MINUTES OF THE REGULAR CITY COUNCIL MEETING OF THE
CITY OF VERNON HELD TUESDAY, MAY 7, 2019, IN COUNCIL
CHAMBER OF CITY HALL LOCATED AT 4305 SANTA FE AVENUE,
VERNON, CALIFORNIA

CALL TO ORDER & FLAG SALUTE

Members Present: Melissa Ybarra, Leticia Lopez, Yvette Woordruff-Perez, William Davis, Carol Menke
Members Absent: None

The meeting was called to order at 7:30 a.m. by Mayor Melissa Ybarra; Police Chief Anthony Miranda led the flag salute.

CHANGES TO THE AGENDA

City Clerk Maria Ayala announced that there were no changes to the agenda.

PUBLIC COMMENT

No Public Comment provided.

CITY COUNCIL TRAINING SESSION

1. Governance Training Workshop
   Presented by: Jeff Ballinger, Best Best & Krieger

City Clerk Ayala announced the presentation.

Special Counsel, Jeff Ballinger, Best Best & Krieger, conducted the City Council training session.

Council Member Yvette Woordruff-Perez joined the meeting at 7:45 a.m.

City Attorney Hema Patel asked Special Counsel Ballinger to provide information regarding City Council’s role during the labor negotiations process.

Mr. Ballinger provided information regarding Council’s authority.

Mayor Ybarra recessed the meeting at 8:13 a.m.

Mayor Ybarra reconvened the meeting at 8:58 a.m.

PRESENTATION

2. A Proclamation Declaring the Month of April 2019 as "DMV/Donate Life California Month” in the City of Vernon
   Recommendation: A. Present a proclamation declaring the month of April 2019 as "DMV/Donate Life California Month” in the City of Vernon.

City Clerk Ayala read the proclamation.

Mayor Ybarra presented the proclamation to Mr. Johnny Lemucchi, representative for the “DMV/Donate Life California Month”.

3. Award Presentation for California Highway Patrol (CHP) "10851" Grand Theft Auto Recovery
   Presented by: Vernon Police Department in conjunction with a CHP Representative
   Recommendation: No action required by the City Council. This is a presentation only.
Police Chief Miranda conducted the presentation and provided a brief summary of the award selection criteria.

California Highway Patrol (CHP) representatives, Officer Luis Mendoza and Captain Sal Suarez and Auto Club of Southern California (AAA) representative, Ben Baltazar presented the “10851” Grand Theft Auto Recovery Award Certificates to Vernon PD Officers: Oscar Zozaya and Carlos Ourique.

4. Swear-In Ceremony

**Recommendation:** No action required by City Council. This is a presentation only.

Police Chief Miranda provided a brief summary of the two newly hired Police Officers: Marcus Fino and Bryan Redona.

City Clerk Ayala individually administered the Oath of Office to Officer Marcus Fino and Officer Bryan Redona.

Police Officer Fino’s badge was pinned by his mother Yvonne Benner.

Police Officer Redona’s badge was pinned by his mother Audrey Edwards.

**CONSENT CALENDAR**

Council Member Woodruff-Perez requested item No. 5 be pulled from the consent calendar.

5. Approval of an Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker LLP to provide specialized outside legal services.

**Recommendation:**

A. Find that approval of the proposed Attorney Services Agreement (Litigation) with Rutan & Tucker is exempt from California Environmental Quality Act (“CEQA”) review, because it is a continuing administrative and fiscal activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and

B. Approve an Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker, in substantially the same form as submitted herewith, for an amount not to exceed $200,000.00; and

C. Authorize the City Administrator to execute the Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker for a three year term with an effective date of April 10, 2019.

6. Minutes of the Regular City Council Meeting Held on April 16, 2019

**Recommendation:** A. Receive and File

7. Ratification of Warrant Registers to Record Voided Checks

**Recommendation:** A. Ratify the following warrant registers to record voided checks:

1) Operating Account Warrant Register No. 6 to record voided Check No. 600723 in the amount of $500.00 issued 08/23/18 to HSA Bank.
2) Operating Account Warrant Register No. 18 to record voided Wire No. 8044 in the amount of $23,779.50 issued 02/28/19 to Epic Land Solutions, Inc.
3) Operating Account Warrant Register No. 20 to record voided Check No. 602572 in the amount of $3,664.00 issued 03/28/19 to Reporting Systems, Inc.
8. Approval of Federal Funds for Street Improvements Account Warrant Register No. 27 Covering the Period of March 26 through April 29, 2019  
   **Recommendation:** A. Approve Federal Funds for Street Improvements Account Warrant Register No. 27 which totals $1,835.10 and consists of the following:  
   1) Ratification of electronic payments totaling $1,835.10.

9. Approval of Operating Account Warrant Register No. 21 Covering the Period of April 09 through April 29, 2019  
   **Recommendation:** A. Approve Operating Account Warrant Register No. 21 which totals $8,439,597.49 and consists of the following:  
   1) Ratification of electronic payments totaling $7,894,498.85.  
   2) Ratification of the issuance of early checks totaling $482,673.74.  
   3) Authorization to issue pending checks totaling $62,424.90.

10. Approval of RDA Obligation Retirement Account Warrant Register No. 51 Covering the Period of March 26 through April 29, 2019  
    **Recommendation:** A. Approve RDA Obligation Retirement Account Warrant Register No. 51 which totals $1005.00 and consists of the following:  
    1) Ratification of electronic payments totaling $1005.00.

11. Fire Department Activity Report for the Period of April 1 through April 15, 2019  
    **Recommendation:** A. Receive and file.

    **Recommendation:** A. Find that because the proposed one day waste collection event at the fire station is an action taken to protect the environment and constitutes normal operations of the fire station, the activity and proposed agreement is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines sections 15308 (actions taken to protect the environment), 15323 (normal operations of public facilities) and 15061(b)(3), the general rule that CEQA only applies to projects that may have an effect on the environment; and  
    B. Approve a Service Agreement with Arion Global, Inc., in substantially the same form as submitted herewith, for E-waste pick-up and disposal services in connection with the City's 2019 Electronic Waste (E-Waste) Recycling Event; and  
    C. Authorize the City Administrator to execute the Services Agreement with Arion Global, Inc., for management of the recycling event scheduled for Wednesday, May 15, 2019.

13. Vernon Police Department Activity Log and Statistical Summary for the period of April 1 through April 15, 2019  
    **Recommendation:** A. Receive and file.

    **Recommendation:** A. Receive and File.

Public Comment:  
Steven Sealy, Senior Industrial Waste Inspector, Sanitation Districts of Los Angeles County, commented that Sanitation District workers and management have reached an agreement after two years of negotiations. The agreement will be ratified on or around May 22nd.
It was moved by William Davis and seconded by Leticia Lopez to approve Consent Calendar Agenda Items 6 through 14. Motion carried, 5 - 0.

Yes: Melissa Ybarra, Leticia Lopez, Yvette Woodruff-Perez, William Davis, Carol Menke
No: None

5. Approval of an Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker LLP, to provide specialized outside legal services.

Recommendation: A. Find that approval of the proposed Attorney Services Agreement (Litigation) with Rutan & Tucker is exempt from California Environmental Quality Act (“CEQA”) review, because it is a continuing administrative and fiscal activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and

B. Approve an Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker, in substantially the same form as submitted herewith, for an amount not to exceed $200,000.00; and

C. Authorize the City Administrator to execute the Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker for a three year term with an effective date of April 10, 2019.

Council Member Woodruff-Perez inquired as to the proposed agreement and its effective date.

City Attorney Patel responded accordingly.

No public comment provided.

It was moved by Yvette Woodruff-Perez and seconded by Carol Menke to approve: A. Find that approval of the proposed Attorney Services Agreement (Litigation) with Rutan & Tucker is exempt from California Environmental Quality Act (“CEQA”) review, because it is a continuing administrative and fiscal activity that will not result in direct or indirect physical changes in the environment, and therefore does not constitute a “project” as defined by CEQA Guidelines section 15378; and B. Approve an Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker, in substantially the same form as submitted herewith, for an amount not to exceed $200,000.00; and C. Authorize the City Administrator to execute the Attorney Services Agreement (Litigation & Advisory) between the City of Vernon and Rutan & Tucker for a three year term with an effective date of April 10, 2019. Motion carried, 5 - 0.

Yes: Melissa Ybarra, Leticia Lopez, Yvette Woodruff-Perez, William Davis, Carol Menke
No: None

NEW BUSINESS

15. A Resolution Appointing Tilahun (Abraham) Y. Alemu To Serve As The Interim General Manager of Public Utilities

Recommendation: A. Find that approval of the attached resolution in this staff report is exempt from California Environmental Quality Act (CEAQ) review, because it is a general administrative activity that will not result in direct or indirect physical changes in the environment and therefore does not constitute a "project" as defined by CEQA Guidelines Section 15378; and

B. Adopt the attached resolution appointing Tilahun (Abraham) Y. Alemu to serve as the Interim General Manager of Public Utilities effective May 7, 2019.

Human Resources Director Michael Earl reported on the proposed.
No public Comment provided.

It was moved by Carol Menke and seconded by Yvette Woodruff-Perez to: Find that approval of the attached resolution in this staff report is exempt from California Environmental Quality Act (CEAQ) review, because it is a general administrative activity that will not result in direct or indirect physical changes in the environment and therefore does not constitute a "project" as defined by CEQA Guidelines Section 15378; and B. Adopt the attached resolution appointing Tilahun (Abraham) Y. Alemu to serve as the Interim General Manager of Public Utilities effective May 7, 2019. Motion Carried, 5-0.

Yes: Melissa Ybarra, Leticia Lopez, Yvette Woodruff-Perez, William Davis, Carol Menke
No: None

16. Change Order No. 1 to the Construction Contract CS-0636 between the City of Vernon and General Pump Company, Inc.

Recommendation: A. Find that approval of this action does not constitute a “project” pursuant to section 15378(b)(2) of the Guidelines to the California Environmental Quality Act (“CEQA”), because such action constitutes an administrative activity; and even if the adoption of the proposed item did constitute a project, it would be exempt in accordance with CEQA Guidelines section 15061(b)(3), the general rule that CEQA only applies to projects that may have an effect on the environment; and B. Approve Change Order No. 1 to the Construction Contract with General Pump Company, in substantially the same form as submitted herewith, to extend the term of the Agreement from January 19, 2019 to July 19, 2019; and C. Authorize the City Administrator to execute Change Order No. 1 for additional work related to the On-Call Services for the Removal, Repair and Reinstallation of Well and Booster Pump Equipment and Rehabilitation of Production Wells for Vernon Public Utilities. Motion carried, 5 - 0.

Yes: Melissa Ybarra, Leticia Lopez, Yvette Woodruff-Perez, William Davis, Carol Menke
No: None

17. A Resolution Approving and Accepting the Grant Deed for the Property Located at 4224 District Boulevard

Recommendation: A. Find that accepting the Grant Deed is exempt from the California Environmental Quality Act (“CEQA”) in accordance with CEQA Guidelines Section 15301(c) because if any construction occurs as a result of accepting and executing the Grant Deed, the work would merely involve negligible expansion of an existing street; and B. Adopt the proposed resolution approving and accepting the Grant Deed for approximately 2,191 square feet of land located at 4224 District Boulevard and authorizing the Mayor to execute the Certificate of Acceptance.
Director of Public Works Daniel Wall reported on the proposed.

Council Member William Davis inquired as to the need for any power poles to be relocated.

Director Wall responded accordingly.

No public comment provided

It was moved by William Davis and seconded by Leticia Lopez A. Find that accepting the Grant Deed is exempt from the California Environmental Quality Act (“CEQA”) in accordance with CEQA Guidelines Section 15301(c) because if any construction occurs as a result of accepting and executing the Grant Deed, the work would merely involve negligible expansion of an existing street; and B. Adopt the proposed resolution approving and accepting the Grant Deed for approximately 2,191 square feet of land located at 4224 District Boulevard and authorizing the Mayor to execute the Certificate of Acceptance. Motion carried, 5 - 0.

Yes: Melissa Ybarra, Leticia Lopez, Yvette Woodruff-Perez, William Davis, Carol Menke
No: None

18. A Resolution Authorizing the Use of the Design-Build Capital Project Delivery Method for the Los Angeles River Closure Devices Project

Recommendation: A. Find that approval of the Resolution is exempt from California Environmental Quality Act (“CEQA”) review, because approving the method by which a contractor will be selected is an administrative activity that will not result in direct or indirect physical changes in the environment and therefore does not constitute a “project” as defined by CEQA Guidelines Section 15378; and

B. Adopt a Resolution Authorizing the Use of the Design-Build Project Delivery Method for the Los Angeles River Closure Devices Project.

Director of Public Works Daniel Wall reported on the proposed.

Council Member Carol Menke inquired as to whether or not a RFP would be appropriate.

Director Wall responded accordingly

No public comment provided.

It was moved by Carol Menke and seconded by William Davis to: A. Find that approval of the Resolution is exempt from California Environmental Quality Act (“CEQA”) review, because approving the method by which a contractor will be selected is an administrative activity that will not result in direct or indirect physical changes in the environment and therefore does not constitute a “project” as defined by CEQA Guidelines Section 15378; and B. Adopt a Resolution Authorizing the Use of the Design-Build Project Delivery Method for the Los Angeles River Closure Devices Project. Motion carried, 5 - 0.

Yes: Melissa Ybarra, Leticia Lopez, Yvette Woodruff-Perez, William Davis, Carol Menke
No: None

ORAL REPORTS

Anthony Miranda, Police Chief reported on the following: several incidents throughout the City; on April 29th Vernon PD held a community meeting at the Vernon Village apartments; and on May 5th and 6th, Vernon Fire Officers attended the California Peace Officer’s Memorial Ceremony in Sacramento.

Bruce English, Fire Chief reported on the following: on May 2nd, Vernon Fire Units responded to a train derailment (photos displayed); on May 5th, Vernon FD responded to a structure fire; and on April 24th, Vernon Firefighters hosted their annual St. Baldrick’s Cancer Fundraiser and Los Angeles Children’s Hospital Blood Drive (photos displayed).
Abram Alemu, Interim General Manager of Public Utilities reported on the following: several outage incidents throughout the City.

Fredrick Agyin, Director of Health and Environmental Control reported on the following: upcoming E-waste Recycling Event, encouraging everyone to bring their E-waste to ensure that recyclables do not end up in landfills.

Carlos Fandino, City Administrator, reported on the following: a recent ABC 7 news report regarding lead being found in baby teeth and possible link to Exide; City Administration will follow-up and post information on the City’s website; update on the current budget planning and development process; and announced the upcoming Business and Industry Commission Meeting, May 9, 2019 and the Vernon Community Fund Grant Committee Meeting, May 15, 2019. Administrator Fandino requested that Director Agyin provide an update regarding the Exide plant.

Director Agyin provided an update based on information received by Exide representative. The Health Department will coordinate with Exide representatives on possibly providing an update directly to Council at a future meeting.

Council Member Woodruff-Perez announced her resignation as City Council Member effective May 7, 2019.

Mayor Ybarra and City Administrator, Fandino thanked Council Member Woodruff-Perez for her service to the City.

CLOSED SESSION

City Clerk Ayala announced that Council Member Woodruff-Perez would be recused from Closed Session Agenda Item No. 19.

Council Member Woodruff-Perez exited the meeting at this time.

City Council entered closed session at 9:46 a.m.

19. CONFERENCE WITH LABOR NEGOTIATORS
Government Code Section 54957.6
Agency Designated Representative: Carlos Fandino, City Administrator

Employee Organizations:
Teamsters Local 911,
IBEW Local 47,
Vernon Professional Firefighters Association,
Vernon Fire Management Association,
Vernon Police Management Association, and
Vernon Police Officers’ Benefit Association

20. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Bicent (California) Malburg LLC et al. vs. City of Vernon et al.,
U.S. Dist. Ct. C.D. Cal., Case No. 2:19-cv-02178, removed from Cal. Sup. Ct., Case No. 19STCV08859

21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(2) and (4)
Number of potential cases: 1
The City is currently in a dispute with Bicent (California) Malburg, LLC (“Bicent”), the owner and operator of the Malburg Generating Station (“MGS”), which has resulted in Bicent initiating suit against the City (see
“Existing Litigation” closed session item). Prior to the initiation of the suit, the City issued multiple Notices of Default under that certain Power Purchase Tolling Agreement, dated as of April 10, 2008 (as amended, the “PPTA”). The City’s claims relate to, among other things, Bicent’s failure to timely repair equipment, failure to timely produce documents requested under the PPTA, misrepresentation of available capacity, and improper overbilling (by over $6 million). The City’s claims also include various statutory claims arising out of the improper billing by Bicent of Vernon. Based on these claims, the City provided notice to Bicent that it disputed certain invoices and would exercise its payment withholding rights under certain dispute resolution provisions in the PPTA. Subsequently, on April 22, 2019, Bicent issued a Notice of Event of Default for failure to pay.

At 11:30 a.m. City Council exited closed session. City Attorney Patel reported that three cases were discussed with City Council. For Agenda Item No. 21, City Council approved Amendment No. 1 to the Engagement Letter Agreement with Morgan, Lewis & Bockius, LLP for Legal Counsel Services.

ADJOURNMENT

With no further business, at 11:32 a.m. Mayor Ybarra adjourned the meeting

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Melissa Ybarra
Mayor

ATTEST:

_________________________________
Maria E. Ayala
City Clerk