

DOLLARS BY TYPE OF WORKER

FY1992-1993	SUPERVISOR	CREWLEAD	SWEEPER	TRIMMER	MAINT WORK	TOTAL
Jul 1992	125.32	149.46	47.02		858.80	1,180.60
Aug 1992	187.98	149.46	47.02		1,030.56	1,415.02
Sep 1992	125.32	149.46	47.02	92.88	644.10	1,058.78
Oct 1992	186.66	153.36	48.24		704.64	1,092.90
Nov 1992	248.88	255.60	48.24	190.56	660.60	1,403.88
Dec 1992	248.88	204.48	48.24		660.60	1,162.20
Jan 1993	248.88	255.60	48.12		660.60	1,213.20
Feb 1993	311.00	306.72	48.24		792.72	1,458.68
Mar 1993	248.88	255.60	48.24		660.60	1,213.32
Apr 1993	248.88	255.60	48.24		528.48	1,081.20
May 1993	311.11	306.72	48.24		1,056.96	1,723.03
Jun 1993	248.88	255.60	48.24	190.56	880.80	1,624.08
TOTAL	2,740.67	2,697.66	575.10	474.00	9,139.46	15,626.89
AVG	228.39	224.81	47.93	39.50	761.62	1,302.24

DOLLARS BY TYPE OF WORKER

FY1993-1994	SUPERVISOR	CREWLEAD	SWEEPER	TRIMMER	MAINT WORK	TOTAL
Jul 1993	248.00	255.60	48.24		660.60	1,212.44
Aug 1993	248.00	255.60	48.24		660.60	1,212.44
Sep 1993	248.88	255.60	48.24	190.56	660.60	1,403.88
Oct 1993	248.88	255.60	48.24		440.20	992.92
Nov 1993	248.88	255.60	48.24		880.80	1,433.52
Dec 1993	311.11	255.60	48.24	190.56	660.60	1,466.11
Jan 1994	311.11	255.60	48.24		792.72	1,407.67
Feb 1994	248.88	255.60	48.24		660.60	1,213.32
Mar 1994	248.88	204.48	48.24		660.60	1,162.20
Apr 1994	248.88	204.48	48.24	95.28	528.48	1,125.36
May 1994	248.88	255.60	48.24		660.60	1,213.32
Jun 1994	248.88	255.60	48.24		660.60	1,213.32
TOTAL	3,109.26	2,964.96	578.88	476.40	7,927.00	15,058.50
AVG	259.11	247.08	48.24	39.70	660.58	1,254.71

DOLLARS BY TYPE OF WORKER

FY1994-1995	SUPERVISOR	CREWLEAD	SWEEPER	TRIMMER	MAINT WORK	TOTAL
Jul 1994	248.88	306.72	48.24	0.00	1,056.96	1,660.80
Aug 1994	248.88	255.60	48.24	0.00	660.60	1,213.32
Sep 1994	186.66	255.60	48.24	0.00	660.60	1,151.10
Oct 1994	186.66	255.60	48.24	0.00	660.60	1,151.10
Nov 1994	248.88	255.60	48.24	0.00	660.60	1,213.32
Dec 1994	248.88	255.60	48.24	0.00	660.60	1,213.32
Jan 1995	311.10	255.60	48.24	0.00	880.80	1,495.74
Feb 1995	248.88	255.60	48.24	0.00	660.60	1,213.32
Mar 1995	248.88	255.60	48.24	23.82	682.62	1,259.16
Apr 1995	248.88	255.60	48.24	0.00	660.60	1,213.32
May 1995	248.88	255.60	48.24	0.00	660.60	1,213.32
Jun 1995	248.88	255.60	48.24	0.00	660.60	1,213.32
TOTAL	2,924.34	3,118.32	578.88	23.82	8,565.78	15,211.14
AVG	243.70	259.86	48.24	1.99	713.82	1,267.60

DOLLARS BY TYPE OF WORKER

FY1995-1996	SUPERVISOR	CREWLEAD	SWEEPER	TRIMMER	MAINT WORK	TOTAL
Jul 1995	248.88	255.60	48.24	0.00	660.60	1,213.32
Aug 1995	248.88	255.60	48.24	0.00	660.60	1,213.32
Sep 1995						0.00
Oct 1995						0.00
Nov 1995						0.00
Dec 1995						0.00
Jan 1996						0.00
Feb 1996						0.00
Mar 1996						0.00
Apr 1996						0.00
May 1996						0.00
Jun 1996						0.00
TOTAL	497.76	511.20	96.48	0.00	1,321.20	2,426.64
AVG	248.88	255.60	48.24	0.00	660.60	1,213.32

TIME BY TYPE OF WORKER

FY1992-1993	SUPERVISOR	CREWLEAD	SWEEPER	BLDG MAINT TRIMMER	MAINT WORK	TOTAL
Jul 1992	4.00	6.00	2.00	0.00	40.00	52.00
Aug 1992	6.00	6.00	2.00	0.00	48.00	62.00
Sep 1992	4.00	6.00	2.00	4.00	30.00	46.00
Oct 1992	6.00	6.00	2.00		32.00	46.00
Nov 1992	8.00	10.00	2.00	8.00	30.00	58.00
Dec 1992	8.00	8.00	2.00		30.00	48.00
Jan 1993	8.00	10.00	2.00		30.00	60.00
Feb 1993	10.00	12.00	2.00		36.00	60.00
Mar 1993	8.00	10.00	2.00		30.00	50.00
Apr 1993	8.00	10.00	2.00		24.00	44.00
May 1993	10.00	12.00	2.00		48.00	72.00
Jun 1993	8.00	10.00	2.00	8.00	40.00	68.00
TOTAL	88.00	106.00	24.00	20.00	418.00	656.00
AVG	7.33	8.83	2.00	1.67	34.83	54.67

TIME BY TYPE OF WORKER

FY1993-1994	SUPERVISOR	CREWLEAD	SWEEPER	BLDG MAINT TRIMMER	MAINT WORK	TOTAL
Jul 1993	8.00	10.00	2.00		30.00	50.00
Aug 1993	8.00	10.00	2.00		30.00	50.00
Sep 1993	8.00	10.00	2.00	8.00	30.00	58.00
Oct 1993	8.00	10.00	2.00		20.00	40.00
Nov 1993	8.00	10.00	2.00		40.00	60.00
Dec 1993	10.00	10.00	2.00	8.00	30.00	60.00
Jan 1994	10.00	10.00	2.00		36.00	58.00
Feb 1994	8.00	10.00	2.00		30.00	50.00
Mar 1994	8.00	8.00	2.00		30.00	48.00
Apr 1994	8.00	8.00	8.00	4.00	24.00	52.00
May 1994	8.00	10.00	2.00		30.00	50.00
Jun 1994	8.00	10.00	2.00		30.00	50.00
TOTAL	100.00	116.00	30.00	20.00	360.00	626.00
AVG	8.33	9.67	2.50	1.67	30.00	52.17

TIME BY TYPE OF WORKER

FY1994-1995	SUPERVISOR	CREWLEAD	SWEEPER	BLDG MAINT TRIMMER	MAINT WORK	TOTAL
Jul 1994	8.00	12.00	2.00	0.00	48.00	70.00
Aug 1994	8.00	10.00	2.00	0.00	30.00	50.00
Sep 1994	6.00	10.00	2.00	0.00	30.00	48.00
Oct 1994	6.00	10.00	2.00	0.00	30.00	48.00
Nov 1994	8.00	10.00	2.00	0.00	30.00	50.00
Dec 1994	8.00	10.00	2.00	0.00	30.00	50.00
Jan 1995	10.00	10.00	2.00	0.00	40.00	62.00
Feb 1995	8.00	10.00	2.00	0.00	30.00	50.00
Mar 1995	8.00	10.00	2.00	1.00	31.00	52.00
Apr 1995	8.00	10.00	2.00	0.00	30.00	50.00
May 1995	8.00	10.00	2.00	0.00	30.00	50.00
Jun 1995	8.00	10.00	2.00	0.00	30.00	50.00
TOTAL	94.00	122.00	24.00	1.00	389.00	630.00
AVG	7.83	10.17	2.00	0.08	32.42	52.50

TIME BY TYPE OF WORKER

FY1995-1996	SUPERVISOR	CREWLEAD	SWEEPER	BLDG MAINT TRIMMER	MAINT WORK	TOTAL
Jul 1995	8.00	10.00	2.00	0.00	30.00	50.00
Aug 1995	8.00	10.00	2.00	0.00	30.00	50.00
Sep 1995						0.00
Oct 1995						0.00
Nov 1995						0.00
Dec 1995						0.00
Jan 1996						0.00
Feb 1996						0.00
Mar 1996						0.00
Apr 1996						0.00
May 1996						0.00
Jun 1996						0.00
TOTAL	16.00	20.00	4.00	0.00	60.00	100.00
AVG	8.00	10.00	2.00	0.00	30.00	50.00

TO: Library Board of Trustees

FROM: Elizabeth D. Minter, Library Director *edm*

DATE: September 19, 1995

**SUBJECT: Authorization of travel expenses for Fiscal Year 1995-1996 for Library Board President Peggy Dinsmore to attend the Board of Directors meetings of the California Association of Library Trustees and Commissioners**

**BACKGROUND:**

Library Board President Peggy Dinsmore has been asked to continue her service as the Literacy Chairperson of the California Association of Library Trustees and Commissioners (CALTAC).

In this capacity she is required to attend CALTAC Board meetings in various locations throughout California. CALTAC does not reimburse its Board Members for their travel expenses.

**RECOMMENDATION:**

That President Dinsmore's travel expenses for attending CALTAC Board Meetings during Fiscal Year 1995-1996 are authorized and shall be paid in accordance with the District's Travel Policy.



TO: Library Board of Trustees

FROM: Elizabeth D. Minter, Library Director *EM*

DATE: September 19, 1995

SUBJECT: Annual Report to the California Department of Education for the Federal Adult Basic Education Grant for Fiscal Year 1994-1995

**BACKGROUND:**

Attached is a copy of the District's Annual Report to the California Department of Education for the Federal Adult Basic Education Grant for Fiscal Year 1994-1995.

Filing this report is required in order for the District to receive reimbursement for the funds expended for this Grant, and to remain eligible for future California Department of Education Grants.

**RECOMMENDATION:**

Receive and file.

**ADULT EDUCATION - FY 1994-95**  
**FEDERAL ADULT BASIC EDUCATION, PL 100-297-SECTION 321/322/326**

**FINAL REIMBURSEMENT CLAIM**

*Instructions for completing this form are on the reverse side.  
Please print or type all information*

**SUBMIT TO:**

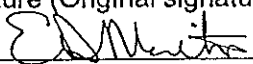
**John Roman**  
**California Department of Education**  
**Management Planning and Development Unit**  
**P.O. Box 944272**  
**Sacramento, CA 94244-2720**

**SUBMISSION DEADLINE:**

**September 1, 1995**

**GRANT NUMBER** (See Section 321/326 Letter of Encumbrance for your Agency Grant Number)

FY		County Code		PCA					District/Vendor Code							
9	4			0	3	0	5	5	M	6	9	2				

<b>1. AGENCY NAME</b> (School District/Community College/Private Agency) Placentia Library District		
<b>2. REIMBURSEMENT</b>	<b>321/322</b> (PCA 03055)	<b>-326</b> (PCA 03844)
A. Approved Allocation, including augmentation	\$ 3,956.00	\$
B. Total amount expended for the period 7-1-94 - 6-30-95	\$ 3,028.00	\$
C. Less prior claim for the period 7-1-94 through 12-31-94 (if applicable)	\$ 1,647.00	\$
D. Total of final claim [Line B minus Line C]	\$ 1,381.00	\$
<b>3. MATCHING</b> Report ABE/ESL matching expenditures from <u>non</u> federal funding sources for the period 7-1-94 through 6-30-95. This is a federal compliance requirement.		\$ 88,407.00
<b>4. CERTIFICATION</b> I hereby certify that (1) the expenditures reported have been made and the program/project has been conducted in accordance with federal and state laws and regulations, the approved application, and amendments for this program/project; and (2) full records of receipts and expenditures have been maintained and are available for audit purposes.		
Printed Name of Authorized Agent Elizabeth D. Minter	Title Library Director	Telephone (714) 528-1925
Signature (Original signature required) 		Date August 31, 1995

<b>CALIFORNIA DEPARTMENT OF EDUCATION USE ONLY</b>	
Approved for Funding: Raymond G. Eberhard, Administrator Adult Education Unit	Date

**ADULT EDUCATION - FY 1994-95**  
**ADULT BASIC EDUCATION, PL 100-297 - SECTION 321/322/326**  
**FINAL EXPENDITURE REPORT**

AGENCY NAME (School District/Community College/Private Agency)			FY		County Code		District/Vendor Code						
Placentia Library District			9	4	03	20	M	06	97	02	03	04	05
OBJECT OF EXPENDITURE			(A)* Approved Budget 7/1/94 - 6/30/95				(B) Actual Expenditures 7/1/94 - 6/30/95						
Line	Acct. No.	Classification											
1	1000	Certificated Salaries	\$				\$						
2	2000	Classified Salaries	\$				\$						
3	3000	Employee Benefits	\$				\$						
4	4000	Books and Supplies	\$				\$						
5	5000	Services and Other Operating Expenses	\$ 3,956.00				\$ 3,028.00						
6	6400	Equipment	\$				\$						
7	7000	Other Outgo	\$				\$						
8		<b>Total Program Costs</b>	\$				\$ 3,028.00						
*Any augmentations must also be reflected in Column (A) - Approved Budget													
(C) Total Approved HHUs (Per letter of Encumbrance and Augmentation letter)						(D) Total Generated HHUs (Actual Hundred-hour Units of Seat Time of ABE/ESL instruction)							
HHUs		Unit Rate	Funding			HHUs		Unit Rate	Funding				
ESL (321)	<u>16</u>	X \$16.00 =	\$ <u>256</u>			ESL (321)	<u>20</u>	X \$16.00 =	\$ <u>320</u>				
ABE (321)	<u>10</u>	X \$20.00 =	\$ <u>200</u>			ABE (321)	<u>12</u>	X \$20.00 =	\$ <u>240</u>				
Augmentation (321)		X \$16.00 =	\$ _____			Augmentation (321)		X \$16.00 =	\$ _____				
Homeless (322)		X \$52.00 =	\$ _____			Homeless (322)		X \$52.00 =	\$ _____				
Correctional ESL/ ABE (326)		X \$28.00 =	\$ _____			Correctional ESL/ ABE (326)		X \$28.00 =	\$ _____				
<b>Subtotal</b>			\$ <u>456</u>			<b>Subtotal</b>			\$ _____				
Base Grant		<b>PLUS</b>	\$ 3,500.00			Base Grant		<b>PLUS</b>	\$ 3,500.00				
<b>TOTAL APPROVED</b>			\$ <u>3,956.00</u>			<b>TOTAL GENERATED</b>			\$ <u>4,060.00</u>				

**ADULT EDUCATION - FY 1994-95**  
**ADULT BASIC EDUCATION, PL 100-297 - SECTION 321/322/326**

**ENROLLMENT REPORT**

AGENCY NAME (School District/Community College/Private Agency)	FY	County Code	District/Vendor Code			
Placentia Library District	94	30		M	69	2

**SECTION I. TOTAL ENROLLMENT DATA (July 1, 1994 through June 30, 1995)**

**INSTRUCTIONAL PROGRAM**

	ENGLISH AS A SECOND LANGUAGE (ESL) (A)	ADULT BASIC EDUCATION (ABE) (B)	ABE/ESL MIXED (C)	TOTALS (D)
NUMBER OF TEACHERS (UNDUPLICATED)	32	24	4	60
NUMBER OF ENROLLEES (UNDUPLICATED)	48	33		81
NUMBER OF ATTENDANCE HOURS	2,035	1,250		3,285
NUMBER OF INSTRUCTIONAL HOURS	2,035	1,250		3,285

**SECTION II. CENSUS ENROLLMENT BY PROGRAM LEVEL  
(UNDUPLICATED NOVEMBER 7 - 11, 1994)**

	ESL	ABE	TOTALS
BEGINNING LEVEL	12	5	17
INTERMEDIATE LEVEL	14	16	30

**SECTION III. NARRATIVE FORM**

Please provide a brief paragraph which describes how your program improved (1) access to users; (2) accountability; (3) quality and responsiveness; and (4) planning and coordination. Use additional pages if necessary (please include your county code and district/vendor code and agency name on any attached pages).

Access to the program has been improved by inclusion in a new telephone literacy hotline which informs callers of literacy programs in their zip code area. The literacy program has been made more visible to the business community by participation in Chamber of Commerce events, speaking engagements at business organizations, and articles and advertisements in Chamber publications. Accountability is maintained through monthly tutor report forms and phone calls, and an adult learner progress evaluation form. The progress evaluation form is designed to help the student define his or her reading and writing goals and to show progress over time. The forms are completed by the student and tutor together every six months. To enhance the quality and responsiveness of the program, staff participated in various literacy related conferences and workshops and incorporated ideas from those events into the literacy program. The program is coordinated by two professionals working as a team dividing tasks by areas of expertise.



CALIFORNIA DEPARTMENT OF EDUCATION  
ADULT EDUCATION - FY 1994-95

ANNUAL PERFORMANCE REPORT

The information requested in this report is required by the United States Office of Education (USOE) as part of the approval of the states' application for Adult Education funds. The California State Plan for Adult Basic Education, approved by USOE, page 5, item 12, states "CDE annually will report information about the state's adult education students, programs, expenditures and goals as may be required by the Secretary." And, on page 53, item (3) which states in part, "the applicant will agree to follow State Guidelines that may be revised from year to year with respect to accountability and data collection procedures."

The four following tables must be completed and returned to the California Department of Education by September 1, 1995.

COUNTY CODE & DISTRICT/VENDOR CODE:  
(See Section 321322/326 Letter of Encumbrance)

FY	County Code	District/Vendor Code
94	30	M 692

AGENCY: Placentia Library District

PROGRAM YEAR: 1994/95

from: July 1, 1994 to: June 30, 1995

TABLE 1. Enter the number of participants by educational functioning level, population, group and sex.

Educational Functioning Level*	American Indian OR Alaskan Native		Asian OR Pacific Islander		Black, not of Hispanic origin		Hispanic		White, not of Hispanic origin		TOTAL of Col B - K (L)
	Male (B)	Female (C)	Male (D)	Female (E)	Male (F)	Female (G)	Male (H)	Female (I)	Male (J)	Female (K)	
1. Beginning A. ABE					1		3		1		6
B. ESL			1	4			4	7	1	1	18
2. Intermediate A. ABE			4	8			3	5	2	5	27
B. ESL			4	12			5	6	2	1	30
3. Advanced ESL											
4. Citizenship											
5. Adult Secondary Ed.											
6. TOTAL			9	24	1		15	18	6	8	81

An enrollee should be included in the racial/ethnic group to which he or she appears to belong, identifies with, or is regarded in the community as belonging. However, no person should be

TABLE 2. Report the number of participants in your program(s) who had achievements in the listed areas during the reporting period. Participants who have several achievements may be listed more than once.

PARTICIPANT ACHIEVEMENT		NUMBER OF PARTICIPANTS (may be duplicated)
<b>EDUCATIONAL:</b>		
1.	Obtained an Adult High School Diploma	
2.	Passed the GED test	
3.	Entered other educational or training program	2
<b>SOCIETAL:</b>		
4.	Applied for US citizenship	
5.	Received US citizenship	
6.	Registered to vote or voted for the first time	
<b>ECONOMIC:</b>		
7.	Gained employment	1
8.	Secured employment retention or obtained job advancement	
9.	Removed from public assistance	
<b>OTHER (specify):</b>		

TABLE 3. Report the number of participants and the number of classes by time and location

LOCATION OF CLASS (A)	NUMBER OF PARTICIPANTS (B)	NUMBER OF DAYTIME CLASSES (C)	NUMBER OF EVENING CLASSES (D)	SITES OPERATING FULL-TIME PROGRAMS (25 hours or more unduplicated count) (E)
<b>SCHOOL BUILDING:</b>				
1. Elementary/Secondary school				
2. Community college (junior college, technical institute, etc)				
3. Four-year college				
<b>OTHER LOCATIONS:</b>				
4. Learning center				
5. Correctional institution				
6. State/local institution for the disabled				
7. Work site				
8. Library	81			81
9. Community-based organization center				
10. Home or home-based				
11. Other				
<b>TOTAL:</b>	<b>81</b>			<b>81</b>

COUNTY CODE & DISTRICT/VENDOR CODE:  
(See Section 321/322/326 Letter of Encumbrance)


AGENCY: Placentia Library District

FY	County Code	District/Vendor Code
9 4	3 0	M 6 9 2

TABLE 4. Enter an unduplicated count of personnel by function and job status.

Function Organizational Placement and Type of Job Performed (A)	ADULT EDUCATION PERSONNEL		
	Paid Personnel		Unpaid Volunteers (D)
	Total number of part-time personnel (B)	Total number of full-time personnel (C)	
1. Local-level administrative/Supervisory/Ancillary services	3		2
2. Local teachers			60
3. Local counselors			
4. Local paraprofessionals			



TO: Library Board of Trustees  
FROM: Elizabeth D. Minter, Library Director   
DATE: September 19, 1995  
SUBJECT: FY1995-1996 Budget

**BACKGROUND:**

Legislative Activities

Staff continues to be watchful of legislative activities concerning the Orange County Bankruptcy recovery. At the present time there is nothing to report other than what has been in the newspapers.

Attachment A is the most recent Legislative Update received from the California Special Districts Association Lobbyist, Ralph Heim.

A legislative update will be presented at the Board Meeting.

Bankruptcy Activities

Attachment B is a memo concerning formalization of the Settlement Agreement for the Orange County Bankruptcy as it was agreed to in principle in August. This is the proposal that is currently being considered by the Legislature.

Attachment D arrived just as the Board Agenda packet was being reproduced. Please review its contents and I will be prepared to summarize its significance at the Board Meeting.

California Library Association Lobbying Activities

Attachment C is a letter from the California Library Association (CLA) Legislative Committee requesting comments on its proposed 1996 Legislative Agenda.

While Placentia Library District is no longer a member of CLA, it is important that we remain aware of its priorities as several years ago it actually sponsored legislation that would have given authority over all of the District's property taxes to the discretion of the County Board of Supervisors. The CLA Legislative Committee and Board of Directors maintained its support of this proposal even though the objections of the independent special library districts were thoroughly explained to them by CLA Legislative Committee Member Linda Elliott.

RECOMMENDATIONS:

Give direction to staff for further activities.



09/12/95

07:35

CAL SPECIAL DIST. → 84PPPPPP19074P301P##

NO. 783 001

Agenda Item 26  
Attachment A

# LEGISLATIVE UPDATE

September 12, 1995

California  
Special Districts  
Association

1121 L Street  
Suite 508  
Sacramento, CA  
95814

916.442-7887  
Fax 916.442-7889

As the Legislature wraps up the 1995 Session, things appear to be in reasonably good shape for the issues CSDA is following. The Legislature is scheduled to recess for the year on Friday and, from press accounts of the past week, the Session could actually recess prior to Friday. Either way, they will recess this week.

Ralph Heim has been monitoring the Conference Committee on Orange and Los Angeles Counties to ensure that whatever recovery plans are adopted, if any, do not impact special districts. As of this writing, there is nothing of concern in the Orange county plan. The plan does shift property tax revenues from the County's dependent special districts, but we have been assured that no such shifts are planned for the County's independent special districts.

With respect to Los Angeles County's plan, on Friday a number of the County's legislators announced that they want to shift \$30 million from the Metropolitan Water District, either from reserves or property tax revenues. There was no mention of other independent special districts, but CSDA will continue to monitor this situation with great care. The Conference Committee met yesterday afternoon and we will publish another Legislative Fax if necessary.

The only other issues that could become a component of the Los Angeles County plan is Assembly Bill 855, which would require cities, special districts and redevelopment agencies to pay a portion of the costs to create additional property tax appeals boards in the County. The impact of those independent special districts in Los Angeles County would not be significant and without additional appeals boards to address the flood of appeals, all the local agencies in the County will realize a continuing reduction in the amount of property tax revenues available for distribution.

With respect to Assembly Bill 49xx, which would require cities and special districts to share in the costs associated with LAFCO budgets, should the bill move forward it will be limited to San Bernardino County only. We are strongly opposing this bill, as are the cities, and the sponsors have indicated to us that if they decide to move the bill, they will limit its application only to this county.

Senate Bill 1232 by Senate President Pro Tem Bill Lockyer, which proposes to force the consolidation of two special districts in Alameda County, has passed the Assembly and, when the bill was return to the Senate for Concurrence in Assembly Amendments, Senator Lockyer moved the measure to a conference committee.

Senator Lockyer told CSDA that he does not plan further action on the bill this year, pending his analysis of the report prepared by Ralph Anderson & Company relative to the impact resulting from a consolidation of the two districts. The Anderson Report concluded that this consolidation would result in minimal savings, and Senator Lockyer wants some time to consider the report in detail prior to making the final decision as to moving the bill to the Governor. We are guardedly optimistic that there will be no further action on the bill this year.

Executive Director  
Catherine Smith

Legislative Advocate  
Ralph Heim  
916.442-4584

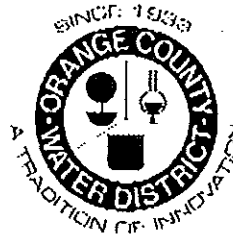
Transmitted by E-FAX Communications, Inc. Oakland, California





*Directors*

PHILIP L. ANTHONY  
 WES BANNISTER  
 KATHRYN L. DARR  
 JOHN V. FONLEY  
 DANIEL E. ORISET  
 LAWRENCE P. KHAEMER JR.  
 GEORGE OSBORNE  
 LANGDON W. OWEN  
 ARNT G. "BUD" QUIST  
 BOB ZEMEL



## ORANGE COUNTY WATER DISTRICT

- VIA FAX -

Agenda Item 26  
 Attachment B

KATHRYN L. BARR  
*President*  
 GEORGE OSBORNE  
*First Vice President*  
 WES BANNISTER  
*Second Vice President*

WILLIAM R. MILLS JR.  
*General Manager*  
 CLARK IDE  
*General Counsel*

**TO: ALL INDEPENDENT SPECIAL DISTRICTS' GENERAL MANAGERS**

**FROM: Andrew V. Czorny/Blake Anderson**

**SUBJECT: SETTLEMENT AGREEMENT**

**DATE: September 7, 1995**

We have a proposed joint agreement that is the first substantive step toward putting a deal together! Today, the Official Orange County Investment Pool Committee (OCIP Committee) voted 6-1 to accept the "Joint Agreement of the County of Orange, The Official Investment Pool Participants Committee and Each Option A Pool Participant for Resolution of All Claims Against the County of Orange" with a few "clean up" items noted in the motion to accept. The proposed agreement will be officially conveyed to all of Option A Pool Participants shortly by the County. I'll get to the major deal points in a moment, but first the mechanics of the process.

The OCIP Committee has accepted the agreement on behalf of itself only. Each Option A participant will have to vote on the agreement itself to make the deal final for that particular entity. What this means, in effect, is that the OCIP Committee vote is advisory to each Option A participant. As your "negotiations committee" and according to our fiduciary responsibilities bestowed upon us by Federal Bankruptcy Trustee Marcie Tiffany in December, we believe that the agreement is satisfactory for advancing and protecting the interests of the former pool participants.

The timing and format of each Option A participant's vote on the agreement has not yet been decided, but you will all be hearing from County's Counsel on those details shortly. I would anticipate that Price Waterhouse would once again be charged with the responsibility of collecting and tabulating the votes taken by each of the Option A participants. Things will start to move fairly rapidly on this issue over the next week or two. For this reason, I recommend that the governing boards of every Option A participant anticipate that some action may be required fairly soon and that they agendaize this issue for discussion and a possible vote during late September or early October. I'd like to be able to be more definitive for you, but I can't. As more news becomes available, the OCIP Committee or the County will forward it to you as soon as possible. Incidentally, the OCIP Committee members and their legal and accounting professionals will be available to make presentations to you as we did during the consideration of the Comprehensive Settlement Agreement that occurred during April and May.

P.O. BOX 8300, FOUNTAIN VALLEY, CA 92728-8300 • 10500 ELLIS AVENUE, FOUNTAIN VALLEY, CA 92708  
 TELEPHONE (714) 378-3200 FAX (714) 378-3373

I understand that the Board of Supervisors will be voting on the Agreement today, September 7. It will then be conveyed to Sacramento along with the proposed legislative language necessary to enact some of the features of the Agreement. Timing on this is very important because, as you may have heard or suspected, there are several interests in Sacramento preparing alternate legislation that would not preserve the details of this carefully crafted agreement but would, instead, target revenues and/or reserves of government entities to address the financial shortfalls caused by the bankruptcy and the prior budgeting practices of the County. This Agreement is essential for preserving the financial positions of the pool participants and other government entities here in Orange County.

Part of the Agreement is that the County will distribute all of the existing County-administered Accounts that it is now holding. For this reason, it is imperative you notify **Bernie Burke of Price-Waterhouse immediately if the County is holding any of your money in a County-administered Account. Bernie's number is 714-435-8871.**

Here are the main deal points:

- \$38 million/year for 15 years will come from the OCTA to the County in the form of cash or transferred Bradley-Burns Sales Tax receipts
- \$23 million/year for 16 years will come from the County to the OCTA in the form of transferred fuel taxes
- \$4 million/year for 20 years will come from Harbors, Beaches and Parks to the County's general fund in the form of transferred property tax revenue
- \$4 million/year for 20 years will come from the Flood Control District to the County's general fund in the form of transferred property tax revenue
- All of the above revenues will be reserved exclusively for the County to perform its obligations under a final and confirmed plan of adjustment.
- The County will file a Plan of Adjustment by January 1, 1996 which may provide for the payment of paying off allowed vendor claims, County employee claims, CSA Senior Claims, replenish the County's existing COP financing reserves, a \$50 million litigation "war chest" against Merrill Lynch, et. al., the Settlement Secured Claims shall be subordinated to only the Senior Claims of the Schools
- Option A Participants will agree to having no further recourse against the County other than the agreed to payment order for receiving litigation proceeds listed below, will agree to not reject the County's future Plan of Adjustment "containing substantially the terms described in this Agreement", will waive any right to post-petition interest, and will dismiss with prejudice all appeals relating to the Court's June 27 order Approving the Compromise of Controversy.

- Regarding litigation proceeds, the payment order will be:
  - First, \$53 million goes to the schools' Settlement Secured Claims
  - Second, \$324 million goes to pay off the non-schools' Settlement Secured Claims
  - Third, \$176 million goes to the County
  - Fourth, \$687 million goes to Repayment Claims with any excess going then to County
  - Fifth, \$400 million goes 25:75 to OCTA and the County
  - Sixth, \$125 million goes to OCTA
  - Seventh, all proceeds in excess of \$1,765 million shall be distributed to the pool participants and the County.
- Tom Hayes will chair a five-member Orange County Recovery Committee which will review the Plan of Adjustment for consistency with this Agreement. The Committee will consist of two OCIP representatives (one being a city representative) and two County representatives.
- The no revenue raid provision: The County will not request the Legislature to divert revenue of Option A participants for the purpose of financing the repayment of claims under the Plan of Adjustment.
- The Agreement becomes effective when its been authorized by:
  - The County of Orange
  - The OCIP Committee
  - The OCTA (this may occur September 8 or 11)
  - Each Option A Pool Participant
  - AND
  - The Legislature and the Governor approves legislation required to complete the Agreement
  - AND
  - The Bankruptcy Court approves the Agreement.
- The County will distribute all of the County Administered Accounts that it now holds.

I mentioned that the OCIP Committee voted 6-1 to approve the Agreement with a couple of "clean up" points required. They are:

- Add a feature that preserves all of the existing rights of the Option A participants that do not sign the Agreement
- The cash flow projections made by Solomon Brothers and that provide much of rationale for how this Agreement looks, should be included as a supporting appendix
- Improve language to be certain that all existing sums in post-petition County Administered Accounts (presently known or not) are all paid back to their rightful owners.

What's not in the Agreement:

The \$18 million revenue enhancement proposed to come proportionally from the pool participants.



From: Gerald Maginnity To: Coordinator

Date: 8/31/95 Time: 13:43:58

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Attachment C  
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# CALIFORNIA LIBRARY ASSOCIATION

August 29, 1995

Dear California Library Association Members:

MARY SUE FERRELL  
Executive Director

The 1995 Legislative Committee is assembling a draft of the 1996 Legislative Agenda. The 1996 committee will be adopting its agenda and forwarding it to the Executive Committee late this year so that legislation can be introduced early next year. Issues are coming from a variety of arenas: the long awaited Networking Plan, the Restructuring Task Force, the Public Library Sections Public Information Campaign, outstanding issues from past years, etc. 1996 promises to be a big year.

Listed below are some key efforts. We welcome and need your comments about the proposed agenda. We are also looking for people who would be willing to work on task forces in any of these areas. Please contact Co-Chairs Beverley Simmons (415/585-6458) or Karen Bosch Cobb (209/488-3438) with comments about the draft agenda. (Numbers in parentheses refer to the Restructuring California Public Libraries Report and Recommendations). Items are not listed in priority order.

## STATE LEGISLATION

- A. Full funding for PLF; Committee members believe this will only be successful if it is marketed as a funding source which provides monies for areas such as more open hours, funds for books and materials, service to children. (13 and 12a). Is this acceptable? Once full funding for PLF has been achieved, look at incentives for interjurisdictional cooperation, including reallocating portions of existing state funding for local libraries and other agencies. (1, 12c) Please comment.
- B. Work with the State library to develop and implement Networking Legislation. (7, 8, 12, 15)
- C. Introduce statewide legislation that would give any public library jurisdiction the option to hold a local sales tax election for 1/8 cents sales tax. Will this meet your needs?
- D. Support any attempts to drop the two-thirds vote needed to raise revenues for library services (14).
- E. Actively Support legislation for library construction Bond Act Bills
- F. Actively monitor legislation that may affect libraries (9), including telecommunications bills.

(Continued on Next Page)

Post-it* Fax Note	7671	Date	8/31/95	# of pages	2
To	MCLS/sls directors	From	MCLS HQ		
Co./Dept.		Co.			
Phone #		Phone #	818/798-1146		
Fax #		Fax #	818/798-1949		

From: Gerald Maginnity To: Coordinator

Date: 8/31/95 Time: 13:44:32

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- G. Research, and identify and remove legislative barriers to charging fees for services above the basic level (11).

**FEDERAL LEGISLATION**

- A. Advocate for passage of LSTA

It's an ambitious agenda. We value your comments NOW. Next year, we will be calling on you for ACTION. These items will be discussed at the September 8 Legislative Committee Meeting in Oakland. It will probably also be discussed at the October 6 meeting which will be held in Southern California. We invite your participation at either location.

Sincerely,



Karen Bosch Cobb  
Co-Chair Legislative Committee



Beverley Simmons  
Co-Chair Legislative Committee

**Distribution:**

- Each member Executive Committee
- Each member Legislative Committee
- Executive Director
- Officers, Technology Section
- Officers, Public Library Section
- Chair, Public Policy and Emerging Issues Committee
- Kevin Sturt, California State Librarian
- Cameron Robertson, Assistant California State Librarian
- City Librarians
- County Librarians
- Each Member California Library Services Board



**ORANGE COUNTY WATER DISTRICT**  
**10500 Ellis Avenue**  
**Post Office Box 8300**  
**Fountain Valley, CA 92728-8300**  
**Telecopier - A. Czorny: (714) 378-3372**

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**TELECOPIER TRANSMITTAL**

**TO:** Elizabeth Minter  
 Placentia Library

**Telecopier #:** (714) 528-8236

\_\_\_\_\_ **PLEASE REVIEW & COMMENT**

\_\_\_\_\_ **PER YOUR REQUEST**

\* \_\_\_\_\_ **FOR YOUR INFORMATION**

**SENT BY:** Darlene Donnell for Andrew V. Czorny

**DATE:** September 14, 1995

**TIME:** 10:20 a.m.

55 **PAGE(S) TO BE TRANSMITTED PLUS COVER SHEET.**

**THIS DOCUMENT(S) WILL NOT BE TRANSMITTED BY REGULAR MAIL.**

**COMMENTS:**

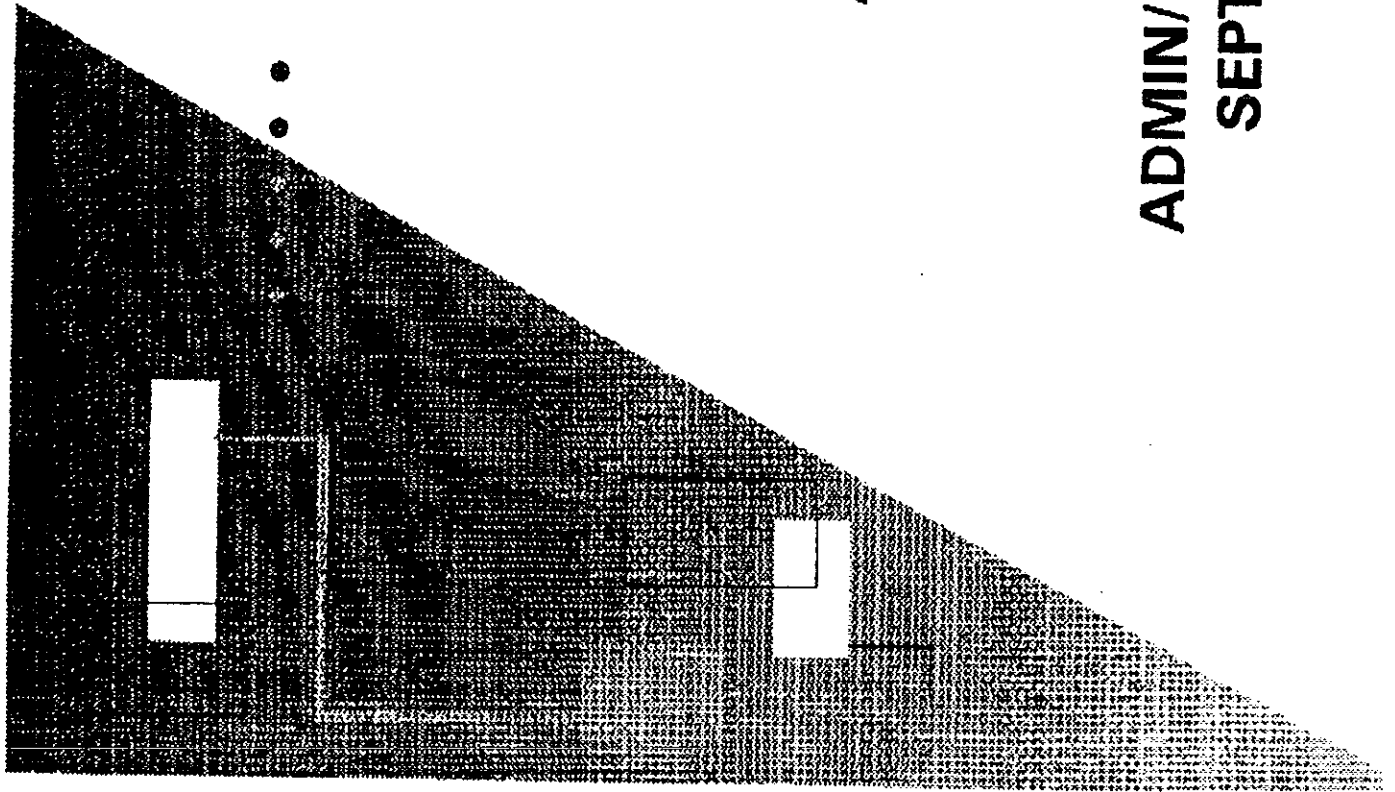
Elizabeth,

Attached is the presentation I made to my Board this morning and the current legislative language, the Joint Agreement, and a Legislative Analyst's Office review of the recovery plan.

**IF YOU DO NOT RECEIVE ALL PAGES OR IF THEY ARE NOT LEGIBLE, PLEASE CALL DARLENE DONNELL IMMEDIATELY AT (714) 378-3262. THANK YOU.**

# **... BANKRUPTCY RECOVERY CONSENSUS AGREEMENT**

**ADMIN/FINANCE COMMITTEE  
SEPTEMBER 14, 1995**





# Bankruptcy Recovery

- The Orange County Business Council facilitated meetings between the County of Orange and the Orange County Investment Pool Committee.
- The agreement builds on plans developed by the league of Cities, Family of Governments, financial consultants and County staff.

# Major Components

- Transfers \$38 million annually for 15 years from OCTA to the County of Orange.
- Transfers \$23 million of the County's gas tax to OCTA for 16 years.
- Establishes County repayment claim of \$225 million to OCTA.
- Reallocates \$12 million of County Special District property taxes annually for 20 years.

(Continued)

## Major Components

- County will file a plan of adjustment with the Bankruptcy Court by January 1, 1996.
- Establishes a litigation trust of \$50 million. Tom Hayes will serve as the trustee.
- Moves all \$817 million in Option A pool participant senior secured and repayment claims to litigation trust and are contingent on successful litigation.

# Final Plan Changes

- **No further revenue diversions can be sought for bankruptcy relief.**
- **The \$18 million cash contribution by the Orange County Investment pool participants deleted.**
- **No requirement for Special Districts to backstop a \$30 million County debt issuance.**
- **County will release the current cash balance on County-administered accounts.**

(Continued)

## • • • • • Final Plan Changes

- Schools will receive \$13.4 million in withheld property tax revenues.
- Tom Hayes will chair five-member Orange County Recovery Committee.
- Litigation proceeds distribution order:
  - \$53 million to the schools.
  - \$324 million all other Option A pool participants.
  - \$176 million to the County with an obligation to pay the county-administered account deficiencies first (about \$80 million).
  - 65 percent to the Option A pool participants and 35 percent to the County remaining proceeds.

# Legislative Summary

- Bankruptcy plan legislation has been assigned to a conference committee.
- Committee must take action by Tuesday, September 12.
- Final approval must be completed by Friday, September 15.
- The Governor has 30 days to sign or veto the bill.

# Next Steps

- Approve the Joint Agreement
- Continue to monitor legislation
- Begin detailed analysis of impacts to OCWD operations.

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An act to add and repeal Section 29530.5 of the Government Code, to add Section 97.5 of the Revenue and Taxation Code, to add Section 130241.5 of the Public Utilities Code, to amend Section 25350.6 of the Government Code, to add Section 25350.7 of the Government Code, to add Section 25350.8 of the Government Code, to add Section 25350.9 of the Government Code, to add Section 25350.10 of the Government Code, to add Section 25350.11 of the Government Code, ~~to add Section 25350.12 of the Government Code,~~ to amend Section 25350.55 of the Government Code, and to add and repeal Section 2128 to the Streets and Highways Code, relating to local government finance.

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** It is the intent of the Legislature in enacting this act that the Orange County Transportation Authority continue to carry out the purposes of the Mills-Alquist-Deddeh Act as set forth in Section 99220 of the Public Utilities Code. In particular, the Legislature intends that senior citizens and disabled persons should continue to receive substantially the same level of bus transportation service. It is the further intent of the legislature that, prior to January 1, 1996, the County of Orange and the Orange County Transportation Authority shall report to the Legislature the steps taken to maintain adequate public transportation in the County of Orange.

In enacting this act the Legislature recognizes that, because of the amounts required to be transferred to the Orange County Transportation Authority from the amounts received by the County from the Highway Users Tax Account in the Transportation Tax Fund, the construction of certain vital County road projects, Newport Coast Drive and Laguna Canyon Road, will be adversely affected unless funding therefor can be otherwise obtained. In enacting this act the Legislature understands that all of the other local government agencies in the County of Orange have officially expressed their intent to use their best efforts to obtain funding to complete these vital road projects.

In enacting this act the Legislature further recognizes that the County of Orange has developed a Consensus County Recovery Plan that includes as its key elements:

- (a) the diversion of \$38 million annually for 15 years of Bradley Burns Sales Tax revenues from the Orange County Transportation Authority, beginning in July 1996;
- (b) the transfer to the Orange County Transportation Authority of \$23 million annually for 16 years of Orange County Proposition 111 revenues, beginning July 1997;
- (c) the agreement by Orange County Investment Pool Participants to cover County expenses totaling \$18 million in diverted Proposition 111 money over a five year period;

*Exhibit "A"*



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(d) the agreement by Orange County Investment Pool participants to subordinate their claims to a non-recourse status;

(e) the diversion of County funds from the County's Flood Control; Harbors, Beaches and Parks; and Development Agency;

(f) the agreement by the County of Orange to contribute \$105 million in one-time money from the sale of assets and through the refinancing of existing county leases and \$25 million a year for 20 years through the importation of trash and the refinancing of delinquent taxes; and support for any County underwriting to facilitate the payment of allowed claims.

It is further understood by the Legislature that the proceeds from all of the above agreements will permit the payment of all allowed vendor and labor claims in full, but not to exceed \$100 million, and the repayment of indebtedness owed by the County of Orange due in the Summer of 1996.

**SEC. 2. The Legislature hereby finds and declares all of the following:**

(a) The County of Orange lacks sufficient resources to finance an acceptable plan of adjustment in its pending bankruptcy case.

(b) On June 27, 1995, the voters of the County of Orange defeated a proposed sales tax increase, indicating the public's unwillingness to raise new taxes to finance a plan of adjustment.

(c) It is in the interest of the State and all public debt issuers within the State to enable the County of Orange to finance an acceptable plan of adjustment in order to improve the credit standing of California public debt issuers and to preserve and protect the health, safety, and welfare of the citizens of the county and the state.

(d) In the absence of some alternative source of revenue not now available to the County of Orange, funds from other governmental units within the County must be transferred to the County to enable it to prepare, and obtain confirmation of, an acceptable plan of adjustment.

(e) The transfer of funds to the County should be designed to minimize the impact on affected entities.

(f) The emergence from bankruptcy of the County of Orange through the confirmation of an adequate plan of adjustment will assist in the effectuation of the primary purposes of the Community Redevelopment Law, including job creation, attracting new private commercial investments, the physical and social improvement of residential neighborhoods, and the provision and maintenance of low- and moderate-

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income housing. The attraction of new businesses to redevelopment project areas depends on the existence of an effective county government that is not burdened by litigation and other requirements of a bankruptcy proceeding. The payments to the county pursuant to section 97.5 (c) of the Revenue and Taxation Code benefit redevelopment project areas and are deemed a debt of the Orange County Development Agency to repay the county for such general and specific benefits to the redevelopment project areas previously provided by the county.

**SEC. 3. Section 29530.5 is added to the Government Code, to read:**

**29530.5 (a) Notwithstanding any other provision of this article, the board of supervisors for the County of Orange may, upon the adoption of a resolution approved by a majority of all of its members, unilaterally modify its contract, as described in Section 29530 of the Government Code, with the State Board of Equalization to require that, effective on or after July 1, 1996, except to the extent that the provisions of paragraph (b) shall apply during any period, county sales and use tax revenues described in Section 29530 of the Government Code be deposited into the County of Orange general fund in an amount equal to three million one hundred sixty-six thousand six hundred sixty-seven dollars (\$3,166,667) per month plus any amount by which amounts deposited in the general fund in prior months were less than three million one hundred sixty-six thousand six hundred sixty-seven dollars (\$3,166,667) times the number of prior months ~~determined on a cumulative basis.~~**

**(b) (1) If the County of Orange has elected to guaranty payment of its obligations under an agreement to finance the lease or lease-purchase of property through the issuance of certificates of participation or lease revenue bonds pursuant to Section 25350.7 (a) of the Government Code, the amounts required to be deposited in the general fund of the County of Orange, in any month, pursuant to paragraph (a) shall be reduced by the amounts, if any, transferred by the Controller to the trustee for the certificates of participation or lease revenue bonds, pursuant to Section 25350.7 (a) of the Government Code.**

**(2) If the County of Orange has elected to satisfy its obligations under an agreement to finance the lease or lease-purchase of property through the issuance of certificates of participation or lease revenue bonds pursuant to Section 25350.7 (b) of the Government Code, the amounts required to be deposited in the general fund of the County of Orange, in any month, pursuant to paragraph (a) shall be reduced by the amounts transferred by the Controller to the trustee for the certificates of participation or lease revenue bonds, pursuant to Section 25350.7 (b) of the Government Code.**

**(c) This section shall not take effect unless and until a plan of adjustment is confirmed in Case No. SA-94-22272-JR in the United States Bankruptcy Court for the Central District of California.**

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(d) This section shall remain in effect only until June 30, 2011 and as of that date is repealed, unless a later enacted statute, that is enacted on or before June 30, 2011, deletes or extends that date.

**SEC. 4. Section 97.5 is added to the Revenue and Taxation Code, to read:**

**Section 97.5. (a)** Notwithstanding any other provision of this chapter, the computations and allocations made by the County of Orange pursuant to Section 96.1 shall be modified for the 1995-96 fiscal year, as follows:

*through the 2014-15 fiscal year, inclusive,*  
(1) The amount of property tax deemed allocated in the prior fiscal year to each of the following specified County of Orange special district and fund shall be reduced by the dollar amounts indicated below, and the amount equal to the proportionate incremental increase, if any, in property taxes resulting from an increase in the assessed valuation of real property:

	<b>Property Tax Reduction</b>
Flood Control District	\$4 million
Harbors, Beaches & Parks Fund	\$4 million

(2) The amount of property tax revenues not allocated to the specified district and fund as a result of the reductions calculated pursuant to paragraph (a) shall be allocated to the County of Orange.

(b) Notwithstanding any other provision of this chapter, the computations and allocations made by the County of Orange pursuant to Section 96.1 shall be modified for the ~~2016-17~~ fiscal year as follows:

*2015-16*

(1) The amount of property tax deemed allocated in the prior fiscal year to each of the specified County of Orange special district and fund listed in subdivision (a) (1) shall be increased by the dollar amounts set forth in subdivision (a) (1).

(2) The amount of property tax deemed allocated to the County of Orange shall be reduced by the aggregate of the dollar amounts set forth in subdivision (a) (1).

(c) For a period of twenty years commencing on July 1, 1996, the Orange County Development Agency shall transfer to the general fund of the County of Orange an amount equal to \$4 million a year in two equal installments on June 15 and February 15 of each year. The Orange County Development Agency shall not incur any obligation with respect to loans, advances of money, or indebtedness (whether funded, refunded, assumed or otherwise) that would impair its ability to make the foregoing transfers or that would cause the foregoing transfers to violate Article 16, Section 16 of the Constitution or Section 33670(b) of the Health and Safety Code.

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**SEC. 5. Section 130241.5 is added to the Public Utilities Code, to read:**

**130241.5. (a) Unless the board of supervisors of the County of Orange shall have adopted the resolution described in Section 29530.5 of the Government Code, the Orange County Transportation Authority shall cause to be deposited the sum of three million one hundred sixty-six thousand six hundred sixty-seven dollars (\$3,166,667) in the general fund of the County of Orange on or before the first day of July, 1996 and on or before the first day of each month thereafter to and including June 1, 2011.**

**(b) Notwithstanding any other provision of law, the board of directors of the Orange County Transportation Authority shall have the authority to use any funds of the Orange County Transportation Authority and/or any funds of any public entity governed by the members of the Orange County Transportation Authority, comprised as specified in Section 130052, in order to satisfy the deposit of funds required by this section.**

**(c) In the event the Orange County Transportation Authority fails at any time to cause to be deposited the sum of money as provided in subsection (a), notwithstanding any other provision of law, the board of supervisors for the County of Orange may, upon the adoption of a resolution approved by a majority of all of its members, modify its contract, as described in Section 29530 of the Government Code, with the State Board of Equalization to require that, effective the month that the Orange County Transportation Authority fails to deposit the sum required by subsection (a), the sum of three million one hundred sixty-six thousand one hundred sixty-seven dollars (\$3,166,667) of those County sales and use tax revenues described in Section 29530 of the Government Code be deposited into the county general fund. In such event the Orange County Transportation Authority shall have no further obligation to make the deposit required by subsection (a), other than as provided in subsection (d).**

**(d) The Orange County Transportation Authority shall establish a reserve or line of credit in an amount of not less than ten million dollars (\$10,000,000) to guarantee the monthly deposits as provided in subsection (a) to the County of Orange for a period of three months in the event the Orange County Transportation Authority fails at any time to cause to be deposited the sum of money as provided in subsection (a). The purpose of the reserve or credit line is to assure the continued deposits to the County of Orange for three months in order to provide time for the County of Orange to act pursuant to Section 29530.5 of the Government Code to secure the continued funding and with no lapse.**

**(e) ~~If~~ If the County of Orange has elected to guaranty payment of <sup>or</sup> ~~it~~ to satisfy its obligations under an agreement to finance the lease or lease-purchase of property through the execution and delivery of certificates of participation or lease revenue bonds pursuant to subdivisions (a) or (b) of section 25350.7 of the Government Code, the amounts required to be deposited in the general fund of the County of Orange, in any month, pursuant to subdivision (a) shall be reduced by the amounts, if any, transferred by**

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*Orange County Transportation Authority*  
the Controller to the trustee for the certificates of participation or lease revenue bonds pursuant to subdivision (a) or (b) of Section 25350.7 of the Government Code.

(f) This section shall not take effect unless and until a plan of adjustment is confirmed in Case No. SA-94-22272-JR in the United States Bankruptcy Court for the Central District of California.

SEC. 6. Section 25350.6 of the Government Code is amended to read:

25350.6. (a) Moneys credited to the Motor Vehicle License Fee Account in the Transportation Fund to which the County of Orange may at any time be entitled shall be pledged, without any necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease revenue bonds executed and delivered during 1995 or 1996, including obligations executed and delivered before 2001 to refund those certificates of participation or lease revenue bonds, to finance or refinance the lease or lease purchase of property to the county and having a stated maturity of 20 years or more, ~~other than certificates of participation or lease revenue bonds secured by a pledge of enterprise revenue, including, but not limited to, airport revenues or solid waste system revenues.~~ However, the amount so pledged with respect to any fiscal year of the county shall not exceed the amounts to be paid in that fiscal year on those certificates or lease revenue bonds.

(b) The state hereby covenants with the holders of any certificates of participation or lease revenue bonds, including refunding obligations, entitled to the pledge granted by this section that, as long as any of the certificates of participation or lease revenue bonds entitled to the pledge granted by this section shall remain outstanding, the state shall not alter or amend the deposit of moneys into, or the allocation of moneys credited to, the Motor Vehicle License Fee Account in the Transportation Tax Fund under Chapter 5 (commencing with Section 11001) of Part 5 of Division 2 of the Revenue and Taxation Code in any manner that would adversely affect the security of, or the ability of the county to pay the principal of and interest on, the certificates of participation or lease revenue bonds entitled to the pledge granted by this section. However, nothing precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract represented by the certificates of participation or lease revenue bonds, and the right to so alter or amend is hereby reserved. The County of Orange may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease revenue bonds.

SEC. 7. Section 25350.7 is added to the Government Code, to read:

25350.7. (a) Prior to entering into an agreement to finance the lease or lease-purchase of property through the execution and delivery of certificates of participation or lease revenue bonds, the board of supervisors of County of Orange may elect, by resolution, to guarantee payment under that financing agreement with all or part of the

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funds to be deposited with the County of Orange pursuant to Section 29530.5 of the Government Code or Section 130241.5 of the Public Utilities Code, as applicable, in accordance with the following:

(1) If the County of Orange elects to participate under this section it shall provide notice to the Controller and to the State Board of Equalization of that election, which shall include a schedule for the payments to be made by the county under that financing agreement, and identify a trustee appointed by the county for the purpose of this section.

(2) In the event that, for any reason, the funds available to the County of Orange will not be sufficient to make any payment under the financing agreement at the time that payment is required, the County of Orange shall so notify the trustee, and shall deliver to the Controller and the State Board of Equalization a duly certified copy of the resolution of its board of supervisors adopted pursuant to Section 29530.5 of the Government Code. The trustee shall immediately communicate that information to the affected holders of certificates of participation or bondholders, to the Controller and to the State Board of Equalization.

(3) When the Controller receives notice from the trustee, and a copy of the resolution from the County, as described in paragraph (2), or, after having adopted the resolution described in paragraph (2), the county fails to make any payment under the financing agreement at the time that payment is required, the Controller shall make an apportionment to the trustee in the amount of that required payment for the purpose of making that payment. The Controller shall make that payment only from moneys to be transmitted to the County of Orange by the State Board of Equalization under Section 7204 of the Revenue and Taxation Code, which are derived from that portion of the sales and use taxes imposed by the County of Orange in excess of 1 percent, pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, and which are permitted to be deposited to the general fund of the County of Orange pursuant to Section 29530.5 of the Government Code, and the State Board of Equalization shall thereupon reduce, by the amount of the payment, the subsequent amounts to which the County would be entitled under that Section.

(b) As an alternative to the procedure set forth in subparagraphs (2) and (3) of paragraph (a), the board of supervisors of the County of Orange may, on or after the date of adoption by the board of supervisors of the resolution described in Section 29530.5 of the Government Code provide a transfer schedule in a notice to the Controller and the State Board of Equalization of its election to participate under this section. The transfer schedule shall set forth the amounts to be transferred to the trustee and the date or dates for the transfers and the Controller shall, subject to the limitation in the second sentence of paragraph (3), make apportionments to the trustee in those amounts on the specified date or dates for the purpose of making those transfers.

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(c) In the event that, for any reason, the County of Orange is no longer obligated, for any period, to make all or a portion of the payments with respect to the lease or lease-purchase financed through the issuance of certificates of participation or lease revenue bonds, the trustee shall so notify the affected holders of certificates of participation or bondholders, the Controller and the State Board of Equalization. Upon receipt of the notification, the Controller shall cease making the transfers. If, after the giving of the notice, the obligation of the County of Orange to make payments with respect to the lease or lease-purchase financed through the issuance of certificates of participation or lease revenue bonds is restored, the trustee shall so notify the affected holders of certificates of participation or bondholders, the Controller and the State Board of Equalization. Upon receipt of the notification, the Controller shall resume making the transfers.

(d) In the event that the Orange County Transportation Authority is to deposit funds as provided in Section 130241.5 of the Public Utilities Code, then the provisions of this section, which apply to the Controller and the State Board of Equalization, shall apply with equal force and effect to the Orange County Transportation Authority.

(e) Any election made by the County of Orange pursuant to this section shall be in addition to any other election made by the County of Orange pursuant to any other applicable provision of law, to guarantee the obligation of the County of Orange to make payments with respect to the lease or lease-purchase of property financed through the certificates of participation or lease revenue bonds.

**SEC. 8. Section 25350.8 is added to the Government Code, to read:**

**25350.8. (a) Taxes collected by the State Board of Equalization pursuant to Section 7204 of the Revenue and Taxation Code, which are derived from that portion of the taxes imposed by the County of Orange in excess of 1 percent pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, and which are permitted to be deposited to general fund of the County of Orange pursuant to Section 29530.5 (a) (1) of the Government Code, or funds to be deposited by the Orange County Transportation Authority pursuant to Section 130241.5 of the Public Utilities Code, shall be pledged, without the necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease revenue bonds executed and delivered during the years 1996 and 1997, including obligations executed and delivered before January 1, 2001 to refund those certificates of participation or lease revenue bonds, to finance or refinance the lease or lease-purchase of property of the County of Orange and having a stated maturity of 20 years or more. However, the amount so pledged with respect to any fiscal year of the County of Orange shall not exceed the amounts to be paid in that fiscal year on those certificates or lease revenue bonds.**

**(b) The pledge of taxes or funds pursuant to this section shall constitute a contract between the County of Orange and the owners of any of the certificates of participation or**

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lease revenue bonds and shall be protected from impairment by the United States and California Constitutions. The state hereby covenants with the owners of any certificates of participation or lease revenue bonds entitled to the pledge granted by this section that, as long as any of the certificates of participation or lease revenue bonds entitled to the pledge granted by this section shall remain outstanding, (i) the provisions of Section 7202 which authorize the imposition of the taxes shall not be repealed and (ii) the provisions of Section 29530.5 (a) of the Government Code or Section 130241.5 of the Public Utilities Code, as applicable, may not be repealed prior to July 1, 2010 nor altered or amended prior to that date in any manner that would adversely affect the security of, or the ability of the county to pay, the principal of and interest on the certificates of participation or lease revenue bonds entitled to the pledge granted by this section. However, nothing precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract represented by the certificates of participation or lease revenue bonds, and the right to so alter or amend is hereby reserved. The County of Orange may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease revenue bonds.

**SEC. 9.** Section 25350.9 is added to the Government Code, to read:

**25350.9. (a)** Prior to entering into an agreement to finance the lease or lease-purchase of property through the execution and delivery of certificates of participation or lease revenue bonds, the board of supervisors of County of Orange may elect, by resolution, to guarantee payment under that financing agreement in accordance with the following:

(1) If the County of Orange elects to participate under this section it shall provide notice to the Controller and to the State Board of Equalization of that election, which shall include a schedule for the payments to be made by the county under that financing agreement, and identify a trustee appointed by the county for the purpose of this section.

(2) In the event that, for any reason, the funds available to the County of Orange will not be sufficient to make any payment under the financing agreement at the time that payment is required, the county shall so notify the trustee. The trustee shall immediately communicate that information to the affected holders of certificates of participation or bondholders, to the Controller and to the State Board of Equalization.

(3) When the Controller receives notice from the trustee as described in paragraph (2), or the county fails to make any payment under the financing agreement at the time that payment is required, the Controller shall make an apportionment to the trustee in the amount of that required payment for the purpose of making that payment. The Controller shall make that payment only from moneys to be transmitted to the County of Orange by the State Board of Equalization under Section 7204 of the Revenue and Taxation Code, which are derived from that portion of the sales and use taxes imposed by the County of Orange pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the





ORANGE COUNTY TRANSPORTATION AUTHORITY

450 South Main Street
ORANGE, CALIFORNIA 92668
TELEPHONE: 714/560-OCTA

FACSIMILE TRANSMITTAL FORM

PRIORITY: [X] ROUTINE [ ] CONFIDENTIAL [ ] URGENT

DATE: 09/11/95

TO: Jon Scholtz and Andy Czorny

PHONE #: FAX #:

FROM: Stan Ofalle, CEO

PHONE #: (714) 560-5665 FAX #: (714) 560-5796

NUMBER OF PAGES INCLUDING COVER: 58 total PART II - 29 (WITH COVER SHEET)

SENDER'S MESSAGE:

- Please review and respond
Pursuant to your request
For your review and approval
Service by facsimile
For your information and file
Transmittal by facsimile

COMMENTS:

NOTE: If you do not receive all pages, please call.

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Revenue and Taxation Code, other than that portion of such taxes described in Section 29530.5 of the Government Code, and the State Board of Equalization shall thereupon reduce, by the amount of the payment, the subsequent amounts to which the County would be entitled under that Section.

(b) As an alternative to the procedure set forth in subparagraphs (2) and (3) of paragraph (a), the board of supervisors of the County of Orange may provide a transfer schedule in a notice to the Controller and the State Board of Equalization of its election to participate under this section. The transfer schedule shall set forth amounts to be transferred to the trustee and the date or dates for the transfers and the Controller shall, subject to the limitation in the second sentence of paragraph (3), make apportionments to the trustee in those amounts on the specified date or dates for the purpose of making those transfers.

(c) In the event that, for any reason, the County of Orange is no longer obligated, for any period, to make all or a portion of the payments with respect to the lease or lease-purchase financed through the issuance of certificates of participation or lease revenue bonds, the trustee shall so notify the affected holders of certificates of participation or bondholders, the Controller and the State Board of Equalization. Upon receipt of the notification, the Controller shall cease making the transfers. If, after the giving of the notice, the obligation of the County of Orange to make payments with respect to the lease or lease-purchase financed through the issuance of certificates of participation or lease revenue bonds is restored, the trustee shall so notify the affected holders of certificates of participation or bondholders, the Controller and the State Board of Equalization. Upon receipt of the notification, the Controller shall resume making the transfers.

(d) Any election made by the County of Orange pursuant to this section shall be in addition to any other election made by the County of Orange pursuant to any other applicable provision of law, to guarantee the obligation of the County of Orange to make payments with respect to the lease or lease-purchase of property financed through certificates of participation or lease revenue bonds.

SEC. 10. Section 25350.10 is added to the Government Code, to read:

25350.10. (a) Taxes collected by the State Board of Equalization pursuant to Section 7204 of the Revenue and Taxation Code, which are derived from the taxes imposed by the County of Orange pursuant to Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, other than that portion of those taxes described in Section 25350.7 of the Government Code, shall be pledged, without the necessity for specific authorization of the pledge by the board of supervisors, to all certificates of participation or lease revenue bonds executed and delivered during the years 1996 and 1997, including obligations executed and delivered before January 1, 2001 to refund those certificates of participation or lease revenue bonds, to finance or refinance the lease or lease-purchase of property of the County of Orange and having a stated maturity

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of 20 years or more. However, the amount so pledged with respect to any fiscal year of the County of Orange shall not exceed the amounts to be paid in that fiscal year on those certificates or lease revenue bonds.

(b) The pledge of taxes pursuant to this section shall constitute a contract between the County of Orange and the owners of any of the certificates of participation or lease revenue bonds and shall be protected from impairment by the United States and California Constitutions. The state hereby covenants with the owners of any certificates of participation or lease revenue bonds entitled to the pledge granted by this section that, as long as any of the certificates of participation or lease revenue bonds entitled to the pledge granted by this section shall remain outstanding, the provisions of Section 7202 which authorize the imposition of the taxes shall not be repealed. However, nothing precludes any alteration or amendment if and when adequate provision has been made by law for the protection from impairment of the contract represented by the certificates of participation or lease revenue bonds, and the right to so alter or amend is hereby reserved. The County of Orange may include this covenant of the state in the agreements or other documents underlying the certificates of participation or lease revenue bonds.

**SEC. 11. Section 25350.11 is added to the Government Code, to read:**

25350.11. Notwithstanding any other provisions of this chapter, the sum of the amounts pledged with respect to any fiscal year pursuant to Sections 25350.6, 25350.8, and 25350.10 of the Government Code shall not exceed the amounts to be paid in that fiscal year on the certificates of participation or lease revenue bonds entitled to the pledge described in those sections.

**SEC. 12. Section 25350.55 of the Government Code is amended to read:**

25350.55. (a) Prior to entering into an agreement to finance the lease or lease-purchase of property through the issuance of certificates of participation or lease revenue bonds, the board may elect, by resolution, to guarantee payment under that financing agreement in accordance with the following:

(1) A county that elects to participate under this section shall provide notice to the Controller of that election, which shall include a schedule for the payments to be made by the county under that financing agreement, and identify a trustee appointed by the county for the purposes of this section.

(2) In the event that, for any reason, the funds otherwise available to the county will not be sufficient to make any payment under the financing agreement at the time that payment is required, the county shall so notify the trustee. The trustee shall immediately communicate that information to the affected holders of certificates of participation or bondholders, and to the Controller.

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(3) When the Controller receives notice from the trustee as described in paragraph (2), or the county fails to make any payment under the financing agreement at the time that payment is required, the Controller shall make an apportionment to the trustee in the amount of that required payment for the purpose of making that payment. The Controller shall make that payment only from moneys credited to the Motor Vehicle License Fee Account in the Transportation Tax Fund to which that county is entitled at that time under Chapter 5 (commencing with Section 11001) of Part 5 of Division 2 of the Revenue and Taxation Code, and shall thereupon reduce, by the amount of the payment, the subsequent allocation or allocations to which the county would otherwise be entitled under that chapter.

(4) As an alternate to the procedure set forth in paragraphs (2) and (3), the board of supervisors may provide a transfer schedule in a notice to the Controller of its election to participate under this section. The transfer schedule shall set forth amounts to be transferred to the trustee and the date or dates for the transfers and the Controller shall, subject to the limitation in the second sentence of paragraph (3), make apportionments to the trustee in those amounts on the specified date or dates for the purpose of making those transfers.

(5) In the event that, for any reason, the county is no longer obligated, for any period, to make all or a portion of the payments with respect to the lease or lease-purchase financed through the issuance of certificates of participation or lease revenue bonds, the trustee shall notify the affected holders of certificates of participation or bondholders. The trustee shall also notify the Controller. Upon receipt of the notification, the Controller shall cease making the transfers. If, after the giving of the notice, the obligation of the county to make payments with respect to the lease or lease-purchase financed through the issuance of certificates of participation or lease revenue bonds is restored, the trustee shall so notify the affected holders of certificates of participation or bondholders and the Controller. Upon receipt of the notification, the Controller shall resume making the transfers.

(b) This section shall not be construed to obligate the State of California to make any payment to a county from the Motor Vehicle License Fee Account in the Transportation Tax Fund in any amount or pursuant to any particular allocation formula, or to make any other payment to a county, including, but not limited to, any payment in satisfaction of any debt or liability incurred or guaranteed by a county in accordance with this section.

SEC. 13. Section 2128 is added to the Streets and Highways Code, to read:

2128. (a) Notwithstanding any other provision of this Chapter, the apportionments that would be made to the County of Orange under the provisions of this Chapter shall be apportioned as follows:

(1) The Orange County Transportation Authority shall be paid \$1,916,667 during each calendar month commencing July, 1997 and ending June, 2013;

(2) All remaining apportionments shall be paid to the County of Orange at the time each apportionment would have been made to the County of Orange;

(b) This Section shall take effect July 1, 1997 and remain in effect only until June 30, 2013, and as of that date is repealed, unless a later enacted statute, that is enacted before July 1, 2013 deletes or extends that date.

(c) This section shall not take effect unless and until a plan of adjustment is confirmed in Case No. SA-94-22272-JR in the United States Bankruptcy Court for the Central District of California.

**SEC. 14.** The Legislature hereby finds and declares that a general statute, within the meaning of Section 16 of Article IV of the California Constitution, cannot be made applicable due to the uniquely severe fiscal crisis being experienced by the County of Orange, and that, therefore, this special statute is necessary.

**SEC. 15.** Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to part 7 (commencing with section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

**SEC. 16.** If any section or provision of this act is held invalid, such invalidity shall not affect the validity of the other provisions of this act.

**SEC. 17.** Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

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# Indicative Consensus Plan Cash Flow

Revenue Analysis	0	1-4	5-10	11-15	16-20	21-25	26-30	Gross Value	Present Value (at)
<b>Currently Available Revenues</b>									
Note: Required Reductions to Balance General Fund (#)	\$0	(\$15)	(\$25)	(\$25)	(\$25)	(\$15)	(\$15)	(\$600)	(\$251)
<b>Revenues Currently Available to Fund Allowed Claims</b>									
Recovery Bonds (c)	0	0	(10)	(10)	(10)	0	0	(150)	(65)
Teches Program (d)	40	10	10	10	10	0	0	240	146
Asset Sales / Privatization	20	0	0	0	0	0	0	20	28
Waste Management	0	15	15	15	15	0	0	300	159
Revenues Available to Fund Allowed Claims	\$60	\$25	\$15	\$15	\$15	\$0	\$0	\$418	\$260
<b>Proposed Revenues</b>									
<b>Sales Tax Reallocation</b>									
Bradley-Burns Sales Tax - OCTA	\$0	\$38	\$38	\$38	\$38	\$0	\$0	\$570	\$346
Bradley-Burns Sales Tax - Cities	0	0	0	0	0	0	0	0	0
Total Sales Tax Reallocation	\$0	\$38	\$38	\$38	\$38	\$0	\$0	\$570	\$346
<b>Property Tax Reallocation</b>									
Habitat, Beaches and Parks	0	4	4	4	4	0	0	28	42
Flood Control	0	4	4	4	4	0	0	28	42
County Redevelopment Agencies	0	4	4	4	4	0	0	28	42
Water and Sanitation Districts (e)	0	0	0	0	0	0	0	0	0
Total Property Tax Reallocation	\$0	\$12	\$12	\$12	\$12	\$0	\$0	\$36	\$127
<b>Other Revenues / Cash</b>									
CO's Refinancing	95	0	0	0	0	0	0	95	95
Litigation Reserve Fund	(90)	0	0	0	0	0	0	(90)	(90)
Subtotal	\$45	\$90	\$90	\$90	\$90	\$0	\$0	\$885	\$518
<b>Total Revenues</b>	\$105	\$75	\$45	\$45	\$45	\$0	\$0	\$1,265	\$778

(a) Assume a discount rate of 7.5%.

(b) Represents non-recurring revenues and incremental debt service on Recovery Bonds. Assumes budget cuts of \$117 million in the general fund are achieved.

(c) Represents incremental debt service on the Recovery Bonds.

(d) The available Toter reserves of \$80 million are included as \$40 million in Year 0 and \$40 million in Year 1. The \$40 million per annum does not flow into the general fund until fiscal 1997.

(e) The County will request that the Water Districts and Sanitation Districts serve as a backstop in the event funds and/or security is insufficient to complete a public offering or satisfy existing allowed claims.

Exhibit "B"

# Indicative Consensus Plan Repayment Schedule

	1-6	6-10	11-15	16-20	21-25	26-30
<b>(Dollar in Millions)</b>						
Total Public Debt Amortization (a)	\$65	\$55	\$55	\$0	\$0	\$0
Total County Note Amortization (b)	4	4	4	4	0	0
Total Annual Debt Service	\$58	\$58	\$58	\$4	\$0	\$0
Cash from Currently Available Revenue Sources	\$25	\$15	\$15	\$15	\$0	\$0
Cash from Proposed Revenue Sources	50	50	50	12	0	0
Remaining Cash Available	\$17	\$7	\$7	\$23	\$0	\$0
Cash Required to Backfill General Fund Shortfall (c)	4	0	0	0	0	0
Remaining Cash Available to Fund Amortized Need	\$13	\$7	\$7	\$23	\$0	\$0
Remaining Amortized Need (d)	\$250	\$151	\$117	\$0	\$0	\$0

(a) All new underwritten bonds are issued in sufficient amount to fund a 10% debt service and issuance cost.  
 (b) County bonds are assumed to bear interest at 5.50%.  
 (c) Represents the average amount required to offset the general fund overhead burden resulting from the transfer of major vehicle fuel taxes to the CCTA, which is an estimated \$16 million in Year 1, \$4 million in Year 2, \$3 million in Year 3, \$2 million in Year 4 and \$1 million in Year 5.  
 (d) The Amortized Need does not accrue interest.

## EXECUTION COPY

SEPTEMBER 6, 1995

**JOINT AGREEMENT (the "Agreement") OF THE COUNTY OF ORANGE,  
THE OFFICIAL INVESTMENT POOL PARTICIPANTS' COMMITTEE  
AND EACH OPTION A POOL PARTICIPANT FOR RESOLUTION OF  
ALL CLAIMS AGAINST THE COUNTY OF ORANGE**

1. Definitions. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the Comprehensive Settlement Agreement re: Orange County Investment Pools (the "Comprehensive Settlement Agreement"), in the form approved by the United States Bankruptcy Court for the Central District of California ("Bankruptcy Court") in an order entered on May 2, 1995.
  
2. Reallocation of Bradley-Burns Sales Tax; Alternatively, Deposit of Funds by OCTA. The County of Orange (the "County"), the Orange County Transportation Authority ("OCTA"), the Orange County Transit District ("OCTD"), and the Official Investment Pool Participants' Committee (the "OCIP Committee") agree to support the passage by the California legislature (the "Legislature") and the approval thereof by the Governor of the State of California (the "Governor") of legislation providing for one of the following alternatives, which alternatives shall be selected by the County in the County's sole and absolute discretion: (a) the deposit by OCTA with the County of Orange of \$38 million per year for a term of 15 years commencing on July 1, 1996; or (b) the reallocation to and/or retention by the County of a portion of the Bradley-Burns Sales Tax currently allocated to the OCTA or to the OCTD in the sum of \$38 million per year for a term of fifteen (15) years commencing on July 1, 1996. The draft alternative legislation attached to this Agreement as Exhibit "A" represents a form which is acceptable to the County, OCTD, the OCIP Committee and OCTA for the legislation implementing the terms of this paragraph 2. The undersigned holders of Settlement Secured Claims and/or Repayment Claims (collectively, the "Option A Pool Participants") agree that they do not and will not object to the passage and approval of



legislation which is generally in the form attached to this Agreement as Exhibit "A."

3. Transfer of Motor Vehicle Fuel Taxes. The County, the OCTA, the OCTD agree to support the passage by the Legislature and the approval thereof by the Governor of legislation that allocates to OCTA \$23 million of the County's yearly apportionment of Motor Vehicle Fuel Taxes for a period of sixteen (16) years commencing on July 1, 1997. (The draft legislation attached to this Agreement as Exhibit "A" represents a form which is acceptable to the County, OCTD, the OCIP Committee and OCTA for the legislation implementing the terms of this paragraph 3. The undersigned Option A Pool Participants agree that they do not and will not object to the passage and approval of legislation which is generally in the form attached to this Agreement as Exhibit "A.") The County agrees to pay, subject to all bankruptcy defenses, limitations and objections, all eligible costs, as determined by the County, for Arterial Highway Financing Program projects originally programmed by OCTA or the County prior to and including June 30, 1995, and OCTA shall not be obligated to pay any of such eligible costs.
4. Reallocation of Property Taxes (Harbors, Beaches & Parks). The County and the OCIP Committee agree to support the passage by the Legislature and the approval thereof by the Governor of legislation providing for the reallocation to the County of property taxes currently allocated and paid to the Orange County fund commonly known as Harbors, Beaches and Parks in an amount equal to \$4 million per year (plus any related allocation to such fund of future years' tax increments) for a period of twenty (20) years commencing on July 1, 1996. The draft legislation attached to this Agreement as Exhibit "A" represents a form which is acceptable to the County, OCTD, the OCIP Committee and OCTA for the legislation implementing the terms of this paragraph 4. The undersigned Option A Pool Participants agree that they do not and will not object to the passage and approval of legislation generally in the form attached to this Agreement as Exhibit "A."
5. Reallocation of Property Taxes (Flood Control). The County and the OCIP Committee agree to support the passage by the Legislature and the approval thereof by the Governor of legislation providing for the reallocation to the County of property taxes currently allocated and paid to the Orange County

Flood Control District in an amount equal to \$4 million per year (plus any related allocation to that district of future years tax increments) for a period of twenty (20) years commencing on July 1, 1996. The draft legislation attached to this Agreement as Exhibit "A" represents a form which is acceptable to the County, OCTD, the OCIP Committee and the OCTA for the legislation implementing the terms of this paragraph 5. The undersigned Option A Pool Participants agree that they do not and will not object to the passage and approval of legislation generally in the form attached to this Agreement as Exhibit "A."

6. Reallocation of Property Taxes (Development Authority). The County and the OCIP Committee agree to support passage by the Legislature and the approval thereof by the Governor of legislation providing for the transfer from the Orange County Development Agency ("OCDA") to the County's general fund of an amount equal to \$4 million per year for a period of twenty (20) years commencing on July 1, 1996. The draft legislation attached to this Agreement as Exhibit "A" represents a form which is acceptable to the County, OCTD, the OCIP Committee and the OCTA for the legislation implementing the terms of this paragraph 6. The undersigned Option A Pool Participants agree that they do not and will not object to the passage and approval of legislation generally in the form attached to this Agreement as Exhibit "A."
7. Segregation of Redirected Revenues. All of the revenues to be directed to or received by the County pursuant to legislation enacted in accordance with paragraphs 2 through 6 hereof shall be accounted for and reserved for the performance of the County's obligations pursuant to a confirmed plan of adjustment, including payment of debt service on post-petition indebtedness or Certificates of Participation approved by the Bankruptcy Court. Funds may be released from the restrictions described in the preceding sentence to the extent that funds from the County's general fund are applied to obligations of the County under such plan.
8. Plan of Adjustment. The County shall, as promptly as practicable, and in any event no later than January 1, 1996, prepare and file with the Bankruptcy Court a plan of adjustment (the "Plan of Adjustment") and a Disclosure Statement with respect to such Plan of Adjustment. The Plan of Adjustment shall contain, in substance, the following terms and conditions:

- a) **The Plan of Adjustment may provide for the payment of the allowed amount of all County vendor allowed claims as of the Petition Date.**
- b) **The Plan of Adjustment may provide for the payment of the allowed amount of all allowed claims asserted by County employees.**
- c) **The Plan of Adjustment may provide for payment, in full, of all allowed claims under the County's short-term note debt which constitute "Senior Claims" as that term is defined in the Comprehensive Settlement Agreement.**
- d) **The Plan of Adjustment may provide for the replenishment of those reserve accounts required to be maintained in accordance with the documentation governing Certificates of Participation issued on behalf of the County to the extent required by such documentation through the payment of past due lease obligations for such Certificates of Participation to cure any default resulting from non-payment of such lease obligations, in an amount not to exceed \$15 million.**
- e) **The Plan of Adjustment shall provide for the appointment of a Representative pursuant to Bankruptcy Code section 1123(b)(3)(B), defined below, to enforce, prosecute and collect upon all Pool-Related Claims, as such term is defined in the Comprehensive Settlement Agreement, and such Representative's authority shall include determining whether, and on what terms, to settle any or all of such Claims.**
- f) **The Plan of Adjustment shall provide for the establishment of a fund in the amount of \$50 million (the "Litigation Fund") to enable the Representative to prosecute, enforce and collect upon Pool-Related Claims, including without limitation to pay for the services of lawyers, accountants, expert witnesses, consultants, and to the extent the Professional Fee Reserve established pursuant to the Comprehensive Settlement Agreement is insufficient, counsel for the OCIP Committee and/or his designee and to pay other costs and fees related to the prosecution, enforcement and collection of Pool-Related Claims.**

- g) **The Plan of Adjustment shall provide that all Settlement Secured Claims allowed pursuant to the Comprehensive Settlement Agreement shall be subordinated to Senior Claims for purposes of determining distributional entitlements under the Plan of Adjustment and, upon the Effective Date of the such Plan, have recourse only to net proceeds of Pool-Related Claims and the Litigation Fund in accordance with the terms and conditions described in Paragraph 9. The security interest which collateralizes the Settlement Secured Claims pursuant to the Comprehensive Settlement Agreement shall be modified and released only to the extent necessary to permit all Pool-Related Claims to become fully subject to the control of the Representative and to permit the distributions of net proceeds of Pool-Related Claims and of the Litigation Fund in accordance with Paragraph 9, below.**
- h) **The Plan of Adjustment shall provide that all Repayment Claims allowed pursuant to the Comprehensive Settlement Agreement shall, upon the Effective Date of such Plan, have recourse only to net proceeds of Pool-Related Claims and the Litigation Fund in accordance with the terms and conditions described in Paragraph 9. The security interest which collateralizes the Repayment Claims pursuant to the Comprehensive Settlement Agreement shall be modified and released only to the extent necessary to permit all Pool-Related Claims to become fully subject to the control of the Representative and to permit the distributions of net proceeds of Pool-Related Claims and of the Litigation Fund in accordance with Paragraph 9, below.**
- i) **Except as otherwise provided in this Agreement, the Plan of Adjustment shall provide that all claims based upon or arising out of deficiencies in County-Administered Accounts resulting from investment losses in the Orange County Investment Pools ("County-Administered Account Claims") held by the County will receive the same treatment as County-Administered Account Claims held by Option A Pool Participants.**
- j) **The Plan of Adjustment may provide for payment, without interest in accordance with Paragraph 10(e) below, of County-Administered**

Account Claims held by Option A Pool Participants over a period of up to twenty years beginning on the Effective Date of such Plan, as shown on the cash flow projections attached hereto as Exhibit B.

9. The Representative. Matters relating to the Pool-Related Claims and the Representative:

- a) The Pool-Related Claims of the County and of the Option A Pool Participants shall be enforced, prosecuted and collected upon by the Representative. The net proceeds, if any, of such enforcement, prosecution and collection efforts shall be distributed at such times and in such amounts as may be determined by the Representative in his sole and absolute discretion. Distributions shall be applied as among the holders of Pool-Related Claims as follows:
  - i) The first \$53,000,000 shall be distributed, to the holders of Repayment Claims who are School Pool Participants, *pro rata*, in accordance with the allowed amounts of such claims and shall be applied to reduce the allowed amounts of such claims.
  - ii) After the distribution of \$53,000,000 in accordance with paragraph (i), the next \$324,000,000 shall be distributed, to the holders of Settlement Secured Claims, *pro rata*, in accordance with the allowed amounts of such Claims and shall be applied to reduce the allowed amounts of such Claims.
  - iii) After the distribution of \$377,000,000 in accordance with paragraphs (i) and (ii), the next \$176,000,000 shall be distributed to the County of Orange.
  - iv) After the distribution of \$553,000,000 in accordance with paragraphs (i), (ii) and (iii), the next \$687,000,000 until aggregate distributions equal \$1,240,000,000 shall be distributed as follows:
    - a) The Secured Claim Percentage of such amounts shall be distributed to Option A Pool Participants and shall be

applied to the allowed amount of the remaining Repayment Claims, *pro rata*, in accordance with the allowed amounts of such Claims.

- b) 100% minus the Secured Claim Percentage of such amounts shall be distributed to the County of Orange.
- v) After the distribution of \$1,240,000,000 in accordance with paragraphs (i), (ii), (iii) and (iv), the next \$400,000,000 until aggregate distributions equal \$1,640,000,000 shall be distributed as follows:
  - a) 25% of such amounts shall be distributed to OCTA.
  - b) 75% of such amounts shall be distributed to the County of Orange.
- vi) After the distribution of \$1,640,000,000 in accordance with paragraphs (i), (ii), (iii), (iv) and (v), the next \$125,000,000, until aggregate distributions equal \$1,765,000,000 shall be distributed to OCTA.
- vii) Amounts in excess of \$1,765,000,000 shall be distributed as follows:
  - a) The Secured Claim Percentage of such amounts shall be distributed to Option A Pool Participants and shall be applied based upon each Option A Pool Participants' Investment Balance on December 6, 1994, as shown on Exhibit 2, as revised, to the Comprehensive Settlement Agreement.
  - b) 100% minus the Secured Claim Percentage of such amounts shall be distributed to the County of Orange.
- b) Subject to the waiver of certain interest set forth in Paragraph 10(c), the County shall apply first net litigation proceeds received by the

County pursuant to this paragraph to the repayment of allowed County-Administered Account Claims held by Option A Pool Participants arising out of County-Administered Accounts numbered 106, 109, 118, 139, 156, 180, 213, 264, 265, 300, 459, 477, and 506, and such other County-Administered Accounts as are subsequently identified by agreement of the OCIP Committee and the County, to the extent that such Option A Pool Participant County-Administered Account Claims are not previously paid.

- c) **The Representative shall be Thomas W. Hayes. In the event Mr. Hayes is unable or unwilling to continue to serve as the Representative, an individual or entity selected by the County and approved by the OCIP Committee shall be the Representative. The Representative may contract with Metropolitan West Securities, Inc., or another person or entity, on such terms and conditions as the Representative shall deem appropriate, for the provision of analytical support and asset management services to the Representative. The Representative shall receive reasonable compensation for his services from the Litigation Fund and/or the proceeds of the prosecution, enforcement and collection of Pool-Related Claims. The agreement containing the terms of the Representative's compensation shall be filed under seal with the Bankruptcy Court.**
- d) **Both the Representative and Metropolitan West Securities, Inc. shall be indemnified by the Litigation Fund and the litigation proceeds from and against any and all claims which may be asserted against them by reason of any action taken by either of them as Representative or the Representative's agent, respectively. The indemnification described in the preceding sentence shall include payment of attorneys' fees and any other costs incurred in defense of any claims asserted against the Representative or the Representative's agent.**
- e) **The Representative shall keep counsel for the OCIP Committee informed concerning the progress of the Representative's efforts to prosecute, collect and/or settle Pool-Related Claims. In particular, Exhibit 6 to the Comprehensive Settlement Agreement shall be amended to substitute "counsel for the OCIP Committee" for the**

words "Designated Counsel" wherever such words appear in such Exhibit. Notwithstanding the foregoing, the Representative shall retain the sole and absolute discretion in all matters concerning the prosecution, collection, settlement and compromise of Pool-Related Claims subject only to such jurisdiction as may be retained by the Bankruptcy Court pursuant to the Plan of Adjustment.

10. Certain Agreements of the Option A Pool Participants. Each Option A Pool Participant:

- a) In its capacity as a holder of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims, agrees not to reject any Plan of Adjustment containing substantially the terms described in this Agreement;
- b) In its capacity as a holder of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims, agrees that it intends to accept any Plan of Adjustment containing substantially the terms described in this Agreement;
- c) In its capacity as a holder of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims, agrees not to oppose confirmation by the Bankruptcy Court of any Plan of Adjustment containing substantially the terms described in this Agreement whether or not such Option A Pool Participant accepts such Plan of Adjustment. Notwithstanding the foregoing, if Bankruptcy Code section 943 is deemed not to be satisfied, such provision is waived by each Option A Pool Participant to the fullest extent permitted by law;
- d) In its capacity as a holder of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims, agrees that the treatment of Settlement Secured Claims, Repayment Claims, and County-Administered Account Claims described in this Agreement complies in all respects with all applicable requirements of Bankruptcy Code section 943 whether or not any class comprised of holders of Settlement Secured Claims, any class comprised of holders of Repayment Claims, or any class comprised of holders of County-



Administered Account Claims accepts the Plan of Adjustment in accordance with Bankruptcy Code section 1124. Notwithstanding the foregoing, if Bankruptcy Code section 943 is deemed not to be satisfied, such provision is waived by each Option A Pool Participant to the fullest extent permitted by law;

- e) Waives any right to post-petition, post-confirmation or post-effective date interest on any County-Administered Account Claim. Notwithstanding any provision hereof, each Option A Pool Participant does not waive nor intend to waive any claim for any interest that it may have against any third party;
- f) If not a School Pool Participant, agrees to subordinate its County-Administered Account Claims to any County-Administered Account Claim of School Pool Participants based upon losses in County-Administered Accounts numbered 664, 666, 668, 669, 670, 673, 675, 676, 677, 678, 680, 684, 685, 686, and 687;
- g) Agrees to suspend, pursuant to a stipulation acceptable to the County, all appeals relating to the Bankruptcy Court's June 27, 1995, Order Approving Compromise Of Controversy Respecting Validity Of Note Debt or its June 27, 1995, Order Approving Second Amended Note Modification And Extension Agreement, or any order or findings related thereto; and
- h) Agrees to dismiss with prejudice, upon entry of an order approving a Plan of Adjustment, all appeals relating to the Bankruptcy Court's June 27, 1995, Order Approving Compromise Of Controversy Respecting Validity Of Note Debt or its June 27, 1995, Order Approving Second Amended Note Modification And Extension Agreement, or any order or findings related thereto.

11. Certain Agreements of the Pool Committee. The Pool Committee:

- a) In its capacity as a representative of holders of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims, agrees that it shall support the acceptance by all Option A

**Pool Participants of any Plan of Adjustment containing substantially the terms described in this Agreement;**

- b) Agrees that it shall urge acceptance by all holders of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims, of any Plan of Adjustment containing substantially the terms contained in this Agreement;**
- c) In its capacity as a representative of holders of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims who execute this Agreement or who accept the Plan of Adjustment, agrees not to oppose confirmation by the Bankruptcy Court of any Plan of Adjustment which contains substantially the terms described in this Agreement whether or not such Plan of Adjustment is accepted by any or all Option A Pool Participants;**
- d) In its capacity as a representative of holders of Settlement Secured Claims, Repayment Claims, and/or County-Administered Account Claims, agrees that any Plan of Adjustment containing substantially the terms described in this Agreement complies in all respects with all applicable requirements of Bankruptcy Code section 943 whether or not any class comprised of holders of Settlement Secured Claims, any class comprised of holders of Repayment Claims, or any class comprised of holders of County-Administered Account Claims accepts the Plan of Adjustment in accordance with Bankruptcy Code section 1124;**
- e) Agrees to suspend, pursuant to stipulation acceptable by the County, all appeals relating to the Bankruptcy Court's June 27, 1995, Order Approving Compromise Of Controversy Respecting Validity Of Note Debt or its June 27, 1995, Order Approving Second Amended Note Modification And Extension Agreement, or any order or findings related thereto; and**
- f) Agrees to dismiss with prejudice, upon entry of an order approving a Plan of Adjustment, all appeals relating to the Bankruptcy Court's June 27, 1995, Order Approving Compromise Of Controversy Respecting Validity Of Note Debt or its June 27, 1995, Order**

**Approving Second Amended Note Modification And Extension Agreement, or any order or findings related thereto.**

12. **Other Revenue Diversions.** Except as specifically set forth herein, the County agrees not to request of the Legislature, nor otherwise support if requested or approved by any entity other than the County, the diversion of revenue allocated to the undersigned Option A Pool Participant for the purpose of financing the repayment of claims in the County's debt adjustment case or the payment of claims under the County's Plan of Adjustment.
13. **Effectiveness of this Agreement.** This Agreement shall not become effective unless:
- a) This Agreement has been executed by authorized representatives of:
    - i) The County of Orange;
    - ii) The Official Investment Pool Participants' Committee of the Orange County Investment Pools Bankruptcy Case;
    - iii) The Orange County Transportation Authority; and
    - iv) Each Option A Pool Participant.

The County may waive the requirement contained in section 13(a)(iv) of this Agreement by written notice sent to counsel to the OCIP Committee.

- b) The Legislature passes and the Governor approves legislation which effectuates and is consistent with the reallocations of revenue described in Paragraphs 2 through 6, above, and Exhibit A.
- c) The Bankruptcy Court approves this Agreement. For the purposes of implementing the provisions of this paragraph 13(c), all of the parties to this agreement consent to any request that the Bankruptcy Court shorten time or otherwise accelerate a hearing on any motion to

approve this Agreement, provided that each party to this agreement is given at least three (3) days notice of the date and time of any hearing on any motion to approve this Agreement.

14. **Cooperation and Best Efforts in Seeking Bankruptcy Court Orders.** Each party to this Agreement agrees to cooperate with the County in seeking, and not to hinder or interfere with any proceedings to obtain, the order or orders described in Section 13(c) of this Agreement.
15. **Distribution of Amounts in County-Administered Accounts.** As promptly as practicable following the effectiveness of this Agreement, the County shall distribute to Option A Pool Participants, to the extent they are lawfully entitled to such amounts under applicable non-bankruptcy law, cash accounted for as available for distribution (i.e. cash balances net of pro-rata allocations of investment losses and Withheld Proceeds based on December 6, 1994, revised balances) on account of funds placed with the County on behalf of Option A Pool Participants and accounted for in County-Administered Accounts numbered 106, 109, 118, 139, 156, 180, 213, 264, 265, 300, 459, 477, and 506, and such other County-Administered Accounts as are subsequently identified by agreement of the OCIP Committee and the County. Each Option A Pool Participant agrees not to object to any future distribution proposed by the County to any other entity, to the extent such entity is lawfully entitled to such amounts under applicable non-bankruptcy law, of cash accounted for as available for distribution (i.e. cash balances net of pro-rata allocations of investment losses and Withheld Proceeds based on December 6, 1994, revised balances) on account of funds placed with the County on behalf of such entity and accounted for in County-Administered Accounts numbered 106, 109, 118, 139, 156, 180, 213, 264, 265, 300, 459, 477, and 506, and such other County-Administered Accounts as are subsequently identified by agreement of the OCIP Committee and the County.
16. **Effective Date of Legislation.** The legislation proposed in Paragraphs 2 through 6 shall not take effect unless and until the Plan of Adjustment in accordance with this Agreement is confirmed.
17. **Limited Waiver of Certain Interest; Subordination.** To the extent the County has the authority and ability to do so, the County waives any right

to, post-petition, post-confirmation, or post-effective date interest on any County-Administered Account Claim, but solely to the extent such interest would be paid by or from another County-Administered Account or the County General Fund. Notwithstanding any provision hereof, the County does not waive nor intend to waive any claim for any interest that it may have against any third party. To the extent the County has the authority and ability to do so, the County agrees to subordinate its County-Administered Account Claims to County-Administered Account Claims of School Pool Participants based upon County-Administered Accounts numbered 664, 666, 668, 669, 670, 673, 675, 676, 677, 678, 680, 684, 685, 686, and 687.

18. Orange County Recovery Committee. There shall be established a committee ("OCR Committee") consisting of five (5) members: the Representative, two members to be appointed by the County, and two members to be appointed by the OCIP Committee, provided, however, one of the members appointed by the OCIP Committee shall be a city representative. OCR Committee shall review and evaluate any Plan of Adjustment (the "Plan") and Disclosure Statement filed with the Bankruptcy Court to determine if the Plan is inconsistent with any term of this Agreement or the Comprehensive Settlement Agreement to the extent not modified by this Agreement.
19. Effect of Comprehensive Settlement Agreement. Each Option A Pool Participant hereby fully and finally waives and relinquishes any and all obligations, duties and restrictions imposed upon the County by the Comprehensive Settlement Agreement to the extent inconsistent with this Agreement.
20. No Third-Party Beneficiaries. Nothing contained in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on, or waive any claims against, any person or entity other than the Parties hereto.
21. No Representations or Warranties. Except as expressly set forth in this Agreement, none of the Parties hereto makes any representation or warranty, written or oral, express or implied.

22. **Applicable Law.** This Agreement shall be governed in all respects, including the validity, interpretation and effect, by title 11 of the United States Code and the laws of the State of California, without giving effect to the principles of conflicts of law thereof.
23. **Consent to Entry of Orders and Judgments by Bankruptcy Court.** Each Party hereto hereby consents to the determination by the Bankruptcy Court, as a "core proceeding" within the meaning of 28 U.S.C. § 157 or any successor provision, and to have the Bankruptcy Court hear and determine and enter appropriate orders and judgments, in any action brought to enforce, interpret, reform or rescind this Agreement or any of the provisions hereof and over any action to determine or declare the rights of any of the Parties under this Agreement.
24. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
25. **No Admissions.** Neither this Agreement, nor any of the terms hereof, nor any negotiations or proceedings in connection herewith, shall constitute or be construed as or be deemed to be evidence of an admission on the part of any Party of any liability or wrongdoing whatsoever, or the truth or untruth, or merit or lack of merit, of any claim or defense of any Party or directly or indirectly impair or adversely affect any rights or claims not released, modified, waived or otherwise affected under this Agreement; nor shall this Agreement, or any of the terms hereof, or any negotiations or proceedings in connection herewith, or any performance or forbearance hereunder, be offered or received in evidence or used in any proceeding against any Party, or used in any proceeding, or otherwise, for any purpose whatsoever except with respect to (a) effectuation and enforcement of this Agreement and (b) any proceedings in the Bankruptcy Court to approve this Agreement and the execution and delivery hereof.
26. **Due Authorization.** Each Party to this Agreement hereby represents and warrants that such Party is duly-authorized to enter into this Agreement.

**THE COUNTY OF ORANGE**

BY: *Paul Ferguson*

ITS: CHAIRMAN

**THE OFFICIAL INVESTMENT POOL PARTICIPANTS' COMMITTEE**

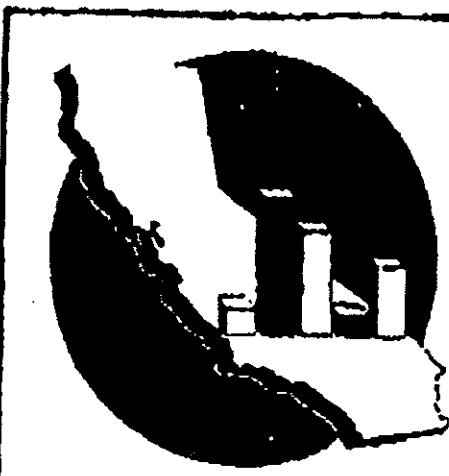
BY: *Stan O'Neil*

ITS: CHAIRMAN

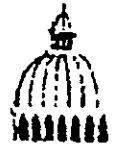
**NAME OF OPTION A POOL PARTICIPANT**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_



# A REVIEW OF THE ORANGE COUNTY RECOVERY PLAN AS PROPOSED AUGUST 22, 1995



LAO  
LEGISLATIVE ANALYST'S OFFICE

*Elizabeth G. Hill*  
*Legislative Analyst*

Sept 1, 1996

LEGISLATIVE ANALYST'S OFFICE



## BACKGROUND

On December 6, 1994, Orange County and its investment pool filed for protection under Chapter 9 of the U.S. Bankruptcy Code. The Chapter 9 filing followed a \$1.7 billion loss in the pool's investment portfolio.

**Investment Pool Losses.** The pool consisted of funds from Orange County as well as approximately 240 other local agencies, including school districts, cities, and special districts. A significant share of the pool consisted of proceeds of debt issuances by the County and other agencies, some of which were made for the purpose of investing in the pool. Overall, the County's pool losses were about \$700 million, while non-County losses were about \$1 billion. On average, pool participants received 77¢ on the dollar from the liquidation of the pool.

**Claims in County Bankruptcy Total \$1.9 Billion.** In addition to the \$1.7 billion pool loss, the County faces about \$200 million of additional claims and costs due to the bankruptcy and the County's related budget problems. Specifically, the County owes \$100 million to vendors and employees, \$25 million for bankruptcy expenses, and has incurred additional interest payments on approximately \$1 billion of County notes that came due in the summer of 1995, but which the bankruptcy court has approved extending for one year.

**Recovery Bonds Addressed a Small Portion of Claims.** Recovery bonds financed by an ongoing diversion of a portion of the County's vehicle license fee revenues were issued in June, primarily to mitigate losses to schools. The recovery bond proceeds covered \$244 million of the pool losses as follows:

- Schools received 13¢ on the dollar, bringing their recovery to 90¢ on the dollar.
- Most other pool participants received 3¢ on the dollar, bringing their recovery to 80¢ on the dollar.

### The Recovery Plan

The County and representatives of major non-County pool participants have reached tentative agreement on a recovery plan to address the \$1.7 billion of claims remaining after the issuance of the June recovery bonds. The plan is a key step toward the court filing of a "plan of adjustment" that resolves the claims against the County, and enables it to emerge from bankruptcy. Certain provisions of the plan require changes to state law, as noted below.

## Scope of Report

The purpose of this report is to provide the Legislature with a framework for evaluating the proposed legislation to implement the recovery plan. Specifically, the report:

- Assesses the viability of the plan, and
- Comments on the major impacts of the plan.

## OVERVIEW OF THE PLAN

The recovery plan contains two key components. The plan:

- Groups all bankruptcy claims into four categories;
- Specifies the financing to be used to repay each category of claims.

### Establishes Payment Categories

The proposed recovery plan establishes four major payment categories for claims against the County, as shown in Figure 1.

Category	Includes Claims	Amount Provided by Plan
1. Public Debt Issued/Debt Restructuring, Asset Sales	<ul style="list-style-type: none"> <li>• Principal and interest on County notes issued prior to bankruptcy.</li> <li>• Delinquency in long-term debt reserves.</li> <li>• Payments owed to County employees.</li> <li>• Payments owed to vendors.</li> <li>• High-priority County claims.</li> <li>• Bankruptcy costs.</li> </ul>	3564
2. County Notes (IOUs)	Option B Pool Claims—Losses to non-County pool participants who maintain their claims against the County	44
3. Annual Budget Allocations	Losses to County administered special funds, including trust and fiduciary accounts	250
4. Litigation Proceeds	<ul style="list-style-type: none"> <li>• Option A Pool Claims—Losses to non-County pool participants who agreed to accept partial restitution from the County and to rely on litigation proceeds for the balance.</li> <li>• Potential additional recoveries for the County, the Orange County Transportation Authority, and Option A participants.</li> </ul>	817 N/A

**Category 1—County Debt Repayment and Other High Priorities.** These claims receive the most immediate and secure funding under the plan. Payment would come from a public debt issue by the County and from refinancing of County debt and asset sales. About \$364 million of Category 1 claims are for the repayment of notes that were due this summer, but whose maturities were extended until June 1996 because of the bankruptcy.

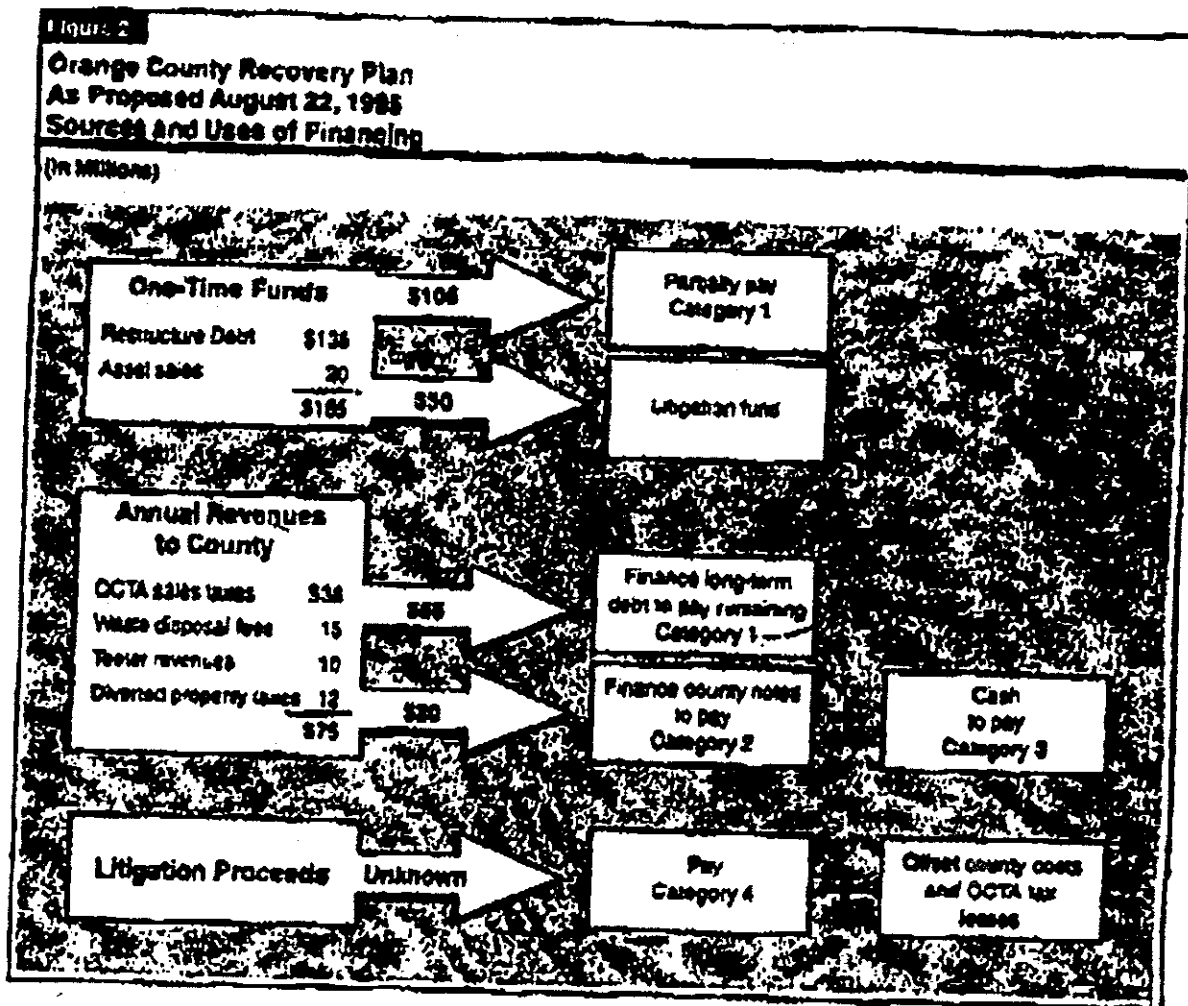
**Category 2—IOUs for "Option B" Claims.** The plan calls for the County to give "County notes" (essentially IOUs) to "Option B" claimants. These are the small number of pool participants (certain cities and special districts) that did not agree to drop their legal actions against the County for their losses. Option B participants received 77¢ on the dollar from the pool liquidation, but did not share in the proceeds of the recovery bonds.

**Category 3—Annual Budget Allocations to County-Controlled Funds.** The County administers a wide variety of special funds and accounts that were invested in the pool and consequently suffered losses. These accounts include unapportioned taxes, funds for waste management, flood control, roads, airports, and fire protection, as well as child support collections and employee deferred compensation contributions. Annual budget payments from the County general fund would gradually restore these losses. (Fifty million dollars of high-priority County fund needs are included in Category 1).

**Category 4—Remaining Claims and Restitution Depend on Litigation.** "Option A" pool participants agreed to share in the proceeds of the recovery bonds in exchange for dropping their remaining claims against the County. Remaining claims for schools (all in Option A) are 10¢ on the dollar and for other Option A participants are about 20¢ on the dollar. The plan also identifies litigation proceeds as a potential source of restitution to the County and to the Orange County Transportation Authority (OCTA), which would help finance the plan, as discussed below.

### Identifies Financing

Figure 2 displays the major financing elements of the proposed plan and delineates the sources of funding for the plan.

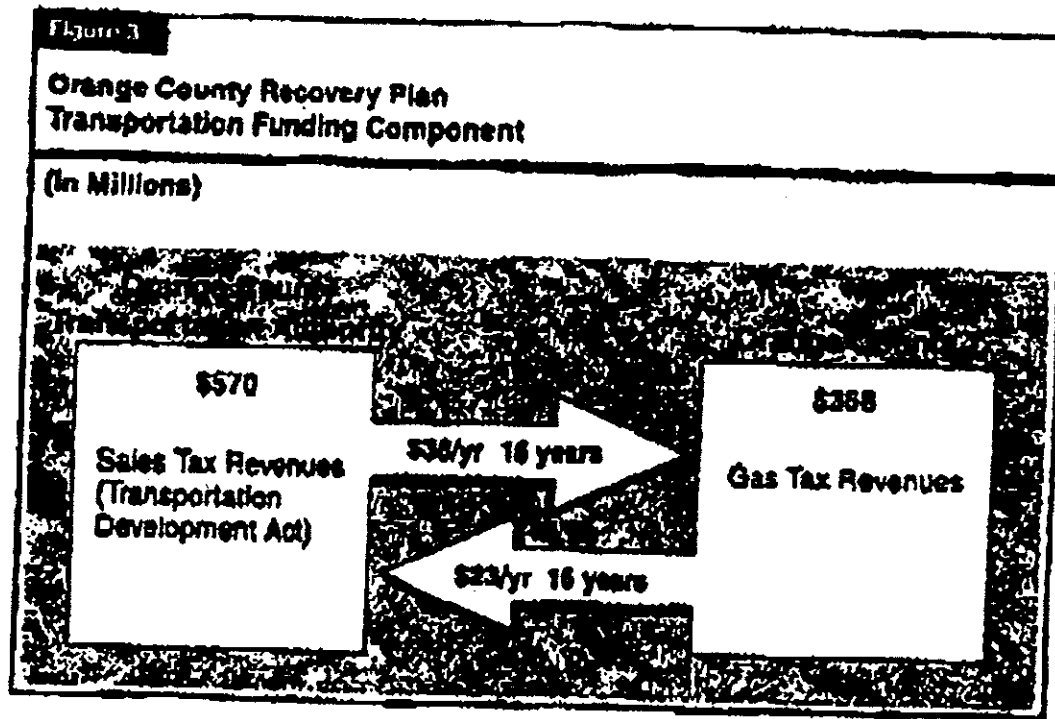


**Diverted Tax Revenues.** The plan annually redirects a total of \$50 million in tax revenues to the Orange County general fund as follows:

- \$38 million of annual local sales tax revenue for transportation (pursuant to the Transportation Development Act—TDA) would be diverted from the OCTA for 15 years beginning in 1996-97. In exchange, the County will transfer \$23 million in gas tax revenues annually to OCTA, beginning in 1997-98 for 16 years, as shown in Figure 3.
- \$12 million of annual property tax revenue would be diverted from County-dependent special districts and County redevelopment agencies for 20 years.

All of these tax reallocations would require legislation.

+



**Additional County Non-Tax Revenues and Budget Reductions.** The plan relies on County receipt of \$25 million annually from increased waste disposal revenues and a restructured "Teeter" program for collecting delinquent property taxes. The plan also assumes that the County will earn one-time additional revenues of \$155 million from refinancing existing County debts and selling County assets. Debt-service costs on the June 1995 recovery bonds already have been built into the County's budget. However, the bonds are structured so that the annual debt-service cost increases by \$10 million after the first five years, which the County would need to absorb within its budget under the recovery plan.

**Litigation Proceeds.** The plan proposes to pay over \$1 billion in claims and other reimbursements from litigation proceeds.

### WILL THE PLAN REPAY ALL THE CLAIMS?

As Figure 2 illustrates, three categories of claims are supported by a \$75 million revenue stream that includes reallocated property taxes, waste disposal, and Teeter revenues. The first call on this revenue stream is repayment of debt issued to satisfy Category 1 claims. The County's financial consultants estimate that these costs will be approximately \$55 million annually. Category 2 and 3 claims are to be paid from the \$20 million remaining in the revenue stream.

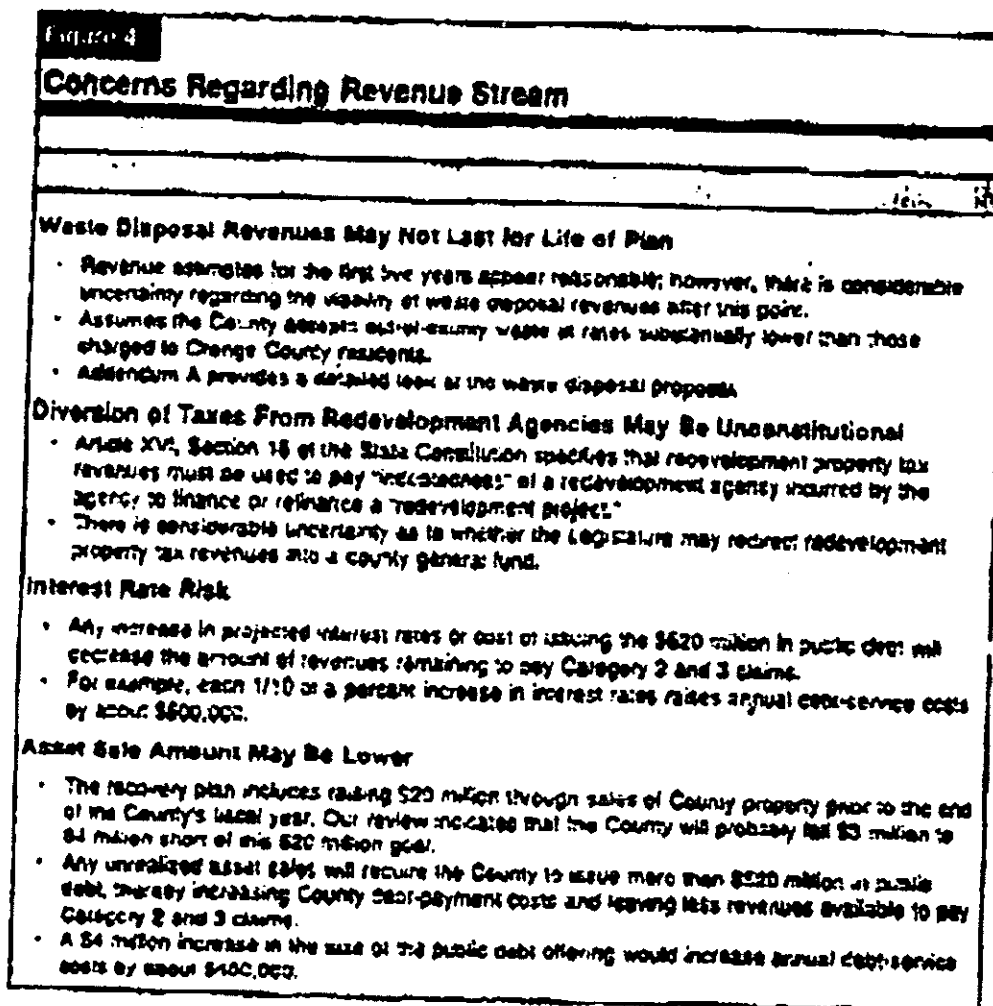
Our review indicates that there are several uncertainties regarding the proposed revenue stream and the amount of funds required for debt service. Below, we discuss the impact of these uncertainties on the repayment of the County's claims.

## Category 1 Claims Are Secure

The recovery plan proposes that the County will issue \$520 million of long-term debt to fully repay all Category 1 claims and repay this debt with revenues shown in Figure 2. Our review indicates that even if all the uncertainties regarding this revenue stream materialize, the County still will have sufficient revenues to support the issuance and repayment of the public debt. Moreover, the plan proposes to guarantee repayment of this debt through the Motor Vehicle License Fee intercept mechanism established by Chapter 2xx, Statutes of 1995 (SB 8xx, Lewis).

## Category 2 and 3 Claims Are Less Secure

Because Category 2 and 3 claims are paid *after* debt-service costs are deducted from the revenue stream, our review indicates that the timing and extent to which these claims will be repaid is uncertain. Specifically, should any of the four factors discussed in Figure 4 materialize, revenues available to the County to pay these claims could fall below the needed \$20 million. Furthermore, the County's ability to offset any unrealized revenues with general fund budget reductions may be constrained by its fiscal condition.



### Category 4 Claims Depend on Litigation

As mentioned above, the payment of any of the Category 4 claims of pool participants depends on the success of the County's litigation seeking to recover all of the pool's losses from Merrill Lynch and other firms. The plan includes a \$50 million fund to finance this litigation under the supervision of an appointed trustee. The plan also establishes priorities for distributing any proceeds, as shown in Figure 3.

**Figure 3**  
**Distribution of Potential Litigation Proceeds**  
**Orange County Recovery Plan<sup>a</sup>**  
 (in Millions)

Amount (in priority)	Option A Claims		County	OCTA	Cumulative Total
	Schools	Other			
553	553	—	—	—	553
394	—	\$324	—	—	377
176	—	—	\$176	—	553
705	87	420	229	—	1,289
400	—	—	300	\$100	1,689
125	—	—	—	125	1,763 <sup>b</sup>
<b>Totals</b>	<b>\$110</b>	<b>\$744</b>	<b>\$706</b>	<b>\$225</b>	

<sup>a</sup> Based on preliminary proposal of August 22, 1995.  
<sup>b</sup> Any recoveries in excess of the amount would be shared by Option A participants and the County.

**Option A Claims and County Have First Call.** Option A pool participants would receive the first \$377 million of litigation proceeds. Of this amount, schools receive the initial \$53 million in order to bring them up to 95¢ on the dollar. Other Option A participants would receive the next \$324 million, which would increase their recovery to 89¢ on the dollar. The County would receive all of the next \$176 million. After total proceeds reach \$553 million, the next \$705 million would be distributed approximately 65 percent to Option A claims and 35 percent to the County. This distribution would repay all remaining Option A claims (without interest) and provide an additional \$229 million to the County.

**The OCTA Also Could Benefit.** After all Option A claims are paid, then the OCTA would receive \$225 million from the next \$525 million of proceeds—with the County receiving the other \$300 million. The OCTA's share would cover revenue diversion under the plan. Finally, if litigation proceeds exceed \$1.8 billion, then this excess would be shared by Option A participants and the County.

If litigation successfully recovers a large portion of the pool losses, then the fiscal impact of the plan on the County and on the OCTA could be substantially reduced or even eliminated. However, the prospects for, and the potential timing of, any litigation proceeds are speculative at present.

## WHAT WILL BE THE IMPACT ON THE COUNTY?

Our review of the County's budget outlook was limited by the lack of detailed information regarding (1) the specific actions taken to achieve the budget reductions in 1995-96 and (2) revenues, mandated spending, and workload measures. Thus, while the County has adopted a budget plan which reduces spending significantly, we were unable to verify whether the lower spending targets will be fully realized, or whether the cuts will be sustainable in the future. This is important since the success of the recovery plan ultimately rests on the County's ability to maintain fiscal balance over time.

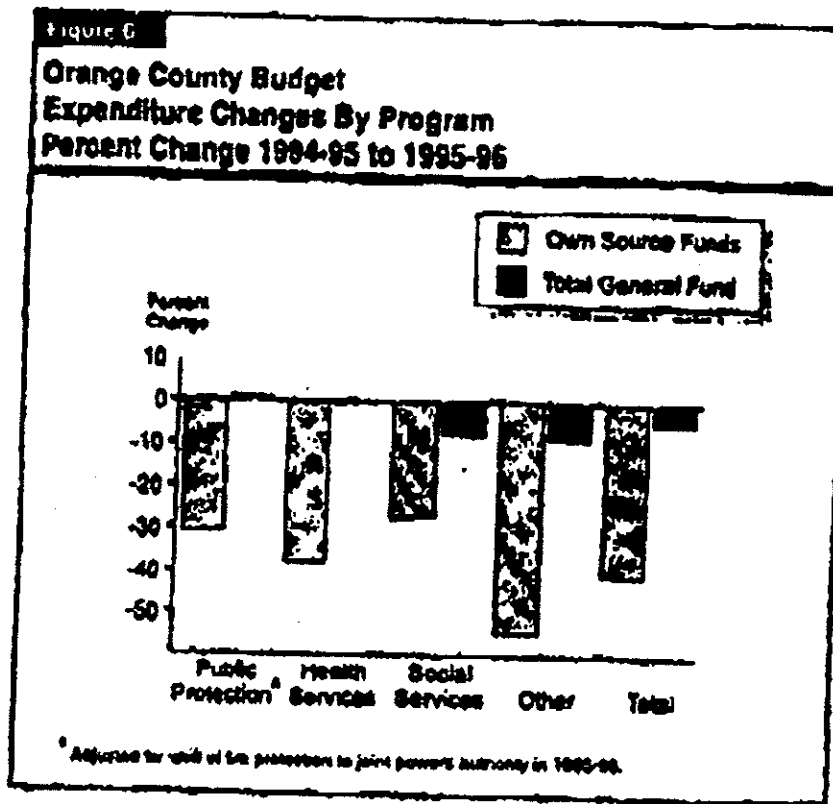
The following discussion is based on the overall budget figures provided by the County.

### Current Budget

Orange County did not significantly reduce expenditures following the property tax shift to schools beginning in 1992-93. Instead, the County was able to avoid these cuts by adopting high risk/high return investment practices and using the interest earnings to balance its general fund until last year. The major loss in the investment pool, however, caused interest earnings to fall \$152 million below the budget estimate in 1994-95, thereby requiring major spending cutbacks.

Specifically, the County adopted budget cuts in March 1995 which reduce spending financed from the County's own tax revenues from \$463 million in 1994-95 to \$275 million in 1995-96, a decline of 41 percent. The impact of these cuts on overall County spending is much less severe, however, because the County receives substantial program revenues from the state and federal government. As indicated in Figure 6, total County general fund spending (which includes these state and federal funds) declines 4.7 percent between 1994-95 and 1995-96.





The County indicates that it has eliminated about 2,500 positions (about 15 percent of its workforce), mostly through attrition. It has laid off between 400 and 700 employees.

**Impact On Future Budgets**

Even if current budget reductions are fully achieved, the investment losses will constrain Orange County budgets for many years to come. From 10 percent to 15 percent of County tax revenues will be earmarked for debt service on the recovery program. In addition, the 1995-96 budget relies on a one-time drawdown in reserves of \$15 million which will not be available in 1996-97 and beyond.

These factors will further squeeze County resources in the future. The County's fiscal health will ultimately depend on a variety of factors such as the strength of its economic base and future demand for public services. However, since the County is near its maintenance of effort requirements in its public protection, health, and welfare programs, it will have limited flexibility to deal with unanticipated events which may arise in the years ahead.

## HOW WILL THE PLAN AFFECT OTHER LOCAL AGENCIES?

### Transportation Programs

As discussed earlier, the plan will divert \$38 million annually in TDA sales tax revenues from the OCTA to the County. In exchange, the County will transfer \$23 million per year in gas tax revenues to the OCTA. This proposal will result in a net reduction in OCTA funding of \$38 million in 1996-97 and \$15 million annually thereafter through 2010-11. Depending on when the OCTA receives any portion of the \$225 million repayment claim, the impact in future years might be offset by an unknown amount.

Based on our discussions with OCTA, the following is an illustration of the results that could occur if the \$23 million in gas tax revenues are used for transit purposes, and the \$15 million reduction is made in transit services.

#### *\$15 Million Reduction Could Result in Bus Service Decline.*

- Overall service level (vehicle service hours)—reduction of about 10 percent on an average annual basis over the 15-year period. Reductions would be greater in the first few years and decline to around 5 percent in the last few years of the plan. This is because the growth in TDA funds (from local sales tax) over time will lessen the relative impact of the reduction.
- Ridership—Potential reduction of 10 percent on an average annual basis over the 15-year period, with the reduction also declining over time.
- Service area—Potential elimination of all service to the South County and Foothill areas. (These services are primarily commuter and express services.)
- Paratransit services (for seniors and disabled)—Potential limitation of availability to the area within 3/4 mile of the new reduced bus system—the minimum required by law. (Currently, funding of service levels exceed statutory requirements.)
- Service frequency, as well as bus fleet and staff, would also be reduced.
- A reduction in bus transit services could affect the area's compliance with air quality standards, although the impact and consequences cannot be estimated at this time.
- To the extent OCTA can defer capital expenditures or use other available reserves to backfill transit services, the impact of the fund reduction on transit may be reduced.

***\$23 Million for Transit Would Reduce Road Construction.***

- **County**—The plan leaves sufficient gas tax revenues for the maintenance and operations of County roads. Funds for new construction, however, will be reduced by about \$19 million annually beginning in 1997-98 (through 2010-11). Consequently, projects would be delayed. Alternatively, projects may compete for local funds under Measure M—Orange County's 1/2 cent sales tax for transportation, or state funds (in the State Transportation Improvement Program—STIP) through the Flexible Congestion Relief Program. The County may also raise funds via developer fees.
- **Cities**—Grant funds from Orange County for road projects will be reduced by about \$3.5 million annually.
- **Antonio Parkway**—The plan leaves Orange County with \$23 million of gas tax revenues (in 1996-97) for this project, which is estimated to cost about \$40 million in total. The County will have to use future gas tax revenues or other funds to complete the project.

If OCTA is not able to use the \$23 million for transit services, then transit services would likely be reduced to a much greater extent in order to deal with the \$38 million annual deficit. At the same time, the OCTA will have \$23 million more available for road construction.

**Schools**

***No Further School Budget Reductions Expected at This Time.*** School districts have already recovered 90 percent of their investments in the County pool, and have absorbed their remaining \$106 million in losses through work force reductions, spending reductions in the areas of instructional materials and maintenance, spending of reserve and, in rare instances, sales of property or issuance of certificates of participation.

The impact of the budget reductions necessary to accommodate this funding reduction was softened by two factors:

- Many districts had reserves that exceeded the state's minimum requirement.
- The 1995-96 state budget provides a significant increase in funding for K-14 education.

The Orange County Office of Education and the State Department of Education advise that no school district, at this point in time, appears unable to meet its operating budget for 1995-96.

## Other Agencies

**Flood Control Programs Reduced.** The plan would reallocate less than 10 percent of annual revenues for flood control. The reallocation is unlikely to have any significant impact on construction of major County flood control projects, such as Santa Ana Mainstem. (The County's total share of cost of the Santa Ana project is \$508 million, including \$81 million that the state is to provide for work completed to date.) The reallocation may result in some potentially minor impact on the County's ability to fund capital improvements or maintenance for existing flood control facilities or acquire equipment or material for emergency flood control.

**Harbors, Beaches and Parks Programs May Be Slightly Affected.** The proposed reallocation is about 6 percent of annual revenues for these programs. There are no apparent public health or safety implications with the reallocation. Potential impacts include eliminating new park land acquisitions; eliminating new capital construction; reducing operations and maintenance; and increasing park entrance fees.

**Impact on Cities and Special Districts.** The recovery plan does not divert tax revenues from cities or non-County dependent special districts. Accordingly, the primary impact of the recovery plan on these local agencies is the risk that their remaining investment losses (generally 20 percent of their pool investments) will not be repaid. If the litigation is not successful, cities and special districts are likely to reduce future capital expenditures for roads and other public facilities. However, we do not expect major disruptions to programs or services due to the relatively strong financial condition of many Orange County cities and special districts.

## DOES THE RECOVERY PLAN WORK?

While the recovery plan relies upon significant revenue diversions from other public entities and does not assure prompt payment of all bankruptcy claims against the County, the recovery plan does meet two very important objectives. Specifically, the plan:

- Fully repays all public debt, vendor and labor claims, and bankruptcy costs. This step will help restore investor confidence in Orange County and assist it in gaining access to investment markets in the future.
- Has obtained the conceptual support of representatives of most of the parties to the bankruptcy case. Agreement among the parties is an important factor in obtaining court approval of a settlement that will enable the County to emerge from bankruptcy.

Orange County's current and future fiscal health, however, remains a concern under the plan. As we discuss above, we have not been able to evaluate the County's ability to achieve its 1995-96 budget reductions while meeting its program requirements, nor have we been able to determine the extent to which current-year reduc-

tions will provide ongoing savings. Moreover, the plan requires the County to contribute additional amounts from its budget in future years. Finally, the County may face pressure to offset any revenue shortfalls that emerge if waste disposal or other recovery plan revenues are less than anticipated. Therefore, Orange County will remain vulnerable to fiscal threats from increased spending demands or revenue shortfalls for many years to come.

## ADDENDUM A: WASTE DISPOSAL PROPOSAL

### Details of Plan

The plan provides \$15 million annually over the next 20 years from fee revenues—net of expenditures—generated by contracting for the disposal of out-of-county waste in Orange County landfills.

### Viability and Impact of Plan

**Revenue Projections Are Based on Contract Proposals.** The plan's revenue projections are based on contract proposals from out-of-county waste haulers and governmental entities expressing interest in disposing of waste at Orange County landfills. The proposals contain bids which are effective until November 1, 1995.

The contract proposals would divert waste from current disposal at landfills in Los Angeles and San Diego Counties and Arizona. Most are for a duration of five, ten or ten-plus years, with a proposed disposal fee of between \$14 and \$24 per ton. The proposed fees are all lower than the current fee of \$35 per ton charged for the disposal of waste from within Orange County.

Based on the contract proposals and using a higher disposal fee than proposed by potential contractors, the County's waste department projected net revenues from waste importation of \$4 million in 1995-96, between \$15 million and \$22.5 million in 1996-97, and between \$21.3 million and \$27.8 million in each of 1997-98 through 1999-00. If the proposals are finalized, almost all of Orange County's landfill permitted capacity would be utilized on an annual basis within a few years.

### Revenue Projections for Early Years Reasonable, But Still Subject to Some Uncertainty

**Fee Levels.** It appears likely that a majority of the contracts will be finalized. However, if the final negotiated fees are at lower-than-assumed levels, annual revenues would be lower than projected, by as much as \$4 million beginning in 1997.

**Availability of Prima Landfill.** Actual revenues also depend on whether the Prima Landfill will be available to accept out-of-county waste. The City of San Juan Capistrano is pressing for the construction of a \$45 million roadway (the Antonio Parkway) as a required measure to mitigate the environmental impact of the Prima Landfill accepting out-of-county waste. If current negotiations between San Juan Capistrano and Orange County fail, the Prima Landfill would not accept out-of-county waste, resulting in lower revenues.

**\$15 Million Annual Net Revenues Appear Reasonable by 1997-98.** Given the contract proposals received by the County, it is reasonable to project annual net importation revenues of \$15 million for 1997-98 through 1999-00. However, because of the uncertainty about fee levels for the imported waste and the availability of the

Prima Landfill, net revenues are unlikely to exceed \$4 million in 1995-96 and could be as low as \$11 million in 1996-97.

*Revenue Projections More Uncertain After 2000.* Because the contract proposals have terms varying from five to ten years, there is greater uncertainty in projecting revenues beyond the proposed contract expiration dates. For instance, it is not known how disposal fees in other counties will change over time, similarly, it is not known how the volume of waste will change in response to state mandates for waste reduction and diversion.

*Impact on Other Jurisdictions.* The current contract proposals would likely not have a major negative impact on Los Angeles and San Diego Counties because (1) a majority of the waste proposed to be diverted from Los Angeles County is from a City of Los Angeles landfill that the City is planning to close, and (2) a majority of the waste proposed to be diverted from San Diego County is already being diverted out-of-state to Arizona landfills.





TO: Library Board of Trustees  
 FROM: Elizabeth D. Minter, Library Director *EM*  
 DATE: September 19, 1995

**SUBJECT: Liability Insurance Quote from Special District Risk Management Authority**

**BACKGROUND:**

At its Meeting on May 15, 1995, the Library Board of Trustees requested a solicitation of a quote for liability insurance coverage from the Special District Risk Management Authority.

A copy of the response to that request is Attachment A.

The comparative annual costs for SDRMA and the District's present policies is:

	SDRMA	Shipkey
General Liability		\$11,829.75
Public Officials		\$3,393.91
<b>TOTAL</b>	<b>\$11,459.00</b>	<b>\$15,223.66</b>

The current General Liability coverage expires March 31, 1996. The policy value used from 4/1/95 through 9/30/95 is approximately (985.8125 x 6) \$5,914.88, plus a 10% of remaining balance cancellation fee of \$591.49, for a total of \$6,506.33. The District's refund would be approximately \$5,323.42.

The Public Officials Liability coverage expires April 30, 1996. The policy value used from 5/1/95 through 9/30/95 is approximately (282.83 x 5) \$1,414.13 plus a 10% of remaining balance cancellation fee of \$197.98 for a total of \$1612.11. The District's refund would be approximately \$1,781.80.

The total combined refunds for the District's present policies would be approximately \$7,105.22.

The pro-rated premium for the District's first year with SDRMA would be \$9,549.17 and would provide coverage from October 1, 1995 through July 31, 1996. The net cost of the pro-rated fee less the combined refunds for the District's present policies (which expire in March and April, 1996) is approximately \$2,443.95.

The amount budgeted for insurance for Fiscal Year 1995-1996 is \$15,500. The net cost of the pro-rated fee, \$2,443.95, plus the next annual premium, \$11,459, totals \$13,902.95.

Liability Insurance Quote from SDRMA, September 19, 1995, Page 2.

James W. Towns, SDRMA Executive Director and Risk Manager, and Gene DeYoung, SDRMA staff member, will be at the Board Meeting to answer questions about the SDRMA proposal.

**RECOMMENDATION:**

- 1- part*
1. Accept the proposal for general liability, auto liability, errors and omissions, property loss, boiler and machinery and employee blanket bond insurance from the Special District Risk Management Authority effective October 1, 1995.
  2. Authorize the Library Director to sign all documents relating to this insurance coverage.
  3. Authorize the Library Director to notify Shipkey Insurance of the cancellation of the General Liability and Public Officials Coverage effective at midnight on September 30, 1995.

- 2nd part*
4. *Go to the tail*  
*All Errors*

**SDRMA**

# SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

2400 Venture Oaks Way  
Suite 460  
Sacramento, CA 95833-3291

**Board of Directors**

(President)

Earl F. Sayre  
Trinity County WD #1  
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Hayfork, CA 96041  
(916) 628-5512

(Vice President)

Juan A. Lopez  
Heber PUD  
P.O. Box H  
Heber, CA 92249  
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John Woolley  
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Bruce Buel

McKinleyville CSD  
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Ken Sonksen

Sanger-Del Rey CD  
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(209) 875-7222

Rita Velasquez

8820 Elk Grove Blvd.  
Elk Grove, CA 95624  
(916) 685-7069

Tom Marking

Burney WD  
P.O. Drawer 2510  
Burney, CA 96013  
(916) 335-3582

Executive Director/

Risk Manager  
James W. Towns

September 11, 1995

Elizabeth D. Minter, General Manager  
Placentia Library District  
411 E. Chapman Avenue  
Placentia, CA 92670

TO: ELIZABETH MINTER  
FROM: JIM TOLK'S

6 PAGES

ORIGINAL TO FOLLOW  
OVERNIGHT MAIL.

**QUOTATION INDICATION**

Dear Ms. Minter:

Thank you for the opportunity to provide this quotation indication for the **Placentia Library District** to join the risk-sharing programs of the Special District Risk Management Authority (SDRMA) for the period of October 1, 1995 through July 31, 1996. We have shown the pro-rated period from October 1 through July 31, 1995, and the annual contribution for the 1995-96 program year (SDRMA's program year is August 1 through July 31).

**This indication is subject to final approval of the SDRMA Board, which is holding its meeting on September 20, 1995.**

We are very interested in having your District join the other 174 statewide members of SDRMA in this risk-sharing program. We hope that our programs meet your needs and that you and the District find this quotation acceptable.

This proposal represents a casualty and property program that is specifically designed to address the risk financing and risk management needs of California Special Districts.

The package includes Public Officials Errors and Omissions, General Liability, Auto Liability, protection for damage to District property and machinery, and optional auto comprehensive and collision coverage (summary of coverages attached).

In California: TOLL FREE NUMBER: (800) 537-7790 Elsewhere: (916) 641-2773  
FAX: (916) 641-2776

Placentia Library District  
September 11, 1995

We feel some of advantages that our program offers include:

1. An "occurrence" form policy not "claims" made.
2. Broad Errors & Omission coverage for Board Members, volunteers and district employees, including employees who have specialized skills, such as engineers or accountants. This coverage has a \$2,500,000 limit per occurrence/aggregate. (This exceeds the District's current policy which has limits of \$1,000,000).
3. \$25,000,000 property damage limit with replacement cost coverage.
4. Broad General Liability coverage with limits of \$2,500,000 per occurrence/aggregate. (This exceeds the District's current policy of \$1,000,000/\$2,000,000).
5. SDRMA's services are highly specialized for member's needs. These services include: Safety Claims Workshops, inspection visits by our Loss Control Officer and a safety video tapes loan program.
6. Your District will have the opportunity to reduce future years contributions by participating in our Credit Incentive Program. The credit incentive percentage is established by SDRMA's Board and is currently set at a maximum **reduction of 17 percent**.

**NOTE:** Limits for auto liability, public officials liability (E & O), and general liability can be increased from the "primary" layer of \$2.5 million to a total of \$5.5 million (\$3 million layer of excess) for an additional \$638.64.

SDRMA is a **not-for-profit** Joint Powers Authority (public agency). Our purpose is to provide efficiently priced renewable liability coverage and risk management services. We offer broad coverages to our members that are normally not available through commercial insurance. Our Board of Directors are elected from our membership. They understand the coverage and risk management needs special districts like yours and work for our members best interest. In addition, we have a team of qualified professional staff and consultants to provide the highest service level possible for our members.

We are looking forward to meeting with you and your Board on September 19. In the meantime, if you have any questions please give me a call anytime.

Sincerely,

  
James W. Towns  
Executive Director/Risk Manager



**SDRMA**

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# SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

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## QUOTATION SHEET

**DISTRICT:** Placentia Library District

**PROGRAM  
COVERAGE:** General Liability  
Auto Liability (w/non-owned auto)  
Errors & Omissions  
Property Loss  
Boiler & Machinery  
Employee Blanket Bond

**ANNUAL  
PREMIUM:** \$11,459  
(8/1/95 - 7/31/96)

**PRO-RATED  
PREMIUM:** \$ 9,549.17  
(10/1/95-7/31/96)

September 11, 1995

**SDRMA**

## SUMMARY OF COVERAGES

**SDRMA is a not-for-profit** Joint Powers Agreement whose purpose was and is to **provide stable, efficient and long term risk financing** for Special Districts. SDRMA has a successful nine-year record in meeting and responding to the needs of its members. We currently have 174 members and continue to add new members. We offer broad coverages to our members that are generally not available through commercial insurance. With your continued support and the support of other Special Districts we will continue to be able to offer broad coverage at very competitive prices and be able to meet your future needs.

Our current program and coverage include:

### Physical Damage Coverage

This coverage is provided to member property and Replacement Cost Coverage for Building, Contents and Equipment (including Mobile). This is "new for old" coverage if replaced, Actual Cash Value if not.

No coinsurance penalty applies that can restrict coverage or reduce payments on claims. The coverage is provided for all SDRMA members and offers benefits not normally available to individual members except at much higher premiums.

### Liability Protection

To protect the member of SDRMA against claims or lawsuits for activities that have alleged to have harmed the public, SDRMA provides the following protections, all on an occurrence form, not "claims made," as many liability policies are:

- General Liability to \$2,500,000 per occurrence/aggregate
- Automobile Liability to \$2,000,000 per occurrence
- Public Officials Errors and Omissions \$2,000,000 per occurrence/aggregate

This coverage is designed to wrap around the district activity commonly conducted. If a legal demand is made for damages arising out of these activities which resulted from an accident or occurrence, this protection will respond by providing legal defense and paying the damages if found to be liable.

Included in General Liability coverages are:

- All Premises and Operations
- Product and Completed Operations
- Assumption of liability by contracts
- Personal Injury such as Libel and Slander, Discrimination, Mental Injury, Advertising Injury
- Host Liquor Liability
- Incidental Medical Malpractice
- Owned Watercraft up to 25 feet in length

*Applied with coverage  
 + ask about Inmate / Foundation  
 where is the important value event  
 to be called amount!*

Automobile Liability is covered for:

- Owned
- Non-Owned (Districts liability only)
- Hired, Rental or Leased

**Public Officials Errors and Omissions**

This coverage is for suits against public officials, employees and the entities for wrongful acts. Wrongful acts are actual or alleged errors or misstatements, acts, omissions or neglect or breach of duty in the discharge of duties with the member district.

Coverage Type	Limit	Deductible
<b>General Liability</b>		\$500
Limit [per occurrence]	\$2,500,000	
[deductible is for property damage only]		
General Aggregate	\$2,500,000	
Personal Injury/Advertising	\$2,500,000	
Professional Liability	\$2,500,000	
[specific underwriting only]		
Optional Additional Coverage Inc Form	\$10,500,000 Occurrence	
<b>Coverage Includes:</b>		
Athletic Activities		
Broad Form Property Damage		
Certain Advertising Losses		
Contractual		
Employee Benefits		
Extended Bodily Injury		
Failure to Supply [restrictive]		
Host Liquor		
Incidental Motorcycles		
Liquor Law Liability - Temporary		
Non-Owned Watercraft		
Owned Watercraft [to 25 M]		
Personal Injury from Employment		
Wrongful Termination		
Employee Discrimination		
Prior Acts [subject to evaluation]		
Products/Completed Operations		
Sexual Misconduct		
Transit of Mobile Equipment		
Volunteers/Employees		
<b>Exclusions</b>		
Aircraft		
Asbestos		
Breach of Contract		
Fellow Volunteers Optional		
Fireworks		
Intentional Acts		
Intentional Falshoods		
Inverse Discrimination		
Pollution Liability		
Watercraft [over 25 ft]		
War/Riot Violations		
Worker's Compensation		

Coverage Type	Limit	Deductible
<b>Property</b>		
Lions [per occurrence]	\$25,000,000	\$2,000
Building & Contents	Replacement	\$2,000
Extra Expense	\$50,000	\$2,000
Personal Property of Employees	\$500	
Personal Property of Others	\$25,000,000	\$2,000
Electronic Data Processing		
Hardware	\$50,000	\$2,000
Software	Included	
Extra Expense	Included	
Accounts Receivable	\$50,000	\$2,000
Valuable Papers	\$50,000	\$2,000
Fine Arts	\$50,000	\$2,000
Builders Risk	\$500,000	\$2,000
Demolition and Increased		
Cost of Construction	\$500,000	\$2,000
Transit	\$500,000	\$2,000
Removable Equipment Floater	\$25,000,000	\$2,000
[replacement cost to policy limit]		
Commenced Property of Others	\$25,000,000	\$2,000
[except for excluded property]		
Valuation	Replacement Cost	
Contumace Penalty	None	
<b>Crimes</b>		
Employee Dishonesty	\$100,000	\$0
<b>Boiler &amp; Machinery</b>		
Includes Mechanical Breakdown	\$30,000,000	\$1,000
<b>Automobile</b>		
Physical Damage	Actual Cash Value	
Liability Limit [per occurrence]	\$2,500,000	\$1,000
[deductible is for property damage only]		
Uninsured Motorist	\$500,000	
Non-Owned and Hired Vehicles	Covered	
Comprehensive/Collision		\$250,000
<b>Public Officials Errors &amp; Omissions</b>		
Limit [per occurrence]	\$2,500,000	\$0
Annual Aggregate	\$2,500,000	
Form	Occurrence	



TO: Library Board of Trustees

FROM: Elizabeth D. Minter, Library Director *EDM*

DATE: September 19, 1995

**SUBJECT: Establish Records Retention Policy**

**BACKGROUND:**

Placentia Library District presently has no policy concerning the retention and destruction of District records.

*Start / meet*

**RECOMMENDATION:**

1. That the Library Director be designated as the custodian of all records of the Placentia Library District.
2. That the following schedule for records retention be implemented:

Board of Trustee Minutes, Agendas & Agenda Documents	Indefinitely
Audits	Indefinitely
Annual Reports to the State Library	Indefinitely
Annual Report of Financial Transactions to the State Auditor	Indefinitely
Personnel Records	Indefinitely
Monthly Financial Reports from the Orange County Auditor	Indefinitely
Bond Payment Records	Indefinitely
Pension Fund Annual Census and Report	Indefinitely
Library-published reports, studies, publications	Indefinitely
Insurance Policies	10 years
Payroll Records and Reports	10 years
Grant Reports	10 years
Grant Applications -- funded	10 years
FPPC Conflict of Interest Statements for Staff	7 years
Grant Applications -- unfunded	5 years
Library System printouts	5 years
Budget forms for Orange County Auditor	5 years
Checks	5 years
Bank Statements	5 years
Board Meeting recordings	<del>1 year</del> 3 yrs.

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15

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TO: Library Board of Trustees  
FROM: Elizabeth D. Minter, Library Director *EM*  
DATE: September 19, 1995

**SUBJECT: Establish Mileage Reimbursement Rate Policy**

**BACKGROUND:**

The standard mileage rate allowed by the Internal Revenue Service (IRS) is adjusted periodically to reflect the actual costs of owning and operating an automobile.

Currently the District's reimbursement rate is fixed at 25¢ per mile. The current IRS rate is 29¢ per mile.

A copy of the IRS rules is Attachment A.

Using the IRS rate will simplify the transition as the rate changes to reflect current costs.

**RECOMMENDATION:**

Set the mileage reimbursement rate as the "Standard Mileage Rate" as authorized each year by the Internal Revenue Service.

*Even / next*



irregular or short-term basis. For temporary assignments "away from home," see § 951.

*Travel from a Home Office.* Individuals who use their homes as their principal place of business (§ 961) are permitted to deduct transportation expenses that would otherwise be classified as nondeductible commuting costs.<sup>5</sup> A recent Tax Court decision permitted an individual to deduct daily transportation costs incurred in traveling between his home and numerous temporary work sites because the home was the individual's "regular place of business."<sup>6</sup> However, the IRS has ruled that it will not follow the Tax Court's decision (Rev. Rul. 94-47).<sup>7</sup>

**946. Car Expense.** Expenses for gasoline, oil, tires, repairs, insurance, depreciation, parking fees and tolls, licenses, and garage rent incurred for cars used in a trade or business are deductible. The deduction is allowed only for that part of the expenses that is attributable to business.<sup>8</sup> Generally, an employee's unreimbursed expenses can be deducted only as a miscellaneous itemized deduction subject to the 2% floor (Code Sec. 67).<sup>9</sup> See § 941. See § 1214 for a discussion of depreciation.

**947. Substantiation of Car Expenses.** A taxpayer can substantiate car expenses by keeping an exact record of the amount paid for gasoline, insurance, and other costs. However, the standard mileage rate method is a simplified method available to both employees and self-employed persons in computing deductions for car expenses in lieu of calculating the operating and fixed costs allocable to business purposes.<sup>10</sup> Business mileage is established through odometer readings.

*Standard Mileage Rate.* Under the standard mileage method, the taxpayer determines the amount of the allowable deduction by multiplying all the business miles driven during the year by the standard mileage rate. For 1994, the standard mileage rate is 29 cents a mile for all miles driven.<sup>11</sup> U.S. Postal Service employees who use their own cars for delivering mail on a rural route and who do not claim depreciation on their cars may use a standard mileage rate of 43.5 cents per mile for 1994.<sup>12</sup> The business portion of parking fees and tolls may be deducted in addition to the standard mileage rate.

Same for 1995

The standard mileage rate method may be utilized by self-employed individuals or employees who own the car and operate only one car at a time for business purposes. It is not available for cars used for hire (taxicabs), two or more cars used simultaneously (fleet), or for any vehicle that is leased. Use of the standard mileage rate in the first year of business use is considered an election to exclude the car from MACRS depreciation (§ 1236).<sup>13</sup>

*Fixed and Variable Rate (FAVR) Method.* In addition to the standard mileage rate, another substantiation method exists for an employee's expenses.<sup>14</sup> An employee's car expenses will be deemed substantiated if the payor (usually the employer) reimburses the employee's expenses with a mileage allowance using a flat rate or a stated schedule that combines periodic fixed and variable payments. At least 10 employees must be covered by such an arrangement at all times during the calendar year, but at no time can the majority of covered employees be management employees. Additional requirements must be met.

**948. Interest on Car Loans.** Interest paid by an employee on a car loan is nondeductible personal interest. See § 1045. However, a self-employed taxpayer may claim the interest paid on the business portion of a car as a business expense. The remaining nonbusiness portion is personal interest (Code Sec. 163(a)).<sup>15</sup>

Footnote references are to paragraphs of the 1995 Standard Federal Tax Reports.

<sup>5</sup> § 8540.0414

<sup>9</sup> § 6060

<sup>13</sup> § 8540.011

<sup>6</sup> § 8520.144

<sup>10</sup> § 8540.011

<sup>14</sup> § 8540.55

<sup>7</sup> § 8520.0414

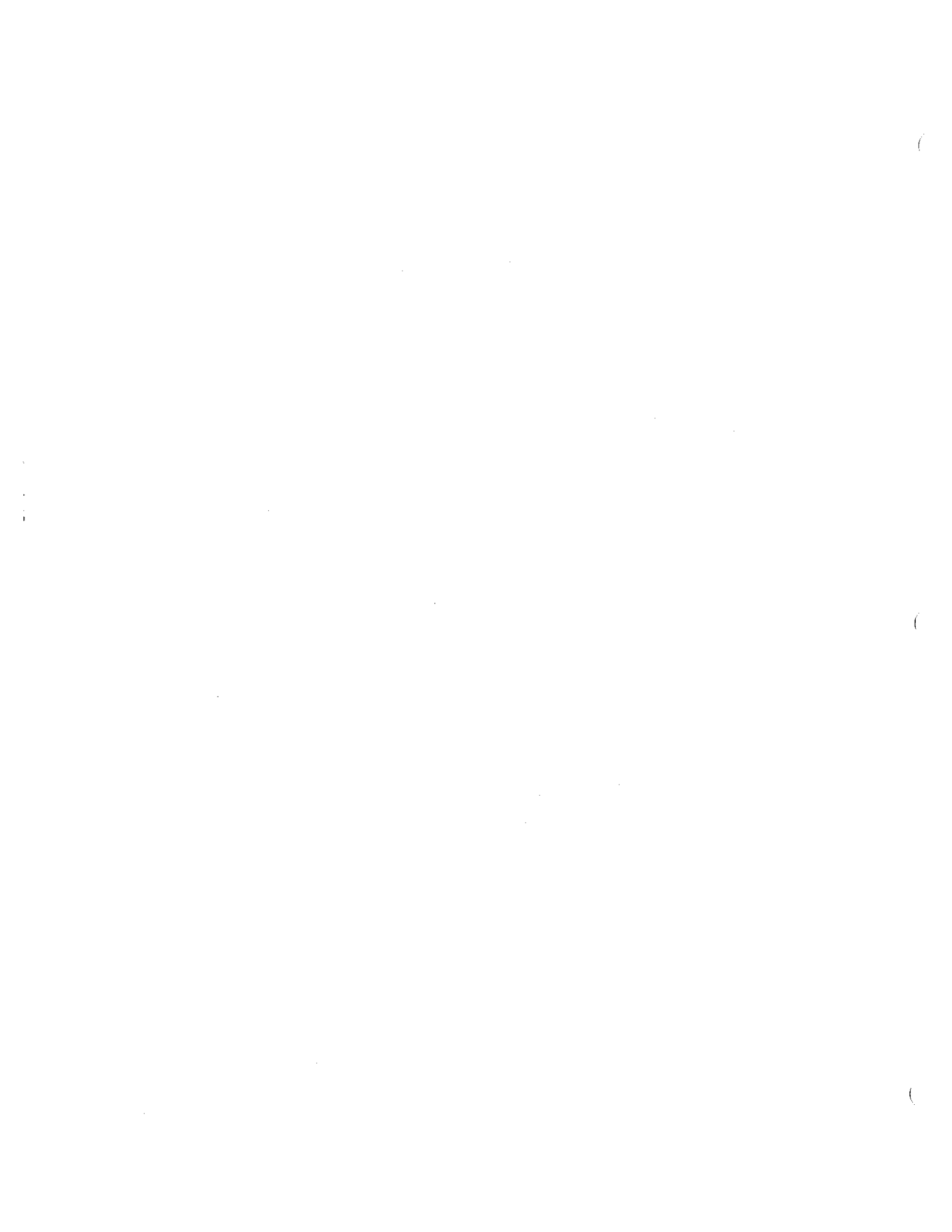
<sup>11</sup> § 8540.011

<sup>15</sup> § 8540.014, 9102

<sup>8</sup> § 8451, 8540.01

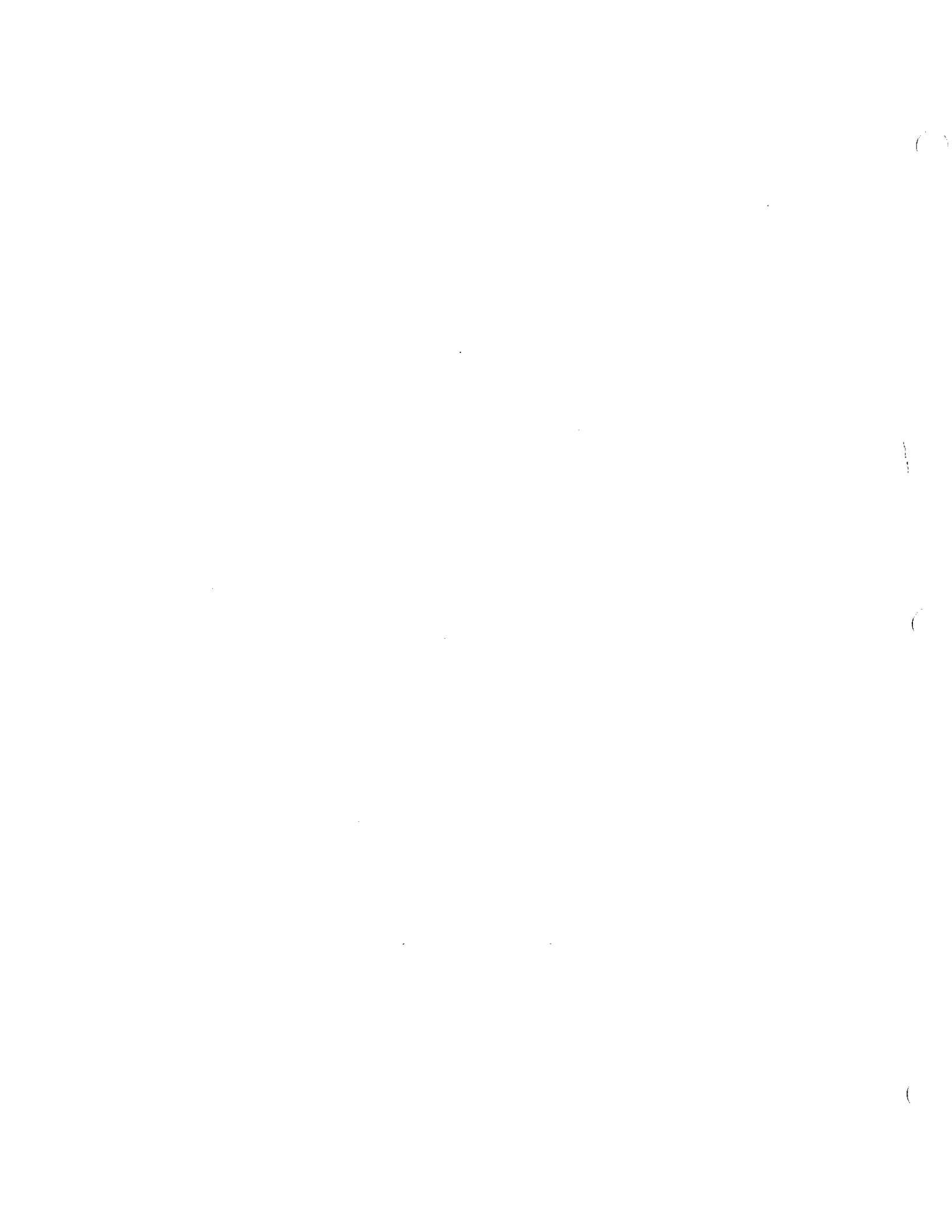
<sup>12</sup> § 8540.012

§ 946



TO: Elizabeth Minter, Library Director  
 FROM: Suad Ammar, Principal Librarian <sup>SA</sup>  
 DATE: September 19, 1995  
 SUBJECT: Program Committee Report for the Month of August 1995.

PLACENTIA LIBRARY DISTRICT		
PROGRAM STATISTICS		
DEPARTMENT	AUGUST 95	
	# PROGRAMS	# ATTENDEES
<i>ADULT SERVICES</i>		
Placentia Pride	1	15
<i>CHILDREN'S SERVICES</i>		
Class Visits to Library	1	40
Story Hours	7	171
<i>LITERACY SERVICES</i>		
Citizenship Exam	1	11
Families For Literacy	1	8





TO: Elizabeth Minter, Library Director  
FROM: Kay Schneider, Librarian II Children's Department  
DATE: September 13, 1995  
SUBJECT: Children's Services Report

### **Library Card Sign Up**

The Placentia Library was one of several area libraries invited by the Bookstar Bookstore in Brea to participate in "Library Card Sign Up Day" On Saturday, September 9, 1995 Jerry Conn was at this bookstore signing up new library users and passing out bookmarks. He added seventeen new members from surrounding cities. (Anaheim, Brea, Fullerton and Yorba Linda.

Library card sign up month in the Children's Department is well underway. It is our goal to encourage every child to get and to use a library card. Flyers describing activities and services in the Library were delivered to the Placentia Elementary Schools to be given to each student. Each flyer contained a motivational bookmark for the children. Sign up month is also being promoted by a very large and attractive bulletin board prepared by our teen summer volunteers. Each child who signs up for a library card during the month of September will receive a special pencil and be entered into a contest to win a paperback book.

### **Paws for a Story - Summer Story Hours**

These twice weekly programs for children ages 3 - 6 continue to be a very visible and popular part of our service to children. Stories, songs, special activities and movies are part of the fun each week. There were seven sessions of story hour in August and were well attended by 171 children.

### **Summer Reading Program "Paws to Read"**

This year 1057 children participated in our summer reading program. Each child who registered for the program received a book log and a Paws to Read pin. Both the book log and pins were provided by Wells Fargo Bank. As children read books during the summer they earned "dogbones" which were then spent at the Doghouse for small prizes. Bouncy balls, yoyos, erasers, rings, bracelets, airplanes, and stickers and paperback books were among the prizes they could choose. These were provided by the Friends of the Library. Also available as prizes were food coupons provided by local area businesses. Hamburgers from McDonalds, In & Out Burger and Carl's Jr. were very popular choices.

There were 352 children (33% of the total registered) who read 15 books and made at least 5 Library visits to complete the program. They each received a Dog-gone Good Reader Certificate, a meal from the Whole Enchilada, a hamburger and certificate from Carl's Jr. and were entered in a drawing for two passes to Disneyland and a \$50.00 savings bond provided by Wells Fargo Bank. The very excited winners of these two contests were contacted on September 2.

We determined from our registration statistics that there were more children enrolled this summer in age groups 6-8 than any other. Also 44% of the children in this age group completed the program. This information will hopefully help us determine the direction of our future programs.

<u>Ages</u>	<u>Number Participating</u>	<u>Percent Completing</u>
2-5	215	21%
6-8	415	44%
9-11	359	28%
12 & up	68	6%

**STATISTICS FOR SUMMER READING PROGRAM  
1992 - 1993 - 1994 - 1995**

	1992 Incredible Journeys	1993 Top Hat and Tales	1994 Reading Rodeo	1995 Paws to Read
Number Enrolled	1,118	1,131	924	1,057
Number Finishing	303	298	338	352
Percentage Finishing	27%	26%	37%	33%
Number of Wednesday programs	9	12	10	8
# Attending Wednesday Programs	991	623	722	873
Number of Pre-school Story Hour	24	12	4	15
Number Attending Story Hour	571	271	105	404

**In & Out Burger Promotion**

We will be participating in a special reading promotion sponsored by the In & Out Burger Restaurant as well as several other area libraries from September 15-December 15. The restaurant chain will be providing promotional posters and bookmarks. The children record the books they have read on these bookmarks and bring them to us to be stamped. When they have 5 "stamped" titles on their bookmarks they may take it to the restaurant for a burger, fries and a drink. This program will involve very little staff time and yet encourage the children to come to the library and continue their reading.

TO: Elizabeth Minter, Library Director  
FROM: Cheryl Willauer, <sup>W</sup>Library Assistant  
DATE: September 11, 1995  
SUBJECT: Publicity materials produced for August 1995

**Information on the Placentia Library cable channel #53:**

1. Placentia Library Literacy Services offering INS-approved citizenship examination.
2. Friends of the Library on-going booksale.
3. Story Time for Children.
4. North Story Circle meeting featuring storytelling and workshops.
5. Literacy asking for volunteers to take the tutor training program.
6. "PAWS TO READ" Summer Reading Program.
7. Library Hours.
8. August quotes.
9. Placentia Library Trustees.
10. Placentia Pride Seminar "Immigration & Citizenship".
11. Holiday closing for Labor Day - September 3rd and 4th.

**Newspaper articles published:**

1. "A dog-gone good time."
2. "PAWS include chicks too."
3. Understanding Living Trusts.
4. Storytellers Guild to meet.
5. Friends of the Library to meet.
6. Library subscribes to want ad service.
7. "Wide-eyed Wonder."
8. Placentia Library hours.
9. Placentia Library offers U.S. citizenship exam.
10. April Ottavian's column gives election results that Suad Ammar has been elected to a three year term to the Chamber of Commerce Board of Directors and also wishes her a speedy recovery.

**Program from Music for Literacy A Benefit Concert**

Attached is a copy of the program from the benefit concert listing all the Placentia Library Literacy Services volunteers.

**pacific clippings**

post office box 11789  
santa ana, calif. 92711

The Register  
Daily

AUG 17 1995

**PLACENTIA 332**

More than 100 residents packed council chambers Tuesday at City Hall to discuss Charli Carsey's plan to convert the Old Wagner Ranch House at 1542 Valencia Ave. into a tearoom and weekend wedding chapel. Fourteen nearby residents vehemently opposed the plan, citing concerns about traffic, safety and increased noise. Nine residents favored it, however, because Carsey promised to restore the property and maintain its historical-landmark status. The council denied Carsey's application 4-0 as the audience applauded.

-- Sharilyn Miller  
(714) 704-3704

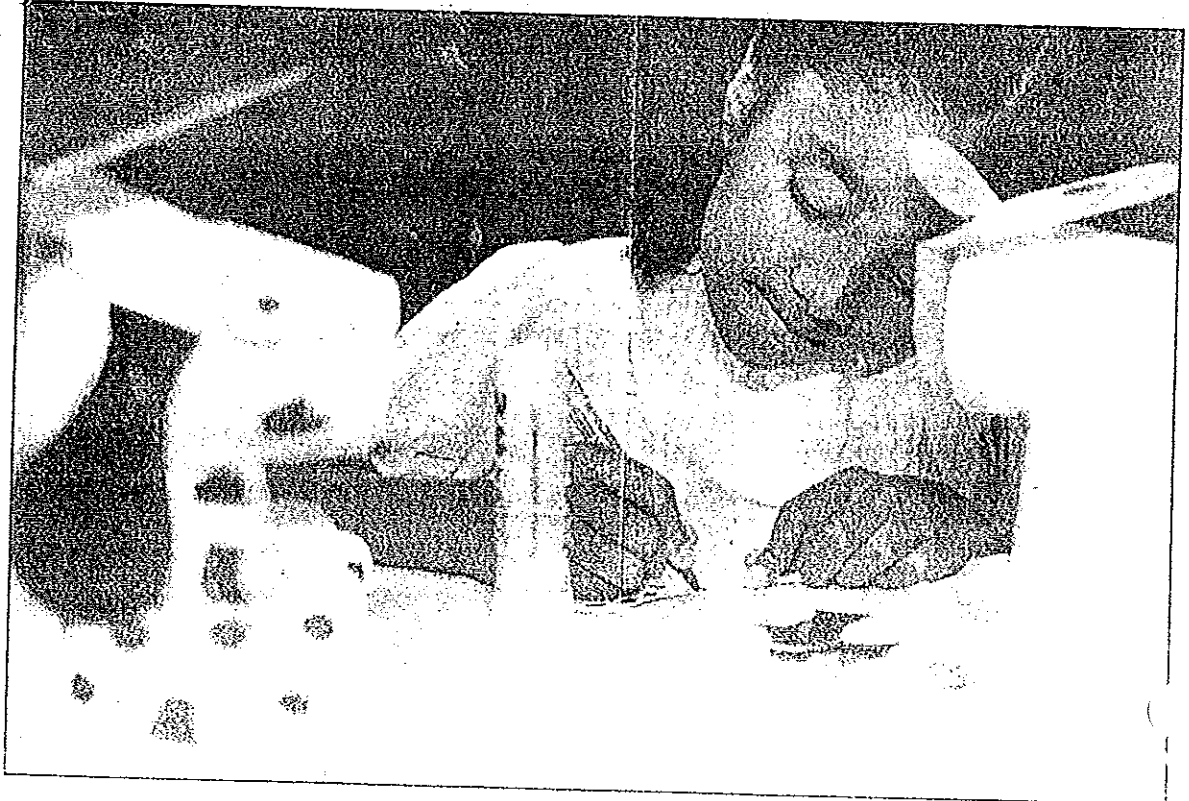
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Placentia News  
Weekly

AUG 03 1995

**A DOG-GONE GOOD TIME**



Natasha Re. Costi, 7, works on the spots for her Dalmatian fire-dog craft project in a class that is part of the Placentia Library's summer reading program.

M. Loren Hernandez/Placentia News-Times

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Placentia News  
Weekly

AUG 10 1995

**PAWS includes chicks, too**

332



Cheryl Rendes shows children a live chicken during the Placentia Library's Pause to Read program.

Robert Walchli-Placentia News-Times

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Los Angeles Times  
OC Edition  
Daily **AUG 07 1995**

■ **Understanding Living Trusts**  
Sponsor/Group: Attorney Scott A. Bourdelais  
Where: Placentia Library, 411 E. Chapman Ave.  
Time: 7 p.m.  
Admission: Free  
Information/Reservations: (714) 541-9569

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Placentia News  
Weekly **AUG 10 1995**

### **pacific clippings**

post office box 11789  
santa ana, calif. 92711

Placentia News  
Weekly **AUG 10 1995**

### **Wide-eyed wonder**



Stan Bird/Placentia News-Times

Alex Palmer, 5, is intrigued by juggler at Placentia Library, who was part of the Pause to Read program held at the library.

### **Library subscribes to want-ad service**

The Placentia Library now subscribes to a service that compiles the "help wanted" ads from 64 cities, publishes the ads on microfiche, and delivers the ads weekly to the library.

The ads are complete and unedited, providing full-time job opportunities for experienced or entry-level, white and blue collar positions. Cities include Atlanta, Ga.; San Francisco and San Diego; St. Louis, Mo.; Boston, Mass.; and Dallas and Houston, Texas, to name a few.

To view the microfiche, ask at the library's reference desk for Help Wanted USA. The library is at 411 E. Chapman Ave. Hours are: noon to 8 p.m. Monday-Wednesday; 10 a.m. to 6 p.m. Thursday; Friday closed; 10 a.m. to 6 p.m. Saturday; and 1 to 5 p.m. Sunday.

### **pacific clippings**

post office box 11789  
santa ana, calif. 92711

Placentia News  
Weekly **AUG 31 1995**

#### **SUNDAY**

**Storyteller's Guild meets** to learn storytelling techniques at the library, 411 E. Chapman Ave. Call 528-1906.

**Bradford House Tours take place** from 2 to 4 p.m., at 136 E. Palm Circle. Call 993-2470.

#### **MONDAY**

**Learn to paint in oils** from 9 a.m. to noon at the Senior Center, 143 S. Bradford Ave. Call 993-6084.

**Line dancing takes place** at 9:30 a.m. at the Backs Community Building, 201 N. Bradford Ave. Call 630-3871 or 993-6084.

**Friends of the Library meet** to at 7 p.m. at 411 E. Chapman Ave. Call 528-1906.

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The Register  
Daily **AUG 07 1995**

### **pacific clippings**

post office box 11789  
santa ana, calif. 92711

Los Angeles Times  
OC Edition  
Daily **AUG 23 1995**

Understanding Living Trusts, 7 p.m., Placentia Library, 411 E. Chapman, Placentia. Presenter: Scott A. Bourdelais. Free. 541-9569.

#### **PLACENTIA**

Placentia Library (411 E. Chapman Placentia, [714] 528-1906). Open 10 a.m. to 6 p.m. Monday through Wednesday; 10 a.m. to 6 p.m. Thursday and Saturday; 1 to 5 p.m. Sunday.

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Placentia News  
Weekly

AUG 24 1995

Agenda Item 32  
Page 5

### **AROUND TOWN**

#### **Placentia library offers U.S. citizenship exam**

332  
If you are eligible to apply for U.S. citizenship and are at an intermediate level of English, you can take the INS-approved CASAS Basic Citizenship Skills Examination at the Placentia Library Sept. 23. The deadline for applying is Aug. 27. Fee: \$22. The library is at 411 E. Chapman Ave.

For information, call 524-8408.

#### **Churches unite to support schoolchildren**

St. Joseph Catholic Church and Blessed Sacrament Episcopal Church are teamed together to

help provide school supplies to 1,800 children in Placentia who cannot afford their own pens, pencils, crayons, scissors, notebook paper and other essentials. Anyone interested in donating new school supplies may drop them off at the following locations:

St. Joseph Catholic Church, 717 N. Bradford Ave. Call 528-1487.

Blessed Sacrament Episcopal Church, 1314 N. Angelina Drive. Call 528-2995.

#### **Heritage Festival calling for sponsors**

The 1995 Heritage Festival is in need of sponsors for float awards and trophies that will be presented to outstanding participants in

the event, which takes place Oct. 13 from 7:30 to 11:30 p.m. Sponsoring individuals, companies or organizations will have their names engraved on trophies they choose to sponsor, and announced during the awards ceremony. The cost ranges from \$50 to \$100.

For information, call 993-8232.

#### **Cheerleaders win outstanding awards**

The cheerleading team from St. Joseph School received a Spirit award and two Superior awards for perfect evaluations on their home cheer and game action/crowd response cheer during Cheerleading Spirit Camp at California State University, Long Beach, last July.

St. Joseph was the only cheerleading team to receive two Superior awards, which qualified them for the Superior award plaque.

#### **Key Ranch celebrates George Key Day**

Are you looking for a chance to experience Orange County history? Come out to the George Key Ranch Saturday from 10 a.m. to 4 p.m. for George Key Day, marking the second century of the Key Ranch at 625 W. Bastanchury Road.

Visitors will take a guided tour of the historic home and property, view a collection of antique tools, take part in a teddy-bear picnic and craft demonstration, and hear a barbershop quartet perform "Good Old Summertime" tunes. Admission is \$3 for adults, \$2 for children 12 and under. All proceeds support the maintenance of the property.

For information, call 528-4260.

## **pacific clippings**

post office box 11789  
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The Register

Daily

AUG 06 1995

### **PLACENTIA 332**

Residents can learn the secrets of successful raconteurs in a free Storytellers Guild workshop from 1 to 2:30 p.m. Sunday at the library, 411 E. Chapman Ave. You can share storytelling tips with professionals and amateurs alike, learn new techniques, or simply enjoy the age-old art of telling oral tales to children. Call the library at (714) 528-1906.

- Sharilyn Miller/(714) 704-3704

**pacific clippings**  
post office box 11789  
santa ana, calif. 92711

Placentia News  
Weekly  
AUG 17 1995

## Neighbors

PEOPLE

# Scholars rule at El Camino; chamber elects new directors

I just love sharing Glen Colard's news with everyone... because it's always GOOD news from El Camino Real High School where Glen is principal. Top scholars, that's Glen's latest news...says everyone over at El Camino is real proud of their accomplishments. Students named to the High Honor Roll from completing 40 or more credits with a 3.0 "B" average are: Erika Bean, Theresa Benavidez, George Cervantes, Jorge Chavez, Andrea Dailey, Nicole Dixon, Ann Duong, Juan Hernandez, Enrique Jimenez, Reid Perrin, Linda Saigado, Emilia Trejo, Lorena Valerio and Jabari Young. A big drum roll, a pat on the back and Congratulations!

Election results: Elected to the Chamber of Commerce Board of Directors are **Suad Ammar**, three year term, Placentia Library (and we send "hope you're feeling better wishes" to her); **Bob Bolin** of Bolin's Mail Sender/Hallmark, James Bardwell, JR Associates Advertising; **Jane Evans** of Villa de Palma; and **Joan Memsgern**, Century 21-Superstars. I think all are very dedicated to expanding the business base in our community, and I realize, as we all do, that Orange County has taken a real beating lately...but I do think our community is a great place to do business, the emphasis on keeping businesses here...like Sharon's Bakery!

Andrew Timm Chernick and Bonnie Marie Burner are locals



### APRIL OTTAVIAN

who "went away to college" and earned a spot on the dean's Honors List. UC Santa Barbara tells us that Andrew, a pre-business/economics major and Bonnie, communication, achieved a grade point average of 3.75 (A minus) while enrolled in 12 or more units.

Sometime I think I'm just hitchhiking on a rural road when it comes to the "information highway," but I do know a good thing when I see it. So, it's share time: The Placentia Library has over 55 CD-ROM titles now available for checkout for three week time periods. Titles include, "Mayo Clinic Total Heart, Parenting: Prenatal to Preschool, Complete Baseball and for the youngsters, MICROSOFT "Dinosaurs" and "If you give a mouse a cookie."

Wedding bells rang for **Laura Maki Takenaka** and **Corey Ken Haina**, May 13 at Wintersburg Presbyterian Church in Garden Grove. The Rev. Masaya Hilibino officiated.

The bride's parents are **Hideo and Chieko Takenaka** of Tustin. The groom's parents are **Sam and Lillian Haina** of Anaheim.

A reception at the Waterfront Hilton Beach Resort in Huntington Beach followed the ceremony. The newlyweds took a honeymoon trip to Hawaii and now reside in Placentia.

Just moved to Placentia? Welcome Wagon has a warm welcome for you! Interested in their activities? Pat Minty said to give her a call, 970-8378.

Getting hungry, so will wrap up this week's column with information about an upcoming Aug. 23 fund-raiser. Spaghetti dinner (garlic bread, drinks and dessert) all for \$5 with proceeds benefiting the Placentia Police Department Explorer Post. The dinner (I can smell the garlic bread already!) takes place at the American Legion Post building on Bradford. Reserve Officer Gary Atchley is the person to call for information 993-8164. Buy your tickets early or at the door.

Looking for: Understand relatives of **Cecilia Bartoli** live in the north Orange County area...please call me. Thank you!

Placentia People is written by resident April Ottavian. Comments, suggestions and information for the column are welcome. Please mail or deliver to 922 Diamond Road or call 579-7885.



*Announcing*

*MUSIC for LITERACY*

*August 26, 1995*

*A BENEFIT CONCERT*

*Honoring*

*Literacy Volunteers*

*of*

*Orange County*



*featuring  
Kirsten Larsen  
Flutist  
Louisiana Philharmonic Orchestra*

*MUSIC for LITERACY*

*A Benefit Concert*

*Fullerton College Campus Theatre*

*August 26, 1995*

*Presented by*

*California Literacy*

*and*

*Southern California College of Optometry*

Linda Lee  
Jamie Lucas  
Kimberly McDaniel  
Kathryn McKenney  
Sharon McKeag  
Tawna Mikols  
Thomas Mikols  
Glenna Murphy  
Kathleen Nonneman  
Helen Plotnick  
Lillian Samson  
Ann Sandford  
Dorothy Sharp  
Mary Lee Shaw  
Julie Simmons  
Larry Smith  
Cora Soto  
Muriel Spill  
Lako Springer  
Harold Stevens  
Betty Tewart  
Rosemary Trujillo  
Donna Une  
Melinda West  
Gail Wheeler  
Stephen Wry

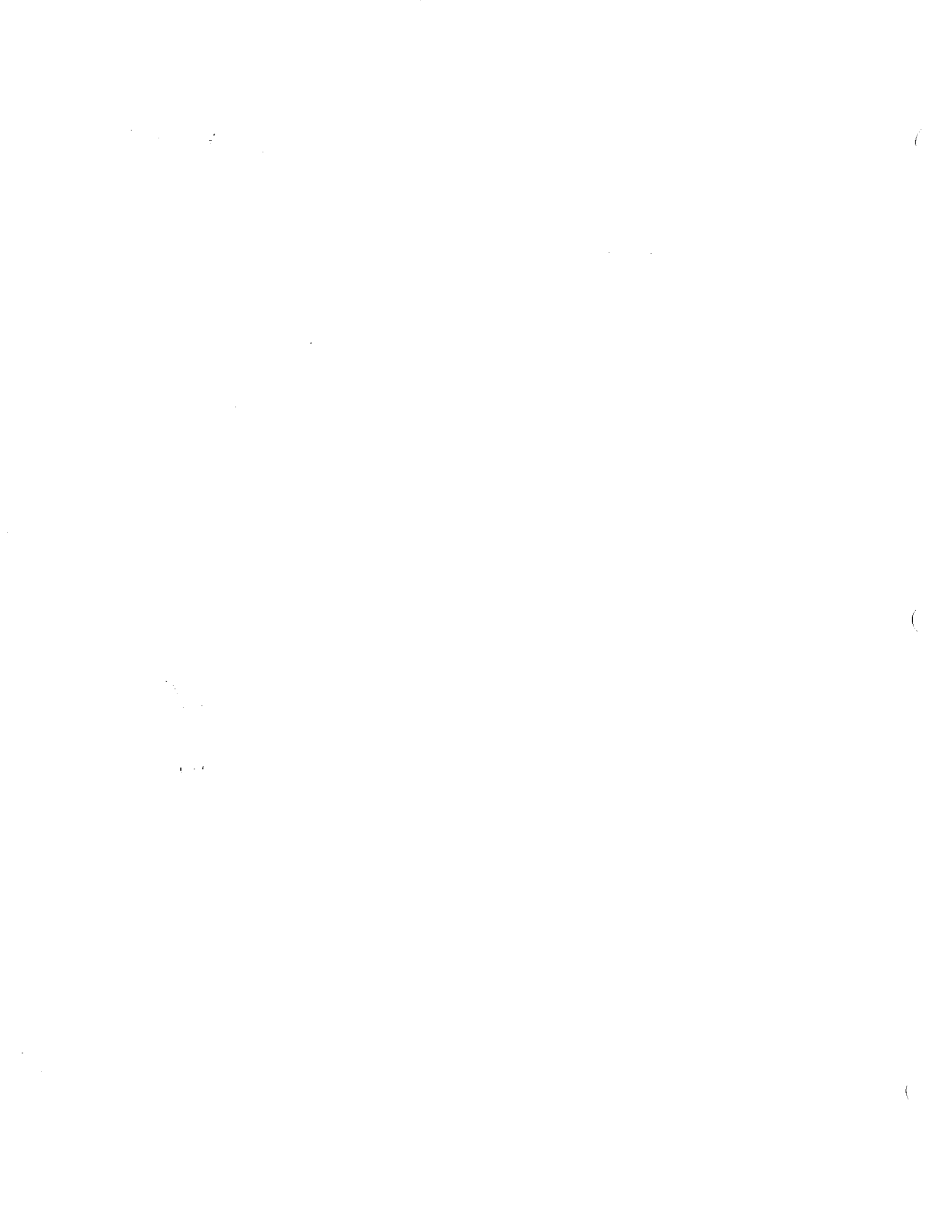
**Partners In Reading,  
Orange County Library**  
Rosanne Miller, Coordinator  
Kristina Jones

**Piacentia Library District**  
Katie Matas, Coordinator  
Jeannine Walters, Coordinator  
Marianne Allen  
Carolyn Andazola  
Jane Austin  
Laura Black  
Shirley Brock  
Grace Bottomley  
Ken Cantwell  
Adeana Cassidy  
Mel Chang  
Shirley Christian  
Mirela Clocan  
Renee Cillau  
Judy Coffee  
Myra Colagrossi  
Perry Crompton  
Jennings Daniel  
Margaret Delory  
Liz DeLuna  
Peggy Dinsmore  
Barbara Freywaki  
Marilyn Gable  
Marla Garza  
Polly Gast  
Daanna Gonsalves  
Dale Goodman  
Heba Grall  
Sheila Grohner  
Willard Hinrichs  
Michael Hiranuma  
Nancy Kennedy  
Cindy Kimura  
Tammy Korns  
Daniel Lantz  
Maureen Lantz  
Marjorie Levy  
Mark Logsdon  
Colleen McGlynn  
Elizabeth Menrad  
Suzanne Mills  
Marsha Mooney  
Robert Morales  
Lynda Murray  
Kari Nguyen  
Pamela Osborne  
Linda Pellegrino

Patricia Potter  
heather Reid  
Lori Richter  
Michael Senna  
Stacy Shotsberger  
Daniel Stackhouse  
Flo Stenger  
Lynn Sutton  
peggy vincent  
Ellen Wang  
Allene West  
Sherry Whitworth  
Susan Williamson  
Gordon Witt

**Read/Orange County**  
Lynn Summers, Literacy Clerk  
Kevin Ahearn  
Amya Allen  
Cheryl Allison  
Lena Anderson  
Marreana Appleton  
Anthony Arce  
June Armstrong  
Kim Armstrong  
Michelle Arnecke  
Adela Arnold  
Joyce Auslander  
Ron Avanzino  
Judith Avery  
Judith Avritt  
Randee Bach  
Jean Bain  
Nancy Baker  
Cecilia Baldock  
Betsy Barnes  
Dana Barrett  
Loretta Barrett  
Patricia Barrow  
Linda Barry  
Sharon Bartell  
Sonya Beard  
Mary Beaver  
Margaret Bell  
Cathy Beltran  
Louise Benedetti  
Jan Benlein  
William Benson  
Heather Berkeley  
Gary Berry  
Joan Bigham  
Hayley Black  
Felicity Blackford  
Fran Blattner  
Michelle Blouin  
Ian Board  
Karen Boehnke  
Valerie Boemler  
Helen Borrás  
Jody Bown  
Laura Braswell  
Paula Broger  
Doug Brenninger  
Lois Briggs  
Brenda Brown  
Maja Brown  
Patricia Brown  
Eileen Bruchman  
Sarah Bruck  
Jean A. Bryant  
Helen Buchell  
Marla Buckley  
Stacy Bullinger  
Roma Bunch  
Jaye Burgio  
Nancy Burling  
virginia Burrows  
Michael J. Butkowski  
Debra Ann Buttacavoli  
Kerry Byron

Lucy Cabrera  
Marian Capuloa  
Michael Calvo  
Cody Cambbell  
Lavona Cantonvino  
Iris Carey  
Beverly Carlson  
Pam Carlson  
Kim Carney  
Caryl Carpenter  
John Carrick  
Erin Cassidy  
Greg Cavin  
Sandra Champomnier  
Ann Chandler  
Annie Chang  
Conrad Chatelain  
Helen Chatfield  
Barbara Cherry  
Ann Chung  
Sam Chung  
Su Chung  
Casey Cisneros  
Gary Citron  
Caroline Clark  
Lori Clark  
Larry Clemens  
Sharon Clonts  
Connie Clyde  
William Colo  
Paige Collins  
Audrey Comport  
Melinda Conant  
Jeffrey Conn  
Ron Connal  
Darnell Cook  
Mary Cook  
Merritt Cooper  
Sandy Cooper  
Alco Cormier  
Lizette Coursella  
Holly Craig  
Kristine Craig  
Stephanie Craveiro  
Garalyn Creadon-Swindell  
Yolanda Crespo  
Jim Cronn  
Dierdre Crossi  
Luz Crosthwaite  
Janet Crowther  
Anne Cucchissi  
Gayle Cullen  
Denise Cuthbertson  
Diana Davidson  
Albert Davies  
Holly Davies  
Shirley Davies  
Lisa Davis  
Lynn Davis  
Beatriz de La Torre  
Rebecca de Lany  
Heather de Sha-Ibarra  
Judy Deering  
Michelle Deets  
Lori Dehart  
Vicki Delpart  
Michael Denniston  
Bahl Desai  
Emilie Dinkham  
Bruno Dilores  
Gail Dineen  
Patty Doo  
Cynthia Dorsey  
Jeanne Drake  
Denise Drucker  
Tony Dukis  
Julie Durn  
Susie Dunnigan  
Katherine Dykes  
Elaine Eddow



**TO:** Elizabeth Minter, Library Director  
**FROM:** Katie Matas, Literacy Coordinator *KLM*  
**DATE:** September 19, 1995  
**SUBJECT:** Placentia Library Literacy Services Report for the month of August

**Program Statistics**

Active tutors: 62

Active students: 78

Students waiting to be matched: 26

Percentage of tutors reporting (August hours): 81%

Tutoring hours reported: 256

Other volunteer hours reported: 77.5

Total volunteer hours: 333.5

**Citizenship Exam.** The citizenship exam was administered Saturday, August 26, 1995. Eleven people took the exam. The next exam is scheduled for Saturday, September 23.

**Workplace Literacy.** In response to a request by a local company, Literacy Coordinator Matas administered a reading test to 32 employees. To avoid having anyone feel singled out, the company had all available employees tested from assemblers to engineers. The company executives are in the process of deciding how they want to proceed.

**Networking.** There was no Chamber Mixer or Placentia Community Network meeting this month.

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TO: Elizabeth D. Minter, Library Director

FROM: Jeannine Walters, Families For Literacy Coordinator *JW*

DATE: September 18, 1995

SUBJECT: **Families For Literacy Report for the month of August**

**Summer Storyhours.** The last FFL summer story hour was held on August 8. Two adults and six children attended for a total of 8 participants.

**Funding.** We have received a \$20,000 grant from the California State Library for the 1995-1996 FFL program.

**1995-1996 program.** The program is scheduled to begin on September 5, 1995. Preparations for the program have begun. Rooms 6 and 7 at the Backs Community Building have been reserved for Tuesday and Thursday mornings. The Library's Meeting Room has been reserved for Wednesday mornings. The Literacy office was cleaned in anticipation of the remodel, and materials have been arranged in a more efficient manner. Books for distribution have been moved from the Literacy office to shelves in the Periodical Room.

**Staffing.** A letter was sent to Cal State Fullerton's Child Development Department requesting two interns to assist in the child care portion of the program.

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TO: Elizabeth Minter, Library Director  
FROM: Suad Ammar, Principal Librarian <sup>SA</sup>  
DATE: September 19, 1995  
SUBJECT: **Placentia Pride Council Report for the Month of August.**

**Legal workshops:** The August seminar was presented in Spanish by Attorney Alfredo Amezcua for the second time. The topic was "Immigration Law and Citizenship Training" and it was presented at the Whitten Center. Casa Placentia co-sponsored this seminar as they did with the first Immigration seminar.

"Citizenship Testing flyer," "Understanding the Law booklet," and "The California Senate booklet" all written in Spanish, were handed out to the participants.

Future seminars' dates, subjects and presenters are :

September 28, "Estate Planning" presented by attorney Keith deBruckey.

October 19, "Power of Attorney" presented by attorney Keith deBruckey.

November 16, "Family Law, Financial Settlement" presented by attorney Violet Woodhouse.

