15061(b)(3) because it can be seen with certainty that there is no possibility that the action proposed by the proposed resolution would have a significant effect on the environment.

Action Taken: The City Council adopted Resolution No. 2024-R2 to record a Notice of Nuisance Abatement Lien, on Consent Calendar.

Resolution No.2024-R2
A RESOLUTION AUTHORIZING THE RECORDATION OF A NUISANCE ABATEMENT LIEN AGAINST CERTAIN REAL PROPERTY LOCATED IN THE CITY (APN 5254-002-031)

3-E. WAIVE FURTHER READING AND ADOPT ZONE CHANGE (ZA-23-02), AN ORDINANCE AMENDING THE ZONING MAP FOR CERTAIN PROPERTIES FOR CONSISTENCY WITH THE GENERAL PLAN, LAND USE AND URBAN DESIGN ELEMENT

The Ordinance was introduced and received first reading at the December 20, 2023 City Council meeting. The original staff report (from December 20, 2023) is attached for reference. Second reading and adoption of this Ordinance is recommended. If adopted, the ordinance will take effect in 30 days.

The City recently began efforts in the *Our City, Our Plan* campaign to implement the General Plan Land Use and Urban Design Element ("GPLU") and the Housing Element ("HE"), which sets the vision for development within the City. The General Plan is implemented through the zoning regulations located in Title 21 of the Monterey Park Municipal Code ("MPMC"). Those regulations assign a zoning district to each property in the City, as governed by the Zoning Map. This proposed zone change will harmonize the zoning designations with the GPLU for certain properties on Monterey Pass Road, Corporate Center Drive and East Mabel Avenue.

The Zone Changes will only impact the future development of these properties; existing structures and businesses are allowed to remain.

Action Taken: The City Council waived the second reading and adopted Ordinance No. 2244, on Consent Calendar.

Ordinance No. 2244
AN ORDINANCE AMENDING THE ZONING MAP (ZC-23-02) TO CHANGE THE ZONING FOR CERTAIN PROPERTIES FOR CONSISTENCY WITH THE GENERAL PLAN, LAND USE AND URBAN DESIGN ELEMENT

3-F. WAIVE FURTHER READING AND ADOPT AN ORDINANCE AMENDING THE ZONING CODE TO COMPLY WITH CALIFORNIA LAW REGARDING MEDICAL CANNABIS DELIVERY RETAILERS

The Ordinance was introduced and received first reading at the December 20, 2023 City Council meeting. The original staff report (from December 20, 2023) is attached for reference. Second reading and adoption of this Ordinance is recommended. If adopted, the ordinance will take effect in 30 days.

The California Legislature adopted Senate Bill 1886 ("SB 1186") in 2022 which precludes cities from imposing regulations that have the effect of prohibiting medical cannabis delivery within the City and becomes effective on January 1, 2024. SB 1186 declares that any City regulation that does not allow a physical premises from which retail sale by delivery of medical cannabis may be conducted within the City has the effect of prohibiting medical cannabis delivery. Accordingly, the proposed ordinance will conditionally allow non-store front locations for the sale by delivery of medical cannabis in the Commercial Services Zone and impose reasonable regulations.

Action Taken: The City Council waived second reading and adopted Ordinance No. 2242, on Consent Calendar.

Ordinance No. 2242
AN ORDINANCE ADOPTED PURSUANT TO GOVERNMENT CODE § 36937 AND BUSINESS AND PROFESSIONS CODE § 26320 AMENDING MONTEREY PARK MUNICIPAL CODE CHAPTERS 6.35 AND 9.102, AND ADDING NEW CHAPTERS 6.36 AND 21.27 TO IMPLEMENT CALIFORNIA LAW GOVERNING MEDICAL CANNABIS

3-G. AUTHORIZE THE CITY MANAGER TO EXECUTE A RENEWAL AGREEMENT BETWEEN THE CITY OF MONTEREY PARK AND EZEQUIEL LOPEZ VALASCO, DOING BUSINESS AS EFFICIENT JANITORIAL SERVICE

On November 2, 2016, the City Council approved a contract with Ezequiel Lopez Valasco, doing business as Efficient Janitorial Service to provide custodial services to the Monterey Park City Jail. Efficient Janitorial has provided exceptional service to the City of Monterey Park during the term of the agreement and staff is seeking to amend the agreement to extend the term for an additional two years.

Efficient Janitorial Services' initial renewal proposal included a 7.5% per year rate increase, for a cumulative 15% rate increase over a two-year renewal period.

Staff negotiated the following terms with Efficient Janitorial Services: a two-year extension of current contract. The rate negotiated is below the Consumer Price Index ("CPI") for the immediately preceding 12-month reporting period, which was 3.2% for 2022 and 8.5 % for 2021 for a total of 11.7% for the previous 24 months. Funds are appropriated in the approved 2023-2024 Fiscal Year budget within budget line items 1013113-5314 and 1013113-5254.

Action Taken: The City Council authorized the City Manager to execute an amendment to Agreement 1974-A, in a form approved by the City Attorney, with Ezequiel Lopez Valasco, doing business as Efficient Janitorial Services, in an amount of $68,303.78, on Consent Calendar.

3-H. PREFERENTIAL PARKING DISTRICT: E. HELLMAN AVENUE FROM N. ALHAMBRA AVENUE TO N. NICHOLSON AVENUE

The City received a petition to designate a preferential parking district along E. Hellman Avenue from N. Alhambra Avenue to N. Nicholson Avenue. Staff investigated the proposed parking district and the surrounding street parking conditions. It is recommended that City Council adopt a resolution designating E. Hellman Avenue from N. Alhambra Avenue to N. Nicholson Avenue as a preferential parking district.

Board/Commission Review:
On August 17, 2023, staff presented the request for a permit parking district on E. Hellman Avenue from N. Alhambra Avenue to N. Nicholson Avenue to the Traffic Commission. Staff provided an overview of the request and survey findings which did not support the establishment of a parking district. It was recommended that additional monitoring be conducted as the parking surveys were completed during the time that the neighboring school, Mark Keppel High School, was not in session. On October 19, staff presented the results of the secondary monitoring and recommended that the City Council designate a preferential parking district along E. Hellman Avenue from N. Alhambra Avenue to N. Nicholson Avenue.

CEQA (California Environmental Quality Act):
The City reviewed the environmental impacts of the proposed Ordinance pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. “CEQA”) and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the “CEQA Guidelines”). CEQA Guideline § 15303 exempts activity that results in new construction or conversion of small structures. The Resolution creates a preferential parking district governing parking within a designated area and which requires installation of pedestrian level street signage. Accordingly, the Resolution is exempt from further review.

Action Taken: The City Council adopted Resolution No. 2024-R3 designating E. Hellman Avenue from N. Alhambra Avenue to N. Nicholson Avenue among the preferential parking districts, on Consent Calendar.

Resolution No. 2024-R3
A RESOLUTION DESIGNATING A PREFERENTIAL PARKING DISTRICT ALONG E. HELLMAN AVENUE

3-I. APPROVAL OF HAULERS QUALIFIED FOR A WASTE COLLECTION AND RECYCLING FRANCHISE AND AUTHORIZATION TO RELEASE REQUEST FOR APPLICATIONS

On October 18, 2023 the City Council approved the release of a Request for Qualifications (RFQ) as the first step to solicit proposals for new solid waste franchise agreements. Ten companies responded to the RFQ and submitted Statements of Qualifications (SOQ). With the assistance of HF&H consultants, the City evaluated the SOQs and determined that eight companies are qualified to apply for both a residential franchise and a commercial franchise.

It is recommended that City Council approve the list of qualified haulers and authorize the release of the Request for Applications (RFA) for a waste collection and recycling franchise.

Discussion: Public Works Administrative Manager Tipan presented a PowerPoint slide displaying the schedule and the list of qualified haulers and provided a summary on the evaluation of the qualification criteria.

Action Taken: The City Council approved the list of haulers qualified to submit proposals for a waste collection and recycling franchise for residential and/or commercial services and authorized the release of the Request for Applications (RFA) to the list of qualified haulers.

Motion: Moved by Council Member Ngo and seconded by Mayor Pro Tem Wong, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

3-J. RECEIVE AND FILE SUMMARY OF THE STATUS OF EMERGENCY REPAIRS TO THE MONTEREY PASS ROAD WATER LINE

On August 17, 2022, City Council adopted Resolution No. 2022-R69 authorizing the City Manager to take necessary measures for emergency repair of a water main line on Monterey Pass Road.

Recurring water main leaks in several areas within Monterey Pass Road between the intersections of Vagabond Drive and Brightwood Street resulted in extensive infrastructure damage to the roadway and necessary water main pipe repairs to ensure continued water service to residences and businesses in the area.

Action Taken: The City Council received and filed the staff report summarizing the status of emergency repairs to the Monterey Pass Road water line, on Consent Calendar.

EXTENSION OF COUNCIL MEETING

Action Taken: The City Council extended the council meeting to 11:30 p.m.

Motion: Moved by Mayor Pro Tem Wong and seconded by Council Member Ngo, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

4. PUBLIC HEARING

4-A. CONTINUED PUBLIC HEARING TO CONSIDER ADOPTING AN ORDINANCE INCORPORATING BY REFERENCE CHAPTER 7.46 OF LOS ANGELES COUNTY CODE TITLE 7 – BUSINESS LICENSES INTO A NEW CHAPTER 5.90 OF THE MONTEREY PARK MUNICIPAL CODE ("MPMC")

On December 20, 2023, the City Council introduced and waived first reading of an ordinance, if adopted, would add a new Chapter to the Monterey Park Municipal Code ("MPMC") requiring gun dealers to acquire a police permit to operate within the City of Monterey Park. The City Council continued the scheduled public hearing to the January 17, 2024 council meeting.

Since January 2023, the City Council undertook a series of action in response to the mass shooting that killed 11 individuals and wounded nine others. It was the worst shooting in Los Angeles County history. In August, the City Council adopted Resolution No. 2023-R67 which, among other things, gave direction to the City Manager and City Attorney to take actions needed to support reasonable gun regulation. The draft ordinance, if adopted, would add a new Chapter to the Monterey Park Municipal Code ("MPMC") requiring gun dealers to acquire a police permit to operate.

CEQA Determination:
This Ordinance is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq*., "CEQA") and CEQA Guidelines (14 California Code of Regulations §§ 15000, *et seq*.) in that it is not a "project" for purposes of CEQA, as that term is defined by CEQA Guidelines § 15378. Specifically, this Ordinance constitutes creation of government regulations which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. In addition, this Ordinance is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment.

Action Taken: The City Council opened the continued public hearing at 10:57 p.m.to receive both written and oral testimony, there being no registered speakers, closed the continued public hearing at 10:57 p.m. and waived second reading and adopted Ordinance No. 2243 that would incorporate by reference Los Angeles County Code Title 7, Chapter 7.46 regarding the regulation of gun dealers within the City of Monterey Park ("City").

Motion: Moved by Mayor Pro Tem Wong and seconded by Council Member Ngo, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

Ordinance No. 2243
AN ORDINANCE INCORPORATING LOS ANGELES COUNTY CODE CHAPTER 7.46 INTO THE MONTEREY PARK MUNICIPAL CODE BY ADDING CHAPTER 5.90 GOVERNING TO GUN DEALER LICENSES

5. NEW BUSINESS

5-A. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA APPOINTING COUNCIL REPRESENTATIVES TO SPECIFIC ORGANIZATIONS

The City Council generally appoints representatives to various regional and community organizations annually. Appointments are recommended by the Mayor and confirmed by the City Council.

Discussion: The City Council ensued in a discussion regarding appointing themselves as representative to various organizations.

Action Taken: The City Council adopted Resolution No. 2024-R4 appointing representatives to specific organizations.

Motion: Moved by Mayor Pro Tem Wong and seconded by Mayor Sanchez, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

Resolution No. 2024-R4
A RESOLUTION APPOINTING CITY COUNCILMEMBERS TO SPECIFIC ORGANIZATIONS

5-B. REQUESTING DIRECTION FROM THE CITY COUNCIL REGARDING THE STRUCTURE OF THE SISTER CITIES COMMISSION

Resolution No. 10281 established a Sister Cities Commission in 1998 (Attachment 1 to the staff report). A subsequent Resolution (No. 10549) added a new sister city (Yeongdeungpo-Gu Seoul, South Korea) and expanded the Sister Cities Commission membership (Attachment 2 to the staff report).

The Sister Cities Commission is comprised of three members from each Sister Cities Associations, one of which is the Association President. This Commission operates differently than the City's other Commissions, with a set of by-laws developed specifically for this Commission. In 2013, the City Council exempted the Commission from the regulations generally governing the City's boards and commissions in Monterey Park Municipal Code Chapter 2.82 (Attachment 3 to the staff report).

Representatives from the Sister Cities Commission expressed the desire to continue with utilizing a separate set of by-laws and board members. The Commission members are not appointed by City Councilmembers and the Commission is not subject to MPMC Chapter 2.82, making oversight of the Commission by the City Council challenging. The City Manager and Recreation and Community Services Director have asked representatives from the Commission to establish a nonprofit corporation separate from the City.

Since 2021, the Sister Cities Commission has met five times out of the fifteen scheduled meetings due to lack of quorum. A quorum for the Sister Cities Commission is defined as one member from three of the five cities and at least seven members total. The Commission has not been involved in any of the City's events or programs and the City has looked to the Community Participation Commission for support at City activities.

The Director requested updated information from each of the Sisters City Associations and found that one of the Associations (Nachikatsuura, Japan) has Active nonprofit status, but none of them possess General Liability Insurance.

This item was heard after Agenda Item No. 2C.

Public Speakers:

- Tak Kuen Charles Mau, Commission Chair, provided a background of the composition of the Sister Cities Commission and described the programs hosted by the Commission.

Discussion: City Attorney Berger opined that all city commissions are subject to the Brown Act. He expressed concerns as to the lack of the City's oversight and the liability exposure of the Sister Cities Commission.

Action Taken: The City Council provided direction to the City Manager regarding the structure of the Sister Cities Commission and directed staff to suspend activity from the commission pending a review of an Ad Hoc Committee consisting of Mayor Sanchez and Council Member Ngo.

Motion: Moved by Mayor Pro Tem Wong and seconded by Mayor Sanchez, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

5-C. CONSIDERATION AND POSSIBLE ACTION TO AUTHORIZE THE MAYOR TO EXECUTE A THREE-YEAR EMPLOYMENT AGREEMENT (WITH ONE-YEAR EXTENSION) WITH MS. INEZ ALVAREZ, IN A FORM APPROVED BY THE CITY ATTORNEY, FOR CITY MANAGER SERVICES. FISCAL IMPACTS INCLUDE, WITHOUT LIMITATION, A (1) BASE COMPENSATION FOR A TOTAL OF $265,000 BEGINNING NOVEMBER 15, 2023; (2) VEHICLE ALLOWANCE OF $600 PER MONTH; AND (3) MEDICAL, DISABILITY, AND OTHER FRINGE BENEFITS INCLUDING, WITHOUT LIMITATION, CALPERS RETIREMENT BENEFITS SUBSTANTIALLY THE SAME AS OTHER DEPARTMENT DIRECTORS. THE TOTAL COMPENSATION PACKAGE IS APPROXIMATELY $325,278 FOR THE FIRST YEAR. AN INCREASE IN BASE SALARY TO MEDIAN SALARY (OF SIMILARLY SIZED CITIES) MAY OCCUR ON JANUARY 1, 2025 WITH A CORRESPONDING INCREASE IN TOTAL COMPENSATION

Upon direction from the City Council, the City Attorney negotiated a three-year employment agreement with Ms. Inez Alvarez to serve as City Manager.

This Agreement includes a one-year extension. Ms. Alvarez was appointed City Manager on November 15, 2023.

A summary of the Agreement (see Attachment A to the staff report) includes:

- A base salary of $265,000 beginning November 15, 2023
- $600 a month car allowance; and
- Substantially similar benefits (health, leave times, etc.) as other executive management employees.

Discussion: A supplemental document to the staff report, a revised City Manager Employment Agreement, was provided to the City Council for their consideration.

Action Taken: The City Council authorized the Mayor to execute an Agreement with Ms. Inez Alvarez, in a form approved by the City Attorney.

Motion: Moved by Council Member Ngo and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

6. CITY COMMUNICATIONS (CITY COUNCIL)

Council Member Lo announced he attended the Mayor's State of the City Address, and in observance of the anniversary of the tragic shooting, also attended the Resiliency Center Dinner and Remembrance event hosted by Brandon Tsay's at his family dance studio. He said he also attended many of the city Park's dedications. On January 20, the Bulky Items Pickup event in which Council Member Lo said he will be driving around town picking up bulky items just as he and the late Council Member Sornoso did in the past.

Council Member Yiu said she attended many of the same events as Council Member Lo including the Remembrance event at Lai Lai Dance Studio, the Resiliency Center Dinner, and the Mayor's State of the City Address.

Council Member Ngo talked about the Chinese Consolidated Benevolent Association (CCBA) Installation of New Officers Flag Raising ceremony in Chinatown, League of California Cities meeting, Ribbon-Cutting ceremonies for Yummy Kitchen and Wonton King. He said he also attended the Chinese American Military Support Group dinner at NBC restaurant, Sequoia Park Dedication, the Mayor's State of the City Address, Resiliency Center Dinner, Brandon Tsay's Remembrance event and welcomed the Ynez Elementary School 4th grade students' visit at City Hall.

Mayor Pro Tem Wong reported he attended many of the same events as other Council Members. He invited the community to join the City Council on January 21 in remembrance of the 1-year anniversary of the tragic mass shooting that occurred in Monterey Park.

Mayor Sanchez echoed that he attended many of the same events and greeted the 4th grade students to promote civic engagement. He said as he stated in his Mayor's State of the City Address, he wanted to remind staff of his appreciation for their hard work throughout the year.

7. FUTURE AGENDA ITEMS

8. CLOSED SESSION (IF REQUIRED; CITY ATTORNEY TO ANNOUNCE)
None.

ADJOURNMENT
There being no further business for consideration, the meeting was adjourned at 11:26 p.m.

_____
Maychelle Yee
City Clerk

MINUTES
MONTEREY PARK CITY COUNCIL
FINANCING AUTHORITY (MPFA)
HOUSING AUTHORITY (MPHA)
GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
SUCCESSOR AGENCY (SA)
SPECIAL MEETING
FEBRUARY 3, 2024

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Special Meeting of the Council in the Boardroom of the Courtyard Marriott, 555 N. Atlantic Boulevard in the City of Monterey Park on Saturday, February 3, 2024 at 9:00 a.m.

CALL TO ORDER:
City Clerk Maychelle Yee called the meeting to order at 9:05 a.m.

ROLL CALL:
City Clerk Maychelle Yee called the roll:

Council Members Present:	Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu
Council Members Absent:	None

ALSO PRESENT: City Treasurer Amy Lee, City Manager Inez Alvarez, City Attorney Karl Berger, Assistant City Manager Diana Garcia, City Librarian Kristin Olivarez, Public Works Director Shawn Igoe, Finance Director Martha Garcia, Interim Fire Chief Christopher Thompson, Police Chief Scott Wiese, Director of Human Resources and Risk Management Christine Tomikawa, Recreation and Community Services Director Robert Aguirre, Community Development Director Jessica Serrano, Deputy City Clerk Cindy Trang, Secretary to the City Manager Diana Wong

PUBLIC COMMUNICATIONS

- Maychelle Yee, resident, talked about transparency, integrity, and truthfulness. She spoke of the Garfield/Garvey project and the Sewer Master Plan.

NEW BUSINESS

1. STRATEGIC PLANNING WORKSHOP

This is a City Council workshop to prioritize the City's legislative and project agenda. It is anticipated that the workshop will not result in the City Council taking any particular action. Instead, City Councilmembers and key staff members will be reviewing the City Council's previous strategic plan; updating it; and providing direction to the City Manager. Topics may include, without limitation, infrastructure improvements; revenue enhancement; land use challenges; sustainability efforts; redevelopment; community engagement and outreach; and municipal property needs assessment. Any direction provided by the City Council will appear on future meeting agendas. The anticipated outline of the workshop will follow this general order:

- Know your Role
- Mutual Purpose/Common Ground
- Prouds and Sorries - Accomplishments and Opportunities for Improvement
- Vision for the Future
- Future Challenges and Needs
- Interview Summary
- Current Goals/Updates
- Progress Indicators for the future
- New 3- Year Goals
- Setting SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) Objectives
- What are the resources needed to move the needle?
- Next Steps

RECESSED AND RECONVENED
The City Council recessed at 10:25 a.m. and reconvened with all council members present at 10:35 a.m.

RECESSED AND RECONVENED
The City Council recessed at 11:58 a.m. and reconvened with all council members present at 12:32 p.m.

RECESSED AND RECONVENED
The City Council recessed at 2:04 p.m. and reconvened with all council members present at 2:15 p.m.

DISCUSSION: City Consultants, Marie Knight, Owner, and Doll Knight, Assistant, of Knight Leadership Solutions, facilitated a strategic workshop for the City Council and staff including City Manager Alvarez, City Attorney Berger, Assistant City Manager Garcia and Department Directors to discuss ideas and suggestions towards the

future vision of the City. The City Council ensued in discussions and setting the following goals:

- To enhance access to resources for mental health wellness, social services, and homelessness needs.
- To maintain public safety by establishing priorities based on community and civic needs of the city, with a flexible and enhanced service model.
- To maintain, build, and modernize infrastructure and facilities to support the current and future needs of the city and community.
- To strengthen the local economy and enhance housing opportunities.
- To enhance public communication to reach all members of the community and increase civic engagement opportunities.
- To maintain long term stability of the city's financial resources.

Action Taken: No reportable action taken.

ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 3:03 p.m.

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Maychelle Yee
City Clerk

MINUTES
MONTEREY PARK CITY COUNCIL
FINANCING AUTHORITY (MPFA)
HOUSING AUTHORITY (MPHA)
GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
SUCCESSOR AGENCY (SA)
SPECIAL MEETING
FEBRUARY 7, 2024

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Special Meeting of the Council in Room 266, Second Floor of City Hall located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, February 7, 2024 at 5:30 p.m.

CALL TO ORDER:
Mayor Sanchez called the meeting to order at 5:33 p.m.

ROLL CALL:
Deputy City Clerk Cindy Trang called the roll:

Council Members Present:	Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu
Council Members Absent:	None

ALSO PRESENT: City Manager Inez Alvarez, City Attorney Karl Berger, Assistant City Manager Diana Garcia, Assistant City Attorney Tim Campen

VIRTUALLY PRESENT: None

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS: None.

PUBLIC COMMUNICATIONS: None.

[1.] OPEN SESSION

1-A. ANNUAL WEED ABATEMENT DECLARATION LIST

The County of Los Angeles Department of Agriculture Commissioner/Weights and Measures (Weed Abatement Division) has submitted the annual Weed Abatement Declaration List to the City. The Weed Abatement Declaration List ("Declaration List") is a list of parcels in Monterey Park which have been identified by inspection to contain, or have the potential to contain weeds, brush or other flammable materials sufficient to be considered a fire hazard.

The accompanying Resolution seeks City Council approval to declare the properties on the annual Weed Abatement Declaration List to be public nuisances which may be abated. The authority to remove properties from the Declaration List, upon request and after investigation, will be assigned to the City Manager or designee.

CEQA (California Environmental Quality Act):
Adoption of this Resolution is exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines § 15061(b)(3) 15061 because it can be seen with certainty that there is no possibility that the Resolution may have a significant effect on the environment

Recommendation: It is recommended that the City Council consider: (1) Approving the minutes from the regular and special meetings of December 6, 2023; and (2) Taking such additional, related, action that may be desirable.

Action Taken: By consensus, the City Council carried over this item to the February 7, 2024 6:30 p.m. regular meeting.

[2.] CLOSED SESSION

The City Council adjourned to Closed Session at 5:34 p.m.

2-A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - GOVERNMENT CODE § 54956.9(d)(1) – Two Cases:

Ethan Capital LLC v. City of Monterey Park; LASC Case No. 22AHCV00527

Center Int'l Investments, Inc. v. Monterey Park; LASC Case No. 22STCV14135

RECONVENE & ADJOURNMENT
The City Council reconvened from Closed Session with all Council Members present. The meeting was adjourned at 6:25 p.m.

Action Taken: No reportable action taken in Closed Session.

_____
Maychelle Yee
City Clerk

MINUTES
MONTEREY PARK CITY COUNCIL
FINANCING AUTHORITY (MPFA)
HOUSING AUTHORITY (MPHA)
GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
SUCCESSOR AGENCY (SA)
REGULAR MEETING
FEBRUARY 7, 2024

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Regular Meeting of the Council in the Council Chamber, located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, February 7, 2024, at 6:30 p.m.

CALL TO ORDER:
Mayor Sanchez called the meeting to order at 6:38 p.m.

FLAG SALUTE:
Mayor Sanchez led the Flag Salute. Pledge of Allegiance presented by Civic Superstar Yareli Mercado Martinez.

ROLL CALL:
City Clerk Maychelle Yee called the roll:

Council Members Present:	Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu
Council Members Absent:	None

ALSO PRESENT: City Treasurer Amy Lee, City Manager Inez Alvarez, City Attorney Karl Berger, Assistant City Manager Diana Garcia, Director of Public Works Shawn Igoe, Director of Recreation and Community Services Robert Aguirre, Community Development Director Jessica Serrano, Police Chief Scott Wiese, Interim Fire Chief Chris Thompson, City Librarian Kristin Olivarez, Director of Finance Martha Garcia, Finance Manager Laura Borjon, Recreation Supervisor Guillermo Chavez, Assistant Deputy City Clerk Helena Cho, Civicspark Fellow Olivia Williams

VIRTUALLY PRESENT: Director of Human Resources and Risk Management Christine Tomikawa.

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS
City Attorney Berger announced the carryover of Agenda Item No. 1A from the 5:30 p.m. Special City Council meeting to the Consent Calendar as Agenda Item No. 3H.

PUBLIC COMMUNICATIONS

- Nidal Oudeh provided his perspective regarding an altercation he witnessed that required the Monterey Park Police Department to respond, incident no. 2023-0000129, incident date: January 2, 2023, time: 7:58 p.m.

- Jenny Chan spoke about a parking ticket she received on Lincoln Avenue while she patronized a Monterey Park restaurant during the city's Lunar New Year Celebration on Saturday, January 27, 2024 around 5:30 p.m. She stated that there wasn't a "No Parking" sign posted when she parked. When she returned back to her vehicle, the "No Parking" signs were posted, and a parking citation issued. She mentioned that she has time stamped and geolocated evidence depicting city employees placing "No Parking" signs in the area around 7:30 p.m. She requested that the matter be investigated and for the city to waive all parking citations issued for that area during the date and time stated.

- Maychelle Yee, resident, voiced her displeasure on the amount of speaking time she was allocated at the Special City Council Strategic Planning Meeting held on February 3, 2024. She spoke about the sewer increase and lack of a Sewer Master Plan and inquired how the funds will be utilized.

STAFF COMMUNICATIONS

This Item was heard after Agenda Item No. 5A.

- Community Development: Civicspark Fellow Williams announced that the Draft Sustainability Plan will be available February 8-29, 2024 for public review and comment. She communicated that the city would conduct workshops on Monday, February 12, 2024 at 6 p.m. at El Encanto and on February 22, 2024 at 6 p.m. via zoom.

- Fire Department: Interim Fire Chief Thompson provided the public with information on storm and flood preparedness. He invited the public to attend the Community Preparedness Clinic at George Elder Park on February 24, 2024.

- Library: City Librarian Olivarez spoke about all the great events taking place at the Library: Lunar New Year Adult Matinee & Movie Club on February 13, Teens Lunar New Year Junior Friend Social on February 9, and a Community Wishing Tree February 9-29. She encouraged the public to check out the booklists in celebration of Black History Month, invited the youth community to the Teen Work Readiness Workshop which prepares teens for the workplace, a Reimagining Asian Communities event on Saturday, February 24, Pokemon Party on February 16, Volunteer Income Tax Assistance (VITA) Clinic on Mondays and Thursday through April 11, Free Legal Assistance Clinic held on the second Tuesdays of the month,

and informed the public to stop by the library to vote for your favorite Library Card Design February 7-21.

- Recreation and Community Services: Recreation Supervisor Guillermo Chavez thanked the community for supporting the Candlelight Vigil on January 21 and talked about the successful Lunar New Year Festival. He spoke about upcoming events at Langley Senior Center including Service Area 3 Peer Resource Center's Lunar New Year Celebration on February 14 and the Youth Mental Health Summit on February 24. He spoke about upcoming activities: Save the Love – Love Gram with deliveries to residents February 5-16 and Silverback Club – Langley Center Workout Class free each Thursday through March 28. He talked about upcoming workshops at Langley Senior Center: Health Talk on February 8, Empowering Minds: Senior Mental Health Workshops on February 15, and Pedestrian Safety on February 21. He reminded everyone to save the date: Spring Egg Hunt 2024 on March 28 and 24th Annual Cherry Blossom Festival April 27-28.

1. PRESENTATION

Matters listed under presentation are informational content and for discussion only.

This Item was heard after Public Communications.

1-A. RECOGNITION OF COMMUNITY HEALING FUND MEMBERS

City Treasurer Lee reported that the Healing Fund has provided $161,571 of grant funds to victims and programs supporting the community. The City Council recognized the Monterey Park Community Healing Fund Member: Amy Lee, Anita Chu, Bryant Yang, Hans Liang, Paul Talbot, Rick Eng and Ricky Choi with a Certificate of Recognition and Appreciation for all their volunteer work in the distribution of funds.

2. OLD BUSINESS – None.

3. CONSENT CALENDAR ITEMS NOS. 3A-3~~G~~H

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

This item was heard after Staff Communications.

Action Taken: The City Council approved and adopted Agenda Item Nos. 3A – 3H on Consent Calendar, excluding Item Nos. 3C, 3D, and 3E which were pulled for discussion, separate motion, reading resolutions and ordinances by the title only and waiving further reading thereof. The approval includes the carryover agenda Item No. 1A from the 5:30 p.m. Special Meeting as agenda Item No. 3H

Motion: Moved by Council Member Lo and seconded by Council Member Ngo, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

3-A. MINUTES

Approving the minutes from the regular and special meetings of December 6, 2023.

Action Taken: The City Council approved the minutes from the regular and special meetings of December 6, 2023, on Consent Calendar.

3-B. RECEIVE AND FILE WATER FINANCING UPDATE

At the December 6, 2023, City Council meeting the Council introduced an Ordinance that set a "cap rate" on water increases at 32%, 8%, 8%, 7%, 8% for the five-year period from FY 2023-24 through FY 2027-28. The second reading and adoption of that ordinance occurred on December 20, 2023; the ordinance became effective January 19, 2024; the rates were scheduled for implementation on February 1, 2024.

On November 15, 2023, Council directed staff to explore bond financing for water infrastructure needs. On January 17th the City Council authorized postponing the implementation of the approved rates until after the City Council considers issuing bonds for infrastructure financing which was scheduled for February 2024.

It has been challenging collecting historical data for the loan documents. Consequently, this item is being postponed to March 2024 for Council consideration. A staff report to recommend implementation of water rates will be brought to Council on February 21, 2024.

Action Taken: The City Council received and filed the water financing update, on Consent Calendar.

3-C. FY 2023-2024 MID-YEAR FINANCIAL REPORT

The City's Mid-Year Report compares the revenues and expenditures occurring during the first six months of the fiscal year against budgeted amounts to determine appropriate adjustments; provides links between the City budget, the financial records, and the independent financial audit and; compares revenues earned and expenses made during the first six months of the Fiscal Year (FY) 2023-2024 against the FY 2022-2023 figures.

Discussion: Finance Director Garcia presented a PowerPoint presentation highlighting the city's revenues, expenditures, five-year projection, and budget augmentations.

Action Taken: The City Council (1) received and filed the FY 2023-2024 Mid-Year Financial Report; (2) authorized the increase of Committed Catastrophic-Event by $500,000 from $5.34 million to $5.84 million; and (3) authorized an additional budget appropriation of $669,550 from various funds.

Motion: Moved by Mayor Pro Tem Wong and seconded by Mayor Sanchez, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

3-D. CONSIDERATION AND POSSIBLE ACTION TO ADOPT A RESOLUTION TO REMOVE AN INITIATIVE MEASURE FROM THE NOVEMBER 5, 2024, REGULAR MUNICIPAL ELECTION BALLOT CONCERNING MINIMUM WAGES FOR HEALTHCARE WORKERS

Adopting the attached resolution to the staff report will remove a ballot initiative from the November 5, 2024 regular municipal election concerning minimum wage for healthcare workers (the "Initiative"). The City Council adopted a resolution adding the Initiative to the ballot in 2022. Senate Bill 525 (2023) ("SB 525") was chaptered on October 13, 2023 and expressly preempts the Initiative. Additionally, On January 9, 2024, the initiative proponent requested withdrawal of the initiative.

Action Taken: The City Council adopted Resolution No. 2024-R5 removing an initiative measure from the November 5, 2024, regular municipal election ballot concerning minimum wages for healthcare workers, on Consent Calendar.

Motion: Moved by Council Member Ngo and seconded by Council Member Lo, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

Resolution No. 2024-R5
A RESOLUTION REMOVING AN INITIATIVE MEASURE FROM THE NOVEMBER 5, 2024 REGULAR MUNICIPAL ELECTION BALLOT CONCERNING MINIMUM WAGES FOR HEALTHCARE WORKERS

3-E. ACCEPTANCE OF SGVMWD GRANT FOR THE LIFE LINE PROGRAM

The San Gabriel Valley Municipal Water District (SGVMWD) is awarding the city $50,000 in grant funding to assist low-income residents with their water bills. Staff requests the City Council accept the grant funds and allocate the $50,000 in grant funds to the FY 2023-2024 budget.

Action Taken: The City Council (1) accepted grant funding in the amount of $50,000 from the San Gabriel Valley Municipal Water District (SGVMWD) for water bill assistance to low income residents; (2) authorized the City Manager to execute the Grant Agreement, in a form approved by the City Attorney, with SGVMWD for this grant program; and (3) authorized the Finance Department to allocate $50,000 in grant funding to the FY2023-2024 budget.

Motion: Moved by Mayor Pro Tem Wong and seconded by Council Member Ngo, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

3-F. BRUGGEMEYER LIBRARY IMPROVEMENTS – AWARD OF PUBLIC WORKS CONTRACT TO U.S. BUILDERS AND CONSULTANTS INC.

Capital Improvement Project (“CIP”) No. 95011 - Bruggemeyer Library Improvements project includes improvements to the library storytime room and the installation of stained-glass windows. Pursuant to Resolution No. 2023-R52, the Public Works Director solicited bids for the expansion of the Library Storytime room (Specification No. 2024-001). The public bid opening for the Library Storytime

room was held on January 24, 2024. Four bids were received: U.S. Builders and Consultants Inc., At Your Service Construction & Energy, Bridgerock Construct Inc., and Newbuild Construction and Restoration. Staff also solicited informal bids for the installation of stained-glass windows in the Library's Honor Wall of Donors. The City received only one bid from U.S. Builders and Consultants Inc. for $14,000. It is recommended that City Council authorize the City Manager to execute a Public Works contract with U.S. Builders and Consultants Inc., the lowest responsible bidder, for the Bruggemeyer Library Improvements to include both the Storytime renovations and the installation of the stained-glass windows in the amount of $109,650, plus a contingency amount not to exceed $3,800.

CEQA (California Environmental Quality Act):
The City reviewed the environmental impacts of the proposed Ordinance pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA Guideline § 15301(c) (Existing Facilities) exempts the operation, repair, maintenance, alteration of existing public or private structures which involve negligible or no expansion of existing or former use. The proposed work will occur entirely within an existing structure. Accordingly, no further environmental review is required.

Action Taken: The City Council authorized the City Manager to execute a public works contract, in a form approved by the City Attorney, with U.S. Builders and Consultants Inc. in the contract amount of $109,650 for the Bruggemeyer Library Improvements Project and authorized the Director of Public Works to approve change orders not to exceed $3,800 over the total contract amount, on Consent Calendar.

3-G. FIRE STATION 61 EXHAUST SYSTEM REPLACEMENT– CONSIDERATION AND POSSIBLE ACTION TO ADOPT A RESOLUTION: (1) AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH AIR EXCHANGE, INC. FOR THE PURCHASE AND INSTALLATION OF AN EXHAUST SYSTEM FOR FIRE STATION 61 WITHOUT THE NEED FOR COMPETITIVE BIDDING; AND (2) ADDING THE PURCHASE AND INSTALLATION OF AN EXHAUST SYSTEM FOR FIRE STATION 61 TO THE 2023-2024 CAPITAL IMPROVEMENT PLAN

The City received $82,101.88 in grant funds from the Federal Emergency Management Agency ("FEMA") Assistance to Firefighters Grants (AFG) program, with a matching City contribution of $8,210.19. The grant funds were awarded to the City to update the vehicle exhaust system at Fire Station 61.

The City proposes to enter into an agreement with Air Exchange, Inc. under the competitive bid executed by the City of Los Angeles for the purchase and installation of exhaust system for Fire Station 61, which includes mini rail systems, magnetic grabber and hoses, motor, fans and ancillaries.

CEQA (California Environmental Quality Act):
The City reviewed the environmental impacts of the proposed activity pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, et seq. "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regs. §§ 15000, et seq., the "CEQA Guidelines"). CEQA Guideline § 15301(c) (Existing Facilities) exempts the operation, repair, maintenance, alteration of existing public or private structures which involve negligible or no expansion of existing or former use. The proposed work will occur entirely within an existing structure. Accordingly, no further environmental review is required.

Action Taken: The City Council authorized the City Manager to execute a public works maintenance agreement, in a form approved by the City Attorney, with Air Exchange, Inc. in the amount of $90,312.07 for the Fire Station 61 Exhaust System Project and adopted Resolution No. 2024-R to add the Fire Station Exhaust System Project to the fiscal year 2023-2024 Capital Improvement Program, on Consent Calendar.

Resolution No. 2024-R6

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH AIR EXCHANGE, INC FOR THE PURCHASE AND INSTALLATION OF AN EXHAUST SYSTEM FOR FIRE STATION 61 WITHOUT THE NEED FOR COMPETITIVE BIDDING AND AMENDING RESOLUTION NO. 2023-R52 TO ADD THE FIRE STATION 61 EXHAUST SYSTEM PROJECT TO THE CAPITAL IMPROVEMENT PLAN ("CIP") AND FINDING SUCH AMENDMENT CONFORMS WITH THE GENERAL PLAN.

3-H. ANNUAL WEED ABATEMENT DECLARATION LIST

The County of Los Angeles Department of Agriculture Commissioner/Weights and Measures (Weed Abatement Division) has submitted the annual Weed Abatement Declaration List to the City. The Weed Abatement Declaration List ("Declaration List") is a list of parcels in Monterey Park which have been identified by inspection to contain, or have the potential to contain weeds, brush or other flammable materials sufficient to be considered a fire hazard. The accompanying Resolution seeks City Council approval to declare the properties on the annual Weed Abatement Declaration List to be public nuisances which may be abated. The authority to remove properties from the Declaration List, upon request and after investigation, will be assigned to the City Manager or designee.

CEQA (California Environmental Quality Act):
Adoption of this Resolution is exempt from the California Environmental Quality Act ("CEQA") under CEQA Guidelines § 15061(b)(3) 15061 because it can be seen with certainty that there is no possibility that the Resolution may have a significant effect on the environment.

This is a Carryover of Agenda Item No. 1A from February 7, 2024 5:30 p.m. Special City Council Meeting and added to this meeting under Consent Calendar Item No. 3H.

Action Taken: The City Council approved the minutes from the regular and special meetings of December 6, 2023, on Consent Calendar.

4. PUBLIC HEARING – None.

5. NEW BUSINESS

5-A. TREE MEMORIAL PROGRAM RECOMMENDATION FOR CAROL AND LARRY SULLIVAN

Councilmember Vinh Ngo submitted a nomination for Carol and Larry Sullivan for the Tree Memorial Recognition Program for their many years of dedication and service to the Monterey Park community. Tree Memorial honorees are nominated based on the criteria established in Resolution Nos. 10485 and 11484 (Attachment 1 to the staff report).

If approved by City Council, Carol and Larry Sullivan will be honored with a Tree Memorial for their service and positive impact on the Monterey Park community.

This item was heard after Presentation.

Action Taken: The City Council authorized the City Manager to take actions to honor Carol and Larry Sullivan with a memorial tree and plaque.

Motion: Moved by Mayor Pro Tem Wong and seconded by Council Member Ngo, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

6. CITY COMMUNICATIONS (CITY COUNCIL)

6-A. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING AND RECOGNIZING THE MONTH OF FEBRUARY 2024 AS NATIONAL BLACK HISTORY MONTH

Action Taken: The City Council adopted Resolution 2024-R7 declaring and recognizing the month of February 2024 as National Black History Month.

Motion: Moved by Mayor Sanchez and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Lo, Wong, Yiu, Ngo, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

Resolution No. 2024-R7
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING AND RECOGNIZING THE MONTH OF FEBRUARY 2024 AS NATIONAL BLACK HISTORY MONTH

CITY COUNCIL COMMUNICATIONS

Council Member Lo thanked the community for attending the Candlelight Vigil. He said he participated in the City Council Strategic Planning meeting and took the opportunity to thank Mayor Sanchez for his leadership as Mayor for the past year.

Council Member Yiu conveyed her appreciation to Mayor Sanchez for his term as Mayor. She thanked staff for planning and organizing the city's Candlelight Vigil. She mentioned that the City Council Strategic Planning Meeting was very productive and spoke about the great team dynamic between the City Council and with staff. She spoke about the city's Lunar New Year Festival, that it was well attended with over 200,000 attendees. She shared her experience with parking at the Lunar New Year Festival and requested that the city waive the parking citations.

Council Member Ngo talked about his attendance at the various city events: Gun Violence Restraining Order training on January 18, Ribbon Cutting for Bella Vista Park Playground on January 20, Candlelight Vigil on January 21, and Lunar New Year Festival. He also announced that he attended an event celebrating Lunar New Year at the Golden Age Manor located in the city. He wished everyone a safe and Happy Lunar New Year.

Mayor Pro Tem Wong mentioned that he attended many of the same events his fellow Council Members attended. He expressed his appreciation to the staff for organizing all the city events. He stated that he attended the city's 2024 Homeless Count on January 23 and the Boys & Girls Club's Youth of the Year celebration. He showed his gratitude and appreciation to Mayor Sanchez for his tenure as Mayor and wished everyone a Happy Lunar New Year.

Mayor Sanchez said he also attended many of the same events his fellow Council Members attended. He talked about the city's Roundtable event prior to the Candlelight Vigil. He briefly spoke about the City Council Strategic Planning Meeting and was very inspired by city leaders and the vision to move the city forward. He took a moment to thank staff and the City Council for all their support during his term as Mayor. He expressed his sincere gratitude to his wife for her patience and support and wished everyone a Happy Lunar New Year.

7. FUTURE AGENDA ITEMS

8. CLOSED SESSION (IF REQUIRED; CITY ATTORNEY TO ANNOUNCE) None.

ADJOURNMENT

There being no further business for consideration, Mayor Sanchez adjourned the meeting at 8:37 p.m.

_____
Maychelle Yee
City Clerk

MINUTES
MONTEREY PARK CITY COUNCIL
FINANCING AUTHORITY (MPFA)
HOUSING AUTHORITY (MPHA)
GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
SUCCESSOR AGENCY (SA)
SPECIAL MEETING
FEBRUARY 20, 2024

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Special Meeting of the Council in the Council Chamber, located at 320 West Newmark Avenue in the City of Monterey Park, Tuesday, February 20, 2024, at 6:00 p.m.

CALL TO ORDER:
Mayor Sanchez called the meeting to order at 6:08 p.m.

FLAG SALUTE:
The Monterey Park Police Color Guard led the flag salute.

NATIONAL ANTHEM:
Sophia On Yee Cheong sang the National Anthem.

PLEDGE OF ALLEGIANCE:
Civic Superstar Emari Campell led the Pledge of Allegiance.

ROLL CALL:
City Clerk Maychelle Yee called the roll:

Council Members Present:	Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu
Council Members Absent:	None

ALSO PRESENT: City Treasurer Amy Lee, City Manager Inez Alvarez, City Attorney Karl Berger, Assistant City Manager Diana Garcia, City Librarian Kristin Olivarez, Public Works Director Shawn Igoe, Finance Director Martha Garcia, Interim Fire Chief Christopher Thompson, Police Chief Scott Weise, Director of Human Resources and Risk Management Christine Tomikawa, Recreation and Community Services Director Robert Aguirre, Community Development Director Jessica Serrano, Deputy City Clerk Cindy Trang

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS
None.

PUBLIC COMMUNICATIONS

Congratulatory and Recognition certificates and well wishes were presented to Outgoing Mayor Sanchez, Incoming Mayor Pro Tem Ngo, Incoming Mayor Wong from the Honorable Congressmember Judy Chu; Los Angeles County Assessor Jeff Prang; Alex Avanesyan, District Representative for Senator Susan Rubio; Jennifer Tang, District Director for Assembly Member Mike Fong; Frank Lu, Representative for the Los Angeles Board of Supervisors; Former State Assemblymember Mike Eng; Bob Gin and Kenneth Tang, Alhambra Unified School District Board Members; Jeffrey Koji Maloney and Sasha Renee Perea, City of Alhambra Council Members; Pedro Pizarro, Caroline Choi, Larry Chung, and Zanku Armenian, Representatives of Sothern California Edison.

City Clerk Yee recognized special guests in attendance, including elected officials and current and former leaders of the community: South Pasadena Council Member Michael Cacciotti, Monterey Park Former Council Members Hans Liang, Peter Chan, Stephen Lam, David Lau, Lily Chen, Anthony Wong, Former City Clerk Vincent Chang, Former City Manager Ron Bow.

1. NEW BUSINESS

1-A. OUTGOING ADDRESS BY MAYOR SANCHEZ

Mayor Sanchez gave his outgoing speech.

1-B. PRESENTATION TO OUTGOING MAYOR SANCHEZ

1-C. REORGANIZATION OF MONTEREY PARK CITY COUNCIL

Appointing the Mayor and the Mayor Pro Tem in accordance with City Council policy established by Resolution No. 11507.

Action Taken: The City Council appointed Thomas Wong as Mayor and Vinh Ngo as Mayor Pro Tem in accordance with City Council policy established by Resolution No. 11507.

Motion: Moved by Council Member Lo and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

1-D. MAYOR PRO TEM INSTALLATION OF VINH NGO

Oath of Office – The Oath of Office for incoming Mayor Pro Tem Vinh Ngo was conducted by the Honorable Judge Ed Chau.

Presentation of Name Badge and Business Cards – Mayor Pro Tem Ngo's niece and nephew presented the name badge and business cards.

Presentation of Certifications

Comments by Mayor Pro Tem – Mayor Pro Tem Ngo made a few brief comments.

1-E. MAYORAL INSTALLATION OF THOMAS WONG

Oath of Office – The Oath of Office for incoming Mayor Thomas Wong was conducted by California Assembly Member and Former California State Assembly Speaker Anthony Rendon.

Presentation of Name Badge and Business Cards – Mayor Wong's parents, Mr. and Mrs. Wong, presented the gavel, name badge, and business cards.

Presentation of Certifications

1-F. MAYOR'S ADDRESS

Mayor Wong gave his incoming Mayor address.

ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 7:48 p.m.

_____
Maychelle Yee
City Clerk

MINUTES
MONTEREY PARK CITY COUNCIL
FINANCING AUTHORITY (MPFA)
HOUSING AUTHORITY (MPHA)
GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
SUCCESSOR AGENCY (SA)
REGULAR MEETING
FEBRUARY 21, 2024

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Regular Meeting of the Council in the Council Chamber, located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, February 21, 2024, at 6:30 p.m.

CALL TO ORDER:
Mayor Wong called the meeting to order at 6:32 p.m.

FLAG SALUTE:
The Monterey Park Police Explorer led the flag salute. Pledge of Allegiance presented by Civic Superstar Luna Pina.

ROLL CALL:
City Clerk Maychelle Yee called the roll:

Council Members Present:	Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu
Council Members Absent:	None

ALSO PRESENT: City Treasurer Amy Lee, City Manager Inez Alvarez, City Attorney Karl Berger, Assistant City Manager Diana Garcia, City Librarian Kristin Olivarez, Director of Public Works Shawn Igoe, Director of Recreation and Community Services Robert Aguirre, Director of Finance Martha Garcia, Community Development Director Jessica Serrano, Director of Human Resources and Risk Manager Christine Tomikawa, Police Chief Scott Wiese, Interim Fire Chief Chris Thompson, Public Works Manager Chris Reyes, Finance Manager Laura Borjon, Recreation Manager Christina Alatorre, Fire Marshal Jessica Estrella, Deputy City Clerk Cindy Trang

VIRTUALLY PRESENT: Financial Analyst Patricia Cruz

AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS
City Manager Alvarez requested to move Item No. 1A to the March 6, 2024 Council Meeting. The Los Angeles County presenters were not available to present this evening.

PUBLIC COMMUNICATIONS

- Nidal Oudeh spoke about public record requests through the City Clerk's Office. He had questions about an incident that occurred in the year 2022 involving the Police Department.

- Alex Lee spoke about improper parking citation issued during the city's Lunar New Year event. He stated the response he received from the Monterey Park Parking Enforcement Division in his assessment is unsatisfactory.

- Jenny Chen spoke about procedural errors with her vehicle parking citation. She references Monterey Park Municipal Code Section 10.48.160 and expressed her opinion on the procedural grounds for lack of prerequisite resolution and asked the Council to dismiss citations.

- Linda Tang, resident, spoke about the city limiting Airbnb or short-term leases to a minimum of 500 to 1000 feet distance from each other. She expressed that Airbnb is not healthy for residents and that there are over 1000 Airbnb in the city, of which half are not permitted and not paying local taxes. Public speakers Kathy Tien, Harrison Tang, and Khu Huang yielded their speaking time to Linda Tang.

STAFF COMMUNICATIONS

- Police Department: Police Chief Wiese introduced the Neighborhood Engagement Team (NET). Sergeant Randy Esparza, supervisor who oversees the NET introduced some of the team members in attendance: Senior NET Officer, Corporal Izzy Flores, Outreach and Housing Navigation Coordinator Shadene Womack, and Los Angeles County Department of Mental Health Clinician Gabriela Sanchez. They made a presentation on the 2024 Homeless Count as well as their operations.

- Recreation and Community Services: Director of Recreation and Community Services Aguirre thanked everyone for coming to the Langley Senior Center Lunar New Year celebration sponsored by the Department of Mental Health. He spoke about the success of the Teatime program at the Langley Senior Center hosted by the Department of Mental Health, the Scam Alert workshop hosted by the YWCA, Show the Love Gram, and Silverback Club Workout Class. Director Aguirre spoke about upcoming events and programs including the Youth Mental Health Summit, community engagement in the Parks System Master Plan, volunteering opportunities at the Langley Senior Center, Spring Egg Hunt, and Cherry Blossom Festival.

1. PRESENTATION

Matters listed under presentation are informational content and for discussion only.

1-A. LOS ANGELES COUNTY EFFORTS TO ADDRESS HUMAN TRAFFICKING – UPDATE

This item was continued to the March 6, 2024 Council Meeting. The Los Angeles County presenters were not available to present this item.

2. OLD BUSINESS – None.

3. CONSENT CALENDAR ITEMS NOS. 3A-3N

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

Action Taken: The City Council approved and adopted Agenda Item Nos. 3A – 3N on Consent Calendar, excluding Item Nos. 3B, 3C, 3I, and 3K which were pulled for discussion, separate motion, reading resolutions and ordinances by the title only and waiving further reading thereof. Mayor Wong declared a conflict of interest for Agenda Item No. 3I as he is a Board Member on the Alhambra Educational Foundation.

Motion: Moved by Mayor Pro Tem Ngo and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Lo, Yiu, Ngo, Wong, Sanchez
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	Wong (Agenda Item No.3-I)

3-A. MONTHLY INVESTMENT REPORT – JANUARY 2024

As of January 31, 2024, invested funds for the City of Monterey Park total $66,820,043.27.

Action Taken: The City Council received and filed the monthly investment report, on Consent Calendar.

3-B. 2022-2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City's auditor, The Pun Group LLP, an independent auditor and one of the nation's leading CPA firms, completed the audit of the City's annual financial statements for the fiscal year ending June 30, 2023. The audited financial statements are incorporated into an ACFR.

This is the first year that the Pun Group is performing the annual audit of the City's financial records. The auditor issued an unmodified ("clean") opinion on the City's financial statements.

An unmodified opinion indicates that the financial data of the City is fairly presented in accordance with generally accepted accounting principles (GAAP) in the United States of America and the standards are applicable to the financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. These standards require that the auditors plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement and accurately reflect the City's financial position. Additionally, the auditors' report does not indicate any negative findings, internal control deficiencies, or instances of noncompliance with applicable laws and regulations.

Discussion: Finance Manager Borjon presented a PowerPoint presentation on the city's Annual Comprehensive Finance Report (ACFR) and was available to answer questions.

Action Taken: The City Council received and filed the 2022-2023 Annual Comprehensive Financial Report (ACFR).

Motion: Moved by Council Member Sanchez and seconded by Mayor Pro Tem Ngo, motion carried by the following vote:

Ayes:	Council Members:	Sanchez, Lo, Yiu, Ngo, Wong
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

3-C. DIRECT THE CITY MANAGER TO IMPLEMENT THE APPROVED WATER RATES EFFECTIVE MARCH 1, 2024

Ordinance No. 2239 became effective January 19, 2024. It increases water rates by the following percentages: year 1, 32%; year 2, 8%; year 3, 8%; year 4, 7%; and year 5, 8%. These rates were scheduled to increase beginning February 1, 2024.

During the November 15, 2023 City Council meeting, Council directed the City Manager to explore bond financing in order to provide an upfront infusion of funding for water infrastructure needs. Since then, the City Manager and Finance Director have worked with a team of experts on bond financing.

This process has taken longer than originally anticipated due to challenges in collecting historical data for the bond disclosure and loan documents. On January 17, the City Council postponed implementing the increased water rates until after the City Council considers issuing bonds for infrastructure financing.

On February 7, the City Council received a status report regarding the challenges still being encountered in the bond process.

Public Speakers:

- Consultants Michael Busch, Chief Strategy Officer of Urban Futures, Rick Simonson, Vice-President of HF & H Consultants, LLC., and Financial Analyst Cruz were virtually present and available for questions.

Action Taken: The City Council directed the City Manager to implement the approved water rates effective March 1, 2024.

Motion: Moved by Council Member Lo and seconded by Mayor Pro Tem Ngo, motion carried by the following vote:

Ayes:	Council Members:	Sanchez, Lo, Yiu, Ngo, Wong
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

3-D. NOTICE OF COMPLETION – VARIOUS CAPITAL IMPROVEMENT PROJECTS

Pursuant to City Council Resolution No. 11701, the Public Works Director is authorized to record a Notice of Completion for Capital Improvement Projects ("CIP"). The City recently completed CIP 96004 - Traffic Signal Improvements Project HSIP Cycle 7, CIP 96029 - HVAC Improvements at Various City Facilities, CIP 96033 - 2022 Catch Basin Retrofit Device Installation, and CIP 95028 Barnes Park Amphitheater. Upon completion, the work was inspected and approved by the City Engineer. It is recommended that the City Council receive and file the Notices of Completion recorded by the Public Works Director for these projects.

Action Taken: The City Council (1) received and filed the Notice of Completion recorded by the Public Works Director on December 4, 2023 accepting the Traffic Signal Improvements Project-HSIP Cycle 7 completed by PTM General Engineering Services, Inc.; (2) received and filed the Notice of Completion recorded by the Public Works Director on January 2, 2024 accepting HVAC Improvements at Various City Facilities completed by Carrier Corporation; (3) received and filed the Notice of Completion recorded by the Public Works Director on January 11, 2024 accepting the 2022 Catch Basin Retrofit Device Installation project completed by United Storm Water, Inc.; and (4) received and filed the

Notice of Completion recorded by the Public Works Director on January 24, 2024 accepting the Barnes Park Amphitheater Project completed by Irwin Seating Company, on Consent Calendar.

3-E. NOTICE OF COMPLETION AND TERMINATION OF LOCAL EMERGENCY GOVERNING THE MONTEREY PASS ROAD EMERGENCY WATERLINE IMPROVEMENTS

On August 17, 2022, City Council adopted Resolution No. 2022-R69 authorizing the City Manager to take necessary measures for emergency repair of a water main line on Monterey Pass Road. The City added the Monterey Pass Road Waterline Improvements to the City's Capital Improvement Program ("CIP") as Project No. 99025. The project is now complete, and it is recommended that the City Council receive and file the Notice of Completion and adopt a resolution terminating the local emergency governing the Monterey Pass Road Waterline Project.

Action Taken: The City Council received and filed the Notice of Completion for CIP 99025 – Monterey Pass Road Waterline Improvements, recorded by the Public Works Director of February 5,2024 and adopted Resolution No. 2024-R8 terminating the local emergency governing the Monterey Pass Road Waterline Project, on Consent Calendar.

Resolution No. 2024-R8
A RESOLUTION ADOPTED BY THE CITY COUNCIL TERMINATING THE MONTEREY PASS ROAD WATERLINE LOCAL EMERGENCY

3-F. LICENSE AGREEMENT WITH THE SALVATION ARMY FOR USE OF SPACE AT THE CITY'S COMMUNITY CLEAN-UP EVENTS

The City hosts community clean-up events throughout the year to provide the community an opportunity to dispose of unwanted bulky items and electronic waste through Athens Services. Items collected may include usable items such as furniture, rugs, clothing, appliances, and small electronic devices. On April 5, 2023, City Council approved a License Agreement with Salvation Army to utilize space within the City's Community Clean-up events to collect unwanted items from the public. This partnership helps to increase waste diversion and promote the reuse of items.

In 2023, Salvation Army participated in two events and they also participated in the City's January 2024 clean-up event. It is recommended that City Council authorize the City Manager to renew License Agreement 2355-AD with the Salvation Army for the usage of space at the City's future clean-up events. The License Agreement with Salvation Army expires on February 14, 2024. It is recommended that the City Council consider authorizing the City Manager to renew the License Agreement for up to three years. The City would retain the authority to terminate

the License Agreement with or without cause upon 30 days notice to Salvation Army.

Action Taken: The City Council authorized the City Manager to renew License Agreement 2355-AD with the Salvation Army, in a form approved by the City Attorney to utilize space within the City's Community Clean-up events to collect unwanted items from the public, on Consent Calendar.

3-G. FLEET AND FUEL MANAGEMENT SYSTEM – AWARD OF CONTRACT

On September 6, 2023 Public Works Director solicited proposals for a fleet and fuel management software system that provides vehicle tracking, maintenance scheduling, inventory management, fuel distribution management, and real-time reporting of these activities for the City's fleet division. Two bids were received in response to the request for proposals. The Public Works Director completed his review of bids, and recommends that City Council award a contract to Faster Asset Solutions, the lowest responsible bidder, in the amount of $508,202.00, for a five year term.

Action Taken: The City Council authorized the City Manager to execute a professional services agreement, in a form approved by the City Attorney, with Faster Asset Solutions in the contract amount of $508,202.00 for the Fleet Management System, on Consent Calendar.

3-H. PLANNING SERVICES AUGMENTATION WITH WILLDAN GROUP, INC.

On January 26, 2024, the City executed an on-call professional services agreement with the Willdan Group to provide special planning services for tasks associated with processing the Atlantic Square land use applications. TRC is the applicant for these applications and is reimbursing the City for all of Willdan's services.

The Community Development Director would like to supplement the City's routine planning services with Willdan's assistance. This need is a result of the City's ongoing struggle in finding qualified employees to fully staff the City's various departments.

Willdan's professional services agreement allows the City to issue task orders for various services . Here, the requested action is to authorize the City Manager to issue a task order for supplemental planning services in an amount not to exceed $150,000 per year.

Action Taken: The City Council authorized the City Manager to utilize Willdan Group, Inc. for providing routine planning services to assist the Community Development Department, not to exceed $150,000 annually, on Consent Calendar.

3-I. APPROVAL OF AN ALCOHOL CONSUMPTION PERMIT AND PERMIT FEE WAIVER ALLOWING THE ALHAMBRA EDUCATIONAL FOUNDATION TO CONDUCT ALCOHOL SALES AT THE HAPPY BIRTHDAY MONTEREY PARK, PLAY DAYS CARNIVAL MONTHLY INVESTMENT REPORT – JANUARY 2024

This item was heard after Agenda Item No. 3K.

The City of Monterey Park traditionally celebrates its "birthday" each May with a four-day celebration in Barnes Park, *"Happy Birthday Monterey Park, Play Days."* The festivities include carnival rides, games, food trucks, and live entertainment.

At the November 15, 2023, meeting, the City Council expressed an interest in adding a "Beer Garden" to the Play Days event in 2024. City staff contacted the Alhambra Educational Foundation to confirm their interest in providing a "Beer Garden" at the Play Days carnival as a fundraiser for their 501c3 Nonprofit organization. The Alhambra Educational Foundation has experience with providing "Beer Gardens" at other events. They are confident this opportunity would provide additional funds to support and enhance the educational programs of the Alhambra Unified School District.

Discussion: A brief discussion ensued about the alcohol sales at our Play Days Carnival. John Nunez and Martin Ulloa from the Alhambra Educational Foundation were present and responded to questions posed by the City Council.

Action Taken: Mayor Wong declared a potential conflict as he serves as a Board Member on the Alhambra Educational Foundation. He left the dais and did not participate in discussion on this item. The City Council approved the Alcohol Consumption permit allowing the Alhambra Educational Foundation to conduct alcohol sales at the Play Days Carnival, May 9-12, 2024 and approved an Alcohol Consumption permit fee waiver of $119.

Motion: Moved by Council Member Sanchez and seconded by Council Member Lo, motion carried by the following vote:

Ayes:	Council Members:	Sanchez, Lo, Yiu, Ngo
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	Wong

3-J. ANNUAL WEED ABATEMENT DECLARATION LIST

At the February 7, 2024 meeting, the City Council adopted the Annual Weed Abatement Resolution with its Declaration List. Due to clerical error, the recommendations for the item were not listed properly on the agenda, however,

the staff report was correct. In an abundance of caution and to eliminate any confusion, the City Council is requested to reconsider the matter and adopt the Resolution.

The County of Los Angeles Department of Agriculture Commissioner/Weights and Measures (Weed Abatement Division) has submitted the annual Weed Abatement Declaration List to the City. The Weed Abatement Declaration List ("Declaration List") is a list of parcels in Monterey Park which have been identified by inspection to contain, or have the potential to contain weeds, brush or other flammable materials sufficient to be considered a fire hazard. The accompanying Resolution seeks City Council approval to declare the properties on the annual Weed Abatement Declaration List to be public nuisances which may be abated. The authority to remove properties from the Declaration List, upon request and after investigation, will be assigned to the City Manager or designee.

Action Taken: The City Council adopted Resolution No. 2024-R9 with the Declaration List, on Consent Calendar.

Resolution No. 2024-R9
A RESOLUTION ADOPTED PURSUANT TO GOVERNMENT CODE § 39561 DECLARING THAT WEEDS, BRUSH, RUBBISH, REFUSE AND DIRT UPON AND IN FRONT OF CERTAIN PUBLIC AND PRIVATE PROPERTY IN THE CITY ARE A PUBLIC NUISANCE, AND DECLARING ITS INTENTION TO PROVIDE FOR ABATEMENT

3-K. CONSIDERATION AND POSSIBLE ACTION TO ADOPT A RESOLUTION AMENDING THE MONTEREY PARK BAIL SCHEDULE AND REQUESTING THE PRESIDING JUDGE OF THE LOS ANGELES SUPERIOR COURT APPROVE THE AMENDED BAIL SCHEDULE FOR MISDEMEANOR AND INFRACTION VIOLATIONS OF THE MONTEREY PARK MUNICIPAL CODE

This item was heard after Agenda Item No. 3C.

In May 2021, the City Council adopted a bail schedule which the Los Angeles Superior Court Executive Committee approved for use on September 15, 2021 (the "Bail Schedule"). The Bail Schedule was adopted to allow the City the opportunity to address Monterey Park Municipal Code ("MPMC") violations that affect the quality of life in the City and a result of Los Angeles District Attorney George Gascon's non-prosecution policy for a range of misdemeanor offenses. Since the Bail Schedule's adoption, the City has adopted new regulations that are not reflected in the Bail Schedule and, therefore, that cannot be prosecuted. Accordingly, it is recommended that the City Council adopt the attached Resolution amending the Bail Schedule and granting the City Manager authority to amend the Bail Schedule from time to time to ensure that MPMC violations can be prosecuted.

Action Taken: The City Council adopted Resolution No. 2024-R10 amending the Monterey Park Bail Schedule and requesting the presiding judge of the Los Angeles Superior Court approve the amended bail schedule for misdemeanor and infraction violations of the Monterey Park Municipal Code.

Motion: Moved by Council Member Lo and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Sanchez, Lo, Yiu, Ngo, Wong
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

Resolution No. 2024-R10
A RESOLUTION AMENDING THE MONTEREY PARK BAIL SCHEDULE AND REQUESTING THE PRESIDING JUDGE OF THE LOS ANGELES SUPERIOR COURT APPROVE THE AMENDED BAIL SCHEDULE FOR MISDEMEANOR AND INFRACTION VIOLATIONS OF THE MONTEREY PARK MUNICIPAL CODE

3-L. RENEWAL OF THE COUNTY OF LOS ANGELES GENERAL SERVICES AGREEMENT

On March 6, 2019, the then-City Council authorized the renewal of the General Services Agreement (GSA) with the County of Los Angeles (County) to provide certain services for the City. The term of that agreement was from July 1, 2019, to June 30, 2024. To ensure the continuation of the services, the City would need to renew a new five-year agreement.

Action Taken: The City Council authorized the City Manager to execute a General Services Agreement with the County of Los Angeles in a form approved by the City Attorney, on Consent Calendar.

3-M. 2020 STATE HOMELAND SECURITY GRANT PROGRAM – COST SAVINGS PROJECTS

The City of Monterey Park Fire Department was notified of a second approved modification for an increase of $40,000 for the 2020 State Homeland Security Grant Program (SHSP 2020 Grant). Pursuant to Resolution No. 11740 adopted by the City Council on May 6, 2015, the Interim Fire Chief is reporting to the City Council the type of money obtained and the project details.

Action Taken: The City Council received and filed this report, on Consent Calendar.

3-N. FISCAL YEAR 2023 ASSISTANCE TO FIREFIGHTERS GRANTS (AFG) PROGRAM

The City of Monterey Park Fire Department received Notice of Funding Opportunity (NOFO) from the Federal Management Agency (FEMA) regarding a formal invitation to submit a full application for consideration of Assistance to Firefighters Grant (AFG) funds. The Fire Department (Department) seeks to submit two separate applications for this grant funding cycle.

The first application is to replace the Department's aging self-contained breathing apparatus. If the City is awarded grant funds for this project, the total proposed budget is $768,683.29, which includes a federal share request of $698,802.99, and a required applicant match of $69,880.30. The application Activity Title is Personal Protective Equipment: Respirator Decontamination System (SCBA).

The second application is to update the air compressor system at Fire Station 61. If the City is awarded grant funds for this project, the total proposed budget is $99,511.72, which includes a federal share request of $90,465.20, and a required applicant match of $9,046.52. The application Activity Title is Personal Protective Equipment: Air Compressor/Fill Station/Cascade System Replacement.

Action Taken: The City Council adopted Resolution No. 2024-R11 authorizing the City Manager or designee, to apply for, receive, and appropriate grant funds for the Fiscal Year 2023 Assistance to Firefighters Grant Program and authorized the City's Finance Department to appropriate money from the General Fund balance to fund the required applicant match if the grant is awarded, on Consent Calendar.

Resolution No. 2024-R11
A RESOLUTION AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO APPLY FOR, RECEIVE, AND APPROPRIATE GRANT FUNDS FOR THE FISCAL YEAR 2023 ASSISTANCE TO FIREFIGHTERS GRANTS PROGRAM – PERSONAL PROTECTIVE EQUIPMENT: AIR COMPRESSOR / FILL STATION / CASCADE SYSTEM REPLACEMENT AND RESPIRATOR DECONTAMINATION SYSTEM (SCBA)

4. PUBLIC HEARING – None.

5. NEW BUSINESS – None.

6. CITY COMMUNICATIONS (CITY COUNCIL)

6-A. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING AND RECOGNIZING MARCH 2-6, 2024, AS READ ACROSS AMERICA WEEK (REQUESTED BY COUNCIL MEMBER SANCHEZ)

Action Taken: The City Council adopted Resolution No. 2024-R12 declaring and recognizing March 2-6, 2024, as Read Across America Week.

Motion: Moved by Council Member Sanchez and seconded by Council Member Yiu, motion carried by the following vote:

Ayes:	Council Members:	Sanchez, Lo, Yiu, Ngo, Wong
Noes:	Council Members:	None
Absent:	Council Members:	None
Abstain:	Council Members:	None
Recusal:	Council Members:	None

Resolution No. 2024-R12
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA, DECLARING AND RECOGNIZING MARCH 2-6, 2024, AS READ ACROSS AMERICA WEEK

COUNCIL COMMUNICATIONS

Council Member Sanchez stated he and Mayor Pro Tem Ngo attended the Sister Cities Ad Hoc Committee meeting regarding the Sister Cities Commission. He said he participated in the Langley Senior Center Lunar New Year celebration, the San Gabriel Lunar New Year festival, and the Police Explorer luncheon at Luminarias. He announced that the Alhambra High School Academic Decathlon Team won the Los Angeles County championship for the first time in the history of Alhambra High School, and currently ranked No. 3 for the State competition and are excited to advance to Nationals to be held in Pittsburg, Pennsylvania. He congratulated incoming Mayor Wong and Mayor Pro Tem Ngo.

Council Member Lo said he attended many of the same events as Council Member Sanchez. He shared that the Monterey Park Lunar New Year festival had a great turnout and the sister cities in the area also carried on the tradition. He concluded that he also attended the Alhambra Lunar New Year festival and the Police Explorer luncheon and reminded voters of the Primary Election on March 5.

Council Member Yiu reported she attended many of the same events that Council Members Sanchez and Lo mentioned. She said she received positive feedback from the parents of the youths enrolled in the Monterey Park Police Explorer program. She expressed her appreciation to outgoing Mayor Sanchez and congratulated incoming Mayor Wong and Mayor Pro Tem Ngo.

Mayor Pro Tem Ngo stated he attended many Lunar New Year events in the community including the Monterey Park Hope Resiliency Center's Lunar New Year event, the City of San Gabriel's Festival, the Taipei Economic Cultural Office's Lunar New Year celebration, the Tzu Chi Buddhist Foundation's event, the Golden Dragon Parade in Chinatown, the US Chaoshan Chamber of Commerce Office's

Lunar New Year celebration at the Capital Seafood Restaurant, and the Bank of America Employee Asian Leadership Network. He announced that he will bring another 150 guests to Chef Tony at Courtyard Marriott Monterey Park for an event the following evening. He spoke positively about Council Member Sanchez's work while serving as Mayor and expressed his support for incoming Mayor Wong. He concluded by sharing the passing of Larry Sullivan on February 12 and spoke about Larry's many years of continued service to the City. He said the Sullivans have been in Monterey Park for 50-plus years and Larry served on the Library Board of Trustees for many years, was a member of the Alhambra Unified School District Bond Oversight Committee, was a docent for our Historical Museum, was an active member of the Monterey Park Lions Club, served as a Planning Commissioner for seven years, served on the Traffic Commission, Personnel Board and more. Mayor Pro Tem Ngo also shared that Carol and Larry Sullivan will be honored with tree memorial recognition.

Mayor Wong spoke about his attendance at many of the same events as the other members of Council. He said he participated in the Sustainability Plan Workshop at El Encanto on February 12th and 13th. He announced that he attended the Boys & Girls Club Lunar New Year drive-through celebration and many other Lunar New Year celebrations in the community. Mayor Wong talked about his appreciation for the Police Explorer program. He stated that he had a tour of Meaningful Experiences & Relationships through Community Inclusion (MERCI) facilities located on Chandler Avenue. He thanked the Director General from the Taipei Economic Cultural Office for attending the Mayoral Installation Ceremony and expressed his gratitude for the trust instilled in him by the other Council Members.

7. FUTURE AGENDA ITEMS

Mayor Pro Tem Ngo directed staff to bring back for discussion the permitting process, code guidance and rules relating to Airbnb.

Council Member Sanchez directed staff to put together an endorsement for Senate Bill SB1094, expansion of civic education to elementary and middle schools, and Assembly Bill AB2979, the Income Taxation Exclusive Victims Compensation which would not tax qualified victims receiving compensation under this fund.

Council Member Lo requested staff to provide an update to the Council on the Complete Streets and Vision Zero policy.

8. CLOSED SESSION

None

ADJOURNMENT

There being no further business for consideration, the meeting was adjourned at 9:10 p.m. in memory of Larry Sullivan, a longtime resident and community volunteer.

_____
Maychelle Yee
City Clerk

City Council Staff Report

DATE: April 17, 2024
AGENDA ITEM NO: Consent Calendar - 3B

TO: The Honorable Mayor and City Council
FROM: Amy Lee, City Treasurer
SUBJECT: Monthly Investment Report – March 2024

RECOMMENDATION:
It is recommended that the City Council consider:

1. Receiving and filing the monthly investment report; and
2. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:
As of March 31, 2024, invested funds for the City of Monterey Park total $67,106,870.89.

BACKGROUND:
In accordance with the City's Investment Policy, a monthly investment report is presented to the City Council showing the types of investments, dates and maturities, amounts of deposits, rates of interest, and the current market values for securities with maturity more than 12 months. The attached monthly investment report includes a summary investment report for the LA County Pooled Investment Fund, which displays the composition by type for the entire pooled investment fund.

Respectfully submitted by:

Amy Lee
City Treasurer

Prepared by:

Martha Garcia
Finance Director

Approved by:

Inez Alvarez
Interim City Manager

ATTACHMENT:

1. Monthly Investment Report

ATTACHMENT 1
Monthly Investment Report

CITY OF MONTEREY PARK
INVESTMENT REPORT
March 31, 2024

INVESTMENTS PORTFOLIO PROFILE:

TOTAL BALANCE AT 03/31/2024			**$ 67,106,870.89**

INVESTMENT COMPOSITION

(1)	**LA COUNTY POOLED INVESTMENT FUND**	ON DEMAND	4.170%	$ 25,009,266.14
(2)	**LOCAL AGENCY INVESTMENT FUND**	ON DEMAND	3.670%	$ 14,247,597.22
(3)	**CHANDLER ASSET MANAGEMENT**		5.850%	$ 20,005,007.53

	(4) **CERTIFICATES OF DEPOSIT**	Purchase Date	Maturity Date	Interest Rate	
1	SALLIE MAE BANK	08/11/21	08/12/24	0.70%	245,000
2	TOYOTA FINANCIAL SAVINGS BANK	09/16/21	09/16/24	0.65%	245,000
3	SYNCHRONY BANK	09/17/21	09/17/24	0.65%	245,000
4	UBS BANK USA	09/22/21	09/23/24	0.65%	245,000
5	STATE BANK OF INDIA	10/18/21	10/18/24	0.70%	245,000
6	MEDALLION BANK UTAH	01/28/22	01/28/25	1.25%	245,000
7	PENTAGON FEDERAL UNION	01/31/22	01/31/25	1.25%	245,000
8	BEAL BANK	02/02/22	01/29/25	1.15%	245,000
9	VALLIANCE BANK	03/18/22	03/18/25	1.40%	245,000
10	STATE BANK OF TEXAS	03/25/22	03/25/25	1.45%	245,000
11	FIRST FED SAVINGS & LOAN	03/30/22	03/31/25	2.00%	245,000
12	LAFAYETTE FEDERAL CREDIT UNION	03/30/22	03/31/25	2.20%	245,000
13	ALLY BANK	03/31/22	03/28/24	1.95%	245,000
14	COMENITY CAPITAL BANK	04/14/22	04/14/25	2.55%	245,000
15	AMERICU CREDIT UNION	04/21/22	04/21/25	2.30%	245,000
16	BALBOA THRIFT & LOAN	04/29/22	04/29/25	2.00%	245,000
17	CONNEXUS CREDIT UNION	05/26/22	05/28/24	2.65%	245,000
18	METRO CREDIT UNION	07/13/22	07/12/24	3.20%	245,000
19	FIRST TECHNOLOGY CREDIT UNION	08/05/22	08/05/24	3.25%	245,000
20	AUSTIN TELCO FEDERAL CREDIT UNION	12/16/22	12/16/24	5.00%	245,000
21	GREENWOOD MUNICIPAL FED CREDIT UNI(	01/27/23	01/27/25	4.80%	245,000
22	RAIZ CREDIT UNION	01/27/23	01/27/25	4.75%	245,000
23	WORKERS	01/27/23	01/27/25	4.70%	245,000
24	MANUF & TRADERS TRUST CO	01/31/23	01/31/26	4.25%	245,000
25	ALPINE BANK	01/31/23	01/31/25	4.55%	245,000
26	TECHNOLOGY FCU	02/10/23	02/24/25	5.00%	245,000
27	RED CROWN FCU	02/14/23	02/21/25	4.85%	245,000
28	UFIRST FEDERAL CREDIT UNION	02/15/23	02/25/25	4.85%	245,000
29	SEA COMM FEDERAL CREDIT UNION	02/23/23	03/03/25	4.90%	245,000
30	GLOBAL CREDIT UNION	05/02/23	05/12/25	4.85%	245,000
31	WESTERN ALLIANCE BANK	05/02/23	05/05/25	4.85%	245,000
32	PREFERRED BANK	09/03/23	09/03/24	4.16%	100,000
33	PREFERRED BANK	09/08/23	09/08/24	4.16%	150,000
	Total CDs (33)			3.254%	***$ 7,845,000.00***

OTHER INFORMATION:

BANK BALANCE: [1]	$11,772,949.70
AVERAGE MATURITY DAYS	58
AVERAGE INTEREST RATE FOR THE MONTH	6.248%

THE CITY'S INVESTMENT HAS SUFFICIENT LIQUIDITY TO MEET THE CITY'S EXPENDITURE REQUIREMENTS FOR THE NEXT 180 DAYS. THE 180-DAY LIQUIDITY DISCLOSURE IS REQUIRED PER GOVERNMENT CODE 53646.

THERE HAVE BEEN NO VARIANCES TO THE INVESTMENT POLICY.

(1) Bank balance is maintained to cover outstanding warrants, payroll checks and on-going operating costs.

PORTFOLIO SUMMARY

City of Monterey Park | Account #11189 | As of March 31, 2024

Portfolio Characteristics

Average Modified Duration	0.43
Average Coupon	5.77%
Average Purchase YTM	5.85%
Average Market YTM	5.87%
Average Quality	AAA
Average Final Maturity	0.47
Average Life	0.47

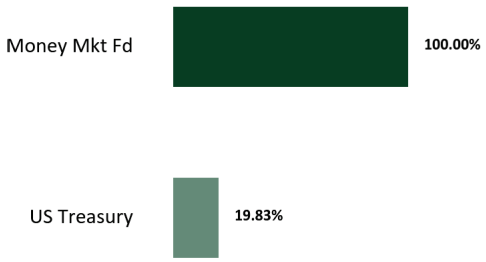
Account Summary

	Beg. Values as of 03/01/2024	End Values as of 03/31/2024
Market Value	0.00	20,000,477.84
Accrued Interest	0.00	38,805.44
Total Market Value	**0.00**	**20,039,283.28**
Income Earned		2,001.52
Cont/WD	0.00	20,000,000.00
Par	0.00	20,033,712.22
Book Value	0.00	20,005,007.53
Cost Value	0.00	20,004,837.25

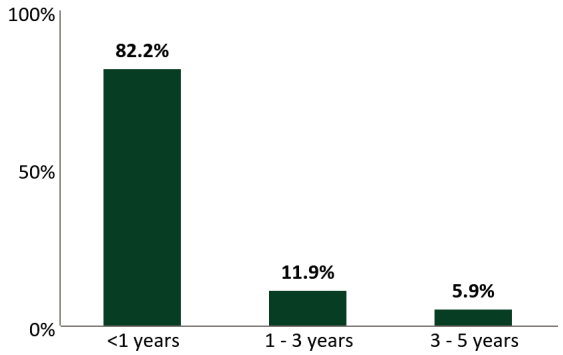
Top Issuers

First American Govt Oblig fund	100.00%
United States	19.83%

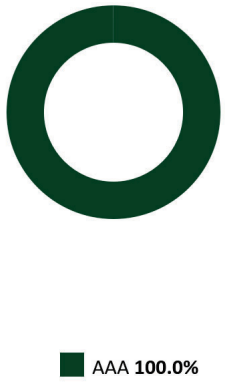
Sector Allocation



Maturity Distribution



Credit Quality



*See Footnote

The credit quality is a weighted average calculation of the highest of S&P, Moody's' and Fitch

City Council Staff Report

DATE: April 17, 2024

AGENDA ITEM NO: Consent Calendar - 3C

TO: The Honorable Mayor and City Council

FROM: Robert Aguirre, Director of Recreation & Community Services

SUBJECT: Tree Memorial Program Recommendation for Lily Lee Chen

RECOMMENDATION:

It is recommended that the City Council consider:

1. Authorizing the City Manager to take action to honor Lily Lee Chen with a memorial tree and plaque; and
2. Taking such additional, related action that may be desirable.

EXECUTIVE SUMMARY:

At the March 26th City Council meeting, Mayor Wong and the City Council nominated former Mayor Lily Lee Chen for the Tree Memorial Recognition Program for her years of dedication and service to the Monterey Park community. Tree Memorial honorees are nominated based on the criteria established in Resolution Nos. 10485 and 11484 (Attachment 1).

If the City Council approves, Lily Lee Chen will be honored with a Tree Memorial for her positive impact on the Monterey Park community.

BACKGROUND:

Lily Lee Chen served on the City of Monterey Park City Council from 1982-1986 and was Mayor from 1983-1984. By becoming the Mayor of Monterey Park, Lily Lee Chen is recognized as the first Chinese American woman mayor in the United States of America. During her tenure on the City Council, the City of Monterey Park won the National Civic League All-America City Award in 1985. The award recognizes communities that use inclusive civic engagement to create strong connections with their residents, businesses, and leaders.

Lily Lee Chen served the Los Angeles County Department of Public Social Services for 27 years. During her career, she established the first Asian-Pacific American human services program, the Asian Pacific Community Outreach Program, and developed outreach centers.

Lily Chen has earned a variety of recognitions. She was appointed to the US State Department's East-West Center, Board of Governors. Former President Barack Obama awarded Lily Chen the Outstanding Volunteer of the Year award in 2016. In 2017, the *Los Angeles Times* named her one of the "8 Los Angeles Women You Should Know".

Lily Lee Chen is dedicated to fighting for the rights of the underserved and underrepresented and has served as a role model for generations of women and immigrants.

FISCAL IMPACT:

The Tree Memorial plaque and ceremony cost approximately $300, and funding is included in the FY 2023-24 adopted budget in the Community Participation Division fund, account no. 1016508-5242.

Respectfully submitted by:

Robert Aguirre
Director of Recreation & Community Services

Approved by:

Inez Alvarez
City Manager

Reviewed by:

Justin A. Tamayo
Deputy City Attorney

ATTACHMENTS:

A. Resolutions 10485 and 11484

ATTACHMENT 1
Resolutions 10485 and 11484

RESOLUTION NO. 10485

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA TO ESTABLISH A TREE MEMORIAL NOMINATION AND AWARD

WHEREAS, the City of Monterey Park would like to acknowledge important and distinguished members of the City, by recognizing them with the dedication of a tree in their honor; and,

WHEREAS, on August 18, 1999 the City Council of Monterey Park directed staff to form a Committee, consisting of 2 members of the Recreation and Parks Commission and 2 members from the Historical Heritage Commission, to establish guidelines regarding an individual being considered for a Tree Memorial; and,

WHEREAS, members of the above mentioned Commissions have met and have submitted their recommendations to the City; and,

WHEREAS, City has incorporated these recommendations into a nomination process and award to honor such individuals; and,

WHEREAS, each February a committee of 3 members of the Historical Heritage Commission and 2 members of the Recreation and Parks Commission will be assembled as a Nomination Committee to accept applications for nominations; and,

WHEREAS, the Nomination Committee, will review nominations for an honor based on the submission of proper documentation and requirements, and, follow guidelines as set forth by the Tree Memorial Committee, and subsequent alternatives as recommended by staff; and,

WHEREAS, the Nomination Committee will make their recommendations to the City Council in April, with a dedication ceremony to be held in May, close to the anniversary of the City's Incorporation.

NOW, THEREFORE, BE IT RESOLVED that the City of Monterey Park hereby adopts the establishment of the Tree Memorial Nomination and Award, and designates staff to authorize a nomination committee as specified above to accept, review and nominate distinguished individuals as indicated in the following sections.

SECTION 1

MEMORIAL PLAQUE / TREE

Plaques to be consistent with plaques that are existing in front of City Hall. Trees that are to be purchased will be of similar type as existing. Cost for the plaques will be charged to the person or group who nominates the individual ($500.00) City Council may waive fees at its discretion.

SECTION II

QUALIFICATIONS

The consideration for selection must include a substantial history of Community Service. For Example:

A. Individual should have been a long term resident (10 years or more) in the City of Monterey Park, and should have provided a service benefit to the entire Community, in one or more of the following ways:

1. Served on a City elected or appointed position for at least two terms or 5 years, whichever is greater;

2. Voluntarily served the City as an officer, or board member of, one or more City recognized Service Clubs, volunteer community based organizations or other City service and charitable service organizations, which provide a direct service to Monterey Park residents;

3. A long term community business leader who has served the Community through his/her financial or voluntary efforts to one or more service and charitable service organization or non profit organization in the City of Monterey Park for a period of no less than 10 years.

4. An individual, resident or non resident, who has made a significant or cumulative and positive impact on the Community.

B. The term "served" means that the individual must demonstrate an active role in providing a benefit to the Monterey Park Community, in addition to service to City service and charitable service organizations.

C. Special consideration without regard to the above mentioned qualifications, should be given to an individual, resident or non resident, who has deceased while performing service to our community.

SECTION III

NOMINATION PROCESS

A. Nominations to be submitted, accepted and considered only one time per year. No limit as to the number of years nominated. No limits imposed on the nomination committee as to how many individuals are recommended each year.

B. Interested parties will be required to fill out an application which will require detailed justification for consideration, provide a picture and other suitable materials deemed necessary. In order to further determine merit, and to add significance to the prestige of the memorial, any individual whose name is put forth should be supported by at least three letters of reference by community members indicating the contribution made and significance, in their opinion.

C. A nomination committee consisting of 5 members from the two Commissions, 3 Historical Heritage and 2 Recreation and Parks, shall be assigned to review the application and consider the qualifications.

D. The time period for nominations are in February, with a selection and ceremony to be held in May, close to the anniversary of the City's incorporation.

PASSED AND APPROVED AND ADOPTED this 15th day of March, 2000.

Rita Valenzuela, Mayor
City of Monterey Park
California

ATTEST:

David M. Barron, City Clerk
City of Monterey Park,
California

State of California)
County of Los Angeles) ss.
City of Monterey Park)

I, David Barron, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Resolution No.10485Was duly and regularly adopted by the City Council of the City of Monterey Park at a meeting held on the15 day of March , 2000, by the following vote:

AYES:	COUNCILMEMBERS:	CHU, BALDERRAMA, ALONSO, VENTI, VALENZUELA
NAES:	COUNCILMEMBERS:	NONE
ABSENT:	COUNCILMEMBERS:	NONE
ABSTAIN:	COUNCILMEMBERS:	NONE

Dated this 15th day of March , 2000.

David M. Barron, City Clerk
City of Monterey Park
California

RESOLUTION NO. 11484

A RESOLUTION AMENDING RESOLUTION NO. 10485 REGULATING THE PROCEDURES FOR NOMINATIONS AND ERECTING TREE MEMORIALS.

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. In 2000, the Monterey Park City Council adopted a resolution to honor community members whose contributions have made a significant impact on the City of Monterey Park by establishing a Tree Memorial Program, and

B. The City Council believes the display of the these trees and plaques enhances City facilities and inspires citizens to contribute to their community; and

C. It is in the public interest for persons recognized with a Tree Memorial to be so honored without the need for paying a fee.

SECTION 2: *Amendments*. Resolution No. 10485 is amended as follows:

A. Section 1 is amended in its entirety to read as follows: "Plaques to be consistent with plaques that are existing in front of City Hall. Similar existing trees at Garvey Ranch Park will be used."

B. Subsection A of Section 3 is amended in its entirety to read as follows: "Nominations may be submitted, accepted, and considered only once per year. There is no limit to the number of years in which a person may be nominated. Only three nominations will be recommended to the City Council per year. A person may only receive this honor once."

SECTION 3: *City Manager Authorization*. The city manager is authorized to promulgate administrative policies and procedures to implement and facilitate the directives set forth in this Resolution.

SECTION 4: This Resolution will become effective immediately upon adoption and will remain effective unless superseded or repealed.

PASSED AND ADOPTED this 2nd day of May, 2012.

David Lau, Mayor
Monterey Park, California

ATTEST:

David Barron, CMC, City Clerk
Monterey Park, California

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By: _____
Karl H. Berger,
Deputy City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF MONTEREY PARK)

I, DAVID M. BARRON, CMC, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Resolution No.11484 was duly and regularly adopted by the City Council of the City of Monterey Park at a meeting held on the 2nd day of May, 2012, by the following vote:

Ayes:	Council Members: Chu, Wong, Real Sebastian, Ing, Lau
Naes:	Council Members: None
Absent:	Council Members: None
Abstain:	Council Members: None

Dated this 2nd day of May 2012.

David Barron, CMC, City Clerk
Monterey Park, California

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF MONTEREY PARK SUPPORTING A PERMANENT BILATERAL CEASEFIRE TO THE CONFLICT AND HUMANITARIAN CRISIS IMPACTING GAZA AND ISRAEL

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The City of Monterey Park is a diverse community made up of individuals from all cultures, religions, backgrounds and viewpoints who join together to form a community that is inclusive and welcoming;

B. The City of Monterey Park commits to advocating for peace, justice, equality, safety and mutual respect for all people, regardless of religion, race or nationality;

C. The City of Monterey Park believes in peace, unity and the value of all human life;

D. Hundreds of thousands of lives are at risk without a permanent ceasefire and delivery of humanitarian and medical aid;

E. International organizations such as the United Nations General Assembly, the World Health Organization, Amnesty International, Doctors Without Borders, Oxfam, the Carter Center, United Nations Children's Fund, World Food Programme and the International Rescue Committee have made calls for ceasefire and the return of all hostages to prevent further loss of civilian lives;

SECTION 2: The City Council of Monterey Park acknowledges the devastating impact of the conflict on civilians, resulting in loss of life, displacement, and widespread suffering; and recognizes the urgency of addressing the ongoing conflict in Gaza.

SECTION 3: The City Council joins other cities in calling on Congress and the Biden administration to utilize every tool at its disposal to push for a permanent bilateral ceasefire, immediate safe return and release of all hostages, delivery of substantial and sufficient humanitarian and medical aid to Gaza, and a lasting resolution and durable peace that protects the lives, health and security of all innocent civilians.

SECTION 4: The City Council requests that a copy of this resolution be transmitted to the City's federal representatives and other interested parties.

SECTION 5: *Severability*. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provision or application and, to this end, the provisions of this Resolution are severable.

SECTION 6: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 7: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 8: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 17th day of April, 2024.

_____
Thomas Wong, Mayor

Attest:

_____
Maychelle Yee, City Clerk

Approved as to Form:

_____
Karl H. Berger, City Attorney

City Council Staff Report

DATE: April 17, 2024

AGENDA ITEM NO: Consent Calendar - 3E

TO: The Honorable Mayor and City Council

FROM: Inez Alvarez, City Manager

SUBJECT: Resolution Supporting AB 2485 (RHNA Transparency Reform Act)

RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting the resolution in support of AB 2485 (Carrillo, RHNA Transparency Reform Act)
2. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

Assembly Bill 2485 seeks to enhance transparency in the Department of Housing and Community Development's (HCD) regional housing needs calculation process by creating an advisory panel to advise HCD on this process and requiring the publication of methodologies used by HCD to determine regional housing needs on HCD's website.

BACKGROUND:

The Regional Housing Needs Assessment (RHNA) is a state-mandated program that requires cities and counties to plan for new housing for expected population growth over an eight-year planning period.

Initially, HCD collaborates with regional Councils of Governments (COGs) to establish methodologies for calculating housing needs. The COGs are required to submit data about their jurisdictions, such as anticipated household growth, household size data and trends, jobs and housing imbalances, percentage of households that are overcrowded and cost burdened in the region, to HCD.

HCD then uses that data to calculate the RHNA for each COG. Next, COGs distribute needs to local jurisdictions that develop implementation plans.

In March 2022, the State Auditor conducted an emergency audit to examine the RHNA process and identified several errors in HCD's housing projections, resulting in a decrease in the housing amounts. Specifically, the Sacramento COG fell short by 2,484 housing units and Santa Barbara COG by 1,338 units.

The State Auditor attributed HCD's miscalculations to a lack of oversight in staff data entry and a failure to consider all factors required by state law in its estimates. Additionally, the State Auditor stated that shortcomings in calculations and support for HCD's factor

considerations risk eroding public confidence in HCD's ability to provide accurate information to COGs about housing needs.

In 2021, the Orange County COGs filed a lawsuit against HCD, claiming that HCD used inaccurate data rates in their evaluations. In a separate lawsuit, individuals and nonprofit corporations argued that HCD failed to consider factors required by law in its assessment for the San Francisco Bay Area COGs.

The State Auditor recommended a formal review process and thorough documentation measures to ensure that all RHNA calculations provided to COGs by the HCD are accurate.

AB 2485 aims for transparency in the RHNA determination process by providing COGs, housing stakeholders, members of the public, and all interested parties with information on the data sources, analyses, and calculation methods used by HCD. Specifically, AB 2485 would do two things. First, it would require HCD to publish on its website the data sources, analysis, and methodology it uses to determine RHNA allocations for each jurisdiction before finalizing the RHNA allocations. Second, HCD would be required to assemble an advisory panel consisting of (1) a United States Census Bureau-affiliated practitioner; (2) an expert on population projections and housing needs; and (3) a representative from the COGs. The panel would advise HCD on its methodology for determining how to weigh the data provided by the COGs and the methodology it uses in determining each jurisdiction's RHNA allocation. HCD would have to publish this information on its website before finalizing the RHNA allocations for each jurisdiction.

FISCAL IMPACT:
There is no immediate fiscal impact associated with the adoption of this resolution.

Respectfully submitted by:

Inez Alvarez
City Manager

Prepared by:

Diana Garcia
Assistant City Manager

Reviewed by:

Karl Berger
City Attorney

ATTACHMENTS:

1. AB 2485 Bill Text
2. Draft Resolution of Support AB2485

ATTACHMENT 1
AB 2485 Bill Text

AB-2485 Regional housing need: determination. (2023-2024)

SHARE THIS:

Date Published: 03/19/2024 09:00 PM

AMENDED IN ASSEMBLY MARCH 19, 2024

CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL NO. 2485

Introduced by Assembly Member Juan Carrillo

February 13, 2024

An act to amend Section 65584.01 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2485, as amended, Juan Carrillo. ~~Planning and zoning: regional~~ *Regional* housing ~~need.~~ *need: determination.*

The Planning and Zoning Law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, which includes, among other mandatory elements, a housing element. That law requires, for the 4th and subsequent revisions of the housing element, the Department of Housing and Community Development (department) to determine the existing and projected need for housing for each region, as specified. That law requires the department, in consultation with the council of governments, to determine the existing and projected need of housing for each region in a specified manner. That law requires the department's determination to be based upon population projections produced by the Department of Finance, as specified. That law also requires the department to meet and consult with the council of governments regarding the assumptions and methodologies to be used to determine each region's housing need and requires the council of governments to provide data assumptions from the council of governments' projections, as specified. That law authorizes the department to accept or reject the information provided by the council of governments and, after consultation with each council of governments, to make determinations on the council of governments' data assumptions and the methodology the department will use to determine each region's housing need. That law requires the department to provide its determinations to each council of governments, as specified.

This bill would require the department to publish on its internet website the data sources, analyses, and methodology, as specified, prior to finalization of the regional determination. The bill would also require the department, for the 7th and subsequent revisions of the housing element, to assemble and convene an advisory panel that includes, among others, an expert on the data assumptions by each council of governments to advise the department on the assumptions and methodology it will use to determine each region housing need. The bill would also require the department to consult with the advisory panel before making determinations on the

council of governments' data assumptions and methodology it will use to determine each region's housing need for the 7th and subsequent revisions of the housing element. The bill would also additionally require the department to publish its determination on its internet website.

~~Existing law, the Planning and Zoning Law, requires the legislative body of each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city and specified land outside its boundaries that includes, among other mandatory elements, a housing element. For the 4th and subsequent revisions of the housing element, as specified, existing law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, as prescribed.~~

~~This bill would make nonsubstantive changes to those provisions.~~

Vote: majority Appropriation: no Fiscal Committee: ~~no~~*yes* Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 65584.01 of the Government Code is amended to read:

65584.01. For the fourth and subsequent revision of the housing element pursuant to Section 65588, the department, in consultation with each council of governments, where applicable, shall determine the existing and projected need for housing for each region in the following manner:

(a) *(1)* The department's determination shall be based upon population projections produced by the Department of Finance and regional population forecasts used in preparing regional transportation plans, in consultation with each council of governments. If the total regional population forecast for the projection year, developed by the council of governments and used for the preparation of the regional transportation plan, is within a range of 1.5 percent of the total regional population forecast for the projection year by the Department of Finance, then the population forecast developed by the council of governments shall be the basis from which the department determines the existing and projected need for housing in the region. If the difference between the total population projected by the council of governments and the total population projected for the region by the Department of Finance is greater than 1.5 percent, then the department and the council of governments shall meet to discuss variances in methodology used for population projections and seek agreement on a population projection for the region to be used as a basis for determining the existing and projected housing need for the region. If agreement is not reached, then the population projection for the region shall be the population projection for the region prepared by the Department of Finance as may be modified by the department as a result of discussions with the council of governments.

(2) The department shall publish on its internet website the data sources, analyses, and methodology, including the assumptions and factors used in and applied to the Department of Finance projections and engagement process with the council of governments, prior to finalization of the regional determination pursuant to subdivision (b).

(b) (1) At least 26 months before the scheduled revision pursuant to Section 65588 and before developing the existing and projected housing need for a region, the department shall meet and consult with the council of governments regarding the assumptions and methodology to be used by the department to determine the region's housing needs. The council of governments shall provide data assumptions from the council's projections, including, if available, the following data for the region:

(A) Anticipated household growth associated with projected population increases.

(B) Household size data and trends in household size.

(C) The percentage of households that are overcrowded and the overcrowding rate for a comparable housing market. For purposes of this subparagraph:

(i) The term "overcrowded" means more than one resident per room in each room in a dwelling.

(ii) The term "overcrowded rate for a comparable housing market" means that the overcrowding rate is no more than the average overcrowding rate in comparable regions throughout the nation, as determined by the council of governments.

(D) The rate of household formation, or headship rates, based on age, gender, ethnicity, or other established demographic measures.

(E) The vacancy rates in existing housing stock, and the vacancy rates for healthy housing market functioning and regional mobility, as well as housing replacement needs. For purposes of this subparagraph, the vacancy rate for a healthy rental housing market shall be considered no less than 5 percent.

(F) Other characteristics of the composition of the projected population.

(G) The relationship between jobs and housing, including any imbalance between jobs and housing.

(H) The percentage of households that are cost burdened and the rate of housing cost burden for a healthy housing market. For the purposes of this subparagraph:

(i) The term "cost burdened" means the share of very low, low-, moderate-, and above moderate-income households that are paying more than 30 percent of household income on housing costs.

(ii) The term "rate of housing cost burden for a healthy housing market" means that the rate of households that are cost burdened is no more than the average rate of households that are cost burdened in comparable regions throughout the nation, as determined by the council of governments.

(I) The loss of units during a state of emergency that was declared by the Governor pursuant to the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2), during the planning period immediately preceding the relevant revision pursuant to Section 65588 that have yet to be rebuilt or replaced at the time of the data request.

(2) The department may accept or reject the information provided by the council of governments or modify its own assumptions or methodology based on this information. ~~After consultation with the council of governments, the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (I), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments. The methodology submitted by the department may make adjustments based on the region's total projected households, which includes existing households as well as projected households.~~

(3) For the seventh and subsequent revisions of the housing element pursuant to Section 65588, the department shall assemble and convene an advisory panel to advise the department on its assumptions and methodology it shall use. The panel shall be composed of all of the following:

(A) A United States Census Bureau-affiliated practitioner.

(B) An expert on the data described in subparagraphs (A) to (I), inclusive, of paragraph (1).

(C) A representative from the council of governments.

(4) After consultation with the council of governments and, for the seventh and subsequent revisions of the housing element pursuant to Section 65588, the advisory panel described in paragraph (3), the department shall make determinations in writing on the assumptions for each of the factors listed in subparagraphs (A) to (I), inclusive, of paragraph (1) and the methodology it shall use and shall provide these determinations to the council of governments and publish these determinations on the department's internet website. The methodology submitted by the department may make adjustments based on the region's total projected households, which includes existing households as well as projected households.

(c) (1) After consultation with the council of governments, the department shall make a determination of the region's existing and projected housing need based upon the assumptions and methodology determined pursuant to subdivision (b). The region's existing and projected housing need shall reflect the achievement of a feasible balance between jobs and housing within the region using the regional employment projections in the applicable regional transportation plan. Within 30 days following notice of the determination from the department, the council of governments may file an objection to the department's determination of the region's existing and projected housing need with the department.

(2) The objection shall be based on and substantiate either of the following:

(A) The department failed to base its determination on the population projection for the region established pursuant to subdivision (a), and shall identify the population projection that the council of governments believes should instead be used for the determination and explain the basis for its rationale.

(B) The regional housing need determined by the department is not a reasonable application of the methodology and assumptions determined pursuant to subdivision (b). The objection shall include a

proposed alternative determination of its regional housing need based upon the determinations made in subdivision (b), including analysis of why the proposed alternative would be a more reasonable application of the methodology and assumptions determined pursuant to subdivision (b).

(3) If a council of governments files an objection pursuant to this subdivision and includes with the objection a proposed alternative determination of its regional housing need, it shall also include documentation of its basis for the alternative determination. Within 45 days of receiving an objection filed pursuant to this section, the department shall consider the objection and make a final written determination of the region's existing and projected housing need that includes an explanation of the information upon which the determination was made.

(d) Statutory changes enacted after the date the department issued a final determination pursuant to this section shall not be a basis for a revision of the final determination.

ATTACHMENT 2
Draft Resolution

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF MONTEREY PARK SUPPORTING AB 2485 (CARRILLO)

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. Existing law requires each county and city to adopt a comprehensive, long-term general plan for the physical development of the county or city, which includes a housing element; and

B. Existing law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region; and

C. Existing law requires the department to meet and consult with regional councils of governments regarding the assumptions and methodologies to be used to determine each region's housing need and requires the councils of governments to provide data assumptions from the council of governments' projections; and

D. AB 2485 (Carrillo) would require the Department of Housing and Community Development to publish on its internet website the data sources, analyses, and methodology, as specified, prior to finalization of the regional determination; and

E. AB 2485 (Carrillo) would require the Department of Housing and Community Development, for the 7th and subsequent revisions of the housing element, to assemble and convene an advisory panel that includes an expert on the data assumptions made by each council of governments to advise the department on the assumptions and methodology it will use to determine each region housing need; and to consult with that advisory panel before making determinations on the council of governments' data assumptions and methodology it will use to determine each region's housing need for the 7th and subsequent revisions of the housing element;

SECTION 2: The City Council does hereby support AB 2485 (Carrillo).

SECTION 2: *Severability*. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provision or application and, to this end, the provisions of this Resolution are severable.

SECTION 3: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 4: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 5: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 17th day of April, 2024.

_____
Thomas Wong, Mayor

Attest:

_____
Maychelle Yee, City Clerk

Approved as to Form:

_____
Karl H. Berger, City Attorney

City Council Staff Report

DATE: April 17, 2024
AGENDA ITEM NO: Consent Calendar - 3F

TO: The Honorable Mayor and City Council
FROM: Scott Wiese, Chief of Police
SUBJECT: National Crime Victims' Rights Week Resolution

RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a Resolution Declaring the week of April 21 through 27, 2024 to be National Crime Victims' Rights Week in the City of Monterey Park; and
2. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

Every April, The Office for Victims of Crime leads communities throughout the country in their annual observances of National Crime Victims' Rights Week. This year National Crime Victims' Rights week is observed between April 21 – April 27. We are enlisting your support in the form of a resolution to honor all victims of crime but especially those victims of the January 21, 2023 shooting incident.

BACKGROUND:

In 1981, the President's Task Force on Victims of Crime was established to help those who had experienced crime and their families. This was an important step toward the protection of and support for victims' rights. Over the years, crime victims' rights have evolved. Dedicated professionals have worked to develop support and services for survivors that are more holistic, trauma-informed, and effective at overcoming systemic barriers that certain communities face in prosecuting offenders and obtaining justice. During National Crime Victims' Rights week, our nation renews our commitment to providing survivors of crime the support they need to heal.

Respectfully submitted by:

Scott Wiese
Chief of Police

Prepared by:

Gus Jimenez
Captain

Approved by:

Inez Alvarez
City Manager

ATTACHMENT:

1. Resolution

ATTACHMENT 1

Resolution for National Crime Victim's Week 2024

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING APRIL 21-27, 2024, NATIONAL CRIME VICTIMS' RIGHTS WEEK IN MONTEREY PARK

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. Every April, The Office for Victims of Crime leads communities throughout the country in their annual observances of National Crime Victims' Rights Week. This year National Crime Victims' Rights week is observed between April 21– April 27, 2024. We are enlisting your support in the form of a resolution to honor all victims of crime especially those victims of the January 21, 2023 shooting incident.

B. Delivering true justice requires that we provide all victims with the support they need. Persistent barriers still prevent many survivors from receiving the services they need and the justice they deserve.

C. Victims of crime face many challenges well after the occurrence of the crime. Some of those challenges being faced are physical, emotional, mental and at times economical.

D. It takes enormous courage and extradentary strength to emerge from life's most painful moments. With ongoing support and advocacy, these challenges faced by victims and their families can be mitigated.

E. The City of Monterey Park recognizes and honors all victims of crime and their families, by declaring April 21-27, 20234 as National Crime Victims' Rights Week in Monterey Park. We stand behind the commitment and devotion of those that work hard in bringing justice and support to victims of crime and their families.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 17th day of April, 2024.

_____
Thomas Wong, Mayor

Attest:

_____
Maychelle Yee, City Clerk

City Council Staff Report

DATE: April 17, 2024

AGENDA ITEM NO: Consent Calendar - 3G

TO: The Honorable Mayor and City Council

FROM: Scott Wiese, Chief of Police

SUBJECT: A resolution of the City Council of the City of Monterey Park, California, declaring Wednesday, April 24, 2024, to be "Denim Day Monterey Park".

RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a resolution declaring Wednesday, April 24, 2024, as "Denim Day Monterey Park"; and
2. Taking such additional, related action that may be desirable.

EXECUTIVE SUMMARY:

"Denim Day" was established by Peace Over Violence in honor of Sexual Violence Awareness Month. "Denim Day" has become a day of solidarity and a symbol of protest against erroneous and destructive attitudes about sexual assault.

BACKGROUND:

In 1999, The United States Government declared April as "Sexual Assault Awareness Month." As part of "Sexual Assault Awareness Month," Peace Over Violence, a Los Angeles County-based Sexual Assault and Domestic Violence Victim Advocacy Organization, established "Denim Day" in April in Los Angeles County and the USA.

That same year, the California Legislature's Women's Caucus learned of a protest of a court decision in Italy. The Italian Supreme Court overturned a rape conviction. In overturning the conviction, the Chief Judge stated that because the victim wore tight jeans, she had to have helped the perpetrator remove them, no longer making it rape but consensual sex.

Enraged by the verdict and the judge's statement, within hours, the women of the Italian Parliament launched into immediate action and protested by wearing jeans to work. This call to action motivated the California legislators to do the same. Peace Over

Violence, followed by establishing the first “Denim Day-L.A.” in April of 1999. “Denim Day” is now recognized throughout the United States.

The Monterey Park City Council first recognized “Denim Day” in 2011. On “Denim Day”, City Employees are encouraged to wear jeans to work as a show of support for Sexual Assault victims and as a sign that Sexual Assault will not be tolerated in our society. Businesses throughout the city are encouraged to participate as well.

Respectfully submitted by:

Scott Wiese
Chief of Police

Prepared by:

Gus Jimenez
Captain

Approved by:

Inez Alvarez
City Manager

ATTACHMENT:

1. Resolution

ATTACHMENT 1
Resolution for National Crime Victim's Week 2024

RESOLUTION NO.

A RESOLUTION Declaring April 24, 2024, to be "Denim Day Monterey Park," supporting sexual abuse awareness and the belief that there is no excuse and never an invitation to rape.

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The United States Government has declared April as "Sexual Assault Awareness Month," and Peace Over Violence, a Los Angeles County-based Sexual Assault and Domestic Violence Victim Advocacy Organization, has declared April 24, 2024, as "Denim Day" in Los Angeles County and the USA.

B. "Denim Day" is intended to draw attention to the fact that rape and sexual assault remain serious issues in our society.

C. Harmful attitudes about rape and sexual assault allow these crimes to persist and allow victims and survivors to be re-victimized.

D. "Denim Day" was instituted to call attention to misconceptions and misinformation about rape and sexual assault and the problem that many in society remain disturbingly uninformed concerning issues of sexual assault and rape.

E. With proper education on the matter, there is compelling evidence that we can be successful in reducing incidents of this physically and psychologically damaging crime.

F. The members of the Monterey Park City Council strongly support the efforts of Peace Over Violence to educate people in our community about the true impact of rape and sexual assault in Southern California.

G. In future years, members of the Monterey Park City Council and City Staff will be encouraged to wear jeans on the day of the City Council meeting when "Denim Day" resolutions are on the agenda for approval to raise awareness of the upcoming "Denim Day" observance.

H. April 24, 2024, is "Denim Day" in the City of Monterey Park. That City Employees, along with residents, business persons, students, and visitors to the City are urged to wear jeans April 24, 2024 to help communicate the message that there is "no excuse and never an invitation to rape."

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution, signifying its adoption by the City Council of the City of Monterey Park. The City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this ___ day of _____, 2024.

_____
Thomas Wong, Mayor

Attest:

_____
Maychelle Yee, City Clerk

City Council Staff Report

DATE: April 17, 2024

AGENDA ITEM NO: Consent Calendar - 3H

TO: The Honorable Mayor and City Council

FROM: Shawn Igoe, Director of Public Works

SUBJECT: Notice of Completion – Various Capital Improvement Projects

RECOMMENDATION:

It is recommended that the City Council consider:

1. Receiving and filing the Notice of Completion recorded by the Public Works Director on December 18, 2023 accepting the Edison Trails Park Playground Replacement Project completed by R.E. Schultz Construction, Inc.;
2. Receiving and filing the Notice of Completion recorded by the Public Works Director on January 2, 2024 accepting the Northeast Area Phase III Water Main Improvement Project completed by Big Ben, Inc.;
3. Receiving and filing the Notice of Completion recorded by the Public Works Director on January 2, 2024 accepting the FY 22-23 Concrete Improvements Project completed by CT & T Concrete Paving Inc.; and
4. Taking such additional, related, action that may be desirable.

EXECUTIVE SUMMARY:

Pursuant to City Council Resolution No. 11701, the Public Works Director is authorized to record a Notice of Completion for Capital Improvement Projects ("CIP"). The City recently completed CIP 95017 - Edison Trails Park Playground Replacement Project, CIP 99023 - Northeast Area Phase III Water Main Improvement Project, and CIP 96039 & 96043 - FY 22-23 Concrete Improvements Project. Upon completion, the work was inspected and approved by the City Engineer. It is recommended that the City Council receive and file the Notice of Completions recorded by the Public Works Director for these projects.

BACKGROUND:

The City's FY 23-24 Capital Improvement Plan included CIP 95017 - Edison Trails Park Playground Replacement Project, CIP 99023 - Northeast Area Phase III Water Main Improvement Project, and CIP 96039 & 96043 - FY 22-23 Concrete Improvements Project.

CIP 95017 - Edison Trails Park Playground Replacement Project
On June 7, 2023, City Council awarded a contract to R.E. Schultz Construction, Inc for the Edison Trails Park Playground Replacement project. The project consisted of the installation of 1,212 square feet of new 4" sidewalk; 3,349 square feet of poured in place rubber play area with new playground equipment at Edison Trails Park. The final cost of the project was $295,307.31.

CIP 99023 - Northeast Area Phase III Water Main Improvement Project
On March 1, 2023, City Council awarded a contract to Big Ben, Inc. for the Northeast Area Phase III Water Main Improvement Project. The work included the installation of approximately 4,435 Linear feet of watermain replacements by the contractor, in addition to the construction of water service line replacements, the installation of new fire hydrants and laterals, fire service lines and appurtenances, valves, and the abandonment of existing main and tie-in lines to existing water systems at Nicholson Ave between Hellman Ave and Garvey Ave, Emerson Ave between Nicholson Ave and Alhambra Ave, and Alhambra Ave between Emerson Ave and Garvey Ave. The final cost of the project was $1,831,998.73.

CIP 96039 & 96043 – FY 22-23 Concrete Improvements Project
On June 7, 2023, City Council awarded a contract to CT&T Concrete Paving, Inc. for CIP 96039 Sidewalk Repair Project. The work included concrete improvements of sidewalk, curb ramps, and new curb and gutters at various locations throughout the City. On September 6, 2023 City Council authorized an amendment to CT&T's contract for additional concrete work for CIP 96043. The completed work included the demolition and installation of 26,471 square feet of damaged sidewalk, 405 linear feet of damaged curb & gutter, 22 damaged bus pad, 55 ADA Curb Ramps, and 6,525 square feet of green paver sidewalk with concrete sidewalk at various locations. The final cost of the projects were $1,955,387.84.

FISCAL IMPACT:
The City's FY 23-24 Capital Improvement Plan includes a budget for each respective project. The following provides a breakdown of total costs for each listed project.

CIP No.	Project	Budget	Actual Expenditures	Balance
95017	Edison Trails Park Playground Replacement Project Specification No. (2023-003)	$302,025.00	$295,307.31	$6,717.69
99023	Northeast Area Phase III Water Main Improvement Project	$4,458,177.31	$1,831,998.73	$2,626,178.58
96039 & 96043	FY 22-23 Concrete Improvements Project	$2,184,503.00	$1,955,387.84	$229,115.16

Respectfully submitted by:

Shawn Igoe
Director of Public Works

Reviewed by:

Martha Garcia
Director of Finance

Approved by:

Inez Alvarez
City Manager

Reviewed by:

Karl H. Berger
City Attorney

ATTACHMENT(S):

1. Notice of Completion - Edison Trails Park Playground Replacement Project
2. Notice of Completion - Northeast Area Phase III Water Main Improvement Project
3. Notice of Completion - FY 22-23 Concrete Improvements Project

ATTACHMENT 1
Notice of Completion
Edison Trails Park Playground Replacement Project

Recording Requested by
and When Recorded Mail To:

City Clerk, City Hall
320 W. Newmark Ave
Monterey Park, CA

NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name : Edison Trails Park Playground Replacement Project Specification No.(2023-003)

Project No. : CIP NO. 95017

Take notice pursuant to Civil Code § 3093, *et seq.* that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of Monterey Park

3. The full address of the owner is: 320 W Newmark Ave, Monterey Park, CA, 91754

4. The nature of the interest of the owner is: In Fee

5. A work of improvement on the property hereinafter described was completed and field reviewed by the City Engineer on December 11th, 2023. The work done was: Installation of 1,212 square feet of new 4" sidewalk; 3,349 square feet of poured in place rubber play area with new playground equipment at Edison Trails Park.

7. The name of the Contractor for such work of improvement was: R.E. Schultz Construction, Inc.

8. The property on which said work of improvement was completed is in the City of Monterey Park, County of Los Angeles, State of California, and is described as follows:
Edison Trails Park

9. The street address of said property is: 1600 S Garfield Ave, Monterey Park, CA, 91755

10. This Notice of Completion is being recorded in accordance with Resolution No. 11701 (adopted November 5, 2014).

Dated: 12/18/23

City of Monterey Park

Public Works Director

VERIFICATION

I, the undersigned, say: I am the Public Works Director for the City Monterey Park, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on December 18, 2023 at Monterey Park, California.

City of Monterey Park

Public Works Director

ATTACHMENT 2
Notice of Completion
Northeast Area Phase III Water Main Improvement Project

Recording Requested by
and When Recorded Mail To:

City Clerk, City Hall
320 W. Newmark Ave
Monterey Park, CA

NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name : Northeast Area Phase III Water Main Improvements

Project No. : CIP NO. 99023

Take notice pursuant to Civil Code § 3093, *et seq.* that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of Monterey Park

3. The full address of the owner is: 320 W Newmark Ave, Monterey Park, CA, 91754

4. The nature of the interest of the owner is: In Fee

5. A work of improvement on the property hereinafter described was completed and field reviewed by the City Engineer on December 18th, 2023. The work done was: installation of approximately 4,435 linear feet of watermain replacement, including construction of water service line replacement, installation of new fire hydrants and laterals, fire services line and appurtenances, valves, abandonment of existing main, and tie-in to existing water systems.

7. The name of the Contractor for such work of improvement was: Big Ben, Inc.

8. The property on which said work of improvement was completed is in the City of Monterey Park, County of Los Angeles, State of California, and is described as follows: Nicholson Ave Between Garvey Ave to Hellman Ave. Emerson Ave Between Nicholson Ave and Alhambra Ave. Alhambra Ave between Garvey Ave and Emerson Ave.

9. The street address of said property is: Various Location

10. This Notice of Completion is being recorded in accordance with Resolution No. 11701 (adopted November 5, 2014).

Dated: 1/2/2024

City of Monterey Park

Public Works Director

VERIFICATION

I, the undersigned, say: I am the Public Works Director for the City Monterey Park, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on January 2, 2024 at Monterey Park, California.

City of Monterey Park

Public Works Director

ATTACHMENT 3
Notice of Completion
FY 22-23 Concrete Improvements Project

Recording Requested by
and When Recorded Mail To:

City Clerk, City Hall
320 W. Newmark Ave
Monterey Park, CA

NOTICE OF COMPLETION OF CONSTRUCTION PROJECT

Project Name : FY 22-23 CONCRETE IMPROVEMENTS PROJECT

Project No. : CIP NO. 96039, 96043

Take notice pursuant to Civil Code § 3093, *et seq.* that:

1. The undersigned is an officer of the owner of the interest stated below in the property hereinafter described.

2. The full name of the owner is: City of Monterey Park

3. The full address of the owner is: 320 W Newmark Ave, Monterey Park, CA, 91754

4. The nature of the interest of the owner is: In Fee

5. A work of improvement on the property hereinafter described was completed and field reviewed by the City Engineer on December 14th, 2023. The work done was: installation of sidewalk, curb & gutter, curb ramps and bus-pads at various locations.

7. The name of the Contractor for such work of improvement was: CT&T Concrete Paving Inc.

8. The property on which said work of improvement was completed is in the City of Monterey Park, County of Los Angeles, State of California, and is described as follows: Various Locations

9. The street address of said property is: Various Locations

10. This Notice of Completion is being recorded in accordance with Resolution No. 11701 (adopted November 5, 2014).

Dated: 1/2/2024

City of Monterey Park

Public Works Director

VERIFICATION

I, the undersigned, say: I am the Public Works Director for the City Monterey Park, the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury the foregoing is true and correct.

Executed on January 2, 2024 at Monterey Park, California.

City of Monterey Park

Public Works Director