

City of Lemon Grove
City Council Regular Meeting Agenda
Tuesday, June 20, 2017, 6:00 p.m.
Lemon Grove Community Center
3146 School Lane, Lemon Grove, CA

The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency Board

Call to Order

Pledge of Allegiance

Changes to the Agenda

Presentation

July is Parks and Recreation Month Proclamation

San Diego County Fair at the Del Mar Fairgrounds

Public Comment

(Note: In accordance with State Law, the general public may bring forward an item not scheduled on the agenda; however, the City Council may not take any action at this meeting. If appropriate, the item will be referred to staff or placed on a future agenda.)

1. Consent Calendar

(Note: The items listed on the Consent Calendar will be enacted in one motion unless removed from the Consent Calendar by Council, staff, or the public. Items that are pulled will be considered at the end of the agenda.)

A. Approval of Meeting Minutes

April 8, 2017 Special Meeting

Members present: Vasquez, J. Mendoza, Arambula, and M. Mendoza

B. City of Lemon Grove Payment Demands

Reference: Auggie Matt, Finance Manager

Recommendation: Ratify Demands

C. Waive Full Text Reading of All Ordinances on the Agenda

Reference: James P. Lough, City Attorney

Recommendation: Waive the full text reading of all ordinances included in this agenda; Ordinances shall be introduced and adopted by title

D. Community Development Block Grant Program Cooperation Agreement Renewal

The City Council will consider a resolution authorizing renewal of the Community Development Block Grant Program Cooperation Agreement for the next three qualification periods from July 1, 2018 through June 30, 2021.

Reference: Malik Tamimi, Management Analyst

Recommendation: Adopt Resolution

E. Renewal of Professional Services Agreement Stormwater Program Support Services with D-MAX Engineering, Inc

The City Council will consider a resolution approving an agreement with D-MAX Engineering, Inc. to conduct outfall monitoring, industrial, commercial, and municipal inspections.

Reference: Malik Tamimi, Management Analyst

Recommendation: Adopt Resolution

- F. Renewal of Stormwater Professional Services Agreement for Plan Review and Construction Inspections with D-MAX Engineering, Inc

The City Council will consider a resolution approving an agreement with D-MAX Engineering to review and approve technical stormwater reports for development and redevelopment projects.

Reference: Malik Tamimi, Management Analyst

Recommendation: Adopt Resolution

- G. Reimbursement of Expenses to the City of San Diego Based on Draft Cost Share Agreements Phase 1 Activities Associated with Investigative Order No. R9-2015-0058 for the Investigation of Sediment Quality in the Mouth of Chollas Creek

The City Council will consider a resolution adopting a not to exceed reimbursement of \$35,000.00 to the City of San Diego, in the draft cost share agreements related to the Memorandum of Understanding for the Completion of Phase 1 Activities required by Investigative Order No. R9-2015-0058.

Reference: Malik Tamimi, Management Analyst

Recommendation: Adopt Resolution

- H. Acceptance of the Connect Main Street Project (Contract No. 2017-16) Segment I Phase

The City Council will consider a resolution accepting the Connect Main Street Project Segment I Phase work as complete and authorize a notice of completion to be filed with the County of San Diego.

Reference: Mike James, Assistant City Manager/Public Works Director

Recommendation: Adopt Resolution

- I. Approve the Engineer's Report Detailing Zone L Assessments for Fiscal Year 2017-2018

The Roadway Lighting District Board will consider a resolution approving the Engineer's report and directs the filing with San Diego County Auditor and Controller on or before August 10, 2017.

Reference: Stephanie Boyce, Management Analyst

Recommendation: Adopt Resolution

- J. Approve the Engineer's Report Detailing Sewer Service Charges for Fiscal Year 2017-2018

The Sanitation District Board will consider a resolution approving the Engineer's report and directs the filing with San Diego County Auditor and Controller on or before August 10, 2017.

Reference: Stephanie Boyce, Management Analyst

Recommendation: Adopt Resolution

- K. Contract Extension for Street Light Maintenance and Repair

The Roadway Lighting District Board will consider a resolution to authorize a one-year extension with CTE, Inc. contract for street light maintenance and repairs in an amount not to exceed \$11,600.

Reference: Stephanie Boyce, Management Analyst

Recommendation: Adopt Resolution

- L. Five Year Lease Agreement with the Lemon Grove Historical Society for the Use of the H. Lee House Located at 3205 Olive Street

The City Council will consider a resolution approving a five year lease agreement with the Lemon Grove Historical Society for the use of the H. Lee House located at 3205 Olive Street.

Reference: Mike James, Assistant City Manager/Public Works Director

Recommendation: Adopt Resolution

- M. Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-2018

The City Council will consider a resolution approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-18 and directs the filing with San Diego County Auditor and Controller on or before August 10, 2017.

Reference: Stephanie Boyce, Management Analyst

Recommendation: Adopt Resolution

- N. Reject All Bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit

The City Council will consider a resolution rejecting all bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit Project. This is due to the bids exceeding the Engineer's estimate and project budget.

Reference: Mike James, Assistant City Manager/Public Works Director

Recommendation: Adopt Resolution

- O. Revise the Completion Date for Converting the Overhead Distribution Facilities within Underground Utility District No. 7

The City Council will consider a resolution that revises and ratifies the date of completion to underground the utilities within the boundaries of Underground Utility District No. 7.

Reference: Mike James, Assistant City Manager/Public Works Director

Recommendation: Adopt Resolution

2. Appointment of Three Permanent and Two Alternate Community Advisory Commission (CAC) Members

The City Council will consider a resolution that appoints three permanent CAC members and establishes the two alternate appointments to the CAC. The three permanent members: James Davis, Angeles Nelson and Yajaira Preciado and two alternate members: Tom Clabby and Walter Oliwa.

Reference Miranda Evans, Management Analyst

Recommendation: Adopt Resolution

3. Fiscal Year 2017-18 Consolidated Operating and Capital Budget

The City Council will consider five resolutions related to the adoption of the Fiscal Year 2017-18 Consolidated Operating and Capital Budget.

Reference: Gilbert Rojas, Finance Department

Recommendation: Adopt Resolutions

4. Public Hearing to Consider Variance Request VA1-700-0001 to Modify Development Standards Requiring Two Off-street Parking Spaces to be Garaged in the Residential Low Zoning District

The City Council will conduct a public hearing and consider to either adopt a resolution approving a variance application granting a modification of off-street parking requirements; or adopt a resolution denying the variance application.

Reference: Michael Viglione, Assistant Planner, and
David De Vries, Development Services Director
Recommendation: Conduct Public Hearing and Adopt Resolution

5. Public Hearing to Consider Ordinance No. 446 – Zoning Amendment ZA1-500-0002 Amending the Alcoholic Beverage Sales Regulations and the General Commercial Zoning District Regulations to Allow for Light Manufacturing, Brewpubs, Wine Bars and Related Accessory Uses

The City Council will consider a zoning amendment that would allow for alcoholic beverage manufacturers breweries, wineries, distilleries, brewpubs, and wine bars to be permissible by-right in industrial and commercial zones with related accessory uses.

Reference: David De Vries, Development Services Director
Recommendation: Conduct public hearing and introduce Ordinance No. 446 certifying Mitigated Negative Declaration ND17-02 and approving Zoning Amendment ZA1-500-0002

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City.

(GC 53232.3 (d) states that members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.)

Department Director Reports (Non-Action Items)

Closed Session

Conference with Legal Counsel – Anticipated Litigation Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9:
Three Cases

Adjournment

In compliance with the Americans with Disabilities Act (ADA), the City of Lemon Grove will provide special accommodations for persons who require assistance to access, attend and/or participate in meetings of the City Council. If you require such assistance, please contact the City Clerk at (619) 825-3800 or email sgarcia@lemongrove.ca.gov prior to the meeting. A full agenda packet is available for public review at City Hall.

**MINUTES OF A SPECIAL MEETING OF
THE LEMON GROVE CITY COUNCIL**

April 8, 2017

The City Council also sits as the Lemon Grove Housing Authority, Lemon Grove Sanitation District Board, Lemon Grove Roadway Lighting District Board, and Lemon Grove Successor Agency

City Councilmembers present:

Mayor Racquel Vasquez, Mayor Pro Tem Jennifer Mendoza, Councilmember David Arambula, Councilmember Jerry Jones, and Councilmember Matt Mendoza.

City Council Members absent:

None.

City Staff Present:

City Manager, Lydia Romero, Development Services Director, David DeVries, Eric Craig, Associate Planner, Mike Viglione, Assistant Planner and Management Analyst Miranda Evans

Public Comment

There was no public comment.

1. Downtown Village Specific Plan Expansion

David De Vries, Development Services Director, and Miranda Evans, Management Analyst, provided an overview and presentation related to three topics in with the Downtown Village Specific Plan Expansion: 1) Vision and Goals, 2) Land Use, and 3) Mobility.

The discussion included existing conditions background, public outreach findings, and consultant recommendations.

Eric Lund, CEO East County Chamber, expressed support for the Downtown Village Specific Plan Expansion and believes that the Plan will attract businesses. He also stated his preference for the Broadway Plaza concept. Mr. Lund also appreciated the discussion on retaining industrial land uses and stated that the Chamber of Commerce can help with the formation of a Downtown Lemon Grove Property and Business Improvement District.

Adjournment

There being no further business to come before the City Council, Housing Authority, Sanitation District Board, Lemon Grove Roadway Lighting District Board, and the Lemon Grove Successor Agency, the meeting was adjourned at 12:00 p.m.

Susan Garcia, City Clerk

City of Lemon Grove Demands Summary

Approved as Submitted:

Auggie Matt, Finance Manager

For Council Meeting: 06/20/17

ACH/AP Checks 05/30/17-06/08/17

314,049.78

Payroll - 06/06/17

148,113.30

Total Demands

462,163.08

Check No	Vendor No	Vendor Name	Check Date	Vendor Name	Check Amount	
CHECK NO	INVOICE NO	VENDOR NAME	CHECK DATE	Description	INVOICE AMOUNT	CHECK AMOUNT
ACH	May23 17	US Treasury	05/30/2017	Federal Taxes 5/23/17	26,289.39	26,289.39
ACH	May23 17	Employment Development Department	05/31/2017	State Taxes 5/23/11	7,189.66	7,189.66
ACH	May10-May23	Calpers Supplemental Income 457 Plan	06/01/2017	457 Plan 5/10/17-5/23/17	5,565.60	5,565.60
ACH	May17	Power Pay Biz/Evo	06/01/2017	Online Credit Card Processing - May'17	61.70	61.70
ACH	May17	Dharma Merchant Services	06/02/2017	Merchant Fees - May'17	343.85	343.85
ACH	7408102	LEAF	06/02/2017	Ricoh C3502 Copier System-PW Yard - May'17	246.74	246.74
ACH	May17	Authorize.Net	06/02/2017	Merchant Fees In-Store & Online - May'17	44.75	44.75
ACH	Jun 2017	Pers Health	06/02/2017	Pers Health Insurance - Jun 17	52,776.67	52,776.67
ACH	May17	Chase Bank	06/05/2017	Workers' Comp Claims - May'17	13,060.49	13,060.49
ACH	Apr26-May23	California Public Empl Retirement System	06/06/2017	Pers Retirement 4/26/17-5/23/17	66,659.18	66,659.18
ACH	Refill 6/5/17	Pitney Bowes Global Financial Services	06/06/2017	Postage Usage 6/5/17	250.00	250.00
ACH	4154920380	SDG&E	06/07/2017	Electric Usage:St Light - 4/30/17-5/31/17	1,860.22	1,860.22
ACH	3568860625	SDG&E	06/07/2017	Electric Usage:St Light - 4/30/17-5/31/17	1,272.90	1,272.90
ACH	Jun6 17	Employment Development Department	06/08/2017	State Taxes 6/06/17	8,906.67	8,906.67
7695	051917	A&A Appliances and AC Repair	05/31/2017	Service Call - Washer - Fire Station	55.00	55.00
7696	9677427	AT&T	05/31/2017	Fire Telephone 4/13/17-5/12/17	78.88	78.88
7697	4776 4777	Bear Electrical Solutions, Inc.	05/31/2017	Traffic Signal Maintenance Svc - Response - Apr 2017 Traffic Signal Maintenance Svc - Routine - Apr 2017	1,347.50 1,144.00	2,491.50
7698	HC00000245	City of El Cajon	05/31/2017	HCFA Assessments - QTR 4 FY16/17 Pass Through	3,499.49	3,499.49
7699	0417.02 9929	Dexter Wilson Engineering, Inc.	05/31/2017	Metro JPA Wastewater Issues - Apr '17	11,552.50	11,552.50
7700	5/22-25/17	Esgil Corporation	05/31/2017	75% Building Fees- 5/22/17-5/25/17	3,781.16	3,781.16
7701	05152017	Grossman Psychological Associates, APC	05/31/2017	Fitness for Duty Evaluation - 5/12/17	925.00	925.00
7702	9840	Infrastructure Engineering Corporation	05/31/2017	Prof Svc: LGA Realignment 4/1/17-4/28/17	33,372.94	33,372.94
7703	LGH5 5/25/17	Lemon Grove Historical Society	05/31/2017	Reimb: Water Usage-Valve Leak 2/23/17-4/25/17	414.00	414.00
7704	INV0217571	McCain	05/31/2017	Illuminated Signs for Main St Promenade	7,592.06	7,592.06
7705	972010	Michael Baker International	05/31/2017	Prof Svc: Main St. Promenade Phase I thru 2/26/17	2,700.00	2,700.00
7706	207521 207524	Ninyo & Moore	05/31/2017	Hilltop Condos Project Inspection Svcs thru 4/28/17 Emergency Svcs - 8500 Block Calle Norte thru 4/28/17	441.00 2,563.50	3,004.50

7707	LG05172017	SD Sports Medicine and Family Health Ctr	05/31/2017	Medical Fitness Evals - 5/17/17	3,472.88	3,472.88
7708	0300891	SCS Engineers	05/31/2017	Env Consulting Svc: LGA Realignment 4/1/17-4/30/17	3,841.00	3,841.00
7709	060117	CPRS District 12	06/01/2017	2017 Rec Leader Workshop - Daycamp Staff 6/3/17	70.00	70.00
7710	Amador	Amador, Antonia Bruno	06/07/2017	Refund/Amador, Antonia B/Deposit- LBH 5/20/17	400.00	400.00
7711	060117	American General Life Insurance Co.	06/07/2017	Life Insurance - L Romero	232.18	232.18
7712	56055	Anthem Blue Cross EAP	06/07/2017	Employee Assistance Program - Jun 17	165.00	165.00
7713	9727435	AT&T	06/07/2017	Fire Backup Phone Line- 4/22/17-5/21/17	37.53	37.53
7714	5656776087	AutoZone, Inc.	06/07/2017	LGPW #32- Diesel Exhaust Fluid	26.94	26.94
7715	15338L-IN 30385-IN	Aztec Landscaping Inc.	06/07/2017	Irrigation Retrofit/Equip Rntl & Labor - LG Skate Park Landscape Mgmt Svc Apr '17	1,606.06 9,629.00	11,235.06
7716	4589268	Bearcom	06/07/2017	Portable Radios Monthly Contract 5/22/17-6/21/17	150.00	150.00
7717	Carbajal	Carbajal, Michelle	06/07/2017	Refund/Carbajal,Michelle/Deposit- Courtyard 5/20/17	300.00	300.00
7718	Carrancio	Carrancio-Galvan, Edith	06/07/2017	Refund/Carrancio-Galvan,Edith/Partial Deposit- Courtyard 7/8/17	100.00	100.00
7719	19214 19226	City of La Mesa	06/07/2017	FY16-17 Qtr 3- JPA Reconciliation- Jan-Mar 2017 Sports Bottles&Carabiners/Giveaway Items/Emergency Prep Events	4,892.00 450.00	5,342.00
7720	5/19/2017 5/18/2017	Cox Communications	06/07/2017	Phone/PW Yard/2873 Skyline- 5/19/17-6/18/17 City Manager/Copy Room Fax Line- 5/18/17-6/17/17	211.15 4.00	215.15
7721	0602172305	Domestic Linen- California Inc.	06/07/2017	Shop Towels & Safety Mats 6/2/17	102.20	102.20
7722	5/30/17-6/1/17	Esgil Corporation	06/07/2017	75% Building Fees- 5/30/17-6/1/17	4,417.33	4,417.33
7723	25315	Excell Security, Inc.	06/07/2017	Senior Center Security Guards - 5/20/17	648.70	648.70
7724	Gary	Gary, Khandi	06/07/2017	Refund/Gary, Khandi/Deposit- CommCtr 5/20/17	300.00	300.00
7725	108340211	Globalstar USA, Inc.	06/07/2017	Satellite Service 4/16/17-5/15/17	106.44	106.44
7726	00043908 00043952	Hudson Safe-T- Lite Rentals	06/07/2017	5 Gallon White Traffic Paint/Fast Dry Mount Signs on Barricade	220.83 1,198.18	1,419.01
7727	33874	Interwest Consulting Group	06/07/2017	Prof Svc: SSARP Grant Procurement Svc - Apr '17	520.00	520.00
7728	188	Janazz, LLC SD	06/07/2017	Computer Maintenance - May 17	2,628.11	2,628.11
7729	1439497	Liebert Cassidy Whitmore	06/07/2017	Prof Svcs: LE050-00003 Pre-Litigation thru 4/30/17	560.00	560.00
7730	217052603	MHZ Communications Ent.	06/07/2017	Portable Radio Dustcovers	21.46	21.46
7731	51945	Modern Septic Service Inc.	06/07/2017	Sewer Pump Station Maint -6794 1/2 Central Ave 5/24/17	420.00	420.00
7732	WO-37403-1	Office Advantage, Inc.	06/07/2017	Office Supplies- City Hall	94.58	94.58
7733	145709	Pacific Sweeping	06/07/2017	Street Sweeping/Parking Lot - Apr '17	6,655.15	6,655.15
7734	Jun2017	PLIC- SBD Grand Island	06/07/2017	Dental Insurance -Jun17	4,679.18	4,679.18
7735	5/23/2017 5/23/2017	SDG&E	06/07/2017	3225 Olive- 4/20/17-5/21/17 3500 1/2 Main- 4/20/17-5/21/17	111.19 183.48	294.67
7736	8791	Spring Valley Lawn Mower Shop	06/07/2017	Trimmer Line	9.67	9.67
7737	Jun-17	Standard Insurance Company	06/07/2017	Long Term Disability Insurance - Jun17	2,069.46	2,069.46
7738	00051922 00052113	The East County Californian	06/07/2017	Ordinance No. 445-Park Hrs/No Smoking/NoAlcohol Amendmts Public Hearing Notice - Alcoholic Bev Sales	66.50 185.50	252.00
7739	520170333	Underground Service Alert	06/07/2017	71 New Ticket Charges - May '17	106.50	106.50
7740	3121104-CA	US HealthWorks Medical Group,PC	06/07/2017	Annual DMV Medical Exam - Wilkens 5/9/17	99.00	99.00
7741	Jun6 17	Vantage Point Transfer Agents-457	06/07/2017	ICMA Deferred Compensation Pay Period Ending 6/6/17	580.77	580.77
7742	0135632-IN	Vavrinek, Trine, Day & Co , LLP	06/07/2017	Accounting Svc- Sanitation Fund Cost Analysis- Feb '17	6,400.00	6,400.00
7743	9785654266 9785654885 9786118177	Verizon Wireless	06/07/2017	City Phone Charges- 4/13/17-5/12/17 Mobile Broadband Access- 4/13/17-5/12/17 MDC Engine Tablets- 4/21/17-5/20/17	403.11 76.02 190.05	1,233.77

	9786100601			EOC Router/Emer Phone Lines- 4/21/17-5/20/17	375.81	
	9785654267			PW Tablets- 4/13/17-5/12/17	188.78	
7744	VFWPost 6/1	VFW Post 2082	06/07/2017	Refund/VFW Post 2082/Rental Fee-Cancellatn- Gazebo 8/26/17	100.00	100.00
7745	71463984	Vulcan Materials Company	06/07/2017	Asphalt/SS1H 4.5 Gallon Bucket	176.58	449.19
	71470315			Asphalt	272.61	
7746	Zuniga	Zuniga, Veronica	06/07/2017	Refund/Zuniga,Veronica/Deposit- Courtyard 5/19/17	300.00	300.00
					314,049.78	314,049.78

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.D
Mtg. Date June 20, 2017
Dept. Development Services Department

Item Title: **Community Development Block Grant (CDBG) Program Cooperation Agreement Renewal**

Staff Contact: Malik Tamimi, Management Analyst

Recommendation:

Adopt a resolution (**Attachment A**) authorizing the renewal of the Community Development Block Grant Program Cooperation Agreement for the next three (3) qualification periods from July 1, 2018 through June 30, 2021.

Item Summary:

The City received a letter from the County of San Diego Department of Housing and Community Development regarding the continued participation in the Community Development Block Grant (CDBG) program. The City is currently participating in the aforementioned program for the period of July 1, 2015 through June 30, 2018. The current CDBG Program Cooperation Agreement, in which the City is a participant, includes a renewal provision for three consecutive periods covering July 1, 2018 through June 30, 2021. The City has successfully participated in this program by implementing street rehabilitation projects. The County of San Diego Department of Housing and Community Development requests a resolution from the City Council authorizing the renewal of the Cooperation Agreement.

Staff recommends the City Council adopt a resolution (**Attachment A**) to authorize the renewal of the CDBG Program Cooperation Agreement for the next three (3) periods from July 1, 2018 through June 30, 2021.

Fiscal Impact:

No fiscal impact to the General Fund.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section 15304 | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, AUTHORIZING THE RENEWAL OF THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM COOPERATION AGREEMENT FOR THREE (3) PERIODS FROM JULY 1, 2018 THROUGH JUNE 30, 2021

WHEREAS, the United States Department of Housing and Urban Development administers the Community Development Block Grant (CDBG) Program and, provides federal funds to assist community development activities in urban areas; and

WHEREAS, the County of San Diego (County) applies for and accepts CDBG funds with respect to its unincorporated areas and local governments that participate in the County's CDBG program known as "Urban County"; and

WHEREAS, the City of Lemon Grove (City) is a unit of general local government that participates in the "Urban County"; and

WHEREAS, the City is a current participant in the CDBG Program for the period of July 1, 2015 to June 30, 2018; and

WHEREAS, the City seeks the renewal of the CDBG Program Cooperation Agreement for three (3) periods from July 1, 2018 through June 30, 2021; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby authorizes the renewal of the CDBG Program Cooperation Agreement for three (3) periods from July 1, 2018 through June 30, 2021.

////

////

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.E
Mtg. Date June 20, 2017
Dept. Development Services

Item Title: Renewal of Professional Services Agreement Stormwater Program Support Services With D-MAX Engineering, Inc.

Staff Contact: Malik Tamimi, Management Analyst

Recommendation:

Adopt a Resolution (**Attachment A**) approving an agreement to renew professional services with D-MAX Engineering, Inc. to assist with the implementation of the City's Stormwater Program.

Item Summary:

The Regional Water Quality Control Board (RWQCB) through its Stormwater Municipal Permit requires the City to complete a number of tasks described in the Jurisdictional Runoff Management Plan (JRMP) during Fiscal Year 2017-18. These tasks include outfall monitoring, industrial, commercial and municipal field inspections, and structural best management practices maintenance verification and inspections. In addition to the JRMP, the City is required to implement its section of the San Diego Bay Watershed Water Quality Improvement Plan. The City has contracted with D-MAX Engineering, Inc. (D-MAX) in previous years to assist the City in meeting the requirements of the State's Mandated Stormwater Permit. The City's current contracts for the above mentioned services expires on June 30, 2017. City staff recommends continuing the contract with D-MAX to assist City staff with meeting these permit requirements. The proposed agreement is for a not to exceed amount of \$55,000 through June 30, 2018. Funds were allocated next fiscal year within Fund 26 Storm Water Program, which receives its funding from business license fees, building permit fees, and the General Fund, to support the D-MAX agreement. City staff recommends that the City Council adopt a Resolution approving this agreement for professional services.

Fiscal Impact:

The total contract amount for this professional services agreement is not to exceed Fifty-Five Thousand Dollars (\$55,000.00) and is supported through Fund 26 Storm Water Program, which receives its funding from business license fees, building permit fees, and the General Fund.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

- A. Resolution-Exhibit 1 D-MAX Proposal

RESOLUTION NO. 2017-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH D-MAX ENGINEERING, INC. FOR STORMWATER SUPPORT SERVICES

WHEREAS, the Regional Water Quality Control Board (RWQCB) adopted Order No. R9-2013-0001 (Permit) replacing the previously issued stormwater permit Order No. R9-2007-0001; and

WHEREAS, the Permit went into effect on June 27, 2013; and

WHEREAS, the Permit required the City to develop a Jurisdictional Runoff Management Program (JRMP) no later than June 27, 2015, which the City completed; and

WHEREAS, the City is required to conduct outfall monitoring, industrial, commercial and municipal inspections, and structural best management practices verification and inspections within Fiscal Year 2017-18; and

WHEREAS, the City is also required to implement the San Diego Bay Watershed Water Quality Improvement Plan; and

WHEREAS, the City has contracted with D-MAX Engineering, Inc. (D-MAX) to provide the aforementioned support through June 30, 2017; and

WHEREAS, the City's existing contracts with D-MAX for the above mentioned support expires on June 30, 2017; and

WHEREAS, the City has requested a stormwater services agreement to continue contracting with D-MAX to meet the Permit requirements through June 30, 2018; and

WHEREAS, funds have been allocated within Fund 26 Storm Water Program, which receives its funding from business license fees, building permit fees, and General Fund, to support the expense to provide said services by D-MAX with a not to exceed amount of \$55,000.00.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California, hereby:

1. Approves an Agreement with D-MAX (Exhibit 1) for professional services for stormwater support services; and
2. Authorizes the City Manager or designee to execute said agreement.

////
////

Attachment A – Exhibit 1

AGREEMENT FOR PROFESSIONAL STORMWATER SUPPORT SERVICES

THIS AGREEMENT is approved and effective upon the date of the last signature, by and between the CITY OF LEMON GROVE, a municipal corporation (the "CITY"), and D-Max Engineering, Inc., a water and environmental sciences firm (the "CONSULTANT").

RECITALS

WHEREAS, the CITY desires to employ a CONSULTANT to provide professional stormwater services support that includes outfall monitoring, industrial, commercial, municipal inspections, structural best management practices maintenance verification and inspections, and water quality improvement plan support for the CITY.

WHEREAS, the CITY has determined that the CONSULTANT is qualified by experience and has the ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY hereby agrees to engage the CONSULTANT and the CONSULTANT hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services required hereunder will be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **SCOPE OF SERVICES.** The CONSULTANT will perform services set forth in Exhibit A.

The CONSULTANT can expect to perform outfall monitoring, industrial, commercial, municipal inspections, structural best management practices maintenance verification and inspections, and water quality improvement plan support. This will involve the technical review of various stormwater documents and involve site visits and field inspections.

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on CITY personnel for such services, except as authorized in advance by the CITY. The CONSULTANT shall participate in meetings if required by a task order to keep staff advised of the progress on the project.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement per project. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

3. **PROJECT COORDINATION AND SUPERVISION.** Malik Tamimi, Management Analyst, is hereby designated as the Project Manager for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Manager to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Arsalan Dadkhah, Ph. D., PE is hereby designated as the Project Manager for the CONSULTANT.

4. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and reimbursable expenses, if any. The total cost for all work described within Exhibit A shall not exceed FIFTY-FIVE THOUSAND DOLLARS (\$55,000.00) without prior written authorization from the CITY for twelve months of service. Monthly invoices will be processed for payment and remitted within

Attachment A – Exhibit 1

thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit A as determined by the CITY.

On an annual basis, the CONSULTANT may request an increase in the schedule of fees of no more than the increase in the Consumer Price Index for the previous one year period.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY and for furnishing of copies to the CITY, if requested.

5. **LENGTH OF AGREEMENT.** This Agreement will last through June 30, 2018 from the executed date of the Agreement or until all work has been completed by the CONSULTANT and accepted by the CITY, whichever occurs first.

6. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY and CONSULTANT thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this Agreement, except upon the CITY's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONSULTANT's work product for the CITY's purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14 but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

7. **INDEPENDENT CONSULTANT.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venture with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY and are not entitled to any of the rights, benefits, or privileges of the CITY's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT's employees, and it is recognized by the parties that a substantial inducement to the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as

Attachment A – Exhibit 1

many employees, or subcontractors, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its subcontractor(s) shall require the subcontractor to adhere to the applicable terms of this Agreement.

8. **CONTROL.** Neither the CITY nor its officers, agents or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT's employees except as herein set forth, and the CONSULTANT expressly agrees not to represent that the CONSULTANT or the CONSULTANT's officers, agents, or employees are in any manner officers, agents, or employees of the CITY. It is understood that the CONSULTANT, its officers, agents, and employees are as to the CITY wholly independent consultants and that the CONSULTANT's obligations to the CITY are solely such as are prescribed by this Agreement.

9. **COMPLIANCE WITH APPLICABLE LAW.** The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the CITY OF LEMON GROVE, whether now in force or subsequently enacted. The CONSULTANT, and each of its subcontractors, shall obtain and maintain a current CITY OF LEMON GROVE business license prior to and during performance of any work pursuant to this Agreement.

10. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

11. **STANDARD OF CARE.** The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT's trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it within the preceding five (5) years, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT's professional performance or the furnishing of materials or services relating thereto.

The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this subparagraph will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

12. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex,

Attachment A – Exhibit 1

sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

13. CONFIDENTIAL INFORMATION. The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 13, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party; or (v) is disclosed according to law or court order.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

14. INDEMNIFICATION AND HOLD HARMLESS. The CONSULTANT shall indemnify, defend, and hold harmless the CITY, and its elected officials, officers, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this Agreement. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence or willful misconduct by the CITY or its elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this Agreement. The CITY AND CONSULTANT expressly agree that any payment, attorney's fees, costs or expense CITY incurs or makes to or on behalf of an injured employee under the CITY's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

15. WORKERS' COMPENSATION. The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless the CITY and its elected officials, officers, agents, and employees

Attachment A – Exhibit 1

from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorneys' fees and defense costs presented, brought or recovered against the CITY or its elected officials, officers, agents, and employees for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

16. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors, when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

☒ A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include non-owned vehicles.

C. Comprehensive general liability insurance, with minimum limits of \$1,000,000 combined single limit per occurrence, covering all bodily injury and property damage arising out of its operation under this Agreement.

D. Workers' compensation insurance covering all of CONSULTANT's employees.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its elected officials, officers, agents, and employees so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. Said policies, except for the professional liability and workers' compensation policies, shall name the CITY and its elected officials, officers, agents, and employees as additional insureds.

G. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

17. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorneys' fees incurred in the prosecution or defense of the action or suit shall not be

Attachment A – Exhibit 1

considered in determining the amount of the judgment or award. Attorneys' fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorneys' fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

18. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mutual negotiation between the principals, and failing that through nonbinding mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA"). The costs of mediation shall be borne equally by the parties.

19. **TERMINATION.** This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon thirty (30) days written notice to the CONSULTANT. During said 30-day period the CONSULTANT shall perform all services in accordance with this Agreement. The CONSULTANT may terminate this agreement upon thirty (30) days prior notice in the event of a continuing and material breach by the CITY of its obligations under this Agreement including but not limited to payment of invoices. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement that is not cured to the CITY's satisfaction within a ten (10) day prior cure period, or material misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

In the event of termination, all finished or unfinished Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, less any damages caused the CITY by the CONSULTANT's breach, if any. Thereafter, ownership of said written materials shall vest in the CITY all rights set forth in Section 6.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or sent by facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days within California or ten (10) days if the address is outside the State of California after the date of deposit in a post office or mailbox regularly maintained by the United States Postal Service, (iv) if given by facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

Attachment A – Exhibit 1

To the CITY:

Malik Tamimi, Management Analyst
CITY OF LEMON GROVE
3232 Main Street
Lemon Grove, CA 91945

To the CONSULTANT:

Arsalan Dadkhah, Ph. D., PE
D-Max Engineering, Inc.
7220 Trade Street Suite 119
San Diego, CA 92121

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

21. CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS. During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the CITY OF LEMON GROVE. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the Lemon Grove Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

☒ If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the CITY OF LEMON GROVE Conflict of Interest Code. Specifically, the CONSULTANT shall:

1. Go to www.fppc.ca.gov
2. Download the Form 700: Statement of Economic Interests
3. Completely fill out the form
4. Submit the form to the Public Works Department with the signed Agreement.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 21 by the CONSULTANT.

22. MISCELLANEOUS PROVISIONS.

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

Attachment A – Exhibit 1

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

Attachment A – Exhibit 1

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF LEMON GROVE

D-MAX ENGINEERING, INC.

Lydia Romero, City Manager

Arsalan Dadkhah, President

Date

Date

APPROVED AS TO FORM:

James Lough, City Attorney

Date

D-MAX Engineering, Inc.

Consultants in Water & Environmental Sciences



June 4, 2017

Mr. Malik Tamimi
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

**Re: Proposal for 2017-2018 Storm Water Program Support
City of Lemon Grove, California**

Dear Mr. Tamimi,

D-MAX Engineering, Inc. is pleased to submit this proposal to assist the City of Lemon Grove (City) storm water program with tasks required by San Diego Regional Water Quality Control Board Order No. R9-2013-0001 as amended by Order No. R9-2015-0001 and Order No. R9-2015-0100 (Municipal Permit) for the 2017-2018 fiscal year.

Scope of Services

The scopes of services for the major groups of tasks to be completed are described below.

A. MS4 Outfall Monitoring

I. Dry Weather Major MS4 Outfall Monitoring and Reporting Program

The Municipal Permit requires the City to perform Dry Weather Major MS4 Outfall Discharge Monitoring each monitoring year (October 1 through September 30). The City is required to visit at least 80 percent of its major MS4 outfalls twice per monitoring year. The work will include field screening at the City's four major outfalls twice, for a total of eight field screening site visits. Field work will be completed by September 30, 2017.

This will complete the required monitoring for the period between October 1, 2016 and September 30, 2017.

The field work will include flow measurement, observations, and trash assessment at each site. Data will be recorded such that relevant parameters can be reported in the regional standard format.

The summary report associated with this monitoring will include a list of monitoring sites, results in tabular form, and results of follow-up investigations. A spreadsheet of relevant data in the regional standard format will be provided along with the report.

II. Non-Storm Water Persistent Flow Sampling

In accordance with Section D.2.b. of the Municipal Permit, the City is required to perform non-storm water persistent flow MS4 outfall discharge monitoring. If, during dry weather MS4 outfall monitoring, sites are found to have persistent flow, the City will determine which persistent non-storm water discharges contain pollutant concentrations in excess of the respective non-storm water action levels (NAL) at a minimum of five of these sites per watershed within its jurisdiction. Or, if a jurisdiction has less than five persistent outfalls, all of the persistent outfalls will be sampled.

Attachment A – Exhibit 1

Mr. Malik Tamimi
June 4, 2017
Page 2



Based on the results of the City's 2016-2017 Dry Weather MS4 Outfall Monitoring Program, one of the City's major outfalls is considered to be persistently flowing: Site 69.

As required by the Municipal Permit, we will visit the persistently flowing outfall to collect samples twice between July 1, 2017 and September 30, 2017. We anticipate completing the two rounds of sampling in one day.

Field tests will be completed for pH, temperature, conductivity, turbidity, and dissolved oxygen using calibrated field meters. Grab samples will be collected and submitted to a certified laboratory for the constituents identified in Appendix 2D of the Storm Drain Outfall Monitoring Plan of the San Diego Bay WMA WQIP. All sampling and analyses will be conducted in accordance with 40 Code of Federal Regulations (CFR) Part 136.

As directed by the San Diego Bay WMA Storm Drain Outfall Monitoring Plan, a field duplicate and a field blank will be submitted to the laboratory with each batch of samples collected. Since there will be only one batch of samples submitted to the laboratory, one duplicate and one field blank will also be submitted.

In addition, as required by the San Diego Bay WMA WQIP, we will also collect one sample for total hardness from the receiving water upstream of the point where any flow from the outfall converges with the receiving water where possible.

The monitoring summary report to be completed under Task 1 will summarize the results of the analyses, and will include a comparison of results to the applicable NALs as provided in the Municipal Permit. We will also discuss potential sources of NAL exceedances and recommendations for further investigation or potential steps towards eliminating persistent flows. We will also make recommendations about the relative priority of further investigations at other sites based on the collected data and known or suspected sources of flow as well as recommendations about MS4 cleaning or maintenance based on trash assessments and MS4 outfall structural condition assessments.

III. Follow-Up and Upstream Investigations

Follow-up visits and upstream source investigations may be required in some cases. Investigations will be in accordance with the County of San Diego Follow Up Investigation Procedures and will focus mainly on identifying sources of flow, particularly in cases where observations (color, clarity, odor, floatables, etc.) indicate a high possibility of an illegal discharge occurring. After investigations have been completed, results will be summarized and included in the program's monitoring report. Any illegal discharges identified will be immediately reported to the City at the time they are discovered.

B. Industrial, Commercial, and Municipal Inspections

I. Industrial, Commercial, and Municipal Field Inspections

The City has 334 inventoried industrial and commercial businesses and 13 inventoried municipal facilities, for a total of 347 facilities. We will inspect all 74 high priority facilities plus approximately 20 more industrial facilities that are potentially subject to the Industrial General Permit, which will also meet the minimum Permit requirement of inspecting 20% of inventoried industrial, commercial, and municipal facilities per year. Our approach to these inspections is described below.



Inspection Notification and Initial Coordination

We will work with the City to prepare and send out a notification letter to businesses that have been selected for inspections, using the letter prepared last year as a template. We will prepare mailing labels for the City to use to send out these letters.

Optional task: we can also directly send out the letters on behalf of the City if the City provides us with City logo envelopes for the mailing.

Sending out notification letters alerts businesses to the upcoming inspections, notifies them that a City contractor will be completing the inspections, and helps identify businesses that may have gone out of businesses.

For municipal facilities, we will contact the facility manager to set up an appointment where necessary.

Initial Inspection Coordination

In the past we have had extensive communication with City staff about how to interpret and answer the questions on the City's inspection form. We have documented that direction from the City and are familiar with the City's preferences, so we do not need to have additional meetings or discussions with City staff to understand inspection procedures. If the City has any educational materials to be passed out during inspections, we will pick those up from City Hall before beginning inspections.

Facility Inspections

We will contact the businesses and municipal facilities identified as needing scheduled appointments to set up times to inspect them. We will organize the rest of the sites on the inspection list by address so that our inspectors can visit nearby facilities at the same time, which makes the process more efficient.

The site inspection procedure involves a thorough examination of the facility and all outdoor activities that have the potential to generate urban runoff pollution. We will record information on the City's inspection form. The site inspection includes the following steps.

- i. **Meet With Responsible Party:** Our inspectors will visit sites during normal business hours and wear company-issued photo identification. Upon meeting the responsible party, our inspector will introduce the storm water program, the purpose of the inspection, and distribute relevant educational materials. The introduction to the program will include a brief overview of the federal and state water quality laws, local requirements, impacts of urban runoff, the concept of Best Management Practices (BMPs), and a description of the local water bodies and pollutants of concern. At this time the inspector will also verify and update facility contact information and evaluate whether the assigned SIC code reflects the principal activity of the facility. Recommended inventory updates will be documented if the site visit finds that the listed business has moved out or is not conducting activities that would require it to be on the City's inventory.
 - *We understand that maintaining good relations with local businesses is important for the City of Lemon Grove and that, while interacting with businesses, we will be perceived by the public as City agents. Our inspectors are trained to interact with businesses with utmost professionalism, respect, and courtesy.*
- ii. **BMP and Potential Pollutant Assessment:** Our inspector will conduct a thorough walk-through of the facility accompanied by the facility manager/responsible party, to inspect all areas exposed to storm water. The inspector will evaluate existing BMP

Attachment A – Exhibit 1

Mr. Malik Tamimi
June 4, 2017
Page 4



effectiveness and evaluate the site to assess whether illegal discharges or illicit connections are present.

- *Since the City is subject to bacteria and metals TMDLs for Chollas Creek, our inspections will pay extra attention to potential sources of these pollutants and corresponding BMPs. We will work with responsible parties to identify simple and cost-effective BMPs to address sources of these pollutants whenever possible. Our inspectors are experienced in identifying sources of metals and bacteria at industrial and commercial businesses and municipal facilities.*
- *We understand the City has committed to reducing the percentage of uncovered grease bins in its portion of the Chollas Creek watershed in the San Diego Bay WQIP. We will track this information during inspection and include it in the final inspection summary spreadsheet so that the City can track progress toward the WQIP numeric goal.*

If specific BMPs are not implemented or are found to be ineffective, corrections will be recommended and recorded in the appropriate section of the inspection form. Photographs will be taken to document BMP deficiencies. If an illegal discharge or illicit connection is observed or significant corrective action is needed right away, the City will be notified promptly.

- *We will work with businesses to make corrections during the inspection whenever possible. This approach is responsive to the Regional Board's stated desire to resolve problems quickly, and it also reduces the amount of follow-up and enforcement work that City staff will need to do.*
- iii. **Industrial Permit Subjectivity Assessment:** Based on the SIC code assigned based on part "i" above, we will identify whether the business may be subject to the State Industrial General Permit. We will check records at the business and/or on the State's SMARTS website to determine whether businesses have already obtained coverage under the Permit. Businesses that may be subject but cannot demonstrate that they have filed for coverage will be identified as potential non-filers. This will allow the City to report them to the Regional Board, as required by the Municipal Permit.
- iv. **Inspection Summary and Conclusion:** At the completion of the walk-through, the inspector will summarize and clearly communicate all required corrective actions to the responsible party and discuss potential options for resolving the deficiencies noted. The inspector will also assign a storm water knowledge score and an overall BMP implementation score.
- *We take a collaborative approach with businesses to achieve compliance rather than simply tabulate BMP deficiencies. Our inspectors make every effort to identify practical and cost effective solutions and to leave a positive impression on business personnel.*

Documentation

- i. Using our experience with the City's conventions and preferences, the inspection form will be completed for each site visit and reviewed for quality control in our office. We will provide hard copies and scanned copies (pdf format) of inspection forms and electronic copies of inspection photos to the City.
- ii. We will provide copies of completed inspection forms to businesses that have corrective actions that require follow-up.

Attachment A – Exhibit 1

Mr. Malik Tamimi
June 4, 2017
Page 5



- iii. We will prepare a summary spreadsheet of inspection results to the City. The spreadsheet will be based on the initial inspection list. It will also include the following:
 - a. Updated address information, where applicable
 - b. Updated SIC codes and priorities where appropriate based on inspection results
 - i. This includes identifying when a business was no longer at the stated address or when the business was found to conduct activities that do not require it to be on the industrial/commercial inventory (e.g., nail salons or dry cleaners). In these cases the priorities will be changed to "not inventoried" and they will be considered to have been removed from the inventory.
 - c. Updated "potential pollutant sources" information for the pollutants listed on the City's inspection form.
 - i. *Together with the information in parts "a" and "b" above, this will provide an updated inventory as of the end of the inspection program. This will help the City in preparing its inventory for the next fiscal year and with annual reporting.*
 - d. Inspection date
 - e. Whether the business needs a follow-up inspection. If yes, notes about the reason a follow-up is required will also be included.
 - f. Whether the business was identified as a potential Industrial General Permit non-filer.
 - i. *This will give the City data it needs to report potential non-filers to the Regional Board.*
 - g. Grease bin storage status: covered, uncovered, or N/A (no grease bin).
 - i. *This will give the City data to report on grease bin coverage for the San Diego Bay WQIP.*

II. Inspection Follow-Up and Enforcement Support

Based on our experience, some businesses will have deficiencies that need to be corrected. Where possible, we will work with businesses to resolve these issues at the time of the inspection as part of Task I. Where resolution during an inspection is not possible, we will follow-up with businesses. Generally this will involve emails or phone calls to businesses to remind them that they need to send in proof of correction, typically emailed photos along with brief text descriptions. We will also complete follow-up site inspections where necessary to document corrections or support City enforcement efforts, and we will prepare case histories and other documentation as requested by the City to support enforcement actions.

III. Industrial and Commercial Inventory Update

Based on the results of the inspections completed under Task I and business license information provided by the City, we will update the City's industrial and commercial business inventory. The end product of this process will be the 2018-2019 industrial and commercial inventory.

IV. Prepare Inspection Numbers for Annual Reporting

Attachment A – Exhibit 1

Mr. Malik Tamimi
June 4, 2017
Page 6



Based on the inspections completed under Task I, we will prepare information to be input to the City's JRMP Annual Report form. This includes identifying numbers of inventoried facilities, inspection, discharges, violations, enforcement actions, and similar data for each class of inspected facilities: industrial, commercial, and municipal. We will prepare this information in the same format as shown on the JRMP Annual Report form so that City staff can easily insert the numbers when preparing the 2017-2018 report.

C. Structural BMP Maintenance Verification and Inspections

I. Structural BMP Inventory Update

D-MAX will work with the City to obtain contact information for sites being added to the inventory. We will also re-prioritize the inventoried projects using the flow chart in the City's recently updated JRMP and add in approximate size/area for each project, as required by the Permit. We expect the approximate project size will be estimated based on viewing the project areas in Google Maps or by project reports provided by the City. We also expect that the City will provide us with paper or electronic copies of plan sheets and/or Water Quality Technical Reports for all inventoried projects that D-MAX did not review and therefore does not already have copies of the documents.

II. Structural BMP Maintenance Verification

We will update the 2016-2017 maintenance verification letters and create new letters for any other projects added to the inventory (Task I), using contact information provided by the City as part of the inventory update in Task I. We will mail out the letters and respond to questions from recipients of the letters as needed. Where letters are returned as undeliverable or the person to which the letter is mailed indicates they are no longer the party responsible, we will work with the City to identify the new contact person. City assistance may be needed to determine current parcel owners if other avenues to identify contacts are not successful. We will process returned forms and enter them into the City's inventory spreadsheet to document that maintenance was verified. If projects do not return forms, we will send them one follow-up mailing to remind them to return the form.

III. Structural BMP Inspections

We will inspect all high priority sites before October 1, 2017. We expect this will be about five sites. We will also inspect sites that do not return maintenance verification forms (Task II). We expect that will be approximately four more inspections, for a total of nine inspections. At each inspection, we will document results on an inspection form and record the overall inspection result (compliant or not) in the City's inventory spreadsheet. Where deficiencies are noted, we will follow up with the responsible person to obtain proof of correction. In cases where a responsible party cannot be contacted, we will request assistance from the City in identifying the appropriate person to contact regarding the required corrections. Where responsible parties are not responsive, we will request enforcement assistance from the City. If deficiencies that require corrections beyond standard maintenance actions, such as correcting grading or outlet structures within a BMP, are noted, we will work with the City to prepare case files based on past plan sheets and other submittals on an as-needed basis as part of the as-needed component of service group D below.



D. Water Quality Improvement Plan (WQIP) and Trash Amendments Support

The City of Lemon Grove, as one of the agencies that is a party to the San Diego Bay WQIP, has developed a variety of water quality improvement strategies that the City will implement. We will assist the City with working out implementation details for these strategies, including how their implementation will be tracked. Strategy implementation tracking is important since following the end of the fiscal year the City will need to report back to the Regional Board on the implementation of its strategies. We will also help the City revise strategies as needed based on implementation experience, to make them more effective or to address upcoming new requirements, such as the State Trash Amendments.

We will also support the City in other as-needed WQIP implementation tasks, such as the following, to the extent budget allows and as directed by the City's project manager:

- Providing additional analysis and technical support to the City for the State Trash Amendments, such as assisting the City with preparing a response to the Regional Board's Trash Amendments investigative order, revising cost estimates for Track 1 and Track 2 compliance scenarios, and assisting the City with identifying specific locations and dimensions of structural BMPs to be installed in the first few years of program implementation.
- Researching feasibility of a low flow sewer diversion to eliminate persistent flow at the City's one flowing outfall. Eliminating persistent flow would help the City comply with the strict requirements of the Bacteria TMDL.
- Providing technical assistance related to contaminated sediment investigation and clean up at the mouth of Chollas Creek in San Diego Bay.
- Responding to additional comments from the Regional Board and/or environmental groups related to the WQIP; we will help the City prepare responses as needed.
- Other services, such as additional follow-up visits to verify trash cleanup at monitoring sites, conducting inspections at facilities or areas identified as potential sources of exceedances, additional monitoring, data analysis, reporting, responding to regulatory requests or orders, and literature review.

Attachment A – Exhibit 1

Mr. Malik Tamimi
June 4, 2017
Page 8



Cost Estimate

Our proposed costs to complete the scope of services described in our proposal are as follows:

Service	Cost
A. MS4 Outfall Monitoring	
I. Dry Weather MS4 Outfall Monitoring and Reporting	\$5,000
II. Non-Storm Water Persistent Flow Sampling	\$5,000
III. Follow-Up and Upstream Investigations	\$2,500
B. Industrial, Commercial, and Municipal Inspections	
I. Industrial, Commercial, and Municipal Field Inspections	\$16,580
II. Inspection Follow-Up and Enforcement Support	\$3,600
III. Industrial and Commercial Inventory Update	\$1,500
IV. Prepare Inspection Numbers for Annual Reporting	\$800
C. Structural BMP Maintenance Verification and Inspections	
I. Structural BMP Inventory Update	\$2,000
II. Structural BMP Maintenance Verification	\$3,000
III. Structural BMP Inspections	\$3,500
D. WQIP Support	\$11,520
Overall Total	\$55,000

All services will be provided on a time and materials services in accordance with our attached fee schedule, not to exceed the overall cost total.

Please feel free to contact us if you have any questions or would like to discuss this proposal in more detail. We look forward to working with you on this project.

Sincerely,
D-Max Engineering, Inc.

A handwritten signature in cursive script that reads 'Arsalan Dadkhah'.

Arsalan Dadkhah, Ph.D., P.E.
Principal

Attachment A – Exhibit 1



SCHEDULE OF FEES

January 1, 2017

LABOR

<u>Classification</u>	<u>Hourly Rate</u>
Word Processor/Admin	60
Drafter	70
Technician	70
Senior Technician	80
Staff Scientist/Engineer I	90
Staff Scientist/Engineer II	100
Assistant Project Scientist/Engineer	115
Project Scientist/Engineer	130
Senior Scientist/Engineer	150
Principal Scientist/Engineer	170

Field and hourly services will be charged portal to portal from our office, with a two-hour minimum.

Appearance as expert witnesses at court trials, mediation, arbitration hearings and depositions will be charged at \$200/hour. Time spent preparing for such appearances will be charged at the above standard hourly rates.

OTHER CHARGES

Subcontracted services, such as sub consultants, outside testing, drilling, and surveyors, will be charged at cost plus 15%. Other project-specific costs, such as rentals, expendable or special supplies, special project insurance, permits and licenses, shipping, subsistence, tolls and parking, outside copying/printing, etc., will be charged at cost plus 15%. Mileage will be charged at the current IRS rate. Meals, lodging, and travel expenses, when pre-approved by the City, will be charged at cost or at standard per diem rates, as applicable.

Client will be responsible for any applicable taxes in addition to the fees due for Services.

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.F
Mtg. Date June 20, 2017
Dept. Development Services

Item Title: **Renewal of Stormwater Professional Services Agreement for Plan Review and Construction Inspections with D-MAX Engineering, Inc.**

Staff Contact: Malik Tamimi, Management Analyst

Recommendation:

Adopt a Resolution (**Attachment A**) approving an agreement to renew professional services with D-MAX Engineering, Inc. for Stormwater Plan Review and Construction Inspection Services.

Item Summary:

The Regional Water Quality Control Board (RWQCB) requires the City to review and approve technical stormwater reports related to development and redevelopment projects and conduct stormwater compliance inspections of construction sites as described in the Jurisdictional Runoff Management Plan (JRMP). The City has been in contract with D-MAX Engineering, Inc. (D-MAX) in previous years to meet the requirements of the State's Mandated Stormwater Permit. The City's current contract for the above mentioned services with D-MAX will expire on June 30, 2017. City staff recommends continuing the contract with D-MAX to assist the City in meeting these Permit requirements. The proposed agreement is for a not to exceed amount of \$50,000 to review technical reports and conduct construction inspections through June 30, 2018. The cost to review technical stormwater documents and conduct stormwater compliance inspections will be recovered through each project's developer deposit account with no direct costs to the City. Staff recommends that the City Council adopt a Resolution approving this agreement for professional services.

Fiscal Impact:

The total contract amount for as-needed services is not to exceed Fifty Thousand Dollars (\$50,000) and is recovered through each project's developer deposit account with no direct cost to the City.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

- A. Resolution-Exhibit 1 D-MAX Proposal

RESOLUTION NO. 2017-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH D-MAX ENGINEERING, INC. FOR STORMWATER PLAN REVIEW AND CONSTRUCTION INSPECTION SERVICES

WHEREAS, the Regional Water Quality Control Board (RWQCB) adopted Order No. R9-2013-0001 (Permit) replacing the previously issued stormwater permit Order No. R9-2007-0001; and

WHEREAS, the Permit went into effect on June 27, 2013; and

WHEREAS, the Permit required the City to develop a Jurisdictional Runoff Management Program (JRMP) no later than June 27, 2015, which the City completed; and

WHEREAS, the Permit also required the City to adopt a Lemon Grove Best Management Practices (BMP) Design Manual for development and redevelopment projects by February 2016, which the City adopted on February 2, 2016; and

WHEREAS, the City is required to review and approve technical stormwater reports for development and redevelopment projects consistent with the specifications in the Lemon Grove BMP Design Manual and to conduct stormwater compliance inspections; and

WHEREAS, the City has contracted with D-MAX Engineering, Inc. (D-MAX) to review technical stormwater reports and conduct stormwater compliance inspections through June 30, 2017; and

WHEREAS, the City's existing contract for plan review and stormwater construction compliance inspections with D-MAX will expire on June 30, 2017; and

WHEREAS, the City has requested a stormwater services agreement to continue contracting with D-MAX to meet the Permit requirements through June 30, 2018; and

WHEREAS, the cost to review technical stormwater documents and conduct stormwater construction compliance inspections will be recovered through each project's developer deposit account; and

WHEREAS, the cost to provide said services by D-MAX will be on an as-needed basis not to exceed \$50,000; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California, hereby:

1. Approves an Agreement with D-MAX (Exhibit 1) for as-needed stormwater services for the review of technical stormwater reports related to development and redevelopment projects and stormwater compliance inspections; and
2. Authorizes the City Manager or designee to execute said agreement.

////
////

Attachment A – Exhibit 1

AGREEMENT FOR AS-NEEDED STORMWATER QUALITY SERVICES

THIS AGREEMENT is approved and effective upon the date of the last signature, by and between the CITY OF LEMON GROVE, a municipal corporation (the "CITY"), and D-Max Engineering, Inc., a water and environmental sciences firm (the "CONSULTANT").

RECITALS

WHEREAS, the CITY desires to employ a CONSULTANT to provide stormwater construction inspection support and technical review of stormwater documents related to development and redevelopment projects on an as-needed basis for the CITY.

WHEREAS, the CITY has determined that the CONSULTANT is qualified by experience and has the ability to perform the services desired by the CITY, and the CONSULTANT is willing to perform such services.

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

1. **ENGAGEMENT OF CONSULTANT.** The CITY hereby agrees to engage the CONSULTANT and the CONSULTANT hereby agrees to perform the services hereinafter set forth in accordance with all terms and conditions contained herein.

The CONSULTANT represents that all services required hereunder will be performed directly by the CONSULTANT or under direct supervision of the CONSULTANT.

2. **SCOPE OF SERVICES.** The CONSULTANT will perform services set forth in Exhibit A.

The CONSULTANT can expect to perform stormwater construction inspection support and technical review of stormwater documents related to development and redevelopment projects on an as-needed basis. This will involve the technical review of various stormwater documents and involve site visits and field inspections.

Each task will be provided to the CONSULTANT. Depending on the magnitude of an individual item, a detailed scope of work and cost proposal may be prepared, or it may simply be agreed that the work will be performed on a time and material basis. Prior to the beginning of any work, a task order may be requested that discusses the scope and fee (in the case of time and material work the fee will be a "not-to-exceed" amount.) A task order will not be valid until signed by both the CONSULTANT and the City.

The CONSULTANT shall be responsible for all research and reviews related to the work and shall not rely on CITY personnel for such services, except as authorized in advance by the CITY. The CONSULTANT shall participate in meetings if required by a task order to keep staff advised of the progress on the project.

The CITY may unilaterally, or upon request from the CONSULTANT, from time to time reduce or increase the Scope of Services to be performed by the CONSULTANT under this Agreement per project. Upon doing so, the CITY and the CONSULTANT agree to meet in good faith and confer for the purpose of negotiating a corresponding reduction or increase in the compensation associated with said change in services.

3. **PROJECT COORDINATION AND SUPERVISION.** Malik Tamimi, Management Analyst, is hereby designated as the Project Manager for the CITY and will monitor the progress and execution of this Agreement. The CONSULTANT shall assign a single Project Manager to provide supervision and have overall responsibility for the progress and execution of this Agreement for the CONSULTANT. Arsalan Dadkhah, Ph. D., PE is hereby designated as the Project Manager for the CONSULTANT.

Attachment A – Exhibit 1

4. **COMPENSATION AND PAYMENT.** The compensation for the CONSULTANT shall be based on monthly billings covering actual work performed. Billings shall include labor classifications, respective rates, hours worked and reimbursable expenses, if any. The total cost for all work described within Exhibit A shall not exceed FIFTY THOUSAND DOLLARS (\$50,000) without prior written authorization from the CITY for twelve months of service. Monthly invoices will be processed for payment and remitted within thirty (30) days from receipt of invoice, provided that work is accomplished consistent with Exhibit A as determined by the CITY.

On an annual basis, the CONSULTANT may request an increase in the schedule of fees of no more than the increase in the Consumer Price Index for the previous one year period.

The CONSULTANT shall maintain all books, documents, papers, employee time sheets, accounting records, and other evidence pertaining to costs incurred and shall make such materials available at its office at all reasonable times during the term of this Agreement and for three (3) years from the date of final payment under this Agreement, for inspection by the CITY and for furnishing of copies to the CITY, if requested.

5. **LENGTH OF AGREEMENT.** This Agreement will last through June 30, 2018 from the executed date of the Agreement or until all work has been completed by the CONSULTANT and accepted by the CITY, whichever occurs first.

6. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** The Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT for this Project, whether paper or electronic, shall become the property of the CITY for use with respect to this Project, and shall be turned over to the CITY upon completion of the Project, or any phase thereof, as contemplated by this Agreement.

Contemporaneously with the transfer of documents, the CONSULTANT hereby assigns to the CITY and CONSULTANT thereby expressly waives and disclaims, any copyright in, and the right to reproduce, all written material, drawings, plans, specifications or other work prepared under this Agreement, except upon the CITY's prior authorization regarding reproduction, which authorization shall not be unreasonably withheld. The CONSULTANT shall, upon request of the CITY, execute any further document(s) necessary to further effectuate this waiver and disclaimer.

The CONSULTANT agrees that the CITY may use, reuse, alter, reproduce, modify, assign, transfer, or in any other way, medium or method utilize the CONSULTANT's work product for the CITY's purposes, and the CONSULTANT expressly waives and disclaims any residual rights granted to it by Civil Code Sections 980 through 989 relating to intellectual property and artistic works.

Any modification or reuse by the CITY of documents, drawings or specifications prepared by the CONSULTANT shall relieve the CONSULTANT from liability under Section 14 but only with respect to the effect of the modification or reuse by the CITY, or for any liability to the CITY should the documents be used by the CITY for some project other than what was expressly agreed upon within the Scope of this project, unless otherwise mutually agreed.

7. **INDEPENDENT CONSULTANT.** Both parties hereto in the performance of this Agreement will be acting in an independent capacity and not as agents, employees, partners or joint venture with one another. Neither the CONSULTANT nor the CONSULTANT'S employees are employees of the CITY and are not entitled to any of the rights, benefits, or privileges of the CITY's employees, including but not limited to retirement, medical, unemployment, or workers' compensation insurance.

This Agreement contemplates the personal services of the CONSULTANT and the CONSULTANT's employees, and it is recognized by the parties that a substantial inducement to

Attachment A – Exhibit 1

the CITY for entering into this Agreement was, and is, the professional reputation and competence of the CONSULTANT and its employees. Neither this Agreement nor any interest herein may be assigned by the CONSULTANT without the prior written consent of the CITY. Nothing herein contained is intended to prevent the CONSULTANT from employing or hiring as many employees, or subcontractors, as the CONSULTANT may deem necessary for the proper and efficient performance of this Agreement. All agreements by CONSULTANT with its subcontractor(s) shall require the subcontractor to adhere to the applicable terms of this Agreement.

8. **CONTROL**. Neither the CITY nor its officers, agents or employees shall have any control over the conduct of the CONSULTANT or any of the CONSULTANT's employees except as herein set forth, and the CONSULTANT expressly agrees not to represent that the CONSULTANT or the CONSULTANT's officers, agents, or employees are in any manner officers, agents, or employees of the CITY. It is understood that the CONSULTANT, its officers, agents, and employees are as to the CITY wholly independent consultants and that the CONSULTANT's obligations to the CITY are solely such as are prescribed by this Agreement.

9. **COMPLIANCE WITH APPLICABLE LAW**. The CONSULTANT, in the performance of the services to be provided herein, shall comply with all applicable State and Federal statutes and regulations, and all applicable ordinances, rules and regulations of the CITY OF LEMON GROVE, whether now in force or subsequently enacted. The CONSULTANT, and each of its subcontractors, shall obtain and maintain a current CITY OF LEMON GROVE business license prior to and during performance of any work pursuant to this Agreement.

10. **LICENSES, PERMITS, ETC.** The CONSULTANT represents and covenants that it has all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession. The CONSULTANT represents and covenants that the CONSULTANT shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, or approval which is legally required for the CONSULTANT to practice its profession.

11. **STANDARD OF CARE**. The CONSULTANT, in performing any services under this Agreement, shall perform in a manner consistent with that level of care and skill ordinarily exercised by members of the CONSULTANT's trade or profession currently practicing under similar conditions and in similar locations. The CONSULTANT shall take all special precautions necessary to protect the CONSULTANT's employees and members of the public from risk of harm arising out of the nature of the work and/or the conditions of the work site.

Unless disclosed in writing prior to the date of this Agreement, the CONSULTANT warrants to the CITY that it is not now, nor has it within the preceding five (5) years, been debarred by a governmental agency or involved in debarment, arbitration or litigation proceedings concerning the CONSULTANT's professional performance or the furnishing of materials or services relating thereto.

The CONSULTANT is responsible for identifying any unique products, treatments, processes or materials whose availability is critical to the success of the project the CONSULTANT has been retained to perform, within the time requirements of the CITY, or, when no time is specified, then within a commercially reasonable time. Accordingly, unless the CONSULTANT has notified the CITY otherwise, the CONSULTANT warrants that all products, materials, processes or treatments identified in the project documents prepared for the CITY are reasonably commercially available. Any failure by the CONSULTANT to use due diligence under this sub-paragraph will render the CONSULTANT liable to the CITY for any increased costs that result from the CITY's later inability to obtain the specified items or any reasonable substitute within a price range that allows for project completion in the time frame specified or, when not specified, then within a commercially reasonable time.

Attachment A – Exhibit 1

12. **NON-DISCRIMINATION PROVISIONS.** The CONSULTANT shall not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. The CONSULTANT will take positive action to insure that applicants are employed without regard to their age, race, color, ancestry, religion, sex, sexual orientation, marital status, national origin, physical handicap, or medical condition. Such action shall include but not be limited to the following: employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.

13. **CONFIDENTIAL INFORMATION.** The CITY may from time to time communicate to the CONSULTANT certain confidential information to enable the CONSULTANT to effectively perform the services to be provided herein. The CONSULTANT shall treat all such information as confidential and shall not disclose any part thereof without the prior written consent of the CITY. The CONSULTANT shall limit the use and circulation of such information, even within its own organization, to the extent necessary to perform the services to be provided herein. The foregoing obligation of this Section 13, however, shall not apply to any part of the information that (i) has been disclosed in publicly available sources of information; (ii) is, through no fault of the CONSULTANT, hereafter disclosed in publicly available sources of information; (iii) is already in the possession of the CONSULTANT without any obligation of confidentiality; (iv) has been or is hereafter rightfully disclosed to the CONSULTANT by a third party, but only to the extent that the use or disclosure thereof has been or is rightfully authorized by that third party; or (v) is disclosed according to law or court order.

The CONSULTANT shall not disclose any reports, recommendations, conclusions or other results of the services or the existence of the subject matter of this Agreement without the prior written consent of the CITY. In its performance hereunder, the CONSULTANT shall comply with all legal obligations it may now or hereafter have respecting the information or other property of any other person, firm or corporation.

CONSULTANT shall be liable to CITY for any damages caused by breach of this condition, pursuant to the provisions of Section 14.

14. **INDEMNIFICATION AND HOLD HARMLESS.** The CONSULTANT shall indemnify, defend, and hold harmless the CITY, and its elected officials, officers, agents and employees from any and all claims, demands, costs or liability that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT, its employees, agents, and subcontractors in the performance of services under this Agreement. CONSULTANT's duty to indemnify under this section shall not include liability for damages for death or bodily injury to persons, injury to property, or other loss, damage or expense arising from the sole negligence or willful misconduct by the CITY or its elected officials, officers, agents, and employees. CONSULTANT's indemnification obligations shall not be limited by the insurance provisions of this Agreement. The CITY AND CONSULTANT expressly agree that any payment, attorney's fees, costs or expense CITY incurs or makes to or on behalf of an injured employee under the CITY's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

15. **WORKERS' COMPENSATION.** The CONSULTANT shall comply with all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of Division 4 and 5 of the California Government Code and all amendments thereto; and all similar state or Federal acts or laws applicable; and shall indemnify, and hold harmless

Attachment A – Exhibit 1

the CITY and its elected officials, officers, agents, and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including reasonable attorneys' fees and defense costs presented, brought or recovered against the CITY or its elected officials, officers, agents, and employees for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by the CONSULTANT under this Agreement.

16. **INSURANCE.** The CONSULTANT, at its sole cost and expense, shall purchase and maintain, and shall require its subcontractors, when applicable, to purchase and maintain throughout the term of this Agreement, the following insurance policies:

☒ A. If checked, Professional Liability Insurance (errors and omissions) with minimum limits of \$1,000,000 per occurrence.

B. Automobile insurance covering all bodily injury and property damage incurred during the performance of this Agreement, with a minimum coverage of \$1,000,000 combined single limit per accident. Such automobile insurance shall include non-owned vehicles.

C. Comprehensive general liability insurance, with minimum limits of \$1,000,000 combined single limit per occurrence, covering all bodily injury and property damage arising out of its operation under this Agreement.

D. Workers' compensation insurance covering all of CONSULTANT's employees.

E. The aforesaid policies shall constitute primary insurance as to the CITY, its elected officials, officers, agents, and employees so that any other policies held by the CITY shall not contribute to any loss under said insurance. Said policies shall provide for thirty (30) days prior written notice to the CITY of cancellation or material change.

F. Said policies, except for the professional liability and workers' compensation policies, shall name the CITY and its elected officials, officers, agents, and employees as additional insureds.

G. If required insurance coverage is provided on a "claims made" rather than "occurrence" form, the CONSULTANT shall maintain such insurance coverage for three years after expiration of the term (and any extensions) of this Agreement.

H. Any aggregate insurance limits must apply solely to this Agreement.

I. Insurance shall be written with only California admitted companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VIII according to the current Best's Key Rating Guide, or a company equal financial stability that is approved by the CITY.

J. This Agreement shall not take effect until certificate(s) or other sufficient proof that these insurance provisions have been complied with, are filed with and approved by the CITY. If the CONSULTANT does not keep all of such insurance policies in full force and effect at all times during the terms of this Agreement, the CITY may elect to treat the failure to maintain the requisite insurance as a breach of this Agreement and terminate the Agreement as provided herein.

17. **LEGAL FEES.** If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all reasonable costs and expenses of suit, including reasonable attorneys' fees.

For purposes of determining who is to be considered the prevailing party, it is stipulated that attorneys' fees incurred in the prosecution or defense of the action or suit shall not be considered

Attachment A – Exhibit 1

in determining the amount of the judgment or award. Attorneys' fees to the prevailing party if other than the CITY shall, in addition, be limited to the amount of attorneys' fees incurred by the CITY in its prosecution or defense of the action, irrespective of the actual amount of attorney's fees incurred by the prevailing party.

18. **MEDIATION/ARBITRATION.** If a dispute arises out of or relates to this Agreement, or the breach thereof, the parties agree first to try, in good faith, to settle the dispute by mutual negotiation between the principals, and failing that through nonbinding mediation in San Diego, California, in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA"). The costs of mediation shall be borne equally by the parties.

19. **TERMINATION.** This Agreement may be terminated with or without cause by the CITY. Termination without cause shall be effective only upon thirty (30) days written notice to the CONSULTANT. During said 30-day period the CONSULTANT shall perform all services in accordance with this Agreement. The CONSULTANT may terminate this agreement upon thirty (30) days prior notice in the event of a continuing and material breach by the CITY of its obligations under this Agreement including but not limited to payment of invoices. Termination with or without cause shall be effected by delivery of written Notice of Termination to the CONSULTANT as provided for herein.

This Agreement may also be terminated immediately by the CITY for cause in the event of a material breach of this Agreement that is not cured to the CITY's satisfaction within a ten (10) day prior cure period, or material misrepresentation by the CONSULTANT in connection with the formation of this Agreement or the performance of services, or the failure to perform services as directed by the CITY.

The CITY further reserves the right to immediately terminate this Agreement upon: (1) the filing of a petition in bankruptcy affecting the CONSULTANT; (2) a reorganization of the CONSULTANT for the benefit of creditors; or (3) a business reorganization, change in business name or change in business status of the CONSULTANT.

In the event of termination, all finished or unfinished Memoranda, Reports, Maps, Drawings, Plans, Specifications and other documents prepared by the CONSULTANT, whether paper or electronic, shall immediately become the property of and be delivered to the CITY, and the CONSULTANT shall be entitled to receive just and equitable compensation for any work satisfactorily completed on such documents and other materials up to the effective date of the Notice of Termination, not to exceed the amounts payable hereunder, less any damages caused the CITY by the CONSULTANT's breach, if any. Thereafter, ownership of said written materials shall vest in the CITY all rights set forth in Section 6.

20. **NOTICES.** All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered; or sent by overnight mail (Federal Express or the like); or sent by registered or certified mail, postage prepaid, return receipt requested; or sent by ordinary mail, postage prepaid; or sent by facsimile or fax; and shall be deemed received upon the earlier of (i) if personally delivered, the date of delivery to the address of the person to receive such notice, (ii) if sent by overnight mail, the business day following its deposit in such overnight mail facility, (iii) if mailed by registered, certified or ordinary mail, five (5) days within California or ten (10) days if the address is outside the State of California after the date of deposit in a post office or mailbox regularly maintained by the United States Postal Service, (iv) if given by facsimile or fax, when sent. Any notice, request, demand, direction or other communication delivered or sent as specified above shall be directed to the following persons:

Attachment A – Exhibit 1

To the CITY:

Malik Tamimi, Management Analyst
CITY OF LEMON GROVE
3232 Main Street
Lemon Grove, CA 91945

To the CONSULTANT:

Arsalan Dadkhah, Ph. D., PE
D-Max Engineering, Inc.
7220 Trade Street Suite 119
San Diego, CA 92121

Notice of change of address shall be given by written notice in the manner specified in this Section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

21. CONFLICT OF INTEREST AND POLITICAL REFORM ACT OBLIGATIONS. During the term of this Agreement, the CONSULTANT shall not perform services of any kind for any person or entity whose interests conflict in any way with those of the CITY OF LEMON GROVE. The CONSULTANT also agrees not to specify any product, treatment, process or material for the project in which the CONSULTANT has a material financial interest, either direct or indirect, without first notifying the CITY of that fact. The CONSULTANT shall at all times comply with the terms of the Political Reform Act and the Lemon Grove Conflict of Interest Code. The CONSULTANT shall immediately disqualify itself and shall not use its official position to influence in any way any matter coming before the CITY in which the CONSULTANT has a financial interest as defined in Government Code Section 87103. The CONSULTANT represents that it has no knowledge of any financial interests that would require it to disqualify itself from any matter on which it might perform services for the CITY.

☒ If checked, the CONSULTANT shall comply with all of the reporting requirements of the Political Reform Act and the CITY OF LEMON GROVE Conflict of Interest Code. Specifically, the CONSULTANT shall:

1. Go to www.fppc.ca.gov
2. Download the Form 700: Statement of Economic Interests
3. Completely fill out the form
4. Submit the form to the Public Works Department with the signed Agreement.

The CONSULTANT shall be strictly liable to the CITY for all damages, costs or expenses the CITY may suffer by virtue of any violation of this Paragraph 21 by the CONSULTANT.

22. MISCELLANEOUS PROVISIONS.

A. *Computation of Time Periods.* If any date or time period provided for in this Agreement is or ends on a Saturday, Sunday or federal, state or legal holiday, then such date shall automatically be extended until 5:00 p.m. Pacific Time of the next day which is not a Saturday, Sunday or federal, state or legal holiday.

B. *Counterparts.* This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute but one and the same instrument.

C. *Captions.* Any captions to, or headings of, the sections or subsections of this Agreement are solely for the convenience of the parties hereto, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

Attachment A – Exhibit 1

D. *No Obligations to Third Parties.* Except as otherwise expressly provided herein, the execution and delivery of this Agreement shall not be deemed to confer any rights upon, or obligate any of the parties hereto, to any person or entity other than the parties hereto.

E. *Exhibits and Schedules.* The Exhibits and Schedules attached hereto are hereby incorporated herein by this reference for all purposes.

F. *Amendment to this Agreement.* The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

G. *Waiver.* The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

H. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

I. *Entire Agreement.* This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof. No subsequent agreement, representation, or promise made by either party hereto, or by or to an employee, officer, agent or representative of any party hereto shall be of any effect unless it is in writing and executed by the party to be bound thereby.

J. *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto.

K. *Construction.* The parties acknowledge and agree that (i) each party is of equal bargaining strength, (ii) each party has actively participated in the drafting, preparation and negotiation of this Agreement, (iii) each such party has consulted with or has had the opportunity to consult with its own, independent counsel and such other professional advisors as such party has deemed appropriate, relative to any and all matters contemplated under this Agreement, (iv) each party and such party's counsel and advisors have reviewed this Agreement, (v) each party has agreed to enter into this Agreement following such review and the rendering of such advice, and (vi) any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

Attachment A – Exhibit 1

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.

CITY OF LEMON GROVE

D-MAX ENGINEERING, INC.

Lydia Romero, City Manager

Arsalan Dadkhah, President

Date

Date

APPROVED AS TO FORM:

James Lough, City Attorney

Date

D-MAX Engineering, Inc.

Consultants in Water & Environmental Sciences



June 4, 2017

Mr. Malik Tamimi
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Subject: Storm Water Services for Construction and Development

Dear Mr. Tamimi:

Per your request, D-MAX Engineering, Inc. (D-MAX) is pleased to submit this proposal to provide storm water services for construction and development for the City of Lemon Grove (City). All work will be completed in accordance with the City's Jurisdictional Runoff Management Program (JRMP); San Diego Regional Water Quality Control Board (Regional Board) Order No R9-2013-0001, as amended by Order Nos. R9-2015-0001 and R9-2015-0100; and the City's grading, storm water, and post-construction BMP ordinances.

Scope of Services

Task 1. Technical Review of Storm Water Plans and Reports

We will review the following submittals and provide written comments to the City based on our review:

- Erosion control plan sheets
- Post-construction best management practice (BMP) plans, usually referred to as Storm Water Quality Management Plans (SWQMP)
 - Review of the SWQMP will also include review of grading plan sheets, where applicable, to verify that BMPs proposed in the SWQMP are also shown on the plans

When necessary, we are also available to discuss comments with project proponents in meetings, on the phone, or over email. In some cases, this direct communication helps resolve deficiencies more quickly, allowing projects to comply with requirements and gain approval for storm water submittals sooner.

Deliverables for each reviewed project will include the following:

- A completed erosion control plan review checklist, using the standard form from the JRMP, for each erosion control plan reviewed
- A review letter summarizing comments for each submitted SWQMP.
- A final electronic copy of the SWQMP and associated plan sheets (to be provided by the project applicant). The project's submitted storm water requirements applicability checklist will be required to be included with the SWQMP as an appendix.

Attachment A – Exhibit 1

Malik Tamimi
City of Lemon Grove
June 4, 2017
Page 2



- A draft storm water facilities maintenance agreement (to be provided by the project applicant and recorded at the completion of the project)

We will also maintain an overall list of reviews completed by D-MAX and can provide that list to the City when necessary for reporting or other purposes.

Task 2. Construction Phase Inspections

During the construction phase, we will provide the following services:

- Attend pre-construction meeting to describe storm water requirements.
 - We will review the requirements as presented on the erosion control plan and in the SWQMP, focusing on key actions necessary to maintain compliance. The importance of erosion control BMPs, which have been the subject of multiple recent enforcement actions by the Regional Board, will also be stressed. The goal of the storm water discussion during the pre-construction meeting is to establish clear expectations for the contractor as a proactive step to minimize future risk of noncompliance.
- Conduct regular, routine inspections based on the site prioritization assigned via the process included in the JRMP.
 - During the wet season, high priority sites are inspected twice per month, medium priority sites are inspected monthly, and low priority sites are inspected as needed.
 - During site inspections, we will walk the site with the responsible person and discuss the condition of the sites and potential corrective actions during the inspection where possible. We expect that the first inspection at each project inspection will generally be longer than subsequent inspections. During all inspections after the first inspection, our inspector will document the extent to which deficiencies noted during the preceding inspections have been resolved.
 - We will document inspection results and required corrective actions on a City of Lemon Grove construction inspection form. The form will clearly identify instances of non-compliance and our recommendations for resolving the non-compliance. We will include photos, marked up schematics, or other figures as necessary to illustrate places where correction needs to be made. Inspection documentation will be delivered through email and, if necessary, by fax.
- Conduct as-needed follow-up or pre- and post-rain event inspections.
 - Additional follow-up inspections may be necessary to verify corrections required during routine inspections have been made. Often follow-up inspections are completed prior to rain to verify corrections have been made before a storm and/or after a storm to verify that BMPs performed adequately. In some cases, emailed photos demonstrating that required corrections have been made may be accepted in lieu of an onsite follow-up inspection.

Attachment A – Exhibit 1

Malik Tamimi
City of Lemon Grove
June 4, 2017
Page 3



- Collected runoff samples as needed
 - Runoff samples will be collected as needed to assess BMP effectiveness. Samples are collected from storm runoff and are typically analyzed for turbidity and pH. Additional analyses can also be completed when necessary.
- Enforcement documentation assistance
 - If enforcement action beyond providing written correction notices based on inspections becomes necessary, we will provide the City with a written description of violation(s) noted and necessary supporting documentation to support preparation of other enforcement actions, such as notices of violation, administrative citations, and stop work orders.
 - We understand that City staff will notify the Regional Board in the event that escalated enforcement action is taken.
- Post-construction BMP installation verification
 - Following completion of all the post-construction BMPs at a site, we will perform an inspection to verify that these post-construction BMPs have been constructed or installed as proposed in the SWQMP. These inspections will check for common problems like bioretention area drains not being located high enough to provide the design amount of surface ponding.
- Final SWQMP and storm water-related plan sheets, including documentation of field changes to proposed post-construction BMPs, if applicable
 - If any field changes to post-construction BMPs are proposed, we will work with City staff to require submittal of an amendment to the SWQMP and revised plan sheets to document the change. All proposed changes are subject to the same review process described in Task 1 and should not be approved to be constructed until approved through that process. Where approved, the project proponent will also be required to submit revised electronic copies of the updated plan sheets and SWQMP for the City's files.
 - If no field changes occur, the electronic files submitted in Task 1 will be saved to document the post-construction BMPs implemented.
- Verify storm water facilities maintenance agreement has been recorded prior to project finalization.
 - We will work with the City to ensure the project's maintenance agreement is recorded with the County. We will verify that the maintenance agreement accurately described the post-construction BMPs as built, and then our understanding is that City staff will work with the project proponent to record the agreement with the County Recorder.

Deliverables for each inspected project will include the following:

- Attendance at pre-construction meetings
- A completed inspection form and associated photos for each inspection
- A memo summarizing results of storm water runoff sampling for each sampling event

Attachment A – Exhibit 1

Malik Tamimi
City of Lemon Grove
June 4, 2017
Page 4



- Final, updated SWQMP and associated plan sheets in electronic copy, if amended or revised based on construction changes (electronic copies to be provided by project applicant)
- A spreadsheet listing all the post-construction BMPs for which installation was verified during the fiscal year. This will be provided at the end of the fiscal year as part of the annual reporting process.

We will also maintain an overall list of dates inspections have been completed for reference by City staff. Sites will be added to the inspection list based on notification of pre-construction meetings provided to D-MAX by City staff.

Cost Estimate

We will complete the tasks described above on a time and materials basis in accordance with the attached fee schedule, not to exceed \$50,000. We expect that the per inspection cost, including reporting and recordkeeping, will range from about \$250 to \$600 per inspection, with the amount depending on the extent of deficiencies noted at the sites, whether we are inspecting one site or multiple sites during a single trip to the City, and the amount of follow-up correspondence necessary following each inspection. Plan review cost will vary depending on the size and complexity of the project.

All invoices for work under this project will clearly break out costs separately for each project reviewed or inspected.

Should you have any questions regarding the above comments, please call me at (858) 586-6600, extension 22.

Sincerely,
D-MAX Engineering, Inc.

A handwritten signature in black ink, reading 'Arsalan Dadkhah'. The signature is written in a cursive, flowing style.

Arsalan Dadkhah, Ph.D., P.E.
Principal

Attachment A – Exhibit 1



SCHEDULE OF FEES

City of Lemon Grove Construction and Development Storm Water Services

January 1, 2016

LABOR

<u>Classification</u>	<u>Hourly Rate</u>
Word Processor	65
Drafter	75
Technician	75
Senior Technician	85
Staff Scientist/Engineer I	95
Staff Scientist/Engineer II	110
Assistant Project Scientist/Engineer	120
Project Scientist/Engineer	135
Senior Scientist/Engineer	155
Principal Scientist/Engineer	175

Field and hourly services will be charged portal to portal from our office, with a two-hour minimum.

Appearance as expert witnesses at court trials, mediation, arbitration hearings and depositions will be charged at \$200/hour. Time spent preparing for such appearances will be charged at the above standard hourly rates.

OTHER CHARGES

Subcontracted services, such as sub consultants, outside testing, drilling, and surveyors, will be charged at cost plus 15%. Other project-specific costs, such as rentals, expendable or special supplies, special project insurance, permits and licenses, shipping, subsistence, tolls and parking, outside copying/printing, etc., will be charged at cost plus 15%. Mileage will be charged at the current IRS rate. Meals, lodging, and travel expenses, when pre-approved by the City, will be charged at cost or at standard per diem rates, as applicable.

Client will be responsible for any applicable taxes in addition to the fees due for Services.

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.G
Mtg. Date June 20, 2017
Dept. Development Services

Item Title: Reimbursement of Expenses to the City of San Diego Based on Draft Cost Share Agreements Phase 1 Activities Associated with Investigative Order No. R9-2015-0058 for the Investigation of Sediment Quality in the Mouth of Chollas Creek

Staff Contact: Malik Tamimi, Management Analyst

Recommendation:

Adopt a Resolution (**Attachment A**) approving a not to exceed reimbursement of \$35,000.00 to the City of San Diego as presented in the draft cost share agreements related to the Memorandum of Understanding for the Completion of Phase 1 Activities required by Investigative Order No. R9-2015-0058 for Investigation of Sediment quality in the Mouth of Chollas Creek

Item Summary:

On October 26, 2015, the San Diego Regional Water Quality Control Board (RWQCB) issued a final order entitled, "Investigative Order No. R9-2015-0058, An Order Directing The California Department of Transportation, The City of La Mesa, The City of Lemon Grove, The City of San Diego, The National Steel and Shipbuilding Company, The San Diego Unified Port District, and the U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California." Investigative Order No. R9-2015-0058 requires the aforementioned parties to prepare a Phase 1 Work Plan to evaluate the current nature and extent of impairment related to contaminated sediments in the Mouth of Chollas Creek and the Chollas Creek Tidally Influence Area. The City of San Diego has agreed to provide project management and contract administration services to the named parties for the Phase 1 Activities. The Memorandum of Understanding (**Attachment A Exhibit 1**) outlines the responsibilities of the named parties during the implementation of Phase I Activities of the investigative order. The City of San Diego has requested reimbursement of cost based on an agreed formula between and among the named parties. The cost share allocation for the City of Lemon Grove for FY 2015-16 and FY 2016-17 combined is estimated in the draft cost share agreements at \$34,631.14 (**Attachment A Exhibit 2 & 3**). Funds in this fiscal year were allocated for this expense. City staff recommends that City Council adopt a Resolution (**Attachment A**) approving the reimbursement of expenses to the City of San Diego as presented in the draft cost share agreements with a not to exceed amount of \$35,000.00.

Fiscal Impact:

Funds were budgeted in this fiscal year under Fund 26 Stormwater, which receives funding from business license fees, building permit fees, and the General Fund.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- ☒ None ☐ Newsletter article ☐ Notice to property owners within 300 ft.
☐ Notice published in local newspaper ☐ Neighborhood meeting

Attachments:

- A. Resolution-Exhibit 1 MOU
Exhibit 2 Cost Share FY2015
Exhibit 3 Cost Share FY2016

Attachment A

RESOLUTION NO. 2017_____

RESOLUTION OF THE LEMON GROVE CITY COUNCIL APPROVING A REIMBURSEMENT OF EXPENSES TO THE CITY OF SAN DIEGO FOR THE IMPLEMENTATION OF PHASE 1 ACTIVITIES ASSOCIATED WITH INVESTIGATIVE ORDER R9-2015-0058 PERTAINING TO AN INVESTIGATION OF SEDIMENT QUALITY IN THE MOUTH OF CHOLLAS CREEK, SAN DIEGO BAY, SAN DIEGO COUNTY, CALIFORNIA

WHEREAS, Clean Water Act (CWA) section 303(d) requires states to develop a list of waterbodies that do not or are not expected to meet water quality standards after implementing technology-based controls; and

WHEREAS, Chollas Creek and the San Diego Bay Shoreline near Chollas Creek have been listed by the State Water Resources Control Board as water quality-limited segments pursuant to CWA section 303(d); and

WHEREAS, the San Diego Regional Water Quality Control Board (RWQCB) adopted Investigative Order No. R9-2015-0058, which directs the named parties to investigate the sediment quality in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area; and

WHEREAS, the RWQCB has determined that the named parties under the Order include Caltrans, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company (NASSCO), and the U.S. Navy, and the San Diego Unified Port District as secondarily named party; and

WHEREAS, the named parties have agreed to work together to submit the Phase 1 Work Plan and the Phase 1 Report; and

WHEREAS, the City of San Diego has agreed to lead the technical effort by providing project management and contract administration services for the named parties and has hired a mutually agreed upon consultant to perform the identified Phase 1 Activities; and

WHEREAS, the named parties entered into a memorandum of understanding outlining responsibilities and funding for the implementation of Phase I Activities to meet the investigative order deadlines; and

WHEREAS, it is cost prohibitive and inefficient for the City of Lemon Grove to perform these compliance tasks independently; and

WHEREAS, the City of San Diego is requesting reimbursement for the implementation of Phase 1 Activities to meet the requirements of the RWQCB Investigative Order and is using a cost share formula used for the Total Daily Maximum Load (TMDL) Program that the City of Lemon Grove is currently a party to; and

WHEREAS, the draft cost share for FY 2015 and 2016 combined total is \$34,631.14 and exceeds the \$30,000 threshold that requires City Council approval; and

Attachment A

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Approves reimbursement of the City of San Diego with a not to exceed amount of \$35,000 (**Exhibit 2 & 3**) pertaining to Investigative Order No. R9-2015-0058; and
2. Authorizes the City Manager to sign for the reimbursement.

////

////

Attachment A

Exhibit 1

Memorandum of Understanding (MOU)

Attachment A

Exhibit 1

Memorandum of Understanding (MOU)

ORIGINAL

Document No. 16921
Filed JUN 15 2016
Office of the City Clerk
San Diego, California

MEMORANDUM OF UNDERSTANDING

Completion of Phase 1 Activities Associated with Investigative Order No. R9-2015-0058 (An Order Directing the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California)

This Memorandum of Understanding (AGREEMENT) entered into by the California Department of Transportation (hereinafter called Caltrans), the incorporated city of La Mesa (hereinafter called La Mesa), the incorporated city of Lemon Grove (hereinafter called Lemon Grove), the incorporated city of San Diego (hereinafter called City of San Diego), the National Steel and Shipbuilding Company (hereinafter called NASSCO), San Diego Unified Port District (hereinafter called Port of San Diego), and the United States Navy Commander, Navy Region Southwest (hereinafter called U.S. Navy) (hereinafter collectively called PARTIES and individually called PARTY) establishes the responsibilities of each PARTY with respect to the submission of the Phase I Work Plan and the Phase I Report (collectively called Phase I Activities), in conformance with the requirements of Investigative Order No. R9-2015-0058 (An Order Directing the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California) (hereinafter called the Order), issued by the California Regional Water Quality Control Board, San Diego Region (hereinafter called SDRWQCB).

RECITALS

WHEREAS, Clean Water Act (CWA) section 303(d) requires states to develop a list of waterbodies that do not or are not expected to meet water quality standards after implementing technology-based controls; and,

WHEREAS, Chollas Creek and the San Diego Bay Shoreline near Chollas Creek have been listed by the State Water Resources Control Board as water quality-limited segments pursuant to CWA section 303(d); and,

WHEREAS, the SDRWQCB adopted the Order, attached as Exhibit 1 to this Agreement and incorporated herein by reference, which directs the PARTIES to investigate the sediment quality in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area; and,

WHEREAS, the SDRWQCB has determined that the responsible entities under the Order include Caltrans, La Mesa, Lemon Grove, City of San Diego, NASSCO, and the U.S. Navy, as indicated in Exhibit 1; and,

WHEREAS, the SDRWQCB has determined that the Port of San Diego is a secondarily responsible party under the Order, as indicated in Exhibit 1; and,

WHEREAS, the PARTIES have agreed to work together to submit the Phase 1 Work Plan and the Phase 1 Report, as those terms are used in Exhibit 1; and,

WHEREAS, the PARTIES recognize that expenditures will be needed to complete the Phase 1 Activities; and,

WHEREAS, the City of San Diego has agreed to lead the technical effort by providing project management and contract administration services for the PARTIES and has hired a mutually agreed upon consultant to perform the identified Phase 1 Activities.

NOW, THEREFORE, the PARTIES incorporate the Recitals set forth above and mutually agree as follows:

I. **PURPOSE:** This AGREEMENT is entered into for the purpose of outlining the responsibilities of the PARTIES and funding the implementation of Phase 1 Activities pursuant to the Order.

II. **TERM:** The term of this AGREEMENT commences on the date of the last signature of the duly authorized representatives of the PARTIES and shall run until the date on which the Regional Board accepts the Phase 1 Report.

III. **PARTY RESPONSIBILITIES AND PARTICIPATION:**

A. **RESPONSIBILITIES OF CONTRACT MONITORING AND TECHNICAL LEAD:** The City of San Diego is hereby designated the Contract Monitoring and Technical Lead. As such, subject to Sections III.B, IV, and V infra, the City of San Diego will accept the responsibility of consultant contracting, overall project management, administration of consultant contracts, responsibility of coordinating overall work products such as the present AGREEMENT, and submittal of the Phase 1 Work Plan and Phase 1 Report as required by the Order, and other administrative duties as agreed upon by the PARTIES.

B. **RESPONSIBILITIES OF ALL PARTIES:** Each PARTY agrees to fully participate and cooperate in the implementation of Phase 1 Activities required by the Order and will assign at least one (1) person to serve as the PARTY representative to participate in meetings, collaborate on developing strategies, make decisions, and review work products and submittals. Each PARTY agrees that it will provide the City of San Diego and its consultant reasonable access to records and information related to each PARTY's current and historical operations which is reasonably necessary to complete the Phase 1 Activities, subject to legal privileges and restrictions that each PARTY may reasonably claim. Each PARTY agrees that investigation and oversight costs associated with Phase 1 Activities, and approved in advance by the PARTIES, should be considered necessary costs subject to reallocation (and thus potential reimbursement) to the City of San Diego pursuant to a future agreement (which all PARTIES agree to negotiate in good faith), settlement, or judgment

IV. **FUNDING:**

A. **INVESTIGATION COSTS:** The cost of producing the Phase 1 Work Plan is not anticipated to exceed \$64,062 and such costs will be borne only in Fiscal Year 2016. The cost of implementing the Phase 1 Work Plan and producing the Phase 1 Report will be borne in Fiscal Year 2016 and Fiscal Year 2017. Such cost will be determined upon the completion of the Phase 1 Work Plan. The PARTIES agree to meet in good faith to negotiate additional necessary incremental funding associated with implementing the Phase 1 Work Plan and producing the Phase 1 Report. Federal contributions will be subject to available appropriations in any given year.

B. **OVERSIGHT COSTS:** SDRWQCB oversight costs associated with the Phase 1 Activities will be borne in Fiscal Year 2016 and Fiscal Year 2017. SDRWQCB oversight costs for

Fiscal Year 2016 are not anticipated to exceed \$25,500. SDRWQCB oversight costs related to the implementation of the Phase 1 Work Plan and production of the Phase 1 Report will be estimated upon completion of the Phase 1 Work Plan. The PARTIES agree to meet in good faith to negotiate additional necessary incremental funding associated with SDRWQCB oversight costs related to the implementation of the Phase I Report. Federal contributions will be subject to available appropriations in any given year.

- C. This AGREEMENT does not reflect the final apportionment of costs associated with Phase 1 Activities among the PARTIES.

- V. **RESERVATION OF RIGHTS:** Pursuant to the schedule incorporated in Exhibit 2, each PARTY that bears the costs indicated in Section IV supra reserves its right to recover such costs from the other PARTIES and any other person or entity that may be found responsible for contributing to sediment quality degradation and/ or receiving water impairment in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area, regardless of whether such other person or entity is ultimately named by the SDRWQCB as a responsible party. Additionally, the costs noted in Sections IV.A and IV.B supra are only those costs which can presently be determined. Pursuant to the schedule incorporated in Exhibit 2, each PARTY that bears the costs indicated in Section IV supra reserves its right to recover any future necessary costs which might arise in connection with completion of Phase 1 Activities from the other PARTIES. Each PARTY reserves its right to recover future necessary costs in connection with completion of Phase 1 Activities from any other person or entity that may be found responsible for contributing to sediment quality degradation and/ or receiving water impairment in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area, regardless of whether such other person or entity is ultimately named by the SDRWQCB as a responsible party. By entering into this AGREEMENT, no PARTY admits its liability with respect to the Order. This AGREEMENT shall have no precedential effect on the allocation of any other costs related to the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area, or otherwise. This AGREEMENT shall not be used for any purpose, other than enforcing its terms. The PARTIES affirm that nothing in this AGREEMENT constitutes or implies any agreement among them as to their joint liabilities, their respective liabilities, or their proportionate shares of any liability with respect to the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area, and that neither they, nor any third parties, may cite this AGREEMENT as constituting or implying such understanding or agreement. No part of this AGREEMENT shall constitute or be interpreted or construed by any third party, or the PARTIES themselves, as an admission of any liability under any federal, state, or local law, or that any PARTY is in violation of, or has ever violated, any law, rules, or regulations. Each PARTY otherwise reserves all of its rights under law.
- VI. **NON-COMPLIANCE WITH AGREEMENT REQUIREMENTS:** Any PARTY to this AGREEMENT found to be in non-compliance with the conditions of this AGREEMENT shall be solely liable for any lawfully assessed penalties resulting from such non-compliance. Failure to comply with AGREEMENT conditions within specified or agreed upon timelines shall constitute non-compliance with the AGREEMENT. Any allegation of non-compliance shall be presented in writing to the allegedly non-compliant PARTY. The allegedly non-compliant PARTY shall have 30 days to respond to the allegation or to come into compliance with the AGREEMENT.
- VII. **AMENDMENTS TO THE AGREEMENT:** This AGREEMENT may be amended only by consent of all the PARTIES. No amendment shall be effective unless it is in writing and signed by the duly authorized representatives of the PARTIES, except for accurate revisions to Exhibit 2, which may be completed by the Contract Monitoring and Technical Lead alone.
- VIII. **GOVERNING LAW:** This AGREEMENT shall be construed in accordance with the laws of the State of California. If any provision or provisions shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. In addition, each PARTY agrees to comply with all federal,

state and local laws and ordinances applicable to the work to be performed under the terms of this AGREEMENT.

- IX. **CONSENT AND BREACH NOT WAIVER:** No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the PARTIES to have waived or consented. Any consent by any PARTY to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.
- X. **DISPUTES:** The PARTIES agree to mediate any dispute prior to filing suit or prosecuting suit against the other PARTIES. In the event suit is brought under this AGREEMENT to enforce its terms, each PARTY shall be responsible for its own attorneys' fees and costs.
- XI. **LEGAL RESPONSIBILITY:** Nothing in this AGREEMENT shall alter (1) any PARTY's legal responsibility to comply with the Order, or (2) subject to Section VI, any PARTY's liability for any fines, penalties, and costs which may arise out of such PARTY's non-compliance with the Order.
- XII. **APPLICATION OF PRIOR AGREEMENTS:** This AGREEMENT constitutes the entire Agreement between the PARTIES with respect to the subject matter; all prior agreements, representations, statements, negotiations, and undertakings are superseded hereby.
- XIII. **TERMINATION:** Termination of participation from this AGREEMENT by any PARTY shall require thirty (30) days written notice to all PARTIES prior to the effective date of termination. Termination of this agreement does not release any PARTY from its obligations under the Order, nor does it release the PARTY from its financial responsibilities as outlined in Sections III and IV supra of this AGREEMENT.
- XIV. **ENCUMBRANCE:** By reason of constraints in California law (Streets and Highways Code Sections 114 & 130) and the California Constitution (Article XVI, section 7), Caltrans encumbers an amount not to exceed \$41,437 as its portion of the shared cost for Phase 1 Activities. Caltrans' contribution of encumbered funds pursuant to this section does not limit Caltrans' liability with respect to a future agreement (which all PARTIES agree to negotiate in good faith), settlement, or judgment, if such agreement, settlement, or judgment concludes that Caltrans' total liability exceeds the amount that it initially encumbered in this AGREEMENT.
- XV. **FEDERAL LAW:** This AGREEMENT is void to the extent that it is inconsistent with applicable law. Portions that are void are severable. In particular this AGREEMENT is void to the extent that it commits funds in violation of the federal anti-deficiency act or its state law equivalent. Every effort will be made to avoid construing the terms of this AGREEMENT as violations of those laws, including adjustment of payment terms and schedules by mutual agreement of the PARTIES.

EXHIBIT 1 SDRWQCB, Investigative Order No. R9-2015-0058 (An Order Directing the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California)

EXHIBIT 2: Schedule of Actual Expenditures of Responsible Parties for Investigation Costs and Oversight Costs relating to Phase 1 Activities*

Responsible Party	Actual Expenditures for Phase 1 Activities
City of San Diego	
Caltrans	

*If a Responsible Party expends funds for Investigation Costs or Oversight Costs relating to Phase 1 Activities after the execution of this AGREEMENT, Exhibit 2 shall be revised to accurately reflect the Responsible Party's actual expenditures for such costs.

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be signed and executed the day and year first above written. This AGREEMENT may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This AGREEMENT shall become effective on the date of the last signature of the duly authorized representatives of the PARTIES.

IN WITNESS THEREOF, this AGREEMENT is executed as follows:

For the State of California Dept. of Transportation

Date: 2/29/16

Bruce L. April
Signature

Bruce L. April
Printed Name

Deputy District Director
Title

Approved to as Form
Attorney

Date: _____

Signature

Printed Name

Title

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be signed and executed the day and year first above written. This AGREEMENT may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This AGREEMENT shall become effective on the date of the last signature of the duly authorized representatives of the PARTIES.

IN WITNESS THEREOF, this AGREEMENT is executed as follows

For the City of La Mesa

Date: 3/23/14



Mark Arapostathis

Mayor

City of La Mesa

Approved to as Form

City Attorney

Date: 3/1/16



Glenn Sabine

City Attorney

City of La Mesa

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be signed and executed the day and year first above written. This AGREEMENT may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This AGREEMENT shall become effective on the date of the last signature of the duly authorized representatives of the PARTIES

IN WITNESS THEREOF, this AGREEMENT is executed as follows:

For the City of Lemon Grove

Date

04/16/2010

Signature

Printed Name

Title

Approved to as Form

City Attorney

Date:

4/16/10

Signature

Printed Name

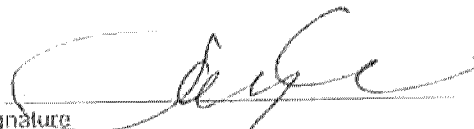
Title

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be signed and executed the day and year first above written. This AGREEMENT may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This AGREEMENT shall become effective on the date of the last signature of the duly authorized representatives of the PARTIES.

IN WITNESS THEREOF, this AGREEMENT is executed as follows:

For the City of San Diego

Date: 6-6-16


Signature

Hacey Lottman
Printed Name

Deputy
Title

Approved to as Form

City Attorney

Date: 6/6/16


Signature

BEN LARRIER
Printed Name

DCA
Title

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to day and year first above written. This AGREEMENT may be signed in court be an original, with the same effect as if the signatures thereto and hereto v instrument. This AGREEMENT shall become effective on the date of the la authorized representatives of the PARTIES.

ORIGINAL

IN WITNESS THEREOF, this AGREEMENT is executed as follows:

For the National Steel and Shipbuilding Company

Date: 2/26/2016


Signature

Printed Name MATTHEW S. LUXTON
Vice President and General Counsel

Title

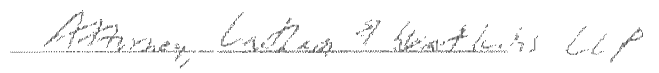
Approved to as Form

Counsel for the National Steel and Shipbuilding Company

Date: 3/08/2016


Signature


Printed Name

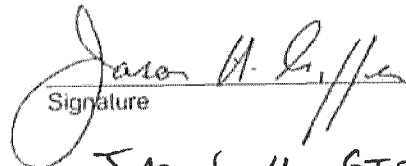

Title

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be signed and executed the day and year first above written. This AGREEMENT may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This AGREEMENT shall become effective on the date of the last signature of the duly authorized representatives of the PARTIES.

IN WITNESS THEREOF, this AGREEMENT is executed as follows:

For the San Diego Unified Port District

Date: _____


Signature

JASON H. GIFFEN
Printed Name

ASSISTANT VICE PRESIDENT
Title

~~Approved as to Form
Port Attorney~~

~~Date: _____~~

**Approved as to form and legality:
GENERAL COUNSEL**


By: John N. Carter, Deputy

~~Signature~~

~~Printed Name~~

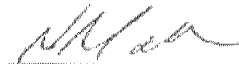
~~Title~~

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be signed and executed the day and year first above written. This AGREEMENT may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This AGREEMENT shall become effective on the date of the last signature of the duly authorized representatives of the PARTIES

IN WITNESS THEREOF, this AGREEMENT is executed as follows

For Commander, Navy Region Southwest

Date 6-29-16


Signature

NICK MALLARI
Printed Name

COMPTROLLER NRSW
Title

Date: 12 July 16


Signature

M.K. RICH
Printed Name

REAR ADMIRAL, U.S. NAVY
COMMANDER, NAVY REGION SOUTHWEST
Title

Approved to as Form
Attorney

Date

Signature

Printed Name

Title



California Regional Water Quality Control Board, San Diego Region

October 26, 2015

In reply refer to:
T10000006999:smcclain

Mr. Carl Savage
California Department of Transportation
4050 Taylor Street
San Diego, CA 92110

Ms. Ruth Kolb
City of San Diego
9370 Chesapeake Drive, Suite 100
San Diego, CA 92123

Mr. Joe Kuhn
City of La Mesa
8130 Allison Ave
La Mesa, CA 91942

Mr. Mike Chee
National Steel and Shipbuilding Company
P.O. Box 85278
San Diego, CA 92186-5278

Mr. Malik Tamimi
City of Lemon Grove
3232 Main Street
Lemon Grove

Mr. Paul Brown
San Diego Unified Port District
3165 Pacific Highway
San Diego, CA 92101

Mr. Len Sinfield
U.S. Navy
937 N Harbor Drive, Bldg 1, Box 81
San Diego CA 92132-0058

Subject: Investigative Order No. R9-2015-0058

Enclosed is a copy of Investigative Order No. R9-2015-0058, *An Order Directing The California Department of Transportation, The City of La Mesa, The City of Lemon Grove, The City of San Diego, The National Steel and Shipbuilding Company, The San Diego Unified Port District, and The U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek in San Diego Bay, San Diego, California.*

In developing the Investigative Order, the San Diego Water Board took into account comments from the named parties and the public. Those comments and the San Diego Water Board's responses are summarized in Attachment 1. All parties to the Order should be aware that additional information may be submitted throughout the work plan process that could result in modification of the Order, or future enforcement orders, beyond the scope of the Investigative Order as issued.

Messrs. Savage, Kuhn Tamimi, Sinfield, - 2 -
Chee, Brown, and Ms. Kolb

October 26, 2015

In the subject line of any response, please include the reference code:
T10000002687:smcclain. For questions or comments, please contact Sean McClain by phone
at (619) 521-3374 or by email to smcclain@waterboards.ca.gov.

Sincerely,


James G. Smith
Assistant Executive Officer

JGS:clc:jm:ftm:sm

cc via e-mail: Mr. David Silverstein, david.silverstein@navy.mil

Mr. Kelly Richardson, kelly.richardson@LW.com

Mr. Tim Allison, tim.allison@sdmts.org

Ms. Karen Holman, kholman@portofsandiego.org

Ms. Marisa Blackshire, Marisa.Blackshire@BNSF.com

Mr. Matt O'Malley, matt@sdcoastkeeper.org

Tech Staff Info & Use	
GeoTracker Site ID	T10000006999

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN DIEGO REGION**

INVESTIGATIVE ORDER NO. R9-2015-0058

**AN ORDER DIRECTING THE CALIFORNIA DEPARTMENT OF TRANSPORTATION,
THE CITY OF LA MESA, THE CITY OF LEMON GROVE, THE CITY OF SAN DIEGO,
THE NATIONAL STEEL AND SHIPBUILDING COMPANY, THE SAN DIEGO
UNIFIED PORT DISTRICT, AND THE U.S. NAVY TO SUBMIT TECHNICAL
REPORTS PERTAINING TO AN INVESTIGATION OF SEDIMENT
QUALITY IN THE MOUTH OF CHOLLAS CREEK, SAN DIEGO
BAY, SAN DIEGO COUNTY, CALIFORNIA**

The California Regional Water Quality Control Board, San Diego Region (San Diego Water Board) finds that:

1. **Legal and Regulatory Authority.** This Order conforms to and implements policies and requirements of the Porter-Cologne Water Quality Control Act (division 7, commencing with Water Code section 13000) including (1) sections 13267 and 13304; (2) applicable State and federal regulations; (3) all applicable provisions of statewide Water Quality Control Plans adopted by the State Water Resources Control Board (State Water Board) and the *Water Quality Control Plan for the San Diego Basin* (Basin Plan) adopted by the San Diego Water Board including beneficial uses, water quality objectives, and implementation plans; (4) State Water Board policies and regulations including Resolution No. 68-16, *Statement of Policy with Respect to Maintaining High Quality of Waters in California*, Resolution No. 88-63, *Sources of Drinking Water*, Resolution No. 92-49, *Policies and Procedures for Investigation, and Cleanup and Abatement of Discharges under Water Code Section 13304*; the *Water Quality Control Plan for Enclosed Bays and Estuaries - Part 1 Sediment Quality*; California Code of Regulations (CCR) title 23, chapter 16, article 11; CCR title 23, section 3890 et. seq.; and (5) relevant standards, criteria, and advisories adopted by other State and federal agencies.
2. **Geographical Extent of the Mouth of Chollas Creek Investigation.** The Mouth of Chollas Creek is bounded on the east by the weir located downstream of the Belt Street Bridge, on the north by the National Steel and Shipbuilding Company (NASSCO), and to the south by Naval Base San Diego Pier 1, extending to the end of the piers (Figure 1). The area is approximately 25 acres (0.1 km²).



Figure 1. Investigation Area for the Mouth of Chollas Creek and Chollas Creek Tidally-Influenced Area.

3. **Chollas Creek Tidally-Influenced Area.** A small portion of the watershed includes “tidelands” located immediately adjacent to San Diego Bay under the jurisdiction of the San Diego Unified Port District (Port District) and the U.S. Navy (Naval Base San Diego). The Chollas Creek Tidally-Influenced Area extends from the weir located at the Mouth of Chollas Creek up to the confluence area near the north and south Chollas Creek channels (Figure 1). The Chollas Creek Tidally-Influenced Area receives storm water from the upland watershed via creek drainage, storm water discharge from the neighboring facilities, and tidal influence from San Diego Bay.
4. **Chollas Creek and Chollas Creek Watershed.** Chollas Creek is an urban creek with the highest flow rates associated with storm events, and highly variable flows for the rest of the year. Extended periods with no surface flows occur during dry weather, although pools of standing water may be present. The Mouth of Chollas Creek has been channelized and concrete lined, but some sections of earthen creek bed remain. The lowest 1.2 miles of the Creek are on the 303(d) List of Water Quality Limited Segments for water quality impairments for indicator bacteria, copper, lead, and zinc.

The Chollas Creek watershed encompasses approximately 69 km² (17,200 acres) of the Pueblo San Diego Hydrologic Unit located within the cities of San Diego, Lemon Grove, and La Mesa (Figure 2). Land use within the Chollas Creek watershed is predominantly residential with some commercial and military uses. Roadways dominate a significant portion of the remaining watershed area.

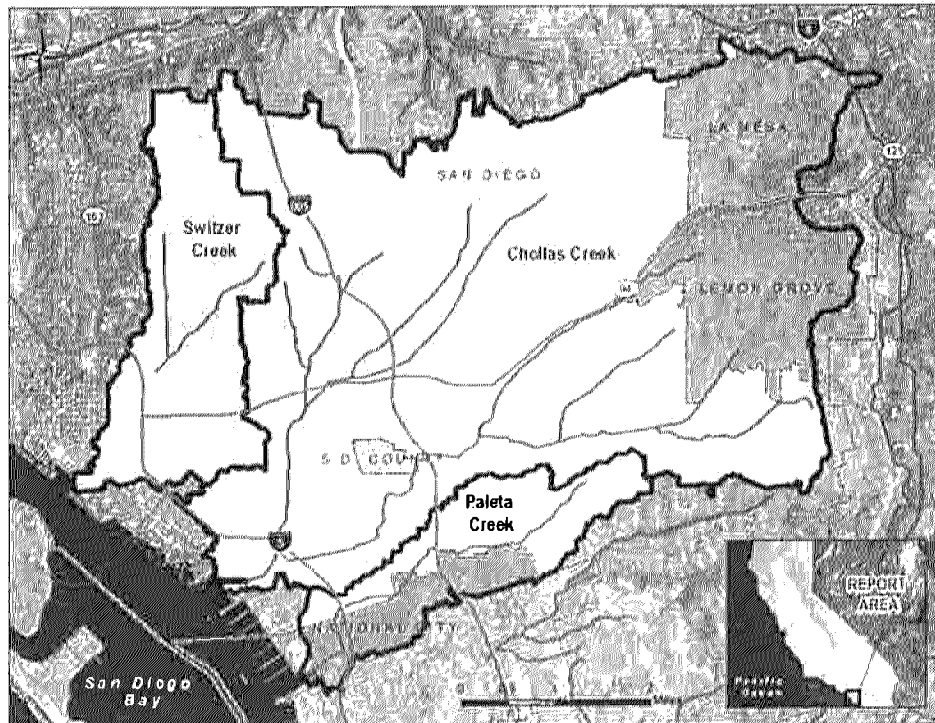


Figure 2. Location of San Diego Bay, Paleta Creek, Chollas Creek, and Switzer Creek watersheds.

5. **Mouth of Chollas Creek Impairment.** The Mouth of Chollas Creek is on the Clean Water Act section 303(d) list for benthic community degradation and toxicity in the sediment. The Mouth of Chollas Creek is designated as a candidate toxic hot spot in the Regional Toxic Hot Spot Cleanup Plan under the Bay Protection and Toxic Cleanup Program (BPTCP).¹
6. **Identification of Pollutant Sources.** Prior to, or concurrent with, any cleanup of contaminated sediment in the Mouth of Chollas Creek, sources of pollution to this area must be identified and controlled. Multiple point and nonpoint sources discharge pollutant loads into the Mouth of Chollas Creek. Point sources typically discharge at a specific location from pipes, outfalls, and conveyance

¹ State Water Resources Control Board, September 1996. Chemistry, Toxicity and Benthic Community Conditions in Sediments of the San Diego Bay Region.

channels. These discharges are regulated by the San Diego Water Board or State Water Board through Waste Discharge Requirements (WDRs) that implement federal National Pollutant Discharge Elimination System (NPDES) requirements. Nonpoint sources are diffuse in nature, such as sheet flow or atmospheric deposition (precipitation and dust fall) that have multiple routes of entry into surface waters.

Storm water runoff from urbanized areas flows off land with a number of different uses, including residential uses, commercial and industrial uses, and roads, highways, and bridges. Sources of pollutants can include storm drain discharges, discharges or spills from permitted industrial facilities, illicit discharges, sewage spills, or other nonpoint sources. Essentially, all sources (point and nonpoint) in the watershed enter the Mouth of Chollas Creek through the storm water conveyance systems that are regulated through the NPDES permits listed in Table 1.

Table 1. Regulated Storm Water Discharges in Chollas Creek Watershed.

WDR/Permit	Order No.
San Diego Municipal Storm Water NPDES Permit	R9-2013-0001
NPDES Storm Water from Small MS4s	2013-0001-DWQ
NPDES Industrial Storm Water	2014-0057-DWQ
NPDES Construction Storm Water	2009-0009-DWQ
NPDES Storm Water from Caltrans	2012-0011-DWQ

Other likely point and nonpoint source pollutant loads include storm water runoff from adjacent industrial discharges from NASSCO² and Naval Base San Diego³, sediment resuspension and flux, leaching from creosote pier pilings, and direct atmospheric deposition of pollutants to the surface of the water body. Another cause is sediment resuspension and migration from boat and ship traffic near the Mouth of Chollas Creek.

While wasteloads of polycyclic aromatic hydrocarbons (PAHs) are associated with ongoing activities, such as automobile and truck emissions in the watershed, the wasteloads of chlordane and polychlorinated biphenyls (PCBs) reflect residues accumulated from historical uses, applications, or spills that contaminated soils within the watershed and act as ongoing sources.

- 7. Presence of Wastes in the Mouth of Chollas Creek.** The Mouth of Chollas Creek receives discharges from the municipal separate storm sewer systems (MS4s) of the City of Lemon Grove, the City of La Mesa, the City of San Diego, and the Port District. The Mouth of Chollas Creek also receives storm water runoff discharges from the California Department of Transportation (Caltrans), NASSCO, U.S. Navy and various industrial facilities along Chollas Creek. During

² RWQCB, 2009, Waste Discharge Requirements No. R9-2009-0099.

³ RWQCB 2013, Waste Discharge Requirements No. R9-2013-0064.

wet weather events, storm water discharges from lands with various uses provide a significant mechanism for transport of organic pollutants to surface water bodies. Pollutants from various land uses and associated management practices wash off the surface during rainfall events. The amount of runoff and associated pollutant concentrations are, therefore, highly dependent on the nearby land uses and management practices.

The following sources of pollutants are discharged to the MS4s conveyance system:

- a. PAHs from roadways, parking surfaces, and creosote telephone/utility; poles throughout the cities may enter the storm water conveyance system;
- b. Pesticide impacted soils may enter the storm water conveyance system; and
- c. PCB impacted soils may enter the storm water conveyance system.

Additionally, sediments that accumulate within storm drains and creeks during dry periods are a source of pollutants to the Mouth of Chollas Creek during wet weather events.

Furthermore, the Mouth of Chollas Creek is tidally-influenced; therefore, various pollutants from San Diego Bay may also be transported during tidal actions into the Mouth of Chollas Creek. Finally, another pollutant source to the Mouth of Chollas Creek may be from air deposition.

8. **Beneficial Uses and Target Receptors.** Water quality objectives must support the most sensitive beneficial uses of a water body. Beneficial uses of Chollas Creek are described in the Basin Plan. Beneficial uses of San Diego Bay are described in the Basin Plan and Bays and Estuaries Plan.⁴ Chollas Creek is located within the Lindbergh Hydrologic Subarea (908.21) in the San Diego Mesa Hydrologic Area (908.20) of the Pueblo San Diego Hydrologic Unit (908.00). Table 2 lists the beneficial uses along with its target receptors for Chollas Creek and San Diego Bay.

Table 2. Beneficial Uses and Target Receptors

Beneficial Use	Chollas Creek	San Diego Bay
Non-contact water recreation	•	•
Commercial and sport fishing		•
Preservation of biological habitats of special significance		•
Estuarine habitat		•

⁴ Water Quality Control Plan for Enclosed Bays and Estuaries – Part 1 Sediment Quality, State Water Resources Control Plan, August 2009.

Beneficial Use	Chollas Creek	San Diego Bay
Warm freshwater habitat	•	
Wildlife habitat	•	•
Rare, threatened, or endangered species		•
Marine habitat		•
Migration of aquatic organisms		•
Spawning, reproduction, and/or early development		•

• Existing Beneficial Use

Pollutants discharged from point and non-point sources to bay sediments could impact these beneficial uses.

9. **Caltrans.** Polluted storm water runoff from Caltrans' owned and/or operated roadways and facilities has been, and continues to be, discharged directly and indirectly into Chollas Creek. These discharges cause, and threaten to cause, a condition of pollution by unreasonably affecting the waters for beneficial uses. Roadway and pavement runoff from Caltrans highways and facilities contains organic and inorganic pollutants that can impair receiving water quality and disrupt aquatic and benthic ecosystems. Storm water discharges from roadways may contain pollutants, including suspended solids, heavy metals, hydrocarbons, indicator bacteria and pathogens, nutrients, herbicides, and deicing salts (Grant et al. 2003⁵). In recent years, Caltrans has reported measureable amounts of pesticides in storm water discharges, primarily the herbicides diuron and glyphosate; the active ingredient in Roundup® (Caltrans 2003a⁶, 2003b⁷). The principal sources of pollutants from roadways are atmospheric deposition, automobiles, and the road surfaces themselves (Grant et al. 2003).
10. **Municipal Storm Water Copermittees.** The Cities of La Mesa, Lemon Grove, and San Diego, and the Port District own and/or operate MS4s that discharge storm water runoff directly into Chollas Creek. These pollutant discharges are regulated by the San Diego Water Board through Order No. R9-2013-0001, WDRs that implement federal NPDES requirements. These discharges cause, and threaten to cause, a condition of pollution by unreasonably affecting the waters for beneficial uses.

⁵ Grant, S.B., N.V. Rekhi, N.R. Pise, R.L. Reeves, M. Matsumoto, A. Wistrom, L. Moussa, S. Bay, and M. Kayhanian. 2003. A Review of the Contaminants and Toxicity Associated with Particles in Stormwater Runoff. CTSW-RT-03-059.73.15. Prepared for California Department of Transportation, Sacramento, CA. August 2003.

⁶ Caltrans. 2003a. 2002 – 2003 Annual Data Summary Report. CTSW-RT-03-069.51.42. California Department of Transportation, Storm Water Monitoring & Data Management. August 2003.

⁷ Caltrans. 2003b. Discharge Characterization Study Report. CTSW-RT-03-065.51.42. California Department of Transportation, Storm Water Monitoring & Data Management. November 2003.

11. **The San Diego Unified Port District.** The Port District has responsibility, authority, and/or control for operation of the storm water system within the tideland area under the MS4 permit. However, in this particular matter, the Port District has not exercised requisite control or authority over its lessees' properties or MS4 facilities/outfalls to be named primarily responsible for this Investigative Order. Therefore, it is being named as a secondarily responsible party, however it is still a Discharger under this Investigative Order. To the extent that the primarily responsible parties provide additional information or evidence that indicates that the Port District did exert authority over facilities/outfalls or lessees' properties, or should have and failed to, this Order and future enforcement actions can be amended.
12. **National Steel and Shipbuilding Company.** Polluted storm water discharges or formerly discharged from NASSCO directly and indirectly into Chollas Creek. These discharges cause, and threaten to cause, a condition of pollution by unreasonably affecting the waters for beneficial uses. Historically, some pollutants were discharged directly into Chollas Creek and San Diego Bay. NASSCO owns and operates a full service ship construction, modification, repair, and maintenance facility on the waterfront of San Diego Bay and west of the Mouth of Chollas Creek. The facility is located on land leased from the U.S. Navy and the Port District at 28th Street and Harbor Drive within the City of San Diego. The U.S. Navy and NASSCO's primary business has historically been ship repair, construction, and maintenance for the U.S. Navy and commercial customers. The facility includes offices, shops, warehouses, concrete platens for steel fabrication, a floating dry dock, a graving dock, two shipbuilding ways, and five piers, which provide 12 berthing spaces (RWQCB, 2001⁸).

There are three major types of building/repair facilities at NASSCO, which, together with cranes, enable ships to be assembled, launched, or repaired. These facilities include a floating dry-dock, a graving dock, and berths/piers. With the exception of berths and piers, the basic purpose of each facility is to separate a vessel from the bay to provide access to parts of the ship normally underwater. The berths and piers are over-water structures where vessels are secured during repair or construction activities. Because dry-dock space is limited and expensive, many operations are conducted at pier side. For example, after painting the parts of a ship normally underwater, the ship is moved from the dry-dock to a berth where the remainder of the painting is completed.

NASSCO initiated the capture of first-flush storm water from high-risk areas (dry-dock, graving dock, paint and blasting areas) in the early 1990s. Capture of first-flush storm water extends to additional areas of the facility in 1997. Prior to the early 1990s, all surface water runoff from NASSCO discharged directly into San

⁸ RWQCB. 2001. Final Regional Board Report: Shipyard Sediment Cleanup Levels, NASSCO & Southwest Marine Shipyards, San Diego Bay. California Regional Water Quality Control Board, San Diego Region, San Diego, CA. February 16, 2001.

Diego Bay (Exponent, 2003⁹). Currently, NASSCO discharges storm water from employee parking lots into Chollas Creek, which contain oil, grease, and PAHs that deposit on parking lot surfaces by motor vehicles.

Categories of wastes commonly generated by NASSCO's industrial processes include the following (RWQCB, 2012¹⁰):

Abrasive Blast Waste: Abrasive blast waste, consisting of spent grit, spent paint, marine organisms, and rust is generated in significant quantities during all dry or wet abrasive blasting procedures. The constituent of greatest concern, with regard to toxicity, is the spent paint; particularly the copper and tributyltin antifouling components, which are designed to be toxic and to continuously leach into the water. Other pollutants in paints include zinc, chromium, and lead. Abrasive blast waste can be conveyed by water flows, become airborne (especially during dry blasting), or fall directly onto receiving waters.

Blast Wastewater: Hydroblasting generates large quantities of wastewater which includes suspended and settleable solids (spent abrasive, paint, rust, marine organisms, and water). Blast wastewater also contains rust inhibitors, such as diammonium phosphate and sodium nitrite.

Bilge Waste/Other Oily Wastewater: This waste is generated during tank emptying, leaks, and cleaning operations (bilge, ballast, and fuel tanks). In addition to petroleum products (fuel, oil), washwater is generated in large quantities and contains detergents or cleaners.

Oils (engine, cutting, and hydraulic): In addition to spent products, spills and leaks of fresh oils, lubricants, and fuels may occur from ships or dry-docks equipment, machinery, and tanks (especially during cleaning and refueling).

Fresh Paint: Paint can be discharged due to spills, drips, and overspray.

Waste Paints/Sludges/Solvents/Thinners: These wastes are generated from cleaning and maintenance of paint equipment.

Construction/Repair Solid Wastes: These wastes include scrap metal, welding rods, slag (from arc welding), wood, rags, plastics, cans, paper, bottles, and packaging materials.

Miscellaneous Wastes: These wastes include lubricants, grease, fuels, sewage

⁹ Exponent. 2003. NASSCO and Southwest Marine Detailed Sediment Investigation Volumes I - III. Prepared for NASSCO and Southwest Marine, San Diego, CA. Exponent, Bellevue, WA. October 2003.

¹⁰ RWQCB. 2012. Technical Report for Tentative Cleanup and Abatement Order No. R9-2012-0024 for the Shipyard Sediment Site, San Diego Bay, San Diego, CA – Volumes I, II, and III. California Regional Water Quality Control Board, San Diego Region. San Diego, CA. March 14, 2012. Available at: http://www.waterboards.ca.gov/sandiego/water_issues/programs/shipyards_sediment/index.shtml

(black and gray water from vessels or docks), boiler blowdown, condensate discard, acid wastes, caustic wastes, and aqueous wastes (with and without metals).

13. **U.S. Navy.** Polluted storm water discharges from U.S. Navy property directly and indirectly into Chollas Creek.¹¹ These discharges cause, and threaten to cause, a condition of pollution by unreasonably affecting the waters for beneficial uses. Historically, some pollutants discharged directly into Chollas Creek and San Diego Bay. Since 1921, the U.S. Navy has owned and operated Naval Base San Diego, located at 32nd Street and Harbor Drive on the eastern edge of San Diego Bay. The facility is bordered by the City of San Diego to the north and east, National City to the south and east, and San Diego Bay to the west. The U.S. Navy leases a small portion of land to NASSCO located on the northern boundary of the Mouth of Chollas Creek.

Historically, Naval Base San Diego served as a docking and fleet repair base. In the 1920s and 1930s, it was primarily used for the repair and maintenance of U.S. Navy Destroyer vessels. The base expanded during the late 1930s to the late 1940s. From 1943 to 1945, more than 5,000 ships were sent to the base for conversion, overhaul, battle damage repair, and maintenance; approximately 2,190 of these ships were dry-docked. The base was expanded in 1944 to include approximately 823 acres, over 200 buildings, a 1,700 ton marine railway, a cruiser graving dry-dock, 5 large repair piers, a quay wall totaling 28,000 feet of berthing space, and extensive industrial repair facilities. Naval Base San Diego remains in operation and is currently homeport for approximately 60 naval vessels and home base to 50 separate commands.

In 1998, the U.S. Navy dredged a small portion of the Mouth of Chollas Creek. Despite the dredging action, impacts at the Mouth remained, as evidenced by elevated chemistry and toxicity results from the summer of 2001.¹² The U. S. Navy has proposed to perform another maintenance dredging event in a small portion of the Mouth of Chollas Creek in 2016.

14. **Persons Responsible for the Discharge of Waste.** The City of Lemon Grove, the City of La Mesa, the City of San Diego, Caltrans, the Port District, the U.S. Navy, and NASSCO (collectively Dischargers) are responsible entities for discharges of wastes to sediment in the Mouth of Chollas Creek. As described in Findings 3 through 13, various waste constituents originated at facilities owned and/or operated by these entities are discharged to the Mouth of Chollas Creek

¹¹ U.S. Navy, *2013/2014 Storm Water Annual Report for Industrial High Risk, Industrial Low Risk, and Small MS4 Areas*, Order No. R9-2013-0064, NPDES Permit No. CA0109169, Naval Base San Diego, California, August 2014.

¹² Southern California Coastal Water Research Project (SCCWRP) and Space and Naval Warfare Systems Center (SPAWAR). 2005. *Sediment Assessment Study for the Mouths of Chollas and Paleta Creek, San Diego, Phase I Report*. Prepared by SCCWRP, Westminster, CA and SPAWAR, San Diego, CA for the San Water Board and Commander Navy Region Southwest, San Diego, CA.

where they cause, or threaten to cause, a condition of pollution or nuisance. Through the course of the investigation, additional information may become available that identifies additional potential dischargers or warrants naming additional persons as dischargers. The San Diego Water Board reserves and retains the right to name additional persons. The above descriptions of activities, actual, threatened or potential discharges, and/or actions giving rise to potential liability under Water Code Section 13304 are not intended to be weighted for allocation purposes. The water boards do not generally allocate liability between parties, and there is not a de minimis defense or exception under Water Code section 13304.

15. **Public Comments.** This Investigative Order is being issued after several stakeholder meetings and review of public comments submitted. It is accompanied by a "Response to Comments" document prepared by San Diego Water Board staff (Attachment 1).
16. **Condition of Pollution.** The concentrations of contaminants in the sediments of the Mouth of Chollas Creek are at levels that may have an impact on human health, wildlife, and the benthic community. The elevated concentrations may not be protective for human health, wildlife, and the benthic community thus, creating a condition of pollution and nuisance in waters of the State.
17. **Basis for Requiring Reports.** Water Code section 13267 provides that the San Diego Water Board may require dischargers, past dischargers, or suspected dischargers to furnish those technical or monitoring reports as the San Diego Water Board may specify provided that the burden, including costs, of these reports bears a reasonable relationship to the need for the reports and the benefits to be obtained from the reports. Coordination among the responsible persons of the sediment investigation(s) is expected to provide a more comprehensive evaluation and be more cost-effective.
18. **Need for and Benefit of Technical Reports.** Technical reports will provide information to the San Diego Water Board regarding the nature and extent of the discharges. The San Diego Water Board intends to use this information to determine if additional assessment and/or cleanup and abatement activities are warranted at the Mouth of Chollas Creek. Specifically, the reports will enable the San Diego Water Board to ascertain the extent and chemical concentrations of waste constituents in sediment that may pose a threat to the benthic community, human health, and/or wildlife. The Dischargers currently discharge pollutants into the Mouth of Chollas Creek, and/or have historically done so. Dischargers' cooperative reporting efforts may result in a cost reduction. Based on the nature and possible consequences of the discharges (as described in the Findings above) the burden of providing the required reports, including the costs, bears a reasonable relationship to the need for the reports, and the benefits to be obtained from the reports.

19. **Study Questions.** An investigation of the sediment quality for the Mouth of Chollas Creek and Chollas Creek Tidally-Influenced Area is needed to answer the following study questions:
- a. **Nature and Extent.** What is the current nature and extent of impairment related to contaminated sediment conditions in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area?
 - 1. If existing data are not sufficient to understand current nature and extent of impairment (i.e., a data gap exists), what sampling strategy is needed to fill that gap?
 - 2. What activities are needed to identify the data to characterize the nature and extent of impairment in the areas discussed above?
 - b. **Potential Sources.** What are the potential sources of the impairment in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area?
 - 1. If existing data are not sufficient to understand potential sources of the impairment, what sampling strategy is needed to fill that gap?
 - 2. What activities are needed to identify the data to characterize the potential sources of impairment in areas discussed above?
 - c. **Pathways and Contaminant Transport.** If impairment and ongoing sources are identified, what are the pathways for contaminant transport to and within the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area?
 - 1. If existing data are not sufficient to understand the transport of potential source contaminants, develop a sampling strategy to fill that gap.
 - 2. What activities are needed to identify the data to characterize the transport of potential source contaminants in the areas discussed above?
19. **California Environmental Quality Act Compliance.** This action is exempt from the provisions of the California Environmental Quality Act (CEQA) in accordance with section 15061(b)(3) of chapter 3, title 14 of the California Code of Regulations because it can be seen with certainty that there is no possibility that the activity in question will have a significant effect on the environment. CEQA will be complied with, as necessary; when and if remedial actions are proposed.
20. **Qualified Professionals.** The Dischargers' reliance on qualified professionals promotes proper planning, implementation, and long-term cost-effectiveness of

investigations. Professionals should be qualified, licensed where applicable, and competent and proficient in the fields pertinent to the required activities. Business and Professions Code sections 6735, 7835, and 7835.1 require that engineering and geologic evaluations and judgments be performed by or under the direction of licensed professionals.

21. **Cost Recovery.** Pursuant to Water Code section 13304(c), and consistent with other statutory and regulatory requirements, including but not limited to Water Code section 13365, the San Diego Water Board is entitled to, and will seek reimbursement for all reasonable costs actually incurred by the Board to investigate unauthorized discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this Order.

IT IS HEREBY ORDERED, pursuant to Water Code sections 13267 and 13304 that the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U.S. Navy (collectively Dischargers) must comply with the following directives:

1. **Phase 1 Work Plan.** Submit a Phase 1 Work Plan to evaluate the current nature and extent of impairment related to contaminated sediments in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area. The Phase 1 Work Plan must be received by the San Diego Water Board **no later than 5:00 p.m. on February 29, 2016**. The Phase 1 Work Plan must:
 - a. **Current Nature and Extent of Impairment.** Provide an interpretation of the current nature and extent of impairment for the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area. Identify the additional data needed to fully characterize the nature and extent of impairment in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area.
 - b. **Data Gaps.** Include a strategy to investigate data gaps and provide additional data needs. Proposed sampling locations must be sufficient to fully characterize the nature and vertical and lateral extent of impairment including near storm drains, outfalls, under railways and roadways, and near pier pilings. The strategy must provide justification for all proposed sampling locations.
 - c. **Map.** Include a detailed map to scale showing existing and proposed sampling locations.
 - d. **Laboratory Analyses.** Include the full range of potential waste constituents discharged to the environment including, at a minimum, total

PCB congeners, metals, pesticides, PAHs, total organic carbon, and physical parameters. Sampling shall not proceed without concurrence of the San Diego Water Board. Total PCB concentrations shall be expressed as the sum of the following 41 congeners:

Congeners 18, 28, 37, 44, 49, 52, 66, 70, 74, 77, 81, 87, 99, 101, 105, 110, 114, 118, 119, 123, 126, 128, 138, 149, 151, 153, 156, 157, 158, 167, 168, 169, 170, 177, 180, 183, 187, 189, 194, 201, and 206.

- e. **Sampling Protocols and Quality Assurance Project Plan.** Include the sampling protocols and a Quality Assurance Project Plan (QAPP).
 - f. **Mouth of Chollas Creek Proposed Maintenance Dredging.** Provide the details of the proposed maintenance dredging expected to be performed by the U.S. Navy in the Mouth of Chollas Creek. This must include the proposed dredging footprint, vertical extent, and proposed pre- and post-dredging sampling and analyses. Describe environmental controls to be implemented to limit re-suspension and re-deposition of sediment.
 - g. **Detailed Schedule.** Include a detailed schedule for completion of all Phase 1 activities including a schedule for the proposed maintenance dredging by the U.S. Navy and submission of the Phase 1 Report as described in Directive 2 below.
- 2. **Implementation of the Phase 1 Work Plan.** The Dischargers shall commence with the implementation of the Phase 1 Work Plan in accordance with the detailed schedule or after **60 calendar days** following submission of the Phase 1 Work Plan, unless otherwise directed in writing by the San Diego Water Board.
 - 3. **Phase 1 Report.** The Dischargers shall submit a Phase 1 Report describing the results from implementing the Phase 1 Work Plan. The Phase 1 Report must include a refined Conceptual Site Model (CSM) that incorporates all of the data, identifies data gaps, and additional data needs, if any. The CSM must identify potential sources causing the impairment in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area.

The Phase 1 Report must include a map showing the location of all current and historic storm water conveyance features including inlets, catch basins, and discharge points to the Mouth of Chollas Creek and Chollas Creek Tidally-Influenced Area. The Report must be received by the San Diego Water Board **no later than 5:00 p.m. on February 28, 2017.**
 - 4. **Phase 2 Work Plan.** The Dischargers must submit a Phase 2 Work Plan to investigate potential sources of impairment identified in the Phase 1 Report. The Phase 2 Work Plan must be received by the San Diego Water Board **no later than 5:00 p.m. on August 31, 2017.** The Phase 2 Work Plan must:

- a. **Potential Sources.** Provide a strategy to investigate all potential sources identified in the Phase 1 Report discharging to the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area.¹³
 - b. **Potential Pathways.** Provide an analysis of potential pathways for contaminant transport to and within the Mouth of Chollas Creek and Chollas Creek Tidally-Influenced Area.
 - c. **Map.** Include a detailed map to scale showing the location and elements of all potential pollutant sources discharging to the Mouth of Chollas Creek and Chollas Creek Tidally-Influenced Area.
 - d. **Sampling Locations.** Include sampling locations to be collected within all catch basins and similar junctions where accessible, and at intervals adequate to detect potential sources. In addition, samples must be collected at locations designed to assess contributions from potential pollutant sources such as businesses with industrial activities or other pollutant generating activities within the current MS4. The proposed sampling strategy must identify the sample number, location, and provide justification for the sampling intervals within the MS4.
 - e. **Sampling Protocols and Quality Assurance Project Plan.** Include sampling protocols and a QAPP.
 - f. **Detailed Schedule.** Include a detailed schedule for completion of all Phase 2 activities.
5. **Implementation of the Phase 2 Work Plan.** The Dischargers shall commence with the implementation of the Phase 2 Work Plan in accordance with the detailed schedule or after **60 calendar days** following submission of the Phase 2 Work Plan, unless otherwise directed in writing by the San Diego Water Board.
 6. **Phase 2 Report.** The Dischargers must submit a Phase 2 Report describing the results from implementing the Phase 2 Work Plan. The Report must include a discussion on the sources and the pathways for contaminant transport to the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area. The Phase 2 Report must also include a refined CSM that incorporates all of the data and conclusions based on the results of the Phase 1 and Phase 2 investigations and provide recommendations for additional work, if needed. The Phase 2 Report must be received by the San Diego Water Board **no later than 5:00 p.m. on March 15, 2018.**

¹³ This may include investigating the Chollas Creek Watershed as a potential source.

7. **Compliance Dates.** The compliance dates for the Work Plans and Reports required by this Order are summarized in Table 3.

Table 3. Compliance Dates for Work Plans and Reports

Directive	Requirement	Due Date
1	Phase 1 Work Plan	February 29, 2016
2	Phase 1 Report	February 28, 2017
3	Phase 2 Work Plan	August 31, 2017
4	Phase 2 Report	March 15, 2018

An extension of due date(s) may be granted by the Assistant Executive Officer for good cause.

8. **Penalty of Perjury Statement.** All reports must be signed by the Dischargers' corporate officer or its duly authorized representative, and must include the following statement by the official, under penalty of perjury, that the report is true and correct to the best of the official's knowledge.

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

9. **Electronic Data Submittals.** The Electronic Reporting Regulations require electronic submission of any report or data required by a regulatory agency from a cleanup site after July 1, 2005.¹⁴ All information submitted to the San Diego Water Board in compliance with this Order is required to be submitted electronically via the Internet into the GeoTracker database <http://geotracker.waterboards.ca.gov> (GeoTracker Site ID. T10000006999). The electronic data must be uploaded on or prior to the regulatory due dates set forth in the Order or addenda thereto. To comply with these requirements, the Dischargers must upload to the GeoTracker database the following minimum information:

- a. **Electronic Report.** A complete copy of all work plans, assessment, cleanup, and monitoring reports, including the signed transmittal letters,

¹⁴ Chapter 30, division 3 of title 23 and division 3 of title 27, California Code of Regulations.

professional certifications, and all data presented in the reports.

- b. **Laboratory Analytical Data.** Analytical data (including geochemical data) for all bay sediment and water samples in Electronic Data File (EDF) format.
10. **Violation Reports.** If the Dischargers violate any requirement of this Order, then the Dischargers must notify the San Diego Water Board office by telephone as soon as practicable once the Dischargers have knowledge of the violation. The San Diego Water Board may, depending on violation severity, require the Dischargers to submit a separate technical report on the violation within five working days of telephone notification.
11. **Other Reports.** The Dischargers must notify the San Diego Water Board in writing prior to any Discharger's facilities' activities that have the potential to cause further migration of pollutants.
12. **Provisions.**
- a. **Waste Management.** The Dischargers shall properly manage, store, treat, and dispose of contaminated sediments in accordance with applicable federal, State, and local laws and regulations. The storage, handling, treatment, or disposal of sediment associated with this assessment must not create conditions of nuisance as defined in Water Code section 13050(m).
 - b. **Contractor/Consultant Qualifications.** All reports, plans, and documents required under this Order must be prepared under the direction of appropriately qualified professionals. A statement of qualifications and license numbers, if applicable, of the responsible lead professional and all professionals making significant and/or substantive contributions must be included in the report submitted by the Dischargers. The lead professional performing engineering and geologic evaluations and judgments must sign and affix their professional geologist or civil engineering registration stamp to all technical reports, plans, or documents submitted to the San Diego Water Board.
 - c. **Laboratory Qualifications.** All samples must be analyzed by California State-certified laboratories using methods approved by the United States Environmental Protection Agency (USEPA) for the type of analysis to be performed. All laboratories must maintain Quality Assurance/Quality Control (QA/QC) records for the San Diego Water Board to review.
 - d. **Laboratory Analytical Reports.** Any report presenting new analytical data is required to include the complete Laboratory Analytical Report(s). The Laboratory Analytical Report(s) must be signed by the laboratory

director and contain:

1. Complete sample analytical reports;
2. Complete laboratory QA/QC reports;
3. A discussion of the sample and QA/QC data; and
4. A transmittal letter that indicates whether or not all the analytical work was supervised by the director of the laboratory, and contains the following statement "All analyses were conducted at a laboratory certified for such analyses by the California Department of Public Health in accordance with current USEPA procedures."

13. **Notifications.**

- a. **Cost Recovery.** Upon receipt of invoices, and in accordance with instruction therein, the Dischargers must reimburse the San Diego Water Board for all reasonable costs incurred by the Board to investigate discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this Order and consistent with the estimation of work.
- b. **All Applicable Permits.** This Order does not relieve the Dischargers of the responsibility to obtain permits or other entitlements to perform necessary assessment activities. This includes, but is not limited to, actions that are subject to local, State, and/or federal discretionary review and permitting.
- c. **Enforcement Discretion.** The San Diego Water Board reserves its right to take any enforcement action authorized by law for violations of the terms and conditions of this Order.
- d. **Enforcement Notification.** Failure to comply with requirements of this Order may subject the Dischargers to enforcement action, including but not limited to administrative enforcement orders requiring the Dischargers to cease and desist from violations, imposition of administrative civil liability, pursuant to Water Code section 13268 in an amount not to exceed \$1,000 for each day in which the violation occurs, referral to the State Attorney General for injunctive relief, and referral to the District Attorney for criminal prosecution. The Dischargers are jointly and severally liable for the entire amount of the administrative civil liability. The San Diego Water Board reserves the right to seek administrative civil liability from any or all of the Dischargers.
- e. **Requesting Administrative Review by the State Water Board.** Any person affected by this action of the San Diego Water Board may petition the State Water Board to review the action in accordance with section

13320 of the Water Code and California Code of Regulation Title 23 section 2050. The petition must be received by the State Water Board (Office of Chief Counsel, P.O. Box 100, Sacramento, California 95812) within 30 calendar days of the date of this Order. Copies of the law and regulations applicable to filing petitions will be provided upon request.¹⁵


Ordered by JAMES G. SMITH
Assistant Executive Officer

26 Oct 2015
Date

¹⁵ Nothing in this Order prevents the Dischargers from later petitioning the State Water Resources Control Board to review other future San Diego Water Board orders regarding the Mouth of Chollas Creek, including but not limited to subsequent investigative orders and/or cleanup or abatement orders, if any. Upon such petition, the San Diego Water Board will not assert that the Dischargers have previously waived or forfeited their right to petition the San Diego Water Board's action or failure to act under Water Code section 13320. Further, upon such petition, the San Diego Water Board will not assert that the Dischargers are precluded from petitioning for review of future orders by any failure to petition for review of this Order.

Attachment A

Exhibit 2

Draft Cost Share FY 2015-16

COST-SHARE AGREEMENT

Completion of Phase I Activities Associated with Investigative Order No. R9-2015-0058 (An Order Requiring the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California)

FISCAL YEAR 2016

This Cost-Share Agreement (AGREEMENT) entered into by the California Department of Transportation (hereinafter called Caltrans), the incorporated city of La Mesa (hereinafter called La Mesa), the incorporated city of Lemon Grove (hereinafter called Lemon Grove), the incorporated city of San Diego (hereinafter called City of San Diego), the National Steel and Shipbuilding Company (hereinafter called NASSCO), the San Diego Unified Port District (hereinafter called Port of San Diego), and the United States Navy Commander, Navy Region Southwest (hereinafter called U S Navy) (hereinafter collectively called PARTIES and individually called PARTY) establishes the responsibilities of each PARTY with respect to their respective shares of the **Fiscal Year 2016** costs and expenses of the activities described in the Phase I Work Plan and the Phase I Report (collectively called Phase I Activities), prepared in conformance with the requirements of Investigative Order No. R9-2015-0058 (An Order Directing the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U S Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California) (hereinafter called the Order), issued by the California Regional Water Quality Control Board, San Diego Region (hereinafter called SDRWQCB).

RECITALS

WHEREAS, Clean Water Act (CWA) section 303(d) requires states to develop a list of waterbodies that do not or are not expected to meet water quality standards after implementing technology-based controls; and,

WHEREAS, Chollas Creek and the San Diego Bay Shoreline near Chollas Creek have been listed by the State Water Resources Control Board as water quality-limited segments pursuant to CWA section 303(d); and,

WHEREAS, the SDRWQCB adopted the Order, attached as Exhibit 1 to this Agreement and incorporated herein by reference, which directs the PARTIES to investigate the sediment quality in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area (hereinafter called the Chollas Creek Mouth Area); and,

WHEREAS, the SDRWQCB has determined that the responsible entities under the Order include Caltrans, La Mesa, Lemon Grove, City of San Diego, NASSCO, and the U S Navy, as indicated in Exhibit 1; and,

WHEREAS, the SDRWQCB has determined that the Port of San Diego is a secondarily responsible party under the Order, as indicated in Exhibit 1; and,

WHEREAS, the PARTIES agreed to work together to submit the Phase 1 Work Plan and the Phase 1 Report, attached as Exhibit 2 and incorporated herein by reference, in accordance with the July 2016 Memorandum of Understanding (hereinafter called July 2016 MOU) reached between the PARTIES, attached at Exhibit 3 to this AGREEMENT and incorporated herein by reference; and,

WHEREAS, the City of San Diego has agreed to lead the technical effort by providing project management and contract administration services for the PARTIES and has hired a mutually agreed upon consultant to perform the identified Phase 1 Activities, in accordance with the July 2016 MOU; and

WHEREAS, the PARTIES recognize that expenditures were made and will be needed to complete the Phase 1 Activities; and,

NOW, THEREFORE, the PARTIES incorporate the Recitals set forth above and mutually agree as follows:

- I. **PURPOSE:** This AGREEMENT is entered into for the purpose of formalizing the cost-sharing arrangements agreed to between and among the PARTIES pertaining to the **Fiscal Year 2016** costs and expenses associated with the Phase 1 Activities
- II. **TERM:** The term of this AGREEMENT commences on the date of the last signature of the duly authorized representatives of the PARTIES (hereinafter called the Effective Date) and shall run until all the **Fiscal Year 2016** costs and expenses associated with the Phase 1 Activities are paid off in full.
- III. **FUNDING:**
 - A. The cost of implementing the Phase 1 Activities for **Fiscal Year 2016** totaled \$84,252.65. The costs are shared as shown in Table 1 below and are based on a formula of 45% land area, 45% population (2010 Census data), and 10% equal division fee (Exhibit 4) for each PARTY contributing to the Phase 1 Activities

Table 1 – Phase 1 Activities Fiscal Year 2016 Cost-Share

PARTY	AREA (acreage)	AREA (%)	POP.	POP. (%)	ADMIN COSTS	TOTAL COST-SHARE
Caltrans	482	2.78%	0	0.00%	\$1,404.21	\$2,457.95
City of La Mesa	1,567	9.04%	18,456	5.67%	\$1,404.21	\$6,979.00
City of Lemon Grove	1,973	11.38%	17,379	5.34%	\$1,404.21	\$7,741.18
City of San Diego	13,131	75.72%	285,319	87.63%	\$1,404.21	\$63,333.87
NASSCO/SDUPD	7.4	0.04%	0	0.00%	\$1,404.21	\$1,420.39
U.S. Navy	182	1.05%	4,450	1.37%	\$1,404.21	\$2,320.26
TOTAL	17,342	100.00%	325,604	100.01%	\$8,425.27	\$84,252.65

- B. Each PARTY shall pay its share of expenses within 60 days after the Effective Date. Funds collected and not expended at the conclusion of the Phase 1 Activities shall be refunded to each PARTY.
- C. Pursuant to the July 2016 MOU, the City of San Diego expended the total \$84,252.65 in Fiscal Year 2016 Phase I Activities costs, subject to reimbursement from the other PARTIES. The remaining PARTIES therefore shall reimburse the City of San Diego's costs according to their respective shares as described in Table 1, less the City of San Diego's share of the costs (\$63,333.87).
- IV. **NON-COMPLIANCE WITH AGREEMENT REQUIREMENTS:** Any participant to this AGREEMENT found to be in non-compliance with the conditions of this AGREEMENT shall be solely liable for any lawfully assessed penalties resulting from such non-compliance. Failure to comply with AGREEMENT conditions within specified or agreed upon timelines shall constitute non-compliance with the AGREEMENT.
- V. **AMENDMENTS TO THE AGREEMENT:** This AGREEMENT may be amended only by consent of all the PARTIES. No amendment shall be effective unless it is in writing and signed by the duly authorized representatives of the PARTIES.
- VI. **GOVERNING LAW:** This AGREEMENT shall be governed and construed in accordance with the laws of the State of California. If any provision or provisions shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. In addition, each PARTY agrees to comply with all federal, state and local laws and ordinances applicable to the work to be performed under the terms of this AGREEMENT.
- VII. **CONSENT AND BREACH NOT WAIVER:** No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the PARTIES to have waived or consented. Any consent by any PARTY to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.
- VIII. **DISPUTES:** The PARTIES agree to mediate any dispute prior to filing suit or prosecuting suit against the other parties. In the event suit is brought upon this AGREEMENT to enforce its terms, each PARTY shall be responsible for their own attorneys' fees and costs.
- IX. **LEGAL RESPONSIBILITY:** Each PARTY to this AGREEMENT (1) shall retain its legal responsibility to comply with the Order, and (2) shall pay all fines, penalties, and costs which may arise out of such PARTY's non-compliance with the Order.
- X. **APPLICATION OF PRIOR AGREEMENTS:** This AGREEMENT constitutes the entire Agreement between the parties with respect to the cost-sharing for the Phase 1 Activities; all prior agreements, representations, statements, negotiations, and undertakings are superseded hereby, except for the documents contained at Exhibits 1, 2, 3, and 4, which are fully incorporated herein.
- XI. **TERMINATION:** Termination of participation from this AGREEMENT by any PARTY shall require thirty (30) days written notice to all PARTIES prior to the effective date of termination. Termination of this agreement does not release any PARTY for obligations of the Order, nor does it release the PARTY from their financial responsibilities as outlined in Section III of this AGREEMENT. Upon termination, the terminating PARTY shall pay their cost share in full.

[The remainder of this page intentionally left blank]

- XII. ENCUMBRANCE:** By reason of constraints in California law (Streets and Highways Code Sections 114 & 130) and the California Constitution (Article XVI, section 7), Caltrans encumbers an amount not to exceed \$_____ as its portion of the shared cost for the Fiscal Year 2016 Phase I Activities. Caltrans' contribution of encumbered funds pursuant to this section does not limit Caltrans' liability with respect to a future agreement (which all PARTIES negotiate in good faith), settlement, or judgment, if such agreement, settlement, or judgment concludes that Caltrans' total liability exceeds the amount that it initially encumbered in this AGREEMENT.
- XIV. FEDERAL LAW:** This agreement is void to the extent that it is inconsistent with applicable law. Portions that are void are severable. In particular this agreement is void to the extent that it commits funds in violation of the federal anti-deficiency act or its state law equivalent. Every effort will be made to avoid construing the terms of this agreement as violations of those laws, including adjustment of payment terms and schedules by mutual agreement of the parties.

LIST OF EXHIBITS

- EXHIBIT 1 SDRWQCB, Investigation Order No. R9-2015-0058 **(See MOU)**
- EXHIBIT 2 Phase 1 Work Plan and the Phase 1 Report **(Available Upon Request)**
- EXHIBIT 3 July 2016 Memorandum of Understanding **(See MOU Exhibit 1)**
- EXHIBIT 4 Cost-Share Formula

Blank Signature Pages Excluded

FISCAL YEAR 2016 COSTS

Discharger	Population (a) 0.45 \$37,913.69			Land Area (b) 0.45 \$37,913.69			Equal Division 0.1 \$8,425.27	TOTAL \$84,252.65	
Task 1: TMDL Compliance Monitoring	Population	% of Total	Population Fee	Land Area (Acres)	% of Total	Land Area Fee	Equal Division Fee	Share of Total	% of Total
City of San Diego	285,319	87.63%	\$33,222.86	13,131	75.7162%	\$28,706.79	\$1,404.21	\$63,333.87	75.17%
City of Lemon Grove	17,379	5.34%	\$2,023.63	1,973	11.3767%	\$4,313.34	\$1,404.21	\$7,741.18	9.19%
City of La Mesa	18,456	5.67%	\$2,149.04	1,567	9.0357%	\$3,425.75	\$1,404.21	\$6,979.00	8.28%
U.S. Navy	4,450	1.37%	\$518.16	182	1.0495%	\$397.89	\$1,404.21	\$2,320.26	2.75%
NASSCO/Port of San Diego	0	0.00%	\$0.00	7.40	0.0427%	\$16.18	\$1,404.21	\$1,420.39	1.69%
Caltrans	0	0.00%	\$0.00	482	2.7793%	\$1,053.74	\$1,404.21	\$2,457.95	2.92%
TOTALS	325,604	100.00%	\$37,913.69	17,342	100.00%	\$37,913.69	\$8,425.27	\$84,252.65	100.00%

FISCAL YEAR 2017 COSTS

Discharger	Population (a) 0.45 \$131,697.90			Land Area (b) 0.45 \$131,697.90			Equal Division 0.1 \$29,266.20	TOTAL \$292,662.00	
Task 1: TMDL Compliance Monitoring	Population	% of Total	Population Fee	Land Area (Acres)	% of Total	Land Area Fee	Equal Division Fee	Share of Total	% of Total
City of San Diego	285,319	87.63%	\$115,403.72	13,131	75.7162%	\$99,716.60	\$4,877.70	\$219,998.02	75.17%
City of Lemon Grove	17,379	5.34%	\$7,029.33	1,973	11.3767%	\$14,982.93	\$4,877.70	\$26,889.96	9.19%
City of La Mesa	18,456	5.67%	\$7,464.95	1,567	9.0357%	\$11,899.77	\$4,877.70	\$24,242.42	8.28%
U.S. Navy	4,450	1.37%	\$1,799.90	182	1.0495%	\$1,382.11	\$4,877.70	\$8,059.71	2.75%
NASSCO/Port of San Diego	0	0.00%	\$0.00	7.40	0.0427%	\$56.20	\$4,877.70	\$4,933.90	1.69%
Caltrans	0	0.00%	\$0.00	482	2.7793%	\$3,660.30	\$4,877.70	\$8,538.00	2.92%
TOTALS	325,604	100.00%	\$131,697.90	17,342	100.00%	\$131,697.90	\$29,266.20	\$292,662.00	100.00%

Attachment A

Exhibit 3

Draft Cost Share FY 2016-17

COST-SHARE AGREEMENT

Completion of Phase I Activities Associated with Investigative Order No. R9-2015-0058 (An Order Requiring the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California)

FISCAL YEAR 2017

This Cost-Share Agreement (AGREEMENT) entered into by the California Department of Transportation (hereinafter called Caltrans), the incorporated city of La Mesa (hereinafter called La Mesa), the incorporated city of Lemon Grove (hereinafter called Lemon Grove), the incorporated city of San Diego (hereinafter called City of San Diego), the National Steel and Shipbuilding Company (hereinafter called NASSCO), the San Diego Unified Port District (hereinafter called Port of San Diego), and the United States Navy Commander, Navy Region Southwest (hereinafter called U.S. Navy) (hereinafter collectively called PARTIES and individually called PARTY) establishes the responsibilities of each PARTY with respect to their respective shares of the **Fiscal Year 2017** costs and expenses of the activities described in the Phase I Work Plan and the Phase I Report (collectively called Phase I Activities), prepared in conformance with the requirements of Investigative Order No. R9-2015-0058 (An Order Directing the California Department of Transportation, the City of La Mesa, the City of Lemon Grove, the City of San Diego, the National Steel and Shipbuilding Company, the San Diego Unified Port District, and the U.S. Navy to Submit Technical Reports Pertaining to an Investigation of Sediment Quality in the Mouth of Chollas Creek, San Diego Bay, San Diego County, California) (hereinafter called the Order), issued by the California Regional Water Quality Control Board, San Diego Region (hereinafter called SDRWQCB)

RECITALS

WHEREAS, Clean Water Act (CWA) section 303(d) requires states to develop a list of waterbodies that do not or are not expected to meet water quality standards after implementing technology-based controls; and,

WHEREAS, Chollas Creek and the San Diego Bay Shoreline near Chollas Creek have been listed by the State Water Resources Control Board as water quality-limited segments pursuant to CWA section 303(d); and,

WHEREAS, the SDRWQCB adopted the Order, attached as Exhibit 1 to this Agreement and incorporated herein by reference, which directs the PARTIES to investigate the sediment quality in the Mouth of Chollas Creek and the Chollas Creek Tidally-Influenced Area (hereinafter called the Chollas Creek Mouth Area); and,

WHEREAS, the SDRWQCB has determined that the responsible entities under the Order include Caltrans, La Mesa, Lemon Grove, City of San Diego, NASSCO, and the U.S. Navy, as indicated in Exhibit 1; and,

WHEREAS, the SDRWQCB has determined that the Port of San Diego is a secondarily responsible party under the Order as indicated in Exhibit 1; and,

WHEREAS, the PARTIES agreed to work together to submit the Phase 1 Work Plan and the Phase 1 Report, attached as Exhibit 2 and incorporated herein by reference, in accordance with the July 2016 Memorandum of Understanding (hereinafter called July 2016 MOU) reached between the PARTIES, attached at Exhibit 3 to this AGREEMENT and incorporated herein by reference; and,

WHEREAS, the City of San Diego has agreed to lead the technical effort by providing project management and contract administration services for the PARTIES and has hired a mutually agreed upon consultant to perform the identified Phase 1 Activities, in accordance with the July 2016 MOU; and

WHEREAS, the PARTIES recognize that expenditures were made and will be needed to complete the Phase 1 Activities; and,

NOW, THEREFORE, the PARTIES incorporate the Recitals set forth above and mutually agree as follows:

- I. **PURPOSE:** This AGREEMENT is entered into for the purpose of formalizing the cost-sharing arrangements agreed to between and among the PARTIES pertaining to the **Fiscal Year 2017** costs and expenses associated with the Phase 1 Activities
- II. **TERM:** The term of this AGREEMENT commences on the date of the last signature of the duly authorized representatives of the PARTIES (hereinafter called the Effective Date) and shall run until all the **Fiscal Year 2017** costs and expenses associated with the Phase 1 Activities are paid off in full.
- III. **FUNDING:**
 - A. The cost of implementing the Phase 1 Activities for **Fiscal Year 2017** will not exceed \$301,662.00. The costs are shared as shown in Table 1 below and are based on a formula of 45% land area, 45% population (2010 Census data), and 10% equal division fee (Exhibit 4) for each PARTY contributing to the Phase 1 Activities.

Table 1 – Phase 1 Activities Fiscal Year 2017 Cost-Share

PARTY	AREA (acreage)	AREA (%)	POP.	POP. (%)	ADMIN COSTS	TOTAL COST- SHARE
Caltrans	482	2.78%	0	0.00%	\$4,877.70	\$8,538.00
City of La Mesa	1,567	9.04%	18,456	5.67%	\$4,877.70	\$24,242.42
City of Lemon Grove	1,973	11.38%	17,379	5.34%	\$4,877.70	\$26,889.96
City of San Diego	13,131	75.72%	285,319	87.63%	\$4,877.70	\$219,998.02
NASSCO/ SDUPD	7.4	0.04%	0	0.00%	\$4,877.70	\$4,933.90
U.S. Navy	182	1.05%	4,450	1.37%	\$4,877.70	\$8,059.71
TOTAL	17,342.4	100.01%	325,604	100.01%	\$29,266.20	\$292,662.01

- B. Each PARTY shall pay its share of expenses within 60 days after the Effective Date. Funds collected and not expended at the conclusion of the Phase 1 Activities shall be refunded to each PARTY
- C. Pursuant to the July 2016 MOU, the City of San Diego expended the total \$292,662.01 in Fiscal Year 2017 Phase I Activities costs, subject to reimbursement from the other PARTIES. The remaining PARTIES therefore shall reimburse the City of San Diego's costs according to their respective shares as described in Table 1, less the City of San Diego's share of the costs (\$219,998.02)
- IV. **NON-COMPLIANCE WITH AGREEMENT REQUIREMENTS:** Any participant to this AGREEMENT found to be in non-compliance with the conditions of this AGREEMENT shall be solely liable for any lawfully assessed penalties resulting from such non-compliance. Failure to comply with AGREEMENT conditions within specified or agreed upon timelines shall constitute non-compliance with the AGREEMENT
- V. **AMENDMENTS TO THE AGREEMENT:** This AGREEMENT may be amended only by consent of all the PARTIES. No amendment shall be effective unless it is in writing and signed by the duly authorized representatives of the PARTIES
- VI. **GOVERNING LAW:** This AGREEMENT shall be governed and construed in accordance with the laws of the State of California. If any provision or provisions shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. In addition, each PARTY agrees to comply with all federal, state and local laws and ordinances applicable to the work to be performed under the terms of this AGREEMENT.
- VII. **CONSENT AND BREACH NOT WAIVER:** No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the PARTIES to have waived or consented. Any consent by any PARTY to, or waiver of, a breach by the other, whether expressed or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.
- VIII. **DISPUTES:** The PARTIES agree to mediate any dispute prior to filing suit or prosecuting suit against the other parties. In the event suit is brought upon this AGREEMENT to enforce its terms, each PARTY shall be responsible for their own attorneys' fees and costs.
- IX. **LEGAL RESPONSIBILITY:** Each PARTY to this AGREEMENT (1) shall retain its legal responsibility to comply with the Order, and (2) shall pay all fines, penalties, and costs which may arise out of such PARTY's non-compliance with the Order.
- X. **APPLICATION OF PRIOR AGREEMENTS:** This AGREEMENT constitutes the entire Agreement between the parties with respect to the cost-sharing for the Phase 1 Activities; all prior agreements, representations, statements, negotiations, and undertakings are superseded hereby, except for the documents contained at Exhibits 1, 2, 3, and 4, which are fully incorporated herein
- XI. **TERMINATION:** Termination of participation from this AGREEMENT by any PARTY shall require thirty (30) days written notice to all PARTIES prior to the effective date of termination. Termination of this agreement does not release any PARTY for obligations of the Order, nor does it release the PARTY from their financial responsibilities as outlined in Section III of this AGREEMENT. Upon termination, the terminating PARTY shall pay their cost share in full

[The remainder of this page intentionally left blank]

- XII. ENCUMBRANCE:** By reason of constraints in California law (Streets and Highways Code Sections 114 & 130) and the California Constitution (Article XVI, section 7), Caltrans encumbers an amount not to exceed \$ _____ as its portion of the shared cost for the Fiscal Year 2016 Phase I Activities. Caltrans' contribution of encumbered funds pursuant to this section does not limit Caltrans' liability with respect to a future agreement (which all PARTIES negotiate in good faith), settlement, or judgment, if such agreement, settlement, or judgment concludes that Caltrans' total liability exceeds the amount that it initially encumbered in this AGREEMENT.
- XIV. FEDERAL LAW:** This agreement is void to the extent that it is inconsistent with applicable law. Portions that are void are severable. In particular this agreement is void to the extent that it commits funds in violation of the federal anti-deficiency act or its state law equivalent. Every effort will be made to avoid construing the terms of this agreement as violations of those laws, including adjustment of payment terms and schedules by mutual agreement of the parties.

LIST OF EXHIBITS

- EXHIBIT 1: SDRWQCB, Investigation Order No. R9-2015-0058 (*See MOU*)
- EXHIBIT 2: Phase 1 Work Plan and the Phase 1 Report (*Available Upon Request*)
- EXHIBIT 3: July 2016 Memorandum of Understanding (*See Exhibit 1 MOU*)
- EXHIBIT 4: Cost-Share Formula

Blank Signature Pages Excluded

FISCAL YEAR 2016 COSTS

Discharger	Population (a) 0.45 \$37,913.69			Land Area (b) 0.45 \$37,913.69			Equal Division 0.1 \$8,425.27	TOTAL \$84,252.65	
Task 1: TMDL Compliance Monitoring	Population	% of Total	Population Fee	Land Area (Acres)	% of Total	Land Area Fee	Equal Division Fee	Share of Total	% of Total
City of San Diego	285,319	87.63%	\$33,222.86	13,131	75.7162%	\$28,706.79	\$1,404.21	\$63,333.87	75.17%
City of Lemon Grove	17,379	5.34%	\$2,023.63	1,973	11.3767%	\$4,313.34	\$1,404.21	\$7,741.18	9.19%
City of La Mesa	18,456	5.67%	\$2,149.04	1,567	9.0357%	\$3,425.75	\$1,404.21	\$6,979.00	8.28%
U.S.Navy	4,450	1.37%	\$518.16	182	1.0495%	\$397.89	\$1,404.21	\$2,320.26	2.75%
NASSCO/Port of San Diego	0	0.00%	\$0.00	7.40	0.0427%	\$16.18	\$1,404.21	\$1,420.39	1.69%
Caltrans	0	0.00%	\$0.00	482	2.7793%	\$1,053.74	\$1,404.21	\$2,457.95	2.92%
TOTALS	325,604	100.00%	\$37,913.69	17,342	100.00%	\$37,913.69	\$8,425.27	\$84,252.65	100.00%

FISCAL YEAR 2017 COSTS

Discharger	Population (a) 0.45 \$131,697.90			Land Area (b) 0.45 \$131,697.90			Equal Division 0.1 \$29,266.20	TOTAL \$292,662.00	
Task 1: TMDL Compliance Monitoring	Population	% of Total	Population Fee	Land Area (Acres)	% of Total	Land Area Fee	Equal Division Fee	Share of Total	% of Total
City of San Diego	285,319	87.63%	\$115,403.72	13,131	75.7162%	\$99,716.60	\$4,877.70	\$219,998.02	75.17%
City of Lemon Grove	17,379	5.34%	\$7,029.33	1,973	11.3767%	\$14,982.93	\$4,877.70	\$26,889.96	9.19%
City of La Mesa	18,456	5.67%	\$7,464.95	1,567	9.0357%	\$11,899.77	\$4,877.70	\$24,242.42	8.28%
U.S.Navy	4,450	1.37%	\$1,799.90	182	1.0495%	\$1,382.11	\$4,877.70	\$8,059.71	2.75%
NASSCO/Port of San Diego	0	0.00%	\$0.00	7.40	0.0427%	\$56.20	\$4,877.70	\$4,933.90	1.69%
Caltrans	0	0.00%	\$0.00	482	2.7793%	\$3,660.30	\$4,877.70	\$8,538.00	2.92%
TOTALS	325,604	100.00%	\$131,697.90	17,342	100.00%	\$131,697.90	\$29,266.20	\$292,662.00	100.00%

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.H
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Acceptance of the Connect Main Street Project (Contract No. 2017-16) Segment I Phase I**

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

Adopt a Resolution (**Attachment A**) accepting the Connect Main Street Project (Contract No. 2017-16) Segment I Phase I as complete.

Item Summary:

On March 21, 2017, the City Council awarded a construction contract (Contract No. 2017-16) to New Century Construction for the construction of Connect Main Street Segment I Phase I with a bid cost of \$291,641.50 and a project budget not to exceed \$392,854.50. Since the project was awarded, there was one change order issued. The change order included unanticipated construction activities that are typically encountered for this type of project. The change order was issued for various unforeseen construction items including additional demolition of a driveway, deep saw cutting due to unknown concrete pavement depths, additional efforts needed to excavate and remove extra thick concrete and asphalt, repour of curb, gutter and pop outs, change in stain concrete manufacturer/color for better application in existing sidewalk conditions, removal of additional damaged concrete, additional cobble placement, and the extension of the irrigation main. The change order reflects the unforeseen construction items, project deductions and increase of construction quantities, time and materials by \$17,167.61. The final project cost was under budget at a total cost of \$383,476.29 including all consultant related expenditures. On June 14, 2017, staff completed the final inspection of the improvements and determined the work was completed per the contract specifications. Staff recommends that the City Council adopts a Resolution (**Attachment A**) accepting the work as complete, authorizes the City Manager or designee to file a notice of completion with the County of San Diego, and authorizes staff to release the retention no sooner than thirty (30) days after the notice of completion has been filed.

Fiscal Impact:

There are two funding sources for this project: 1) \$279,500 was allocated as part of the HRPP grant. 2) \$103,976.29 was allocated from the General Reserve Fund.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2017-_____

RESOLUTION OF THE LEMON GROVE CITY COUNCIL ACCEPTING THE CONNECT MAIN STREET SEGMENT I PHASE I PROJECT (CONTRACT NO. 2017-16) AS COMPLETE

WHEREAS, on March 21, 2017, the City Council awarded the construction contract (Contract No. 2017-16) for the construction of the Connect Main Street Segment I Phase I to New Century Construction; and

WHEREAS, the contract bid amount was established at \$291,641.50 and a total project budget not to exceed \$392,854.50; and

WHEREAS, one change order in the total amount of \$17,167.61 increased the original contract price from \$291,641.50 to \$308,809.11; and

WHEREAS, the final project cost of \$383,476.29 was allocated for this project from the HRPP grant and General Reserve Fund; and

WHEREAS, on June 14, 2017, New Century Construction completed the scope of work as defined by the original contract and change orders; and

WHEREAS, City staff inspected all of the improvements and determined that New Century Construction fulfilled its contractual obligations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Accepts the work for the construction contract (Contract No. 2017-16) for the construction of the Connect Main Street Segment I Phase I as complete; and
2. Authorizes the City Manager or designee to file a notice of completion with the County of San Diego; and
3. Authorizes city staff to release the retention no sooner than thirty (30) days after the notice of completion is filed.

/////
/////

**LEMON GROVE ROADWAY LIGHTING DISTRICT
AGENDA ITEM SUMMARY**

Item No. 1.1
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Approve the Engineer's Report Detailing Zone L Assessments for Fiscal Year 2017-2018**

Staff Contact: Stephanie Boyce, Management Analyst

Recommendation:

Adopt a Resolution (**Attachment A**) approving the engineer's report detailing Zone L Assessments for Fiscal Year 2017-18.

Item Summary:

Zone L is composed of various mid-block areas throughout the City. The voters in each area identified as Zone L held an election in June 1997 to impose a \$12.00 annual assessment for single family homes and an annual assessment of \$12.00 per each \$100,000 valuation for non-residential zoned parcels in the area. The purpose of the assessment is to pay for operations, maintenance, and energy costs of mid-block street lights in each zone. Since the current assessment was created in 1997, no assessment increases have been imposed.

On June 13, 2017, the engineer's report was completed by Psomas. Psomas provided the Lighting District with a detailed list of each zone within the Lighting District and the applicable service charge (tax roll). The engineer's report consists of the assessment roll for the District after a \$12.00 per benefit unit assessment has been applied to each parcel in Zone L. Staff confirmed through an internal quality assurance check that the report is accurate. Copies of the engineer's report and tax roll are available for review at the District Engineer's office. The report must be certified and the tax roll filed with the County of San Diego by August 10, 2017 to be included in the FY 2017-18 property tax statements.

Staff recommends that the Board of Directors adopt a Resolution (**Attachment A**) approving the engineer's report and directs the District Clerk to file the required certification document with the San Diego County Auditor and Controller on or before August 10, 2017.

Fiscal Impact:

The itemized roll lists 5,245 parcels, 7,318.28 benefit units, and a total assessment of \$87,819.36.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

RESOLUTION NO. 2017-_____

RESOLUTION OF THE LEMON GROVE ROADWAY LIGHTING DISTRICT APPROVING THE ENGINEER'S REPORT REGARDING THE ZONE L CHARGES FOR FISCAL YEAR 2017-2018

WHEREAS, on June 17, 1997 the Board of Directors of the Lemon Grove Roadway Lighting District adopted Resolution No. 102 reciting the facts of an election held in the District on June 3, 1997, declaring the results of said election and levying the annual assessment; and

WHEREAS, the engineer's report for the Lemon Grove Roadway Lighting District on file with the Clerk of the Board gives a full and detailed description of the improvements, the boundaries of the Assessment District and the two zones therein, and the proposed assessments upon assessable lots and parcels of land within the District.

NOW, THEREFORE, BE IT RESOLVED that the Lemon Grove Roadway Lighting District Board of Directors of the City of Lemon Grove, California hereby:

1. Approves, affirms and adopts the engineer's report, which contains every fee and charge set forth; and
2. Directs the Clerk of the Board to file an approved, affirmed, and adopted copy of the engineer's report and a statement endorsing the engineer's report with the County of San Diego Auditor and Controller on or before August 10, 2017.

/////

/////

**LEMON GROVE SANITATION DISTRICT
AGENDA ITEM SUMMARY**

Item No. 1.J
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Approve the Engineer's Report Detailing Sewer Service Charges for Fiscal Year 2017-2018**

Staff Contact: Stephanie Boyce, Management Analyst

Recommendation:

Adopt a Resolution (**Attachment A**) approving the engineer's report detailing sewer service charges for Fiscal Year 2017-18.

Item Summary:

On May 2, 2017 the Sanitation District Board adopted Ordinance No. 28, which established the annual sewer service charges for Fiscal Year 2017-2018 (FY 2017-18). The service charge established for FY 2017-18 is \$584.98 per Equivalent Dwelling Unit (EDU.)

On June 13, 2017, Psomas prepared an engineer's report and provided a detailed list of each parcel within the Sanitation District with the applicable service charge (tax roll). Staff confirmed, through an internal quality assurance check, that the report and tax roll are accurate. Copies of the engineer's report and tax roll are available for viewing at the District Engineer's office. A letter certifying that all assessments are in compliance with Article XIII C and D of the Constitution of the State of California and that the 6,820 parcels equaling \$6,356,412.86 are subject to the Fixed Special Assessment, must be filed with the San Diego County Auditor and Controller by August 10, 2017 in order to be included in the FY 2017-18 property tax statements.

Staff recommends that the Board of Directors adopt a Resolution (**Attachment A**) approving the engineer's report and direct the District Clerk to file the required certification document with the San Diego County Auditor and Controller on or before August 10, 2017.

Fiscal Impact:

The itemized roll list 6,820 parcels, 10,866.04 EDUs, and a total assessment of \$6,356,412.86.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2017-_____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANITATION DISTRICT APPROVING THE ENGINEER'S REPORT REGARDING THE SEWER SERVICE CHARGES FOR FISCAL YEAR 2017-2018

WHEREAS, pursuant to Section 5473 of the Health and Safety code, the Board has determined that the sewer service charges for Fiscal Year 2017-18 shall be collected on the tax roll in the same manner, and by the same persons, and at the same time as, together with and not separately from the general taxes and has caused to be prepared and filed with the District Clerk a written engineer's report containing a description of each parcel of property receiving service from the Sanitation District and the amount of charges for each parcel for the Fiscal Year 2017-18 computed in conformity with the charges prescribed by the applicable Resolution of the District; and

WHEREAS, on May 2, 2017 the Sanitation District Board adopted Ordinance No. 28, which established the annual sewer service charges for Fiscal Year 2017-2018; and

WHEREAS, the service charge established for Fiscal Year 2017-18 is \$584.98 per Equivalent Dwelling Unit; and:

WHEREAS, such report was prepared by Psomas and filed with the District Engineer. |

NOW, THEREFORE, BE IT RESOLVED that the Lemon Grove Sanitation District Board of Directors of the City of Lemon Grove, California hereby:

1. Approves, affirms and adopts the engineer's report, which contains every fee and charge set forth; and
2. Directs the Clerk of the Board to file an approved, affirmed, and adopted copy of the engineer's report and a statement endorsing the engineer's report with the County of San Diego Auditor and Controller on or before August 10, 2017.

/////
/////

**LEMON GROVE CITY COUNCIL AND ROADWAY LIGHTING DISTRICT
AGENDA ITEM SUMMARY**

Item No. 1.K
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Contract Extension for Street Light Maintenance and Repairs**

Staff Contact: Stephanie Boyce, Management Analyst

Recommendation:

Adopt a Resolution (**Attachment A**) authorizing a one-year extension of the existing contract between the Lemon Grove Lighting District and CTE, Inc. for street light maintenance and repairs.

Item Summary:

The City and Roadway Lighting District contracts with CTE, Inc. for street light maintenance and repairs as part of a four-city consortium (El Cajon, La Mesa, Lemon Grove, and Santee). The contract became effective for Fiscal Year 2013-14 when it was approved on July 2, 2013 by Resolution No. 158. The contract included the option to extend on an annual basis through June 30, 2018 with adjustments in the contract unit prices based on the consumer price index (CPI) not to exceed CPI or 5 percent whichever amount is less. As reported in March 2017 by the United States Department of Labor, Bureau of Labor and Statistics, the CPI for All Urban Consumers in the San Diego area increased by 2.4 percent during the prior 12 months.

CTE, Inc. has completed the first four years of the contract and requested a one-year contract extension and a 2 percent increase pursuant to the CPI for San Diego. Representatives from the other three city consortium members, in agreement with City staff, agreed with the requested term of the contract extension.

Staff recommends that the City Council and Roadway Lighting District Board authorize the one-year extension of the CTE, Inc. contract for street light maintenance and repairs for Fiscal Year 2017-18 in an amount not to exceed \$11,600.

Fiscal Impact:

Sufficient funds for said contract were allocated in the General and Local Benefit Lighting Fund Budget for FY 2017-18.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2017-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE AND THE BOARD OF DIRECTORS OF THE LEMON GROVE LIGHTING DISTRICT AUTHORIZING A ONE-YEAR EXTENSION OF THE EXISTING CONTRACT BETWEEN THE CITY AND CTE, INC. FOR STREET LIGHT MAINTENANCE AND REPAIR FOR FISCAL YEAR 2017-2018

WHEREAS, the cities of El Cajon, La Mesa, Lemon Grove and Santee jointly contracted with CTE, Inc. for street light maintenance and repair; and

WHEREAS, the contract with CTE, Inc. began on August 1, 2013; and

WHEREAS, CTE, Inc. requested a one-year extension to the contract with a rate increase of 2 percent pursuant to the CPI adjustment for the Pacific Cities and San Diego; and

WHEREAS, the cities of El Cajon, La Mesa, Lemon Grove and Santee jointly recommended that the contract be extended for one year; and

WHEREAS, the Lemon Grove City Council and Roadway Lighting District Board finds it in the public interest that a contract for said services be extended and the rate increase be accepted.

NOW, THEREFORE, BE IT RESOLVED that the Lemon Grove City Council and Lighting District Board hereby:

1. Authorizes a one-year extension (**Exhibit 1**) commencing July 1, 2017 of the existing contract (**Exhibit 2**) between the City of Lemon Grove and CTE, Inc. for street light maintenance and repair; and
2. Accepts the 2 percent rate increase for the Fiscal Year 2017-2018.

/////
/////

Attachment A – Exhibit 1



CITY OF LEMON GROVE Engineering Services Department

June 21, 2017

William Clark
Clark Telecom & Electric
9991 Possum Creek Lane
El Cajon, CA 92021

SUBJECT: Street Light Maintenance and Emergency Repair Contract Renewal for Fiscal Year 2017-2018

On June 20, 2017, the Lemon Grove City Council adopted Resolutions No. 2017-_____ that approved a one year Street Light Maintenance Contract extension with a 2 percent increase.

Please acknowledge receipt of this notification by signing below and returning this document within 7 calendar days of your receipt.

If you have any questions or need additional information, please call me at 619-825-3811.

Sincerely,

Stephanie Boyce
Management Analyst

CLARK TELECOM AND ELECTRIC

CITY OF LEMON GROVE

William Clark, President

Lydia Romero, City Manager/Executive Director

Date

Date

3232 Main Street * Lemon Grove * California 91945-1705

619.825.3811 * Fax: 619 825 3818 * www.lemongrove.ca.gov

Attachment A - Exhibit 2



CITY OF LEMON GROVE

"Best Climate On Earth"

Public Works / Engineering Department

August 1, 2013

Reggie Clark
Contracts Manager
Clark Telecom and Electric, Inc.
9747 Vine Street
Lakeside, CA 92040

**Subject: Notice to Proceed
Street Lighting Maintenance and Repair Contract - Contract No. 2013-09**

Dear Mr. Clark:

In accordance with the terms of the above referenced contract you are hereby authorized to commence work beginning on August 1, 2013. Please submit a copy of your liability insurance.

The initial term of this contract will expire on July 31, 2014 with the option to renew each year for four years. We look forward to a mutually beneficial working relationship throughout the duration of this contract.

I will be involved with the day-to-day implementation of the contract and I can be reached at 619-825-3811 or sboyce@lemongrove.ca.gov.

Sincerely,

Stephanie Boyce
Engineering Tech III

3232 Main Street Lemon Grove California 91945-1705

619.825.3810 FAX: 619.825.3818 www.ci.lemon-grove.ca.us



Attachment A - Exhibit 2

CONTRACT (Page 1 of 7)

STREET LIGHTING MAINTENANCE AND REPAIRS (CONTRACT NO. 2013-09)

THIS CONTRACT, made and entered into on the date of the last signature, by and between the Lemon Grove Roadway Lighting District, Lemon Grove, California, herein after designated as the "Lighting District", and Clark Telecom and Electric, Inc. hereinafter designated as the "Contractor".

WITNESSETH: that the parties hereto do mutually agree as follows:

1. For and in consideration of the payments and agreements hereinafter mentioned to be made and performed by the City, the Contractor agrees with the City to furnish all materials and labor for the Street Lighting Maintenance and Repairs Contract (Contract no. 2013-09), and to perform and complete in a good and workmanlike manner all the work pertaining thereto shown on the plans and specifications therefore; to furnish at his own proper cost and expense all tools, equipment, labor and materials necessary therefore; and to do everything required by this agreement and the said plans and specifications.
2. For furnishing all said materials and labor, tools and equipment, and doing all the work contemplated and embraced in this Contract, also for all loss and damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the work until its acceptance by the City and for all risks of every description connected with the work; also, for all expenses incurred by or in consequence of the suspension or discontinuance of work, except such as in said specifications are expressly stipulated to be borne by the City and for well and faithfully completing the work and the whole thereof, in the manner shown and described in the said plans and specifications, the City will pay and the Contractor shall receive in full compensation therefore the ten thousand two hundred seventy-five dollars and eight cents (\$10,275.80).
3. The City hereby promises and agrees to employ, and does hereby employ said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to for the price aforesaid and hereby conditions set forth in the specification; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.
4. The Notice Inviting Bids, Instructions To Bidders, Bid Forms, Agreement and Bond Forms, Construction Administration Forms, Completion of the Project Forms, General Requirements and General Conditions, Drawings, Plans and Specifications, Addenda, Allowances, City/District Resolutions, and all amendments thereof, are hereby incorporated in and made part of this Contract.

Attachment A - Exhibit 2

CONTRACT (Page 2 of 7)

STREET LIGHTING MAINTENANCE AND REPAIRS (CONTRACT NO. 2013-09)

5. The City, the City's representative, City Consultants and authorized volunteers shall not be answerable or accountable in any manner for any loss or damage that may happen to the work or any part thereof, or for any of the materials or other things used or employed in performing the work, or for injury or damage to any person or persons, either workers, employees of Contractor or its subcontractors or the public, or for damage to adjoining or other property, from any cause whatsoever arising out of or in connection with the performance of the work. The Contractor shall be responsible for any damage or injury to any person or property resulting from defects or obstructions or from any cause whatsoever arising out of or in connection with the performance of the work, provided, however, that the Contractor shall not be liable for the sole established negligence, willful misconduct or active negligence of the City, its representatives, employees, agents and authorized volunteers who are directly responsible to the City.
 - a. Contractor shall indemnify the City, City Council, City officials, City employees, City representatives, and authorized volunteers against and will hold and save them and each of them harmless from any and all actions, claims, damages to persons or property, penalties, obligations or liabilities that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in connection with the work, operation or activities of Contractor, its agents, employees, subcontractors or invitees, provided for herein, whether or not there is concurrent passive or active negligence on the part of the City, City Council, City officials, City employees, City representatives, and authorized volunteers, but excluding such actions, claims, damages to persons or property penalties, obligations or liabilities arising from the sole established negligence, willful misconduct or active negligence of the City, City Council, City officials, City employees, City representatives, authorized volunteers, or those who are directly responsible to them; and in connection therewith:
 - I) Contractor will defend any action or actions filed in connection with any of said claims, damages, penalties, obligations or liabilities and will pay all costs and expenses, including attorney's fees incurred in connection therewith.
 - II) Contractor will promptly pay any judgment rendered against Contractor, the City, City Council, City officials, City employees, City representatives, and authorized volunteers covering such claims, damages, penalties, obligations and liabilities arising out of or in connection with such work, operations, or activities of Contractor hereunder and Contractor agrees to save and hold the City, City Council, City officials, City employees, City representatives, and authorized volunteers harmless there from.

Attachment A - Exhibit 2

CONTRACT (Page 3 of 7)

STREET LIGHTING MAINTENANCE AND REPAIRS (CONTRACT NO. 2013-09)

- III) In the event the City, City Council, City officials, City employees, City representatives, and authorized volunteers are made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the Work, or operation or activities of Contractor hereunder, Contractor agrees to pay to the City, City Council, City officials, City employees, City representatives, and authorized volunteers any and all costs and expenses incurred by the City, City Council, City officials, City employees, City representatives, and authorized volunteers in such action or proceeding together with reasonable attorney's fees.
 - IV) The City may retain, to the extent it deems necessary, the money due to the Contractor under and by virtue of the Contract Documents until disposition has been made of such actions or claims for damages as specified herein above.
6. Claims, disputes and other matters in question between the parties to this Contract, arising out of or relating to this Contract or the breach thereof, may be decided by arbitration if both parties to this Contract consent in accordance with the rules of the American Arbitration Association then obtaining unless the parties mutually agree otherwise. No arbitration arising out of or relating to this Contract, shall include, by consolidation, joinder or in any other manner, any additional person not a party to this Contract except by written consent containing a specific reference to this Contract and signed by CONTRACTOR, CITY, and any other person sought to be joined. (Any Consent to arbitration involving an additional person or persons shall not constitute consent of any dispute not described therein or with any person not named or described therein.) This agreement to arbitrate and any agreement to arbitrate with an additional person or persons duly consented to by the parties to this Contract shall be specifically enforceable under the prevailing arbitration law.
- Notice of the demand for arbitration is to be filed in writing with the other party to this Contract and with the American Arbitration Association. The demand is to be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event is the demand for arbitration to be made after the date when institution of legal or equitable proceedings based on such claim; dispute or other matter in question would be barred by the applicable statute of limitations. The award rendered by the arbitrators shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.
7. The Contractor agrees to comply with all Local, State and Federal regulations and with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 1857 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) as amended.

Attachment A - Exhibit 2

CONTRACT (Page 4 of 7)

STREET LIGHTING MAINTENANCE AND REPAIRS (CONTRACT NO. 2013-09)

8. If any party brings a suit or action against the other party arising from any breach of any of the covenants or agreements or any inaccuracies in any of the representations and warranties on the part of the other party arising out of this Agreement, then in that event, the prevailing party in such action or dispute, whether by final judgment or out-of-court settlement, shall be entitled to have and recover of and from the other party all costs and expenses of suit, including attorneys fees.
9. Each and every provision of law and clause required to be inserted in this Contract shall be deemed to be inserted herein and this Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted or is not inserted correctly, then upon application of either party the Contract shall forthwith be physically amended to make such insertion or correction.
10. In accordance with Government Code, Section 8546.7, records of both the City and the Contractor shall be subject to examination and audit for a period of three (3) years after final payment.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed in three counterparts, each of which shall be deemed an original the day and year first above written.

CONTRACTOR:

By: 

Title: WILLIAM CLARK - PRESIDENT

Date: 7-30-2013

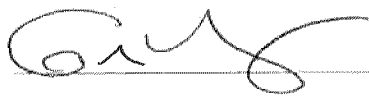
By: _____

Title: _____

Date: _____

Federal ID Number: 20-8191650

CITY:

By: 

Title: Executive Director, Lemon Grove Roadway Lighting District

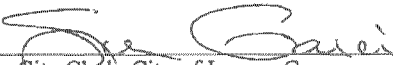
Date: 7-31-13

Attachment A - Exhibit 2

CONTRACT (Page 5 of 7)

STREET LIGHTING MAINTENANCE AND REPAIRS (CONTRACT NO. 2013-09)

ATTEST:

By: 
Title: City Clerk, City of Lemon Grove

(Notaries acknowledgement of execution by all PRINCIPALS OF CONTRACTOR shall be attached.)

Attachment A - Exhibit 2

CONTRACT (Page 6 of 7)

STREET LIGHTING MAINTENANCE AND REPAIRS (CONTRACT NO. 2013-09)

CORPORATE CERTIFICATE

I, William Clark, certify that I am the President of the Corporation named as Contractor in the foregoing Contract; that Reggie Clark, who signed said contract on behalf of the Contractor, was then Treasurer of said Corporation; that said contract was duly signed for and in behalf of said Corporation by authority of its governing body and is within the scope of its corporate powers.

Signed: William Clark

Title: President

Corporate Seal: _____

Attachment A - Exhibit 2

CONTRACT (Page 7 of 7)
STREET LIGHTING MAINTENANCE AND REPAIRS (CONTRACT NO. 2013-09)

PARTNERSHIP CERTIFICATE

STATE OF CA)
COUNTY OF San Diego) ss

On this 30th day of July, 2013, before me, the undersigned, a Notary Public
in and for said County and State, personally appeared:

(Notary Seal)

Known to me to be President of the partners of the partnership
that executed the within instrument, and acknowledged to me that such partnership executed the
same.

Signature: William Clark

Name (Type or Print): _____
(Notary Public in and for said County and State)

My Commission expires: _____

Attachment A - Exhibit 2

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Diego

On July 30, 2013 before me, Jason Compber, Notary Public

personally appeared William W. Clark

who proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ is/are subscribed to the within instrument and acknowledged to me that ~~he~~/she/they executed the same in ~~his~~/her/their authorized capacity~~ies~~, and that by ~~his~~/her/their signature~~s~~ on the instrument the person~~s~~, or the entity upon behalf of which the person~~s~~ acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature: [Signature]

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document

Description of Attached Document

Title or Type of Document: Street Lighting Maintenance and Repairs Contract

Document Date: July 30, 2013 Number of Pages: 7

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: William W. Clark

☒ Corporate Officer — Title(s): President

- ☐ Individual
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: CTEA

Clark Telecom & Electric

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

- ☐ Individual
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.L
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Five Year Lease Agreement with the Lemon Grove Historical Society for the Use of the H. Lee House Located at 3205 Olive Street**

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

Adopt a Resolution (**Attachment B**) approving a five year lease agreement (**Attachment B – Exhibit 1**) with the Lemon Grove Historical Society for the use of the H. Lee House located at 3205 Olive Street.

Item Summary:

Since 2005, the City and the Lemon Grove Historical Society (Historical Society) entered into a one-year lease agreement allowing the Historical Society to perform restoration work and repairs to the H. Lee House (Lee House). In 2007, all restoration work was completed and the City and Historical Society agreed to no fee lease agreement to allow the Historical Society to act as caretakers for the property and conduct community special events for the residents of Lemon Grove in addition to their prior events that included concerts, poetry readings, weddings and fundraising activities.

As shown in draft agreement, the Historical Society will continue to pay all utility costs and be responsible for all maintenance and repairs to the property. The Historical Society will continue to provide the City with all required certificates of insurance as well as an annual report to City staff about the operations and uses of the property.

Fiscal Impact:

The City will continue to receive \$100.00 per event rental that the Historical Society hosts at the H. Lee House. In FY 2017-2018, the City received approximately \$400.00.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2017 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING A FIVE YEAR LEASE AGREEMENT WITH THE LEMON GROVE HISTORICAL SOCIETY FOR THE USE OF THE H. LEE HOUSE LOCATED AT 3205 OLIVE STREET.

WHEREAS, the City of Lemon Grove owns the property and building located at 3205 Olive Street, Lemon Grove, California known as the H. Lee House; and

WHEREAS, in 2005, the City and Lemon Grove Historical Society entered in multiple agreements that allowed the Lemon Grove Historical Society to perform restoration work and repairs to the H. Lee House; and

WHEREAS, in 2007, the City and Lemon Grove Historical Society formulated a no fee lease agreement that allowed the Lemon Grove Historical Society to continue to utilize and maintain the H. Lee House; and

WHEREAS, the City Council of the City of Lemon Grove believes that the leasing of the H. Lee House to the Lemon Grove Historical Society for special event and community event usage is the most beneficial use of the property to the residents of Lemon Grove.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Approves a five year lease agreement with the Lemon Grove Historical Society for the use of the H. Lee House located at 3205 Olive Street not exceed June 30, 2022; and
2. Directs the City Manager or her designee to manage and execute all documents necessary to facilitate this lease agreement.

/////
/////

Attachment A – Exhibit 1

Property and Event Use Agreement for the H. Lee House

The parties to this Agreement are the City of Lemon Grove hereinafter referred to as the "City" and the Lemon Grove Historical Society, a California 501(c)(3) nonprofit corporation, and hereinafter referred to as "Society."

Recitals:

1. City owns certain real property commonly described as 3205 Olive Street, Lemon Grove, California (hereinafter, the "Property").
2. The City is willing to provide access to the Society, in exchange for Society acting as caretakers, hosting community events at the H. Lee House (Lee), all at the Society's sole expense.

Now, therefore, it is hereby agreed as follows:

1. Term of Agreement

This agreement shall commence on July 1, 2017 and shall continue through June 30, 2022, unless sooner canceled pursuant to Section 18 or 19 hereof.

2. Use of Facility

Society is granted use of the Lee to perform maintenance and repairs at the Society's sole expense. No one under the age of eighteen (18) is allowed to perform interior restoration work or repairs on the Lee and anyone under that age entering the Lee during restoration work or repairs must be accompanied by their respective parent(s)/or legal guardian(s).

Society is also granted use of the Lee for Society sponsored community events; this may include, but not be limited to, weddings, concerts and poetry readings. Society sponsored community events are at the Society's sole expense, and the Society may charge a fee to the public for such events. Anyone who is attending a community event at the Lee and who is under the age of eighteen (18) must be accompanied by their respective parent(s)/or legal guardian(s).

3. Fee for Use:

The City agrees to not charge any fee to the Society for said use of the Lee. The Society will continue to provide a flat fee to the City of \$100.00 for each rental that that is held at the Lee to include the attached open gazebo space.

4. Report to be Provided

On or before June 30, of each year the Society shall submit to the City a written report of all public events held along with restoration work in Section 3 completed at the Lee during the term of this agreement, including any additional work approved by the City Manager.

5. Maintenance

Society shall provide interior maintenance of the Lee sufficient to maintain its current condition.

6. Access to Second Level

Access to the second level of the Lee shall be restricted to the general public and shall only be made available to those performing repairs in the stairway and second level of the Lee. City shall provide a barrier prohibiting general public access to the stairway and

Attachment A – Exhibit 1

second level. Society shall maintain said barrier and ensure that the general public does not have access to the stairway and second level during events at the Lee.

7. Retention of Improvements

All structures, fixtures and improvements whether heretofore or hereinafter installed or erected by Society, shall, upon the expiration of this Agreement or any extension thereof, become the property of the City and shall not be removed from the Lee.

8. Alcohol Use

Society must request in writing the use of alcoholic beverages at the Lee. Written requests are sent to the attention of the City's Community Services Superintendent. Requests to use alcoholic beverages are reviewed by the Community Services Superintendent and, if approved, a permit may be issued for the date requested by Society. The City reserves the right to place restrictions on the use of alcoholic beverages in accordance with State Law, City Code and Policy.

9. Utilities

Historical Society shall pay all utilities for the term of this agreement. In instances when there is a significant and unforeseen cost related to any utility billing at the Lee, the City may, at the sole discretion of the City, assist with funding a portion or all of the utility cost.

10. Right of Inspection

City shall have the right to enter the Lee for the purpose of viewing and ascertaining the condition of the property, to protect its interests in the Lee, and to inspect the operations conducted within at any time.

11. Discrimination

Society shall not, for any reason, discriminate against any person because of race, sex, age, creed, color, disability or national origin.

12. Assignment

Society shall not assign this Agreement, or any interest therein, or any part thereof; or any right or privilege appurtenant thereto or suffer any other person (the agents, officers and employees of City excepted) to occupy or use the said Lee except as consistent with the purpose of the Agreement, without the prior written consent of the City Council of the City of Lemon Grove. Consent to one assignment, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, occupation or use by another person. Any such assignment without such consent shall be void and shall, at the option of City, terminate this Agreement. This Agreement shall not, nor shall ~~any interest therein, be assignable, by operation of law, and if such an assignment is~~ made, the City may terminate this Agreement, at its option.

13. Compliance with Law

Society shall, at its sole cost and expense, comply and secure compliance with all the laws, ordinances and requirements of all municipal, county, state and federal authorities now in force, or which may herein after be in force, pertaining to the Lee, or the operations conducted thereon, and shall faithfully observe, and secure observance with, in the use of the Lee, all municipal and county ordinances and state and federal statutes now in force or which may hereinafter be in force, and shall pay before delinquency all taxes, assessments, and fees assessed or levied upon Society or the Lee by reason of any buildings, structures, machines, appliances or other improvements of any nature

Attachment A – Exhibit 1

whatsoever, erected, installed or maintained by Society or by any reason of the business or other activities of Society upon or in connection with the Lee. Society shall comply with all rules or regulations of the City Council of the City of Lemon Grove or the City Manager applicable to the Lee. The judgment of any court of competent jurisdiction, or the admission of Society or any assignee in any action or proceeding against them, or any of them, whether the City be a party thereto, or not, that Society or assignee has violated any such regulations, ordinance, or statute in the use of the Lee shall be conclusive of that fact as between City and Society.

14. Hold Harmless

City, its agents, officers and employees, shall not be, nor be held liable, for any claims, liabilities, penalties, fines or for any damage to the goods, properties or effects of Society or any of Society representatives, agents, employees, guests, licensees, invitees, patrons or clientele or of any other persons whatsoever, nor for personal injuries to, or deaths of them, or any of them, whether caused by or resulting from any acts or omission of Society or any act or omission of any person or from any defect in any part arising out of the Society's use of the Property or the Lee.

Society agrees to protect, defend, indemnify and hold harmless City, its officers, agents and employees from any and all liability, claims, suits, liens and judgments, of whatever nature, including injury to any person, arising from performance or failure to perform obligations of this Agreement caused or claimed to be caused by Society, its agents or employees. Society agrees it is its duty to defend even if the claim appears without merit.

15. Employee Insurance

Society does not intend to have any employees. Should it hire any person as an employee, Society shall obtain Workers' Compensation Insurance in accordance with State law and shall provide City with a certificate of insurance as specified in Section 17 hereof.

16. Volunteer Insurance

Volunteers -- All volunteers of Society shall be covered by Volunteer Accident Insurance with a medical indemnity of not less than \$10,000. Society shall provide a certificate of insurance in the form and as required by Section 17 hereof.

17. Liability Insurance

Society agrees to secure and maintain commercial general liability and volunteer insurance with an insurance carrier satisfactory to City to protect against loss from liability imposed by law for damages on account of bodily injury, including death resulting there from, suffered or alleged to be suffered by any person or persons whatsoever resulting directly or indirectly from any act or activities of Society or any person, including volunteers for Society or under Society's control or direction and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts for activities under Society's

control or direction. Such public liability and property damage insurance shall be primary insurance and maintained in full force and effect during the entire term of this Agreement in the amount of not less than \$1,000,000 for combined single limit or single occurrence and not less than \$3,000, 000 per annual aggregate if an aggregate is applicable. Proof of such insurance shall be filed as required by Section 17 with City by Society prior to conducting any activities under this Agreement, and shall be in a form satisfactory to the City Attorney.

Attachment A – Exhibit 1

18. Certificate of Insurance

The commercial general liability policy required and volunteer insurance policy herein shall name the City as an additional insured. A certificate of insurance shall be provided for each policy required herein and have a non-cancellation without thirty (30) day notice to City clause and shall provide that copies of all cancellation notices shall be sent to the Risk Manager. All liability insurance policies shall be primary insurance and shall be filed with the Risk Manager. Provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Society held responsible for the payment of damages to persons or property resulting from its activities or the activities of any person or persons for which it is otherwise responsible.

19. Termination after Notice for Failure to Comply with Agreement

Should City determine that Society appears to be in violation of the Agreement (except for violations specified in Section 19 herein) it shall give Society thirty (30) day notice of intent to terminate at the address specified in Section 20 hereof and identify the perceived violations. If said violations are not corrected within that time, this Agreement shall be then forthwith terminated.

20. Termination in the Interest of the Public Health, Safety and Welfare

The City may terminate this Agreement without notice and cause the Lee to be immediately vacated in the following instances.

- a. The City finds that the operation of Society at the Lee poses a threat to the public health, safety or welfare.
- b. The Society fails to keep the insurance required by this contract in full force and effect.
- c. The Society is placed in receivership or bankruptcy or is determined to be insolvent.

21. Notices to Parties

Notices to the respective parties shall be hand-delivered or mailed in the State of California by First Class Mail to:

For: City of Lemon Grove, Attention: City Manager
3232 Main Street
Lemon Grove, CA 91945

For: Lemon Grove Historical Society, Attention: President
Post Office Box 624
Lemon Grove, CA 91946

City of Lemon Grove
a municipal corporation

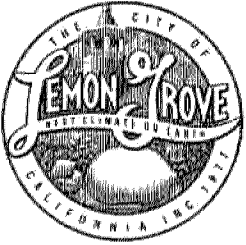
Lemon Grove Historical Society
a 501(c)(3) corporation

Lydia Romero, City Manager

Helen Ofield, President

Date

Date



CITY OF LEMON GROVE
INTERNAL MEMORANDUM

DATE: June 20, 2017

MEMO TO: Mayor and City Council

FROM: Mike James, Assistant City Manager / Public Works Director

SUBJECT: Changes to Item I.L – Five Year Lease Agreement with the L.G. Historical Society

In preparation for this item's consideration by the City Council on June 20th, I forwarded the staff report and lease agreement to the Lemon Grove Historical Society (Historical Society) for review. The Historical Society met late last week and had two requests that request clarification. In staff's opinion, the language required for clarification is more than clerical in nature and requires a new version for the City Council's review. A summary of the changes made include:

1. Clarifying that the \$100 flat fee will only be shared with the City when the Gazebo Courtyard is included in the Historical Society's rentals.
2. The permit issued by the City for alcohol use is a no fee permit.

The attached staff report and agreement was updated and the changes are shown in red lettering. Staff continues to recommend that the five year agreement is approved by the City Council. Lastly, a hard copy of the new staff report and agreement was placed in the public City Council agenda folder.

LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY

Item No. 1.L
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Five Year Lease Agreement with the Lemon Grove Historical Society for the Use of the H. Lee House Located at 3205 Olive Street**

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

Adopt a resolution (**Attachment B**) approving a five year lease agreement (**Attachment B – Exhibit 1**) with the Lemon Grove Historical Society for the use of the H. Lee House located at 3205 Olive Street.

Item Summary:

Since 2005, the City and the Lemon Grove Historical Society (Historical Society) entered into one-year lease agreements allowing the Historical Society to perform restoration work and repairs to the H. Lee House (Lee House). In 2007, all restoration work was completed and the City and Historical Society agreed to no fee lease agreement to allow the Historical Society to act as caretakers for the property and conduct community special events for the residents of Lemon Grove in addition to their prior events that included concerts, poetry readings, weddings and fundraising activities.

As shown in draft agreement, the Historical Society will continue to pay all utility costs and be responsible for all maintenance and repairs to the property. The Historical Society will continue to provide the City with all required certificates of insurance as well as an annual report to City staff about the operations and uses of the property.

Fiscal Impact:

The City will continue to receive \$100.00 per event rental that the Historical Society hosts at the H. Lee House. In FY ~~2017-2018~~2016-2017, the City received approximately \$400.00.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2017 -

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING A FIVE YEAR LEASE AGREEMENT WITH THE LEMON GROVE HISTORICAL SOCIETY FOR THE USE OF THE H. LEE HOUSE LOCATED AT 3205 OLIVE STREET.

WHEREAS, the City of Lemon Grove owns the property and building located at 3205 Olive Street, Lemon Grove, California known as the H. Lee House; and

WHEREAS, in 2005, the City and Lemon Grove Historical Society entered in multiple agreements that allowed the Lemon Grove Historical Society to perform restoration work and repairs to the H. Lee House; and

WHEREAS, in 2007, the City and Lemon Grove Historical Society formulated a no fee lease agreement that allowed the Lemon Grove Historical Society to continue to utilize and maintain the H. Lee House; and

WHEREAS, the City Council of the City of Lemon Grove believes that the leasing of the H. Lee House to the Lemon Grove Historical Society for special event and community event usage is the most beneficial use of the property to the residents of Lemon Grove.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Approves a five year lease agreement with the Lemon Grove Historical Society for the use of the H. Lee House located at 3205 Olive Street not exceed June 30, 2022; and
2. Directs the City Manager or her designee to manage and execute all documents necessary to facilitate this lease agreement.

/////
/////

Attachment A – Exhibit 1

Property and Event Use Agreement for the H. Lee House

The parties to this Agreement are the City of Lemon Grove hereinafter referred to as the “City” and the Lemon Grove Historical Society, a California 501(c)(3) nonprofit corporation, and hereinafter referred to as “Society.”

Recitals:

1. City owns certain real property commonly described as 3205 Olive Street, Lemon Grove, California (hereinafter, the “Property”).
2. The City is willing to provide access to the Society, in exchange for Society acting as caretakers, hosting community events at the H. Lee House (Lee), all at the Society’s sole expense.

Now, therefore, it is hereby agreed as follows:

1. Term of Agreement

This agreement shall commence on July 1, 2017 and shall continue through June 30, 2022, unless sooner canceled pursuant to Section 18 or 19 hereof.

2. Use of Facility

Society is granted use of the Lee to perform maintenance and repairs at the Society’s sole expense. No one under the age of eighteen (18) is allowed to perform interior restoration work or repairs on the Lee and anyone under that age entering the Lee during restoration work or repairs must be accompanied by their respective parent(s)/or legal guardian(s).

Society is also granted use of the Lee for Society sponsored community events; this may include, but not be limited to, weddings, concerts and poetry readings. Society sponsored community events are at the Society’s sole expense, and the Society may charge a fee to the public for such events. Anyone who is attending a community event at the Lee and who is under the age of eighteen (18) must be accompanied by their respective parent(s)/or legal guardian(s).

3. Fee for Use:

The City agrees to not charge any fee to the Society for interior use of the Lee said use of the Lee exclusive of the Gazebo Courtyard north of the Lee. The Society will continue to provide a flat fee to the City of \$100.00 for each rental that that is held at the Lee to include the attached open gazebo space it hosts in the Gazebo Courtyard and/or inside the Lee combined with the Gazebo Courtyard. No fee shall be paid to the City for any event hosted by the Historical Society solely inside the Lee with no use of the Gazebo Courtyard.

4. Report to be Provided

On or before June 30, of each year the Society shall submit to the City a written report of all public events held along with restoration work in Section 3 completed at the Lee during the term of this agreement, including any additional work approved by the City Manager.

5. Maintenance

Society shall provide interior maintenance of the Lee sufficient to maintain its current condition.

6. Access to Second Level

Access to the second level of the Lee shall be restricted to the general public and shall only be made available to those performing repairs in the stairway and second level of the Lee. City shall provide a barrier prohibiting general public access to the stairway and second level. Society shall maintain said barrier and ensure that the general public does not have access to the stairway and second level during events at the Lee.

Attachment A – Exhibit 1

7. Retention of Improvements

All structures, fixtures and improvements whether heretofore or hereinafter installed or erected by Society, shall, upon the expiration of this Agreement or any extension thereof, become the property of the City and shall not be removed from the Lee.

8. Alcohol Use

Society must request in writing the use of alcoholic beverages at the Lee. Written requests are sent to the attention of the City's Community Services Superintendent. Requests to use alcoholic beverages are reviewed by the Community Services Superintendent and, if approved, a no fee permit may be issued for the date requested by Society. The City reserves the right to place restrictions on the use of alcoholic beverages in accordance with State Law, City Code and Policy.

9. Utilities

Historical Society shall pay all utilities for the term of this agreement. In instances when there is a significant and unforeseen cost related to any utility billing at the Lee, the City may, at the sole discretion of the City, assist with funding a portion or all of the utility cost.

10. Right of Inspection

City shall have the right to enter the Lee for the purpose of viewing and ascertaining the condition of the property, to protect its interests in the Lee, and to inspect the operations conducted within at any time.

11. Discrimination

Society shall not, for any reason, discriminate against any person because of race, sex, age, creed, color, disability or national origin.

12. Assignment

Society shall not assign this Agreement, or any interest therein, or any part thereof; or any right or privilege appurtenant thereto or suffer any other person (the agents, officers and employees of City excepted) to occupy or use the said Lee except as consistent with the purpose of the Agreement, without the prior written consent of the City Council of the City of Lemon Grove. Consent to one assignment, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, occupation or use by another person. Any such assignment without such consent shall be void and shall, at the option of City, terminate this Agreement. This Agreement shall not, nor shall any interest therein, be assignable, by operation of law, and if such an assignment is made, the City may terminate this Agreement, at its option.

13. Compliance with Law

Society shall, at its sole cost and expense, comply and secure compliance with all the laws, ~~ordinances and requirements of all municipal, county, state and federal authorities now in force, or which may herein after be in force, pertaining to the Lee, or the operations conducted thereon, and shall faithfully observe, and secure observance with, in the use of the Lee, all municipal and county ordinances and state and federal statutes now in force or which may hereinafter be in force, and shall pay before delinquency all taxes, assessments, and fees assessed or levied upon Society or the Lee by reason of any buildings, structures, machines, appliances or other improvements of any nature whatsoever, erected, installed or maintained by Society or by any reason of the business or other activities of Society upon or in connection with the Lee.~~ Society shall comply with all rules or regulations of the City Council of the City of Lemon Grove or the City Manager applicable to the Lee. The judgment of any court of competent jurisdiction, or the admission of Society or any assignee in any action or proceeding against them, or any of them, whether the City be a party thereto, or not, that Society or

Attachment A – Exhibit 1

assignee has violated any such regulations, ordinance, or statute in the use of the Lee shall be conclusive of that fact as between City and Society.

14. Hold Harmless

City, its agents, officers and employees, shall not be, nor be held liable, for any claims, liabilities, penalties, fines or for any damage to the goods, properties or effects of Society or any of Society representatives, agents, employees, guests, licensees, invitees, patrons or clientele or of any other persons whatsoever, nor for personal injuries to, or deaths of them, or any of them, whether caused by or resulting from any acts or omission of Society or any act or omission of any person or from any defect in any part arising out of the Society's use of the Property or the Lee.

Society agrees to protect, defend, indemnify and hold harmless City, its officers, agents and employees from any and all liability, claims, suits, liens and judgments, of whatever nature, including injury to any person, arising from performance or failure to perform obligations of this Agreement caused or claimed to be caused by Society, its agents or employees. Society agrees it is its duty to defend even if the claim appears without merit.

15. Employee Insurance

Society does not intend to have any employees. Should it hire any person as an employee, Society shall obtain Workers' Compensation Insurance in accordance with State law and shall provide City with a certificate of insurance as specified in Section 17 hereof.

16. Volunteer Insurance

Volunteers -- All volunteers of Society shall be covered by Volunteer Accident Insurance with a medical indemnity of not less than \$10,000. Society shall provide a certificate of insurance in the form and as required by Section 17 hereof.

17. Liability Insurance

Society agrees to secure and maintain commercial general liability and volunteer insurance with an insurance carrier satisfactory to City to protect against loss from liability imposed by law for damages on account of bodily injury, including death resulting there from, suffered or alleged to be suffered by any person or persons whatsoever resulting directly or indirectly from any act or activities of Society or any person, including volunteers for Society or under Society's control or direction and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from acts for activities under Society's

control or direction. Such public liability and property damage insurance shall be primary insurance and maintained in full force and effect during the entire term of this Agreement in the amount of not less than \$1,000,000 for combined single limit or single occurrence and not less than \$3,000, 000 per annual aggregate if an aggregate is applicable. Proof of such insurance shall be filed as required by Section 17 with City by Society prior to conducting any activities under this Agreement, and shall be in a form satisfactory to the City Attorney.

18. Certificate of Insurance

The commercial general liability policy required and volunteer insurance policy herein shall name the City as an additional insured. A certificate of insurance shall be provided for each policy required herein and have a non-cancellation without thirty (30) day notice to City clause and shall provide that copies of all cancellation notices shall be sent to the Risk Manager. All liability insurance policies shall be primary insurance and shall be filed with the Risk Manager. Provisions of this paragraph as to maintenance of insurance shall not be construed as limiting in any way the extent to which Society held responsible for the payment of damages to persons or property resulting from its activities or the activities of any person or persons for which it is otherwise responsible.

Attachment A – Exhibit 1

19. Termination after Notice for Failure to Comply with Agreement

Should City determine that Society appears to be in violation of the Agreement (except for violations specified in Section 19 herein) it shall give Society thirty (30) day notice of intent to terminate at the address specified in Section 20 hereof and identify the perceived violations. If said violations are not corrected within that time, this Agreement shall be then forthwith terminated.

20. Termination in the Interest of the Public Health, Safety and Welfare

The City may terminate this Agreement without notice and cause the Lee to be immediately vacated in the following instances.

- a. The City finds that the operation of Society at the Lee poses a threat to the public health, safety or welfare.
- b. The Society fails to keep the insurance required by this contract in full force and effect.
- c. The Society is placed in receivership or bankruptcy or is determined to be insolvent.

21. Notices to Parties

Notices to the respective parties shall be hand-delivered or mailed in the State of California by First Class Mail to:

For: City of Lemon Grove, Attention: City Manager
3232 Main Street
Lemon Grove, CA 91945

For: Lemon Grove Historical Society, Attention: President
Post Office Box 624
Lemon Grove, CA 91946

City of Lemon Grove
a municipal corporation

Lemon Grove Historical Society
a 501(c)(3) corporation

Lydia Romero, City Manager

Helen Ofield, President

Date

Date

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.M
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-2018

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Recommendation:

Adopt a Resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-2018.

Item Summary:

The Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 was created in September 1997, pursuant to the provisions of the Landscaping and Lighting Act of 1972. The District includes 46 properties.

The engineer's report was presented and approved by the City Council on September 2, 1997. In order to pay for maintenance of the landscaped areas, the assessment may be adjusted annually by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), within a maximum cap of \$335 per parcel.

Staff recommends a 3 percent increase in the assessment for Fiscal Year 2017-2018. The staff report (**Attachment A**) details the reasons and the proposed budget for the Wildflower Landscape Maintenance Assessment District.

Fiscal Impact:

The FY 2017-2018 budget anticipates a beginning fund balance and revenues of \$7,340 and expenditures totaling \$7,340.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.M

Mtg. Date June 20, 2017

Item Title: **Levy and Collection of Assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-2018**

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Discussion:

On September 2, 1997, the City Council created the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 (District), pursuant to the provisions of the Landscaping and Lighting Act of 1972. At that meeting, an engineer's report detailed the need for an assessment in order to pay for the maintenance of the landscaped areas. The District includes 46 properties located along both sides of Gold Lake Road, Blue Lake Court, Long Lake Court, and Green Lake Court.

Each year, the City Council may increase the annual assessment by the greater of 3 percent or the percentage increase of the Consumer Price Index (CPI), with a maximum cap of \$335 per parcel. As reported in March 2017 by the United States Department of Labor, Bureau of Labor and Statistics, the CPI for All Urban Consumers in the San Diego area increased by 2.4% during the prior 12 months.

During the establishment of the Fiscal Year 2017-2018 (FY 2017-18), city staff continues to monitor the reserve balance goal of \$11,550 that was established in FY 2014-15. The reserve goal equals one-year of anticipated expenditures plus 40 percent of operational expenditures.

In FY 2016-17, staff continues to rely on the services of two contractors to maintain the District's landscaping and trees. The two contractors are West Coast Arborists (WCA) and Aztec Landscaping Services, Incorporated (Aztec). Staff recommends continuing this maintenance service for the next fiscal year. In FY 2016-17, staff had to advertise the City's landscape management services contract and as a result a new contractor was selected. Aztec Landscaping, Incorporated (Aztec) was selected to replace Landcare Services. As a direct result of the public bidding process, the monthly cost to maintain the existing landscaping increased from \$141 to \$299. This is a \$1,896 increase in the annual landscaping maintenance cost for the District.

For the reasons stated above, staff recommends a 3 percent increase in the assessment from \$206.04 to \$212.22 during FY 2017-18, which equals the greater of 3 percent or the percentage increase of the CPI.

Attachment A

The following District budget was prepared to reflect staff's recommendation.

FY 2017-18 Budget Descriptions	Balance
<i>Beginning Fund Balance</i>	(\$2,780)
<i>Adjustment to Estimated Fund Balance</i>	\$470
<i>Revenue</i>	
Annual Assessment Revenue	\$9,650
Total Resources	\$7,340
<i>Expenditure</i>	
Salaries – Regular	(\$2,340)
Benefits	(\$1,150)
Contract Services (Landscaping)	(\$2,800)
SDG&E	(\$100)
Helix Water	(\$850)
Transfer to City for Admin & Operations	(\$100)
Total Expenditures	(\$7,340)
Ending Fund Balance	\$0

At the end of FY 2017-18, staff anticipates no surplus will be available to add to the District's reserve goal of \$11,550. Staff will continue to monitor the fiscal stability of the District each year, paying close attention to the expenditures made and the need to adjust the annual assessment in order to safeguard the District's fiscal health to afford operational costs and reserve goals.

Conclusion:

Staff recommends that the City Council adopt a Resolution (**Attachment B**) approving the levy and collection of assessments within the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 for Fiscal Year 2017-18 and directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2017.

RESOLUTION NO. 2017 - _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE LEVY AND COLLECTION OF ASSESSMENTS WITH THE LEMON GROVE WILDFLOWER LANDSCAPE MAINTENANCE ASSESSMENT DISTRICT 97-1 FOR FISCAL YEAR 2017-2018

WHEREAS, on September 2, 1997, the City Council adopted Resolution No. 1805, declaring the results of a property owner protest proceeding held in the Lemon Grove Wildflower Landscaping Maintenance Assessment District 97-1 (District); and

WHEREAS, the engineer's report for the District, approved by Resolution No. 1804, on file with the City Clerk, gives a full and detailed description of the proposed assessments upon assessable lots and parcels of land within the District; and

WHEREAS, the City Council desires to increase the assessment against parcels of land with the District for the fiscal year commencing on July 1, 2017 and ending June 30, 2018, to pay the expenses of operating, maintaining and servicing landscaping and appurtenant facilities located within public places in the District; and

WHEREAS, the City Council has determined that a 3 percent increase in the annual assessment will be needed for Fiscal Year 2017-2018.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Sets the assessment rate for Fiscal Year 2017-2018 in the Lemon Grove Wildflower Landscape Maintenance Assessment District 97-1 at \$212.22 per parcel; and
2. Directs the City Clerk to file the levy with the County of San Diego Auditor and Controller on or before August 10, 2017.

/////
/////

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.N
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Reject All Bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit**

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Recommendation:

Adopt a Resolution (**Attachment B**) rejecting all bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit Project (Contract No. 2017-23).

Item Summary:

The City advertised the North Avenue/Olive Street 20A Muni-Trench & Conduit in April 2017 as part of the Lemon Grove Avenue Realignment Project. On May 2, 2017, the City received two sealed bids. The apparent low bidder was Blue Pacific Engineering & Construction at \$1,948,000. The engineer's estimate for this project was \$1,881,750. The lowest bid received was 3.5 percent or \$66,250 greater than the engineer's estimate.

The staff report (**Attachment A**) details the items that were included in bid request, an analysis of the bid's received, and concludes with staff recommendation to adopt a Resolution (**Attachment B**) rejecting all bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit Project (Contract No. 2017-23).

Fiscal Impact:

Sufficient funds are allocated within the SDG&E-managed 20A Conversion budget.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section 15304 | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Resolution

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.N

Mtg. Date June 20, 2017

Item Title: **Reject All Bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit**

Staff Contact: Mike James, Assistant City Manager/Public Works Director

Discussion:

The City advertised the North Avenue/Olive Street 20A Muni-Trench & Conduit on April 13, 2017. The project is a 20A Conversion project that utilizes funds that are allocated to municipalities as a percentage of their local revenue. Municipalities then decide which areas will be converted within the guidelines of Rule 20A. The City of Lemon Grove decided to replace the existing overhead electric, telephone, and cable facilities with an underground system along Olive Street (from Broadway to State Route 94) and along North Avenue (from west of Olive Street to Grove Street).

On May 2, 2017, the City received two sealed bids. Each company is listed below with its location and project bid total.

Bidder's Name	Location	Amount
Asplundh Construction Corp.	Anaheim, CA	\$2,591,700
Blue Pacific Engineering & Construction	San Diego, CA	\$1,948,000
Average Bid Amount		\$2,269,850

The engineer's estimate for this project was \$1,881,750. The lowest bid was submitted by Blue Pacific Engineering & Construction in the amount of \$1,948,000. The lowest bid received was 3.5 percent or \$66,250 greater than the engineer's estimate.

Conclusion:

Due to the bids exceeding the engineer's estimate and project budget, staff recommends that the City Council adopts a Resolution (**Attachment B**) rejecting all bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit Project (Contract No. 2017-23).

RESOLUTION NO. 2017-_____

RESOLUTION OF THE LEMON GROVE CITY COUNCIL REJECTING ALL BIDS FOR THE
NORTH AVENUE/OLIVE STREET 20A MUNI-TRENCH & CONDUIT PROJECT

WHEREAS, as part of the Lemon Grove Realignment Project, 20A funds were earmarked for the North Avenue/Olive Street 20A Muni-Trench & Conduit Project; and

WHEREAS, bids were publicly solicited and two sealed bids were received for the North Avenue/Olive Street 20A Muni-Trench & Conduit Project; and

WHEREAS, bids were opened and read aloud and the lowest responsive bidder was Blue Pacific Engineering & Construction; and

WHEREAS, all bids, including the lowest bid, were over the City's engineer's estimate and project budget of \$1,881,750; and

WHEREAS, the City Council finds it in the public interest that all bids be rejected and direct staff to follow LGMC 3.24 to solicit prospective bidders to submit bids for this project as soon as possible.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby rejects all bids for the North Avenue/Olive Street 20A Muni-Trench & Conduit Project received on May 2, 2017.

/////
/////

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 1.0
Mtg. Date June 20, 2017
Dept. Public Works

Item Title: **Revise the Completion Date for Converting the Overhead Distribution Facilities within Underground Utility District No. 7**

Staff Contact: Mike James, Assistant City Manager / Public Works Director

Recommendation:

Adopt a Resolution (**Attachment A**) revising the completion date for converting the overhead distribution facilities within Underground Utility District No. 7.

Item Summary:

On March 15, 2016, the City Council revised the deadline for the conversion of the overhead distribution facilities for Phase 7A and 7B of the Underground Utility District (UUD) No. 7 to June 30, 2017.

In Fiscal Year 2016-2017, city staff continued to encounter multiple unforeseen challenges with regards to the Lemon Grove Realignment Project which also includes the undergrounding segment. Some of those challenges included plan document preparation delays and additional coordination efforts between the City and utilities involved in the project area. Lastly, city staff recently publicly advertised a bid request for the 20A undergrounding project and all bids received were in excess of the City's engineer's estimate as well as project budget. For these reasons, staff requests additional time to select a contractor and construct the project. Extending the UUD will allow the proper collection and use of funds through the anticipated construction schedule of the project.

Fiscal Impact:

Sufficient funds are allocated within the SDG&E-managed 20A Conversion budget.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|--|
| ☐ None | ☐ Newsletter article | ☒ Notice to property owners within UUD |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

A. Resolution

Attachment A

RESOLUTION NO. 2017-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA REVISING THE COMPLETION DATE FOR CONVERTING THE OVERHEAD DISTRIBUTION FACILITIES WITHIN UNDERGROUND UTILITY DISTRICT NO. 7

WHEREAS, pursuant to the provisions of Ordinance No. 13, a procedure is established for the creation of underground utility districts; and

WHEREAS, the City Council found that Underground Utility District No. 7 is in the general public interest; and

WHEREAS, on April 6, 2010, the City Council adopted Ordinance No. 390 which established Underground Utility District No. 7; and

WHEREAS, on March 4, 2015, the City Council revised the date of completion to underground the utilities within the boundaries of Underground Utility District No. 7 as April 1, 2016 for Phase 7A and 7B; and

WHEREAS, on March 15, 2016, the City Council revised the date of completion to underground the utilities within the boundaries of Underground Utility District No. 7 as June 30, 2017 for Phase 7A and 7B; and

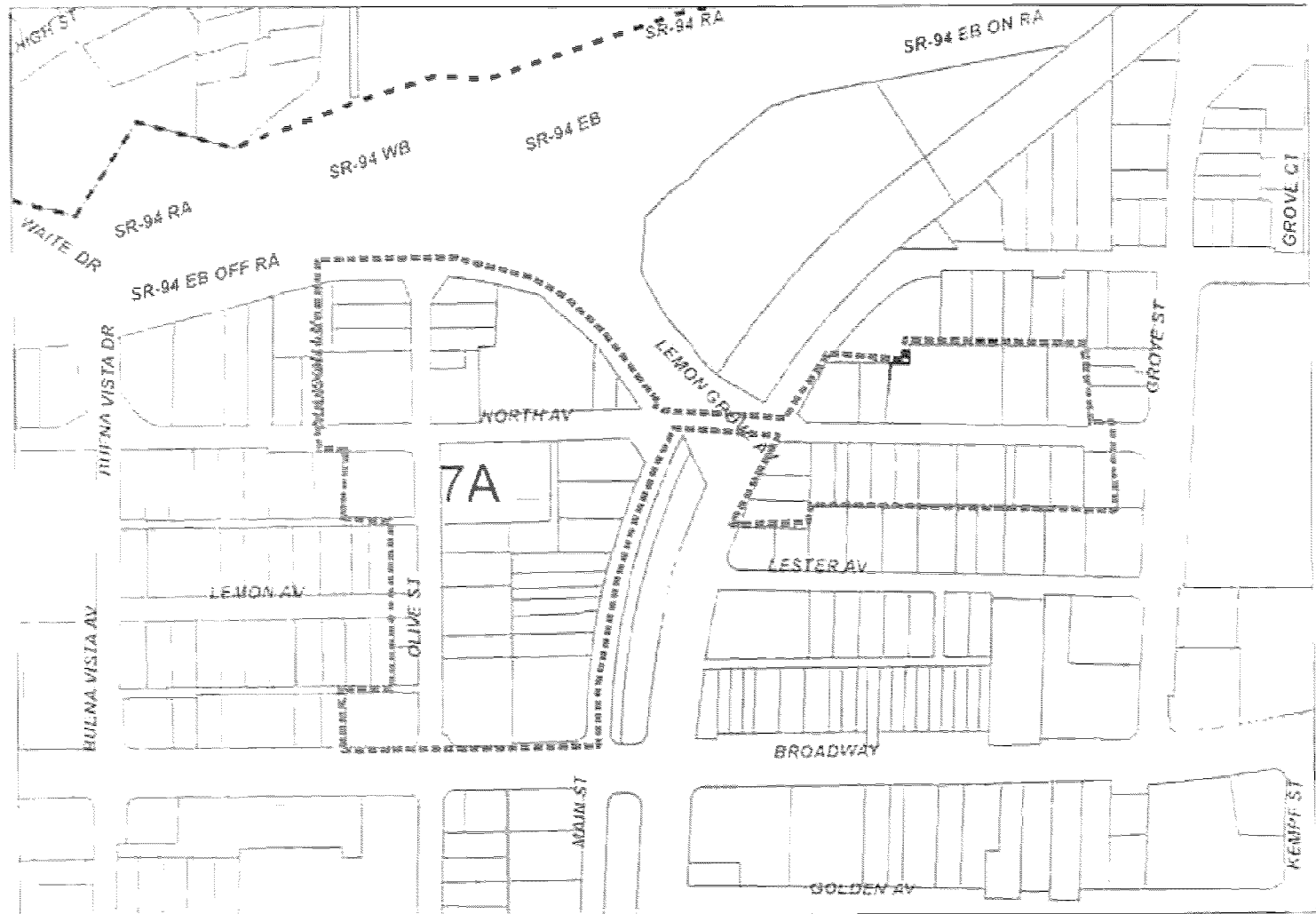
NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Revises and ratifies the date of completion to underground the utilities within the boundaries of Underground Utility District No. 7 (*Exhibit 1*) as June 30, 2018 for Phase 7A and Phase 7B; and
2. Directs the City Clerk to provide appropriate noticing of said completion dates in accordance with Ordinance No. 13.

/////

/////

Utility Undergrounding District No. 7



Attachment A – Exhibit 1

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 2
Mtg. Date June 20, 2017
Dept. City Manager's Department

Item Title: **Appointment of Three Permanent and Two Alternate Community Advisory Commission Members**

Staff Contact: Miranda Evans, Management Analyst

Recommendation:

Adopt a resolution (**Attachment B**) appointing three permanent members: James Davis, Angeles Nelson and Yajaira Preciado and two alternate members: Tom Clabby and Walter Oliwa to the Community Advisory Commission. ;

Item Summary:

On June 13, 2017, the City Council interviewed fourteen Community Advisory Commission ("CAC") Candidates. After conducting the interviews with the candidates, the City Council nominated and voted unanimously to appoint three permanent members: James Davis, Angeles Nelson and Yajaira Preciado and two alternate members: Tom Clabby and Walter Oliwa to the Community Advisory Commission.

Staff has prepared a resolution (**Attachment A**) for the City Council's consideration. The resolution appoints three permanent CAC members and establishes the two alternate appointments to the CAC as described above. ;

Fiscal Impact:

There is no fiscal impact.

Environmental Review:

- ☒ Not subject to review
☐ Categorical Exemption

- ☐ Negative Declaration
☐ Mitigated Negative Declaration

Public Information:

- ☒ None
☐ Notice published in local newspaper

- ☐ Newsletter article
☐ Tribal Government Consultation Request
☐ Notice to property owners within 500 ft.

Attachments:

- A. Staff Report
B. Resolution 2017-

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 2

Mtg. Date June 20, 2017

Item Title: Appointment of Three Permanent and Two Alternate Community Advisory Commission Members

Staff Contact: Miranda Evans, Management Analyst

Background:

On September 15, 2015, the City Council adopted Ordinance 431 to assign Planning Commission jurisdiction to the City Council and establish the Community Advisory Commission ("CAC"). CAC's role is to serve as a resident-led Committee or Focus Group with three permanent members serving in the leadership positions for the Committee (i.e. Chair and Vice Chair of the overall committee or focus group and chairs of any sub-groups formed). The purpose would be to provide more stability to the Committee/Group with less reliance on staff to assume a leadership role.

On April 19, 2016, the City Council authorized staff to solicit interested residents in serving on the CAC. The application process to apply for a position on the CAC occurred from December 21, 2016 – January 9, 2017. Throughout the application process, a total of 16 completed applications were received. A total of 14 interviews were scheduled for June 13, 2017 – one former candidate withdrew their application and one former candidate currently serves in an incompatible office.

On June 13, 2017, the City Council interviewed fourteen CAC applicants. Following the interviews, they deliberated on the candidates and came to a unanimous vote for the three permanent CAC appointees and two alternates. The interview process and appointments are outlined in detail below.

Discussion:

At the June 13, 2017 CAC candidate interviews, fourteen passionate and qualified applicants were interviewed by the City Council. The caliber and diversity of candidates was impressive and presented a difficult decision for the City Council. Each of the applicants were asked the following five questions:

- 1) Please share with us a bit about yourself including your community involvement. What experience or special knowledge can you offer to the Community Advisory Commission?
- 2) What knowledge do you have about ongoing City projects or programs?
- 3) In your own words, please describe the mission of the Community Advisory Commission.
- 4) How do you interact with someone when you have a difference of opinion on an important matter?
- 5) In your opinion, what do you perceive as the top three most pressing concerns Lemon Grove faces?

Interviews were limited to ten minutes in total duration and two minutes per question. If additional time was available after the fifth question, the candidate was permitted to share additional information they would like the City Council to consider. Following the interviews, the City Council deliberated on selecting the top three candidates. Considerations that were discussed were the candidates' current involvement in the community, their City knowledge, their likelihood to

Attachment A

continue civic involvement in the future and the importance of the selection of a diverse group of CAC appointees.

After deliberation, the City Council unanimously voted to appoint James Davis, Angeles Nelson and Yajaira Preciado as the three permanent CAC members. The attached resolution authorizes the three permanent member appointees to call an organizational meeting to establish who will serve as Chair and Vice Chair and to discuss procedure. To establish terms of office, the three appointees will draw straws to determine who will serve the three-year, two-year and one-year term. These three permanent CAC members will be required to submit conflict of interest forms and complete ethics training.

During this deliberation process, the City Council determined the need to also appoint two alternate members to each serve a one-year term and unanimously voted to appoint Tom Clabby as first alternate and Walter Oliwa as second alternate.

In addition to the first and second alternate members, ad hoc members can later be appointed with temporary CAC membership to assist the permanent members in the study of issues assigned to the CAC by the City Council. The number and makeup of the temporary membership would change based upon the need for members as determined on an issue-by-issue basis by the City Council. Further, due to their outstanding interviews, experience and community involvement, the remaining nine candidates will be notified of future opportunities for ad hoc participation.

Conclusion:

Staff recommends that the City Council adopt a resolution (**Attachment B**) appointing three permanent and two alternate members to the Community Advisory Commission.

RESOLUTION NO. 2017

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPOINTING THREE PERMANENT AND TWO ALTERNATE MEMBERS TO THE COMMUNITY ADVISORY COMMISSION

WHEREAS, on September 15, 2015, the Lemon Grove City Council adopted an Ordinance establishing the Community Advisory Commission; and

WHEREAS, on April 19, 2016, the City Council authorized staff to solicit interested residents in serving on the Community Advisory Commission; and

WHEREAS, the application process to apply for a position on the Community Advisory Commission occurred from December 21, 2016 – January 9, 2017; and

WHEREAS, through the recruitment process, sixteen residents expressed interest in serving on the Community Advisory Commission; and

WHEREAS, on June 13, 2017, the City Council interviewed the fourteen available candidates; and

WHEREAS, through a nomination process at the conclusion of the June 13, 2017 interviews, the City Council voted unanimously to appoint three permanent members: James Davis, Angeles Nelson and Yajaira Preciado and two alternate members: Tom Clabby and Walter Oliwa to the Community Advisory Commission.

WHEREAS, the City Council established procedures to begin the Community Advisory Commission process; and

WHEREAS, the establishment of the one, two and three-year terms of office for the three permanent Community Advisory Commission members will be determined through the process of drawing straws; and

WHEREAS, the first and second alternates shall each serve a one-year term; and

WHEREAS, the Community Advisory Commission will operate under the spirit of the Brown Act and the three permanent members shall file the Fair Political Practices Commission (FPPC) Form 700 and complete ethics training; and

NOW, THEREFORE, the City Council of the City of Lemon Grove, California hereby ordains as follows:

SECTION ONE:

The findings listed above are true and correct.

SECTION TWO:

Approves the appointment of the following three permanent Community Advisory Commission members:

1. James Davis;
2. Angeles Nelson; and
3. Yajaira Preciado.

Attachment A

SECTION THREE:

Establishes the appointment of two alternate Community Advisory Commission members for a one-year period:

4. Tom Clabby as first alternate; and
5. Walter Oliwa as second alternate.

SECTION FOUR:

Authorizes the three permanent Community Advisory Commission members to call an organizational meeting to establish Chair and Vice-Chair appointments and to discuss procedures.

/////

/////A

**LEMON GROVE CITY COUNCIL, ROADWAY LIGHTING DISTRICT BOARD,
SANITATION DISTRICT BOARD, AND SUCCESSOR AGENCY
AGENDA ITEM SUMMARY**

Item No. 3
Mtg. Date June 20, 2017
Dept. City Manager's Office

Item Title: **Fiscal Year 2017-2018 Consolidated Operating and Capital Budget**

Staff Contact: Lydia Romero, City Manager and Gilbert Rojas, Finance Department

Recommendation:

- 1) Adopt a resolution (**Attachment C**) approving the Fiscal Year 2017-18 City of Lemon Grove Budget;
- 2) Adopt a resolution (**Attachment D**) approving the Salary Plan & Classification Summary;
- 3) Adopt a resolution (**Attachment E**) approving the FY 2017-18 Appropriations Limit;
- 4) Adopt a resolution (**Attachment F**) approving the Fiscal Year 2017-18 Lemon Grove Roadway Lighting District Budget;
- 5) Adopt a resolution (**Attachment G**) approving the Fiscal Year 2017-18 Lemon Grove Sanitation District Budget.

Item Summary:

Staff presents the final Fiscal Year 2017-18 (FY 2017-18) Consolidated Budget (**Attachment B**) for the City of Lemon Grove, the Lemon Grove Roadway Lighting District, and the Lemon Grove Sanitation District. The staff report addresses five resolutions related to the adoption of the FY 2017-18 consolidated budget.

Fiscal Impact:

The consolidated budget reflects an expenditure plan of \$26.3 million in Fiscal Year 2017-18.

Environmental Review:

- | | |
|---|---|
| ☒ Not subject to review | ☐ Negative Declaration |
| ☐ Categorical Exemption, Section | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| ☒ None | ☐ Newsletter article | ☐ Notice to property owners within 300 ft. |
| ☐ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

- | | |
|--|--|
| A. Staff Report | E. Resolution – Appropriations Limit |
| B. Fiscal Year 2017-18 Consolidated Operating and Capital Budget | F. Resolution – Roadway Lighting District Budget |
| C. Resolution – City Budget | G. Resolution – Sanitation District Budget |
| D. Resolution – Salary Plan & Classification Summary | |

**LEMON GROVE CITY COUNCIL, ROADWAY LIGHTING DISTRICT BOARD,
SANITATION DISTRICT BOARD, & THE SUCCESSOR AGENCY
STAFF REPORT**

Item No. 3

Mtg. Date June 20, 2017

Item Title: **Fiscal Year 2017-2018 Consolidated Operating and Capital Budget**

Staff Contact: Lydia Romero, City Manager and Gilbert Rojas, Finance Department

Discussion:

On June 6, 2017, staff presented a draft of the Fiscal Year 2017-18 (FY 2017-18) budgets for all City funds as well as the Sanitation District and the Roadway Lighting District for feedback. Based on feedback received, staff presents the FY 2017-18 consolidated budget for approval by the City Council, the Roadway Lighting District Board, the Sanitation District Board, and the Successor Agency. This staff report provides a summary of each of the five resolutions presented for consideration.

The Draft Budget presented to the City Council on June 6, highlighted the following items:

- 1) A 2% cost of living increase for all Fire Safety employees (as specified in contract)
- 2) A 6% increase in the Sheriff Department service contract
- 3) A 10 year RCS lease to upgrade communication equipment at an annual cost of \$49,000
- 4) Contracting for City Engineer service with an Engineering firm for \$218,000. Cost is allocated over multiple funds.
- 5) An increase for the Animal Services contract

Budget Resolutions

Staff presents a resolution (**Attachment C**) approving the budget for 24 funds operated by the City, as well as resolutions (**Attachments F and G**) approving the budgets of the Roadway Lighting Districts and the Sanitation District. The FY 2017-18 consolidated budget (**Attachment B**) includes anticipated revenues and projected expenditures for all of these funds. The budget document follows a pattern similar to previous budget documents. The budget overview, which begins on page 4 of the consolidated budget, provides a description of the revenue and expenditures for each fund.

Salary Plan & Classification Summary

Staff presents a resolution (**Attachment D**) approving a Salary Plan & Classification Summary for FY 2017-18. The Salary Plan & Classification Summary reflects the proposed positions and pay schedules for FY 2017-18, including a cost of living adjustment of 2 percent for fire personnel per an existing Memorandum of Understanding (MOU).

Appropriations Limit

As part of considering the budget, State Constitution Article XIII-B (Propositions 4 and 111) requires the City Council to establish an Appropriations Limit. The limit is adjusted each year by multiplying the previous year's limit by a factor based on either the change in the California Per Capita Personal Income (CPCPI) or the Non-Residential Construction Valuation by the population change of the City. Staff presents a resolution (**Attachment E**) for City Council approval that

Attachment A

establishes the FY 2017-18 Appropriations Limit at \$47,908,413. The proposed FY 2017-18 Budget is within that limit.

Roadway Lighting District Budget

The Lemon Grove Roadway Lighting District manages two funds for two separate activities. Fund 11, the General Benefit Fund, provides funding for street light benefits throughout the community. Fund 12, the Local Benefit Assessment Fund, provides for enhanced lighting benefits at the mid-block. Staff recommends that the Lemon Grove Roadway Lighting District Board adopt the resolution (**Attachment F**), approving the District's budget for FY 2017-18.

Sanitation District Budget

The Lemon Grove Sanitation District manages three funds—an Operations Fund (15) and two Reserve Funds (16 & 17). In FY 2017-18, the District anticipates generating \$5.9 million in total revenue, and \$5.6 million in operating costs. In addition, the District anticipates spending \$1.6 million on capital improvement projects. Staff recommends that the Lemon Grove Sanitation District Board adopt the resolution (**Attachment G**), approving the District's budget for FY 2017-18.

Successor Agency Budget

The Successor Agency budget reflects the following expenditures related to the Lemon Grove Successor Agency:

- ✓ Bond Debt Service – the budget reflects bond debt service payments for the 2007, 2010, and 2014 bonds, totaling \$1,749,220

The Successor Agency's budget approval is part of the resolution approving the City's Budget (**Attachment C**).

Conclusion:

Staff recommends that the City Council adopt five resolutions:

- 1) Resolution (**Attachment C**) approving the Fiscal Year 2017-18 City of Lemon Grove Budget,
- 2) Resolution (**Attachment D**) approving the Salary Plan & Classification Summary,
- 3) Resolution (**Attachment E**) approving the Fiscal Year 2017-18 Appropriations Limit, and

Staff also recommends that the Roadway Lighting District Board adopt a resolution (**Attachment F**) approving its Fiscal Year 2017-18 budget. Finally, staff recommends that the Sanitation District Board adopt a resolution (**Attachment G**) approving its Fiscal Year 2017-18 budgets.

Attachment B

EXHIBIT 1

FISCAL YEAR 2017-18 CONSOLIDATED OPERATING & CAPITAL BUDGET (INCLUDING THE SALARY PLAN & CLASSIFICATION SUMMARY)

Attachment C

RESOLUTION NO. 2017-_____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING THE CITY OF LEMON GROVE BUDGET FOR FISCAL YEAR 2017-2018 AND AUTHORIZING EXPENDITURES THERETO

WHEREAS, the City of Lemon Grove administers 24 individual funds to fulfill the mission and objectives of the City, and includes funds related to the Successor Agency to the Lemon Grove Community Development Agency; and

WHEREAS, each year the City Council of the City of Lemon Grove adopts an operating budget for anticipated revenues and expenditures for the upcoming year; and

WHEREAS, the City Council desires to make provision for a level of service commensurate with the needs of the City; and

WHEREAS, the City of Lemon Grove budget for Fiscal Year 2017-2018 was prepared by City staff and reviewed by the City Manager; and

WHEREAS, the City of Lemon Grove General Fund budgets for Fiscal Year 2017-18 were reviewed by the City Council at its regular meetings held on June 6, 2017, and June 20, 2017;

WHEREAS, the City Council finds it in the public interest to approve the Fiscal Year 2017-2018 City Budget.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Approves the City of Lemon Grove Budget for Fiscal Year 2017-2018 (Exhibit 1); and
2. Authorizes expenditures thereto.

/////

/////

Attachment D

RESOLUTION NO. 2017-__

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING A SALARY PLAN AND CLASSIFICATION SUMMARY

WHEREAS, on June 20, 2017, the City Council adopted a resolution approving the City Budget for Fiscal Year 2017-2018; and

WHEREAS, the Salary Plan and Classification Summary identifies the positions included in the budget, as well as salary ranges for each position and the number of employees per position; and

WHEREAS, the City Council finds it in the public interest to approve the attached Salary Plan and Classification summary.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby approves the Salary Plan and Classification Summary (Exhibit 1).

/////

/////

Attachment D

EXHIBIT 1

The Salary Plan and Classification Summary is included beginning on page 72 of the Fiscal Year 2017-2018 Consolidated Operating & Capital Budget

Attachment E

RESOLUTION NO. 2017-____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017-2018

WHEREAS, Constitutional Article XIII-B (Propositions 4 and 111) places an appropriations limitation on State and Local Government; and

WHEREAS, this appropriations limitation is based on proceeds of taxes adjusted annually from the base year 1986-1987 by either the population growth factor for the City of Lemon Grove or for the County of San Diego, and by either the change in the California Per Capita Personal Income or the change in Non-Residential Construction for the City of Lemon Grove; and

WHEREAS, the City has received inflation and population data from the State Department of Finance to calculate the Fiscal Year 2017-2018 Appropriations Limit; and

WHEREAS, the City Council of the City of Lemon Grove wishes to select those options providing the greatest rate of change as shown below:

Change in California Per Capita Personal Income	City Population Change	
<u>(inflation factor)</u>	<u>(population factor)</u>	<u>Factor</u>
1.0369	1.0076	1.0448

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lemon Grove, California establishes the Fiscal Year 2017-18 Appropriations Limit at \$47,908,413.

/////
/////

Attachment F

RESOLUTION NO. 2017-_____

RESOLUTION OF THE LEMON GROVE ROADWAY LIGHTING DISTRICT BOARD APPROVING THE LEMON GROVE ROADWAY LIGHTING DISTRICT BUDGET FOR FISCAL YEAR 2017-2018 AND AUTHORIZING EXPENDITURES THERETO

WHEREAS, the Roadway Lighting District operates with two separate funds: the General Benefit Fund (Fund 11) and the Local Benefit Assessment (Fund 12); and

WHEREAS, each year the Lemon Grove Roadway Lighting District Board of Directors (District Board) adopts an Operating Budget for revenues and expenditures for the upcoming year; and

WHEREAS, the District Board desires to make provision for a level of service commensurate with the needs of the District; and

WHEREAS, the District Board has reviewed the proposed Fiscal Year 2017-2018 Budget; and

NOW, THEREFORE, BE IT RESOLVED that the Board of the Lemon Grove Roadway Lighting District hereby:

1. Approves the Lemon Grove Roadway Lighting District Budget for Fiscal Year 2017-2018 (Exhibit 1);
2. Authorizes expenditures thereto.

/////
/////

Attachment F

EXHIBIT I

The Lemon Grove Roadway Lighting District Budget for Fiscal Year 2017-18 is included on pages 51-52 of the Fiscal Year 2017-18 Consolidated Operating & Capital Budget.

Attachment G

RESOLUTION NO. 2017-_____

RESOLUTION OF THE LEMON GROVE SANITATION DISTRICT BOARD APPROVING THE LEMON GROVE SANITATION DISTRICT BUDGET FOR FISCAL YEAR 2017-2018 AND AUTHORIZING EXPENDITURES THERETO

WHEREAS, the Sanitation District operates with three separate funds: the Operation Fund (Fund 15) and the Reserve Funds (Fund 16 & 17); and

WHEREAS, each year the Lemon Grove Sanitation District Board of Directors (District Board) adopts an Operating Budget for revenues and expenditures for the upcoming year; and

WHEREAS, the District Board desires to make provision for the level of service commensurate with the needs of the District; and

WHEREAS, the District Board has reviewed the proposed Fiscal Year 2017-2018 Budget; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of the Lemon Grove Sanitation District hereby:

1. Approves the Lemon Grove Sanitation District Budget for Fiscal Year 2017-2018 (Exhibit 1);
2. Authorizes expenditures thereto.

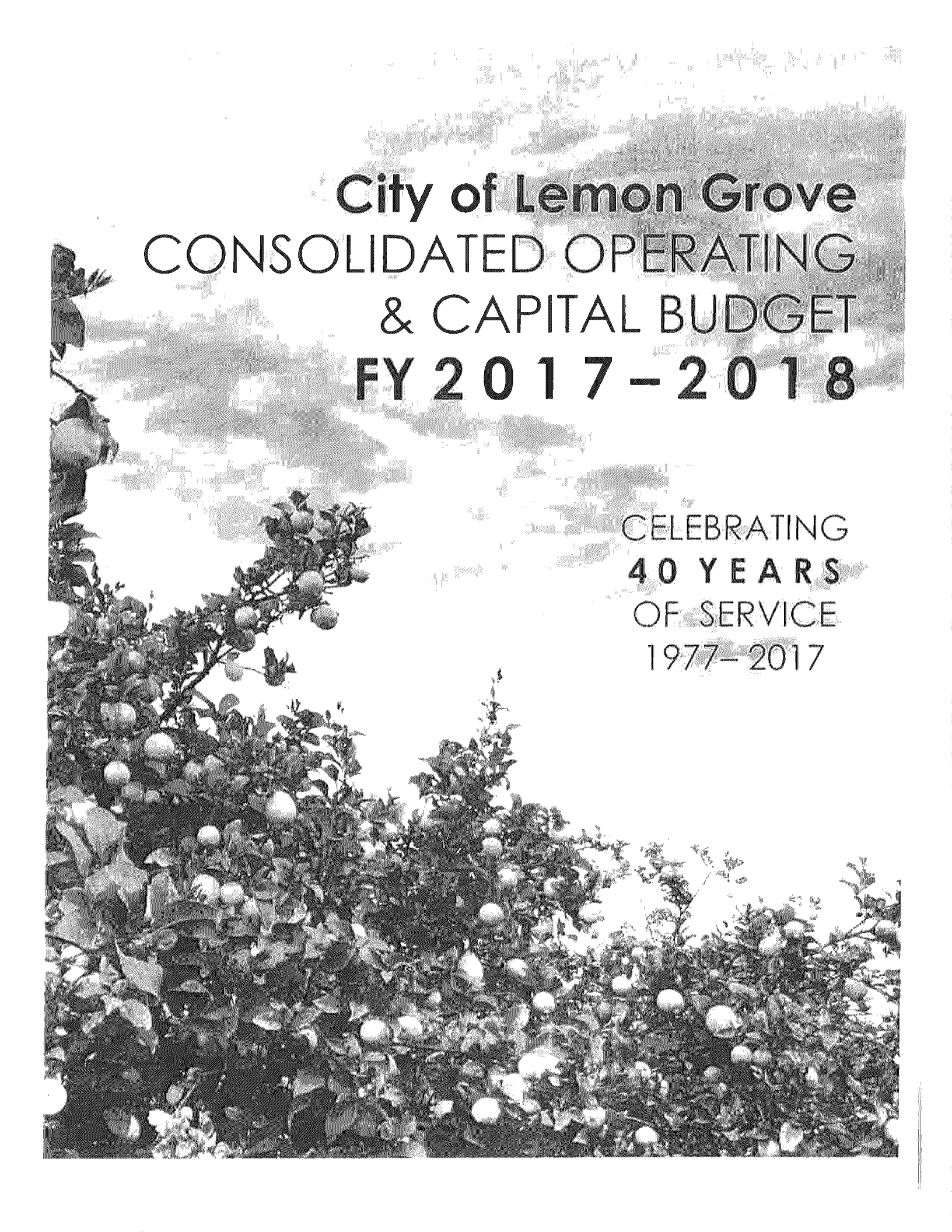
/////

/////

Attachment G

EXHIBIT I

The Lemon Grove Sanitation District Board Budget for Fiscal Year 2017-18 is included on pages 55-58 of the Fiscal Year 2017-18 Consolidated Operating & Capital Budget.



City of Lemon Grove **CONSOLIDATED OPERATING** **& CAPITAL BUDGET** **FY 2017-2018**

CELEBRATING
40 YEARS
OF SERVICE
1977-2017

CITY OF LEMON GROVE, CALIFORNIA

Fiscal Year 2017- 2018

Consolidated Operating & Capital Budget

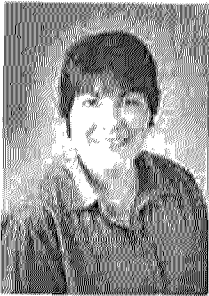
City of Lemon Grove

Lemon Grove Roadway Lighting District

Lemon Grove Sanitation District

Lemon Grove Successor Agency

LEMON GROVE CITY COUNCIL



Mayor Pro Tem Jennifer Mendoza



Councilmember Jerry Jones



Mayor Racquel Vasquez



Councilmember David Arambula



Councilmember Matt Mendoza

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

TABLE OF CONTENTS

Letter from the City Manager	2
Organizational Chart	3
Budget Overview and Analysis	4
Description of Funds	11
GENERAL FUND	
Fund Summary	14
Resources Comparison - Revenue & Transfers	16
Expenditures by Department	19
Expenditures by Category	19
Expenditures by Department and Division	21
Expenditure Detail by Department and Division	26
OTHER FUNDS	
Gas Tax - Highway User Tax	43
Street Construction Reserve	44
Park Land Dedication Ordinance	45
General Reserve	46
Supplemental Law Enforcement Services	47
Grants	48
Community Development Block Grant	49
Transportation Development Act - TDA	50
Lemon Grove Roadway Lighting District - General Benefit	51
Lemon Grove Roadway Lighting District - Local Benefit	52
TransNet	53
Lemon Grove Sanitation District Operations	54
Lemon Grove Sanitation District Reserve	57
Lemon Grove Sanitation District Pure Water Reserve	58
Sidewalk Reserve	59
Integrated Waste Reduction	60
Wildflower Assessment District	61
Serious Traffic Offender Program - STOP	62
Self-Insured Workers Compensation Reserve	63
Storm Water Program	64
Regional Transportation Congestion Improvement Program	65
Self-Insured Liability Reserve	66
Public Educational and Governmental Access - PEG	67
Capital Reserve	68
Main Street Promenade Community Facilities District	69
Successor Agency to the former Lemon Grove Community Development Agency	70
APPENDIX	
Salary Plan and Classification Summary	72



CITY OF LEMON GROVE
Office of the City Manager

10000 City Center Blvd, Suite 200

June 20, 2017

Dear Honorable Mayor and Members of the City Council:

I am pleased to present the City of Lemon Grove Consolidated Operating & Capital Budget for Fiscal Year 2017-2018. The consolidated budget is inclusive of the budgets for the City's General Fund and the 26 funds managed by the City, as well as district budgets for the Lemon Grove Roadway Lighting District, the Lemon Grove Sanitation District, and the Lemon Grove Successor Agency funds. This letter introduces the FY 2017-18 consolidated budget and presents themes of this year's budget.

FY 2017-18 Consolidated Budget Document

The FY 2017-18 budget document follows a pattern similar to prior fiscal year budgets. Immediately following this transmittal letter is a budget overview and analysis, City organizational chart, and budget details for each fund managed by the City or related boards. It is the aim of City staff to present a budget document that is accessible to Lemon Grove stakeholders. The salary plan and classification summary with fund descriptions follow in appendices.

FY 2017-18 Budget Themes

The City's General Fund, the primary budget for the general municipal services provided by the City, is projected to experience a 6% growth in revenues in Fiscal Year 2017-18. Sales tax, which comprises 42% of the City revenue was significantly overestimated in last year's budget and while actual growth is expected the budget comparison with last fiscal year will show negative growth. The other significant revenue source (secured property tax and vehicle license fees) are expected to show positive gains over the previous fiscal year. There is also a decline in revenue from building permits due to a slowing in solar installations.

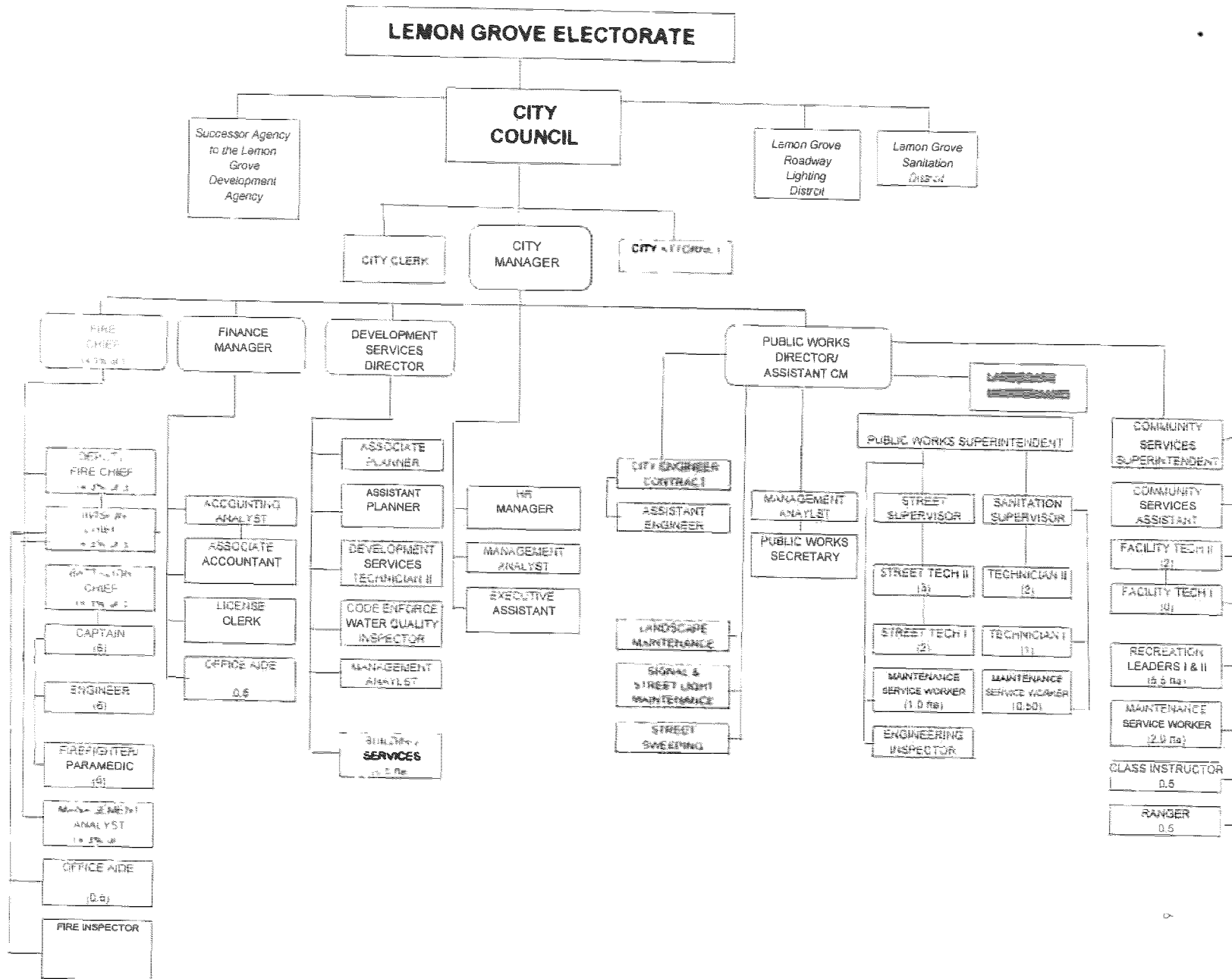
Looking in the future, the revenue growth in sales tax statewide is on a downward trend. With the increase in internet sales, Lemon Grove's sales tax share will continue to decline. Over the next year staff will be exploring new revenue options for the City Council and the community to consider.

I would like to commend the dynamic and austere city staff for their innovation and dedication to deliver quality public services on a very lean budget. The passion and dedication to serve the residents and businesses in Lemon Grove is seen every day by the 52 talented public employees.

Sincerely,

Lydia Romero
City Manager

Organizational Chart
Fiscal Year 2017-18



CITY OF LEMON GROVE
FY 2017-18 Operating Budget

City of Lemon Grove
FY 2017-18 Operating Budget
Budget Overview and Analysis

FISCAL YEAR 2017-18 OPERATING BUDGET:

In Fiscal Year 2017-2018, the total expenditure plan for the City and its related districts is approximately \$26.3 million. Of that, \$20.6 million will be spent on operational expenditures, \$3.9 million on capital purchases or improvements, and \$1.8 million on debt service. The operating budget covers the day to day costs of providing services, such as law enforcement, fire and emergency services, park maintenance, recreation services, sewer services, planning and code enforcement services, and storm water programming.

The City uses a fund accounting system, which segregates revenues and expenditures by specific activities. Each activity or Fund will have its own budget within this document.

In addition to the different funds, the City operates as an independent entity, as do the Lemon Grove Roadway Lighting District, the Lemon Grove Sanitation District, and the Successor Agency to the Lemon Grove Community Development Agency. However, all districts rely on the City for support services, such as operations, finance, IT, human resources, and general administration.

GENERAL FUND

The following 2017-18 General Fund sources and uses of funds is balanced without the use of reserves as follows:

Sources of Funds:

Estimated Revenue	\$ 12,463,020
Transfers In	844,500
Total Sources	\$13,307,520

Uses of Funds:

General Fund Operating Budget	\$13,153,490
Transfers Out	154,030
Total Uses	\$13,307,520

Available General Fund resources are anticipated to be \$13.3 million. Revenue is projected to be \$12.4 million with the balance of funding comprised of \$.9 million in transfers from other funds for overhead costs (services, supplies and contracted services). The Supplemental Law Enforcement Services transfer is for law enforcement costs within the General Fund.

Proposed obligations for FY 2017-18 are \$13.3 million. This consists of an operating budget of \$13.2 million and \$.1 million in transfers to other operating funds. Of that, \$3.6 million will be spent on salaries, \$1.4 million on retirement and other benefits, and \$8.3 on operation services and supplies. The City contracts out for City Attorney, City Engineer, Law Enforcement and a majority of its Plan Checking services.

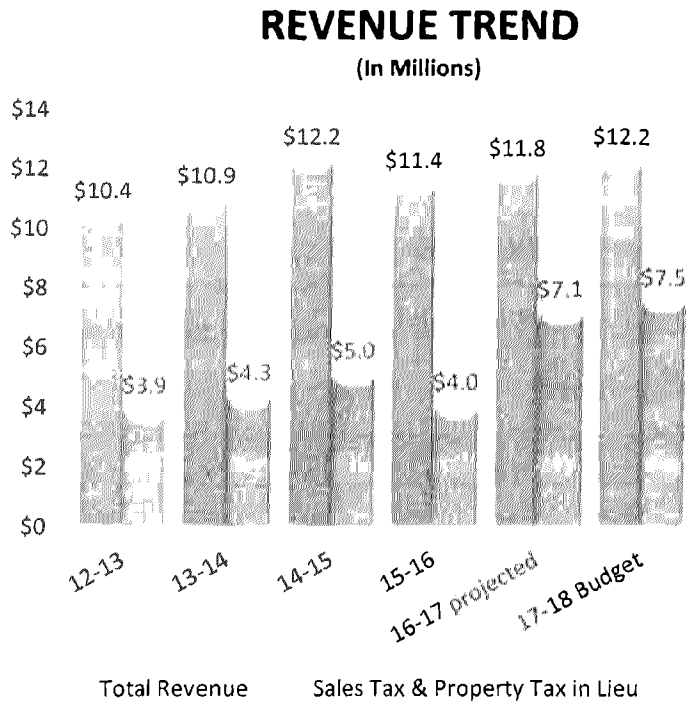
**City of Lemon Grove
FY 2017-18 Operating Budget
Budget Overview and Analysis**

The proposed FY 2017-18 General Fund Operating Budget projects an increase to revenue of \$.7 million or 6 %. The General Fund revenue projection and prior year comparison is as follows:

	<u>2016-17 Revised</u>	<u>2017-18 Projected</u>	<u>% Change</u>
Sales Tax	\$5,000,000	\$5,090,000	1.8%
Property Tax	2,225,000	2,336,500	5.0
Property Tax in lieu of VLF	2,135,000	2,405,500	12.6
Other Taxes	1,007,000	1,250,000	24.0
Permits and Licenses	107,000	105,000	-1.9
Fire Department Fees	304,000	278,300	-8.5
Development Fees	431,000	291,000	-32.4
Parks and Recreation Fees	101,700	123,700	21.6
Motor Vehicle License Fee	12,000	12,000	0
Fines & Forfeitures	161,000	168,500	4.7
Investment Income	2,000	7,000	250.0
Other Income	273,320	395,520	44.7
TOTAL	\$11,759,020	\$12,463,020	6.0%

The following is an overview of the assumptions made for General Fund sources of revenue:

- Sales tax is projected to reach a total of \$5.09 million in Fiscal Year 2017-18. This represents a projected 1.8% increase in Sales tax from the previous year's revised budget estimate. Last year's sales tax was estimated to increase by 6.3%. Lemon Grove's two major sales tax groups continue to be a) Auto & Transportation and b) Building & Construction. Together these two categories make up 53% of the total sales tax remitted annually.
- Property taxes are projected to increase by 5%, to reach projected revenue of \$2.3 million.



Actual assessed values from the San Diego County Assessor will not be available until the end of June.

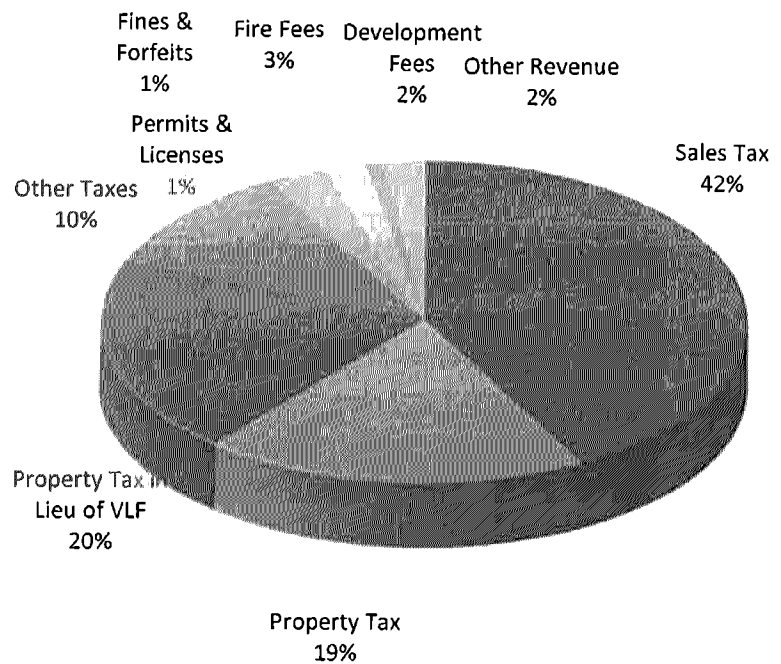
However, based on current property tax revenues and strong building permit activity in Lemon Grove, an estimate of a 5% increase seems to be appropriate. All real property not reduced by

**City of Lemon Grove
FY 2017-18 Operating Budget
Budget Overview and Analysis**

Proposition 8 may increase at the rate of the California Consumer Price Index (CCPI) but cannot exceed 2% per year unless the property is improved or sold to establish a new assessed value. Those properties that received Proposition 8 temporary reductions in prior years are required to be reviewed by the County Assessor outside of the CCPI adjustment factor.

- Property tax in lieu of Vehicle License Fee (VLF) is estimated to increase by 12.6% to reach projected revenue of \$2.4 million. Growth in this revenue is based on the change in assessed value of taxable property in the city from the prior year. Prior year assessed value was up approximately 6%.
- Other taxes, which include franchise fees, transient occupancy tax, property transfer tax and the Redevelopment Property Tax Trust Fund (RPTTF) residual payment, is projected to increase by 24% to reach projected revenue of \$1.2 million. This increase in revenue is mainly due to projected increases in the property tax transfer and the Redevelopment Property Tax Trust residual payment.
- Permits and licenses that are collected for business, animal and regulatory licenses are anticipated to decrease by 2%. The main decrease is anticipated from Animal Licenses.
- Fines and forfeitures have been budgeted to show an increase of 4.7%. This is primarily due to Traffic Safety Fines and Tow Fees. Both of these revenue sources have been collected at a higher amount then budgeted in previous years.
- Development Fees that are collected for Building, Planning and Engineering permits are projected to decrease by \$140 thousand. This is mainly due to home improvement and solar improvements declining in the last year. Since the City contracts for plan checking services, if the revenue does not materialize, the corresponding expense of plan checking will not occur.
- Fire Department Fees are anticipated to decrease by \$25,000 or 8.5%. This decrease is due to Emergency Transport Fees that are at a stable level.

Revenue Composition



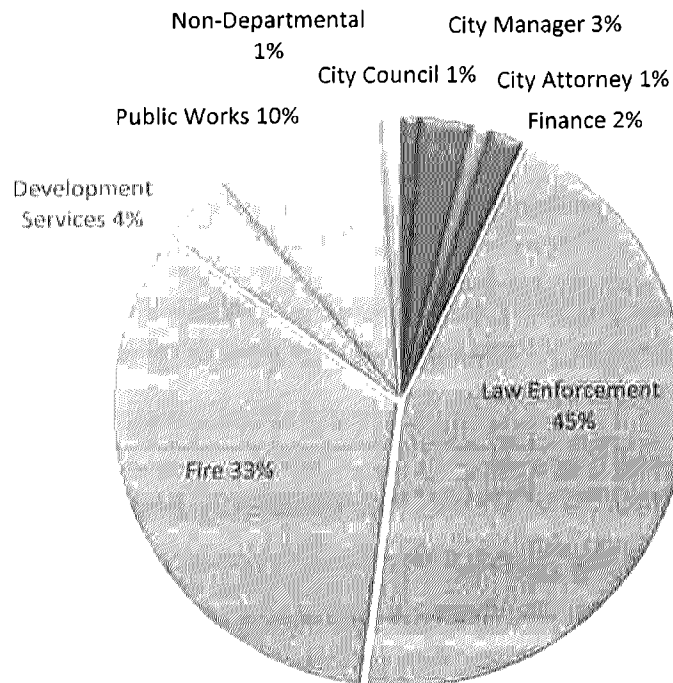
The proposed 2017-18 General Fund Operating Budget with the prior year is shown below:

City of Lemon Grove
FY 2017-18 Operating Budget
Budget Overview and Analysis

	<u>2016-17 Budget</u>	<u>2017-18 Budget</u>	<u>% of Total</u>
City Council	88,300	92,860	1%
City Manager	432,600	464,980	3
City Attorney	186,500	156,500	1
Finance	281,400	276,590	2
Law Enforcement	5,553,800	5,863,060	45
Fire	4,215,200	4,279,820	33
Development Services	683,700	582,200	4
Public Works	1,345,000	1,353,980	10
Non-Departmental	227,000	83,500	1
TOTAL	\$13,013,500	\$13,153,490	100%

2017-18 BUDGET

(% OF GENERAL FUND)



The proposed 2017-18 General Fund Operating Budget is \$13,153,490. This is an increase of \$140 thousand from the Fiscal Year 2016-17 Operating Budget, adopted on June 21, 2016.

The following items contributed to this increase or change:

- \$4,280 – Salaries
- \$66,080 – PERS

City of Lemon Grove
FY 2017-18 Operating Budget
Budget Overview and Analysis

- \$14,190 – Other Benefits
- \$(153,920) – Services and Supplies
- \$221,460 – Contract Services
- \$(12,000) – Recreation Facility Cost

The General Fund Budget has been prepared with a 2% salary increase to Fire Safety employees as required by contract. In addition, the Sheriff Department's service contract will increase by 6% or approximately \$314,000.

Also included within this Budget is our recurring City Engineer contract at \$218,000 which is allocated over multiple funding sources. The City signed a new RCS lease to upgrade communication equipment. The annual cost is \$49,000 for the next ten years.

The City also received a 20% increase in the required annual lump sum payment to PERS for the City's unfunded liability. Next year the City can anticipate an increase to the regular "normal cost" PERS rate due to the decrease in the PERS investment rate of return.

Other Funds:

Major budget impacts for several other funds are summarized below.

Gas Tax Fund

The revenue from the Highway Users Tax will increase in FY 2017-18 due to the State's enacting Section 2030 of the Highway User Tax. The tax will not start until October, 2017 and will yield an estimated \$153,000 in new Gasoline Tax revenue.

Street Construction Reserve Fund

All monies within this fund are committed to Lemon Grove Avenue Realignment Project.

Park land Dedication Fund

This year's budget will enhance the Gazebo project in Berry Street Park.

General Fund Reserve

This fund will be used as a "true" reserve. The City will no longer budget expenditures for Capital or Operating expenses. Any use of Reserves will be approved by the City Council and treated as a transfer-out from this fund and a transfer-in to the appropriate fund.

Supplemental Law Enforcement Services

These funds are allocated thru the County of San Diego and are used to fund activities within the Law Enforcement budget.

City of Lemon Grove
FY 2017-18 Operating Budget
Budget Overview and Analysis

Grants Fund

Grants are applied for and awarded during the fiscal year. Staff will present a report during the fiscal year that summarizes past grants and establishes new grants.

Transportation Development Act

These funds are from SANDAG and are to be used for maintenance upkeep of the Trolley area within Lemon Grove.

Lighting District

The budget continues the maintenance of safety lights and lights that are for specific purposes.

TransNet

The Budget reflects the capital and maintenance road improvements that the City Council has approved by a previous council action.

Sanitation District Operations

The Operations budget is similar to the budget last year. The Capital Improvement Program is \$1.6 million and includes the following projects: Sewer Main Maintenance Project (Construction); and various Sewer Main Rehabilitation projects.

Sidewalk Reserve

There is no activity budgeted for these funds.

Integrated Waste Reduction

This fund will continue to fund programs to encourage recycling.

Wildflower Assessment District

The City Council approves this assessment district budget and activities by separate Council action.

Serious Traffic Offender Program

These funds are used for traffic related expenditures.

Self-Insured Workers Compensation Reserve

This Reserve has been maintained at a \$500 thousand fund balance.

Storm Water Program

The budget will continue to keep Lemon Grove compliant with storm water regulations.

Regional Transportation Congestion Improvement Program

These funds are committed to the Lemon Grove Avenue Realignment Project.

Self-Insured Liability Reserve

A required liability reserve is maintained at \$300 thousand.

City of Lemon Grove
FY 2017-18 Operating Budget
Budget Overview and Analysis

Public Educational and Governmental Access (PEG)

These funds are used to maintain the government information channel.

Capital Reserve

There are no Capital reserve funds available at this time.

Main Street Promenade Community Facilities District

This fund has contract services and Utility costs budgeted for the fiscal year.

Successor Agency

The Agency has \$1.7 million in scheduled bond payments.

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

DESCRIPTION OF FUNDS

As stated in the Budget Overview & Analysis section, the City manages its revenue and expenditures through various funds. Between the City, Roadway Lighting District, and Sanitation District, the FY 2015-16 consolidated budget is comprised of 28 funds. Each fund identified in this budget is described in the sections below.

CITY FUNDS

General Fund (01)

The General Fund is a governmental fund used to account for day-to-day operations of the City. All financial activity that is not required to be accounted for in another fund is included in the General Fund. Public safety, government administration, community services, street maintenance, environmental programs, and park maintenance are funded from the General Fund.

Gas Tax Fund (02)

This fund is supported by revenue from the State gas tax fund. Fund proceeds may be used to research, plan, construct, improve, maintain, and operate local streets.

Street Construction Reserve Fund (03)

This fund was initially established to combine funds for larger street projects. With the use of the City's accounting program, it is possible to designate various funding sources over several years to accomplish this same purpose. However, the fund is used to clearly demonstrate "Maintenance of Effort" by the City in contributing funds for street projects in order to receive State transportation funding.

Parkland Dedication Ordinance Fund (05)

The City Municipal Code requires that subdivision development set-aside park land that will eventually be developed as part of the municipal park system. The Code also allows the payment of a fee in-lieu of dedicating actual land. Proceeds in the fund may be used by the City for the purchase of park land, the development of new parks or the major rehabilitation of existing parks.

General Reserve Fund (06)

The General Reserve Fund serves as the City's "savings account." This fund was created for several purposes: for use in times of emergency, one-time capital/equipment purchases, setting aside funds for replacing equipment, required grant matches, and to ensure funds are available for financial obligations (such as liability coverage and accumulated leave time).

Supplemental Law Enforcement Fund (07)

This fund, also known as the COPS fund, is supported by State grant proceeds. This fund is used to augment the staffing level of Sheriff deputies. At one time, the grant amount paid for one deputy; today it pays for approximately half of one deputy position.

Grant Fund (08)

This fund provides for management of grants currently being administered by the City. It functions as an "in-and-out" fund to ensure grant proceeds and expenditures are not mingled with the General Fund or other fund proceeds.

Community Development Block Grant Fund (09)

This fund manages grant proceeds from the Community Development Block Grant program. Funds are expended and then reimbursed by the County of San Diego.

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

DESCRIPTION OF FUNDS (cont'd.)

Transit Development Act Fund - Transit (10)

Transit proceeds are allocated from MTS for maintenance of landscaping along the trolley corridor and maintenance of trolley stations and bus shelters throughout the City.

TransNet Fund (14)

This fund manages proceeds from the TransNet allocation and street related projects eligible for TransNet funding. This fund is specifically used to finance significant right-of-way improvements (streets and sidewalks), storm drain, and traffic related projects.

Sidewalk Reserve Fund (18)

This fund was initially established to pool funds for larger sidewalk projects.

Integrated Waste Reduction Fund (21)

The City relies on this fund to manage its recycling and household hazardous waste disposal program as part of compliance with Assembly Bill 939 Integrated Waste Management Act of 1989. This program is supported by AB 939 funds which are collected for the aforementioned programs. The City relies on this fund for contractual services to provide household hazardous waste events, promote a higher level of recycling within the City, and prepare annual program reports as required by AB939.

Wildflower Assessment District Fund (22)

This fund manages the Wildflower Landscaping Maintenance Assessment District. This fund tracks assessment revenue and expenditures related to landscape upkeep of common areas within the Wildflower Assessment District.

Serious Traffic Offender Program Fund (23)

This fund receives a portion of impound fees collected within the City. The City uses this fund to pay for Sheriff traffic division overtime and other traffic related expenses.

Workers Compensation Reserve Fund (25)

In FY 2003-04, the City began to fund its own workers' compensation program. This was done to have better control over the drastic increases in workers' compensation insurance premiums. This fund covers catastrophic workers compensation claims.

Storm Water Program Fund (26)

The Storm Water Program Fund was established in FY 2005-06. The fund's purpose is to collect designated storm water program fees and support the City's storm water program-a State and Federal mandated program. The fund has not fully paid for the program since its inception. Increased mandates have increased fund expenditures over the past few years.

Regional Transportation Congestion Improvement Program (Fund 27)

This fund was created in FY 2008-09 to manage fees related to the passage of the TransNet extension. These fees represent per housing unit fees for new residential development. Expenditures from this fund are to be used to initiate street improvement projects on a major arterial within the City.

Self-Insured Liability Reserve Fund (29)

In FY 2011-12, the City established the Self-Insured Liability Reserve Fund to fund liability claims.

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

DESCRIPTION OF FUNDS (cont'd.)

Public Education and Government Fund (30)

This fund collects designated monies from cable franchisees that operate within the City. The use of these monies is restricted to capital items that enhance or facilitate public access to government information.

Capital Reserve (32)

Initially this fund was established to track the purchase of a fire engine. In FY 2012-13, the City received one-time "SAFE" program monies. These funds were accounted for in a separate fund-the Safety Capital Reserve Fund, which helped offset the cost of purchasing a new fire apparatus. The City Council has now approved this fund to be used to set aside funds for future capital improvement projects throughout the City.

Main Street Promenade Community Facilities District (33)

During FY 2013-14, the voters within the Main Street Promenade Community Facilities District voted to create an assessment to fund ongoing maintenance and capital improvements to the Main Street Promenade.

Successor Agency Fund (60 and 64 combined)

This fund receives reimbursements for enforceable obligations approved by the California Department of Finance and makes payments for said obligations. Obligations include debt service payments and outstanding projects such as the Main Street Promenade and Lemon Grove Avenue Realignment projects.

DISTRICT FUNDS

Roadway Lighting District (11 and 12 combined)

The Lemon Grove Roadway Lighting District manages two funds for two separate activities. Fund 11, the General Benefit Fund, provides funding for street light benefits throughout the community. Fund 12, the Local Benefit Assessment Fund, provides for enhanced lighting benefits at the mid-block.

Sanitation District (15, 16 and 17 combined)

The Lemon Grove Sanitation District manages two funds-an Operations Fund (15) and a Reserve Fund (16). The District relies on Fund 15 to collect revenue generated by Sanitation District rate payers and to pay the operational costs to operate the system. Fund 16 is used to set aside funds for equipment replacement, sewer rehabilitation projects, and rate stabilization.

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

**Summary
GENERAL FUND**

	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 3,003,430	\$ 4,253,920	\$ 4,253,920
Total Revenues	12,729,360	12,220,020	12,463,020
Total Transfers	605,760	793,480	690,470
Total Revenues & Transfers	13,335,120	13,013,500	13,153,490
Total Expenditures	12,084,630	13,013,500	13,153,490
ENDING FUND BALANCE - June 30	\$ 4,253,920	\$ 4,253,920	\$ 4,253,920

General Fund Resources

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

**Resources Comparison
GENERAL FUND**

SOURCE	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 3,003,430	\$ 3,144,700	\$ 4,253,920
Adjustment to Fund Balance	-	-	-
Sales Tax	5,346,930	5,250,000	5,090,000
Property Tax Secured	2,075,660	2,150,000	2,336,500
Property Tax Supplemental Roll	58,310	45,000	55,000
Prop. Tax Homeowner's Relief	15,960	15,000	15,000
Prop. Tax Real Property Transfer Tax	111,780	76,000	90,000
Property Tax Post Redevelopment	81,860	80,000	80,000
Property Tax in Lieu of VLF	2,135,490	2,135,000	2,405,500
Franchise Fees	965,070	960,000	960,000
Transient Occupancy Tax	53,180	47,000	50,000
Other Taxes	5,497,310	5,508,000	5,992,000
Business License	90,640	88,000	88,000
Animal License	14,160	15,000	13,000
Regulatory License	5,600	4,000	4,000
Permits & Licenses	110,400	107,000	105,000
Emergency Transport Fees	224,240	250,000	224,300
Fire Fees - Business Licenses	31,700	32,000	32,000
Fire Fees - Development Services	28,410	22,000	22,000
Fire Reimbursable OT/Mutual Aid	30,320	-	-
Fire Department Fees	314,670	304,000	278,300
Building Permits	466,960	420,000	240,000
Planning Permits	33,640	40,000	30,000
Engineer Permits	66,390	40,000	20,000
State Collected Fee - ADA	1,120	1,000	1,000
Development Fees	568,110	501,000	291,000
Day Camp	90,280	64,000	81,000
Special Events	23,100	25,000	30,000
Recreation Classes	3,990	6,200	6,200
Softball	10,360	6,500	6,500
Parks & Recreation Fees	127,730	101,700	123,700
Motor Vehicle License Fee	10,570	12,000	12,000
Sales Tax 1/2% (Public Safety)	41,790	30,000	35,000
Traffic Safety Fines	91,840	77,000	77,000
Booking Fee - County	7,210	6,500	6,500
Parking Fines	29,850	20,000	20,000
Other Fines & Forfeitures	4,020	2,500	5,000
Tow Fees	32,160	25,000	25,000
Fines & Forfeitures	206,870	161,000	168,500

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

**Resources Comparison
GENERAL FUND**

SOURCE	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
Investment Income	\$ 22,870	\$ 2,000	\$ 7,000
Rental - Long Term	171,510	171,320	140,000
Rental - Short Term	78,130	70,000	60,000
Cost Recovery	37,200	5,000	10,000
State Mandated Cost	78,750	5,000	5,000
Abandoned Vehicle Abatement	-	-	-
Credit Card Surcharge	5,060	2,000	4,000
Other Revenue	117,490	10,000	136,520
Administrative Citations	35,760	10,000	40,000
Other Income	523,900	273,320	395,520
Total General Fund	12,729,360	12,220,020	12,463,020
Gas Tax Fund	-	-	44,500
Supplemental Law Enforcement Service Fund	100,000	100,000	114,600
TDA Administration	17,400	17,400	17,400
Lighting District - General District Administration	9,400	9,400	9,400
Lighting District - Local Benefit Administration	4,900	4,900	4,900
Integrated Waste (AB939) Administration	1,200	1,200	1,200
Sanitation District Administration	552,400	552,400	552,400
Wildflower District Administration	100	100	100
Successor Agency Loan Repayment	-	343,200	-
Successor Agency - Administration	-	-	-
Transfer from Workers Compensation Fund	-	-	100,000
Transfer to Gas Tax Fund	-	(100,000)	-
Transfer to Pension Liability Fund	-	-	-
Transfer to Storm Water Fund	(79,640)	(135,120)	(154,030)
Transfers	605,760	793,480	690,470
Total Revenues & Transfers	13,335,120	13,013,500	13,153,490
Total Resources	\$ 13,335,120	\$ 16,158,200	\$ 17,407,410

**General Fund Expenditures by
Department and Category**

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditures by Department
GENERAL FUND

DEPARTMENT	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
City Council	\$ 69,780	\$ 88,300	\$ 92,860
City Manager	270,120	432,600	464,980
City Attorney	192,990	186,500	156,500
Finance	291,150	281,400	276,590
Law Enforcement	5,240,330	5,553,800	5,863,060
Fire	4,047,080	4,215,200	4,279,820
Development Services	656,820	683,700	582,200
Public Works	1,316,360	1,345,000	1,353,980
Non-Departmental	-	227,000	83,500
Total Expenditures	12,084,630	13,013,500	13,153,490
General Fund Balance	\$ 4,253,920	\$ 3,144,700	\$ 4,253,920

Expenditures by Category
GENERAL FUND

EXPENDITURE CATEGORY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
Salaries	\$ 3,179,410	\$ 3,571,200	\$ 3,575,480
Retirement	670,610	624,900	690,980
Benefits - Other	630,140	708,400	722,590
Services & Supplies	2,154,330	2,353,100	2,199,180
Contract Services	5,385,850	5,690,300	5,911,760
Recreation Facility Costs	64,290	65,600	53,500
Total Expenditures	\$ 12,084,630	\$ 13,013,500	\$ 13,153,490

**General Fund Expenditure Summary by
Department and Division**

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditures by Department and Division
GENERAL FUND

DEPARTMENT/DIVISION	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
CITY COUNCIL			
<u>City Council</u>			
Salaries	\$ 17,180	\$ 20,600	\$ 22,700
Retirement	5,570	4,100	4,930
Benefits - Other	9,690	20,800	21,280
Services & Supplies	37,340	42,800	43,950
TOTAL CITY COUNCIL	\$ 69,780	\$ 88,300	\$ 92,860
CITY MANAGER			
<u>City Manager Division</u>			
Salaries	\$ 118,640	\$ 163,800	\$ 177,700
Retirement	49,050	30,800	38,540
Benefits - Other	21,090	27,900	29,270
Services & Supplies	81,340	35,800	37,000
Total City Manager Division	270,120	258,300	282,510
<u>Human Resources Division</u>			
Salaries	-	49,000	51,800
Retirement	-	10,400	12,300
Benefits - Other	-	6,000	6,010
Services & Supplies	-	25,500	22,700
Total Human Resources Division	-	90,900	92,810
<u>City Clerk Division</u>			
Salaries	-	51,700	54,500
Retirement	-	11,100	12,850
Benefits - Other	-	6,900	7,210
Services & Supplies	-	13,700	15,100
Total City Clerk Division	-	83,400	89,660
TOTAL CITY MANAGER	\$ 270,120	\$ 432,600	\$ 464,980

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditures by Department and Division
GENERAL FUND

DEPARTMENT/DIVISION	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
---------------------	-------------------	----------------------	----------------------

CITY ATTORNEY

Code Enforcement	\$ 33,010	\$ 1,500	\$ 1,500
Professional Services (Contract Salary)	159,980	185,000	155,000
TOTAL CITY ATTORNEY	\$ 192,990	\$ 186,500	\$ 156,500

FINANCE

Salaries	\$ 119,330	\$ 128,400	\$ 126,350
Retirement	37,990	25,200	23,170
Benefits - Other	28,820	35,200	28,370
Services & Supplies	105,010	92,600	98,700
TOTAL FINANCE	\$ 291,150	\$ 281,400	\$ 276,590

LAW ENFORCEMENT

Sheriff's Contract	\$ 4,992,840	\$ 5,300,000	\$ 5,546,600
Services & Supplies	47,470	50,000	107,800
Animal Control	200,020	203,800	208,660
TOTAL LAW ENFORCEMENT	\$ 5,240,330	\$ 5,553,800	\$ 5,863,060

FIRE

Salaries	\$ 2,454,520	\$ 2,546,200	\$ 2,500,460
Retirement	411,220	439,800	474,140
Benefits - Other	459,040	479,000	496,770
Services & Supplies	722,300	750,200	808,450
TOTAL FIRE	\$ 4,047,080	\$ 4,215,200	\$ 4,279,820

DEVELOPMENT SERVICES

Planning

Salaries	\$ 170,360	\$ 236,200	\$ 253,900
Retirement	66,220	44,700	55,440
Benefits - Other	29,240	38,600	40,560
Services & Supplies	391,000	364,200	232,300
TOTAL DEVELOPMENT SERVICES	\$ 656,820	\$ 683,700	\$ 582,200

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditures by Department and Division
GENERAL FUND

DEPARTMENT/DIVISION	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
PUBLIC WORKS			
<u>Engineering Division</u>			
Salaries	\$ 50,780	\$ 71,200	\$ 64,240
Retirement	37,610	9,200	11,880
Benefits - Other	11,070	11,600	11,960
Services & Supplies	198,300	66,200	154,900
Total Engineering Division	297,760	158,200	242,980
<u>Administration Division</u>			
Salaries	24,880	21,800	22,510
Retirement	9,600	4,600	5,380
Benefits - Other	10,270	10,300	10,290
Services & Supplies	120,650	149,800	66,450
Total Administration Division	165,400	186,500	104,630
<u>Streets Division</u>			
Salaries	-	36,600	43,670
Retirement	-	7,300	9,580
Benefits - Other	-	9,500	10,140
Services & Supplies	110,020	169,000	148,300
Total Streets Division	110,020	222,400	211,690
<u>Community Services Division</u>			
Salaries	112,330	141,100	153,010
Retirement	22,180	17,100	19,470
Benefits - Other	23,990	28,000	28,460
Services & Supplies	57,060	48,300	70,600
Recreation Facility Costs	64,290	65,600	53,500
Total Community Services Division	279,850	300,100	325,040
<u>Grounds Division</u>			
Benefits - Other	2,300	4,600	2,300
Services & Supplies	192,310	228,600	226,600
Total Grounds Division	194,610	233,200	228,900

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditures by Department and Division
GENERAL FUND

DEPARTMENT/DIVISION	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
---------------------	-------------------	----------------------	----------------------

PUBLIC WORKS (cont'd.)

Facilities Division

Salaries	\$ 111,390	\$ 104,600	\$ 104,640
Retirement	31,170	20,600	23,300
Benefits - Other	34,630	30,000	29,970
Services & Supplies	91,530	89,400	82,830
Total Facilities Division	268,720	244,600	240,740

TOTAL PUBLIC WORKS	\$ 1,316,360	\$ 1,345,000	\$ 1,353,980
---------------------------	---------------------	---------------------	---------------------

NON-DEPARTMENTAL

Services & Supplies	-	227,000	83,500
TOTAL NON-DEPARTMENTAL	\$ -	\$ 227,000	\$ 83,500
TOTAL GENERAL FUND EXPENDITURES	\$ 12,084,600	\$ 13,013,500	\$ 13,153,490

**General Fund Expenditures Detail by
Department and Division**

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
CITY COUNCIL			
Salaries	\$ 17,180	\$ 20,600	\$ 22,700
Total Salaries	17,180	20,600	22,700
Health Insurance	7,280	18,000	18,450
Retiree Health	2,140	2,400	2,450
Medicare	270	300	330
Life Insurance	-	100	50
Retirement	5,570	4,100	4,930
Total Benefits	15,260	24,900	26,210
Community Promotions	2,500	2,500	3,000
Computer Maintenance	4,120	3,400	3,400
Copier Rental	-	200	200
Insurance Premium - Liability	1,200	800	800
Insurance Premium - Property	290	600	600
Membership & Dues	21,160	23,000	23,000
Mileage	3,910	4,200	5,300
Office Supplies	250	200	1,000
Travel & Meetings	1,390	5,000	3,750
Utilities - Gas & Electric	2,520	2,900	2,900
Total Services & Supplies	37,340	42,800	43,950
TOTAL CITY COUNCIL	\$ 69,780	\$ 88,300	\$ 92,860

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
--------------	-------------------	----------------------	----------------------

CITY MANAGER

City Manager Division

Salaries	\$ 118,480	\$ 163,800	\$ 174,000
Overtime	160	-	3,700
Total Salaries	118,640	163,800	177,700

Health Insurance	12,520	15,900	16,200
Retiree Health	2,750	4,300	5,500
Deferred Compensation	900	3,200	3,240
Employee Assistance Program	-	60	50
Worker's Compensation	1,100	800	800
Medicare	2,790	2,400	2,580
Life Insurance	230	60	160
Long Term Disability	800	1,200	740
Retirement	49,050	30,800	38,540
Total Benefits	70,140	58,700	67,810

Computer Maintenance	9,340	5,000	5,000
Copier Rental	1,970	700	1,500
Insurance Premium - Liability	4,640	2,000	2,400
Insurance Premium - Property	1,160	2,700	2,700
Membership & Dues	1,910	700	700
Mileage	2,300	3,200	3,200
Office Supplies	6,460	3,500	3,500
Professional Services	41,540	10,000	10,000
Publishing	3,570	-	-
Subscriptions & Books	180	-	-
Training	1,920	1,000	1,000
Travel & Meetings	1,360	1,500	1,500
Utilities - Gas & Electric	2,520	3,100	3,100
Utilities - Telephone	2,220	2,100	2,100
Utilities - Water	250	300	300
Total Services & Supplies	81,340	35,800	37,000

Total City Manager Division	270,120	258,300	282,510
------------------------------------	----------------	----------------	----------------

Human Resources Division

Salaries	-	49,000	51,760
Total Salaries	-	49,000	51,760

Health Insurance	-	5,000	5,040
Employee Assistance Program	-	50	10
Worker's Compensation	-	200	200
Medicare	-	700	750
Life Insurance	-	50	10

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

**Expenditure Detail by Department and Division
GENERAL FUND**

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
--------------	-------------------	----------------------	----------------------

CITY MANAGER (cont'd.)

Human Resources Division (cont'd.)

Retirement	\$ -	\$ 10,400	\$ 12,300
Total Benefits	-	16,400	18,310

Computer Maintenance	-	200	2,000
Copier Rental	-	200	200
Employee Recognition	-	1,500	1,500
Health Exams	-	-	3,000
Insurance Premium - Liability	-	500	400
Insurance Premium - Property	-	300	300
Membership & Dues	-	2,000	500
Mileage	-	600	500
Office Supplies	-	200	300
Personnel Recruitment	-	6,000	5,500
Professional Services	-	1,000	2,000
Training	-	8,000	3,000
Travel & Meetings	-	3,500	2,000
Utilities - Gas & Electric	-	200	200
Utilities - Telephone	-	200	200
Utilities - Water	-	100	100
Wellness Program	-	1,000	1,000
Total Services & Supplies	-	25,500	22,700

Total Human Resources Division	-	90,900	92,770
---------------------------------------	---	---------------	---------------

City Clerk Division

Salaries	-	51,700	54,540
Total Salaries	-	51,700	54,540

Health Insurance	-	5,400	5,490
Employee Assistance Program	-	50	20
Worker's Compensation	-	200	200
Medicare	-	700	790
Life Insurance	-	50	20
Long Term Disability	-	500	690
Retirement	-	11,100	12,850
Total Benefits	-	18,000	20,060

Computer Maintenance	-	200	2,000
Copier Rental	-	200	200
Insurance Premium - Liability	-	500	400
Insurance Premium - Property	-	300	300

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
CITY MANAGER (cont'd.)			
<u>City Clerk Division (cont'd.)</u>			
Membership & Dues	\$ -	\$ 300	\$ 300
Mileage	-	400	300
Office Supplies	-	500	800
Printing	-	1,000	500
Professional Services	-	1,500	1,500
Publishing	-	5,000	6,000
Training	-	2,000	1,000
Travel & Meetings	-	1,000	1,000
Utilities - Gas & Electric	-	500	500
Utilities - Telephone	-	200	200
Utilities - Water	-	100	100
Total Services & Supplies	-	13,700	15,100
Total City Clerk Division	-	83,400	89,700
TOTAL CITY MANAGER	\$ 270,120	\$ 432,600	\$ 464,980

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
CITY ATTORNEY			
Code Enforcement	\$ 33,010	\$ 1,500	\$ 1,500
Professional Services (Non-Salary)	159,980	185,000	155,000
TOTAL CITY ATTORNEY	\$ 192,990	\$ 186,500	\$ 156,500

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
FINANCE			
Salaries	\$ 119,270	\$ 128,400	\$ 102,600
Overtime	60	-	-
Part-Time	-	-	23,750
Total Salaries	119,330	128,400	126,350
Health Insurance	18,140	22,000	15,210
Retiree Health	4,020	8,000	7,960
Employee Assistance Program	-	100	70
Worker's Compensation	2,940	2,400	2,400
Medicare	3,220	1,900	1,830
Life Insurance	210	100	40
Long Term Disability	290	700	860
Retirement	37,990	25,200	23,170
Total Benefits	66,810	60,400	51,540
Computer Maintenance	9,250	15,000	12,000
Copier Rental	1,970	2,000	2,000
Credit Card & Bank Fees	16,880	18,000	18,000
Insurance Premium - Liability	3,600	2,250	2,400
Insurance Premium - Property	190	550	600
Membership & Dues	510	1,100	500
Mileage	660	800	500
Office Supplies	4,590	3,500	3,000
Personnel Recruitment/Selection	440	-	-
Printing	830	100	400
Professional Services	59,620	40,000	50,000
Publishing	130	-	-
Training	1,060	2,400	2,400
Travel & Meetings	60	100	100
Utilities - Gas & Electric	2,520	3,800	3,800
Utilities - Telephone	2,520	2,700	2,700
Utilities - Water	180	300	300
Total Services & Supplies	105,010	92,600	98,700
TOTAL FINANCE	\$ 291,150	\$ 281,400	\$ 276,590

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
LAW ENFORCEMENT			
<u>Sheriff</u>			
Contract Services	\$ 4,992,840	\$ 5,300,000	\$ 5,546,600
800 MHz	23,430	25,500	34,300
Arjis	16,330	16,300	16,300
Cal Id	6,330	6,400	6,400
RCS Lease	-	-	49,000
Utilities - Water	1,380	1,800	1,800
<u>Animal Control</u>			
Contract Services	188,650	192,700	195,560
After Hours Calls	7,500	3,600	3,600
Fuel - Animal Control Vehicle	3,870	5,000	7,000
Repairs - Animal Control Vehicle	-	2,500	2,500
TOTAL LAW ENFORCEMENT	\$ 5,240,330	\$ 5,553,800	\$ 5,863,060

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
FIRE			
Salaries	\$ 1,677,140	\$ 1,805,400	\$ 1,840,720
Constant Staffing - Scheduled	121,390	130,800	128,700
Constant Staffing - Unscheduled	447,780	500,000	300,000
Holiday Pay	45,940	50,000	54,000
JPA Reconciliation	71,390	-	100,000
Overtime	7,160	-	-
Part-Time	40,060	40,000	12,040
Reimbursable Overtime	26,220	-	45,000
Uniform Allowance	17,440	20,000	20,000
Total Salaries	2,454,520	2,546,200	2,500,460
Health Insurance	199,900	242,100	226,800
Retiree Health	73,080	84,000	84,000
Employee Assistance Program	-	600	590
Paramedic Recertification	42,590	44,000	50,000
EMT - DC Incentive	1,140	-	-
Education Award	8,350	10,700	10,700
Worker's Compensation	98,390	68,800	90,000
Medicare	35,590	28,100	34,150
Life Insurance	-	700	530
Retirement	411,220	439,800	474,140
Total Benefits	870,260	918,800	970,910
ALS Supplies Pass Thru	45,550	26,000	26,000
City Emergency Preparedness	25,420	24,500	4,500
Communication Equipment	-	-	9,700
Community Risk Reduction/Fire Prevention	1,000	2,500	5,200
Computer Maintenance	18,280	25,000	20,000
Copier Rental	1,340	2,400	2,400
Departmental Expenditures	9,770	10,000	10,000
Dispatch Services	246,100	265,000	262,000
Fire Prevention Software	-	-	6,700
Fire Station Supplies	4,140	5,000	5,000
Fire Truck Purchase	86,690	86,700	86,700
Fuel	21,330	26,000	20,000
Hazmat Emergency Response	-	-	20,000
Health Examinations	10,640	8,300	8,300
Insurance Premium - Liability	33,200	24,000	25,900
Insurance Premium - Property	6,260	17,100	17,100
JPA Reconciliation Expenditures	3,460	1,500	2,500
JPA Reimbursable Expenditures	810	-	1,500
Lease Payment	22,620	-	-
Membership & Dues	790	600	600
Office Supplies	1,480	2,300	2,500

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
FIRE (cont'd.)			
Patient Care Reporting Pass Thru	\$ 1,940	\$ 5,800	\$ 5,800
Personal Exposure Reporting	290	300	300
Personal Protective Clothing	13,640	16,000	20,000
Personnel Recruitment	2,050	-	-
RCCP Reimbursable	-	-	38,500
Repair & Maintenance - Equipment	4,820	4,500	4,500
Repair & Maintenance - Vehicles	64,230	75,000	75,000
Reserve Firefighter Expense	5,420	6,000	6,000
Self-Contained Breathing Apparatus (SCBA)	4,100	4,500	5,000
Subscriptions & Books	-	1,000	1,000
TIP - Trauma Intervention Program	3,830	3,800	3,850
Tools & Supplies	3,630	4,500	10,000
Training	36,610	39,000	39,000
Training - AMR Pass Thru	4,940	19,100	19,100
Travel & Meetings	-	-	3,000
Uniforms	4,050	5,000	1,000
Utilities - Gas & Electric	18,580	22,000	22,000
Utilities - Telephone	5,390	5,500	5,500
Utilities - Water	1,800	3,000	3,000
Vehicle Supplies	2,300	2,300	2,300
Weed Abatement Expenditures	5,800	6,000	7,000
Total Services & Supplies	722,300	750,200	808,450
TOTAL FIRE	\$ 4,047,080	\$ 4,215,200	\$ 4,279,820

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
DEVELOPMENT SERVICES			
<u>Planning Division</u>			
Salaries	\$ 170,360	\$ 226,200	\$ 241,570
Overtime	-	-	2,330
Part-Time	-	10,000	10,000
Total Salaries	170,360	236,200	253,900
Health Insurance	19,340	26,700	27,720
Retiree Health	3,060	4,300	3,980
Employee Assistance Program	-	100	80
Worker's Compensation	3,070	2,400	2,400
Medicare	2,460	3,400	3,680
Life Insurance	-	100	80
Long Term Disability	1,310	1,600	2,620
Retirement	66,220	44,700	55,440
Total Benefits	95,460	83,300	96,000
Computer Maintenance	11,530	11,000	14,000
Copier Rental	2,340	4,000	3,300
Fuel	1,370	1,500	500
Insurance Premium - Liability	6,080	4,500	4,900
Insurance Premium - Property	1,160	3,300	3,300
Membership & Dues	1,520	1,500	1,800
Mileage	1,820	2,100	2,600
Noticing	3,680	3,000	5,000
Office Supplies	4,500	4,000	4,700
Personnel Recruitment/Selection	950	-	-
Plan Checks/Consultations	349,080	315,000	180,000
Printing	-	300	300
Professional Services	540	1,000	1,000
Repair & Maintenance - Vehicles	10	200	200
Subscriptions & Books	30	400	300
Training	790	3,000	1,500
Travel & Meetings	300	1,500	1,000
Utilities - Gas & Electric	2,520	4,400	4,400
Utilities - Telephone	2,500	3,000	3,000
Utilities - Water	280	500	500
Total Services & Supplies	391,000	364,200	232,300
Total Planning Division	656,820	683,700	582,200
TOTAL DEVELOPMENT SERVICES	\$ 656,820	\$ 683,700	\$ 582,200

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
PUBLIC WORKS			
<u>Engineering Division</u>			
Salaries	\$ 51,920	\$ 46,300	\$ 52,390
Overtime	20	-	950
Part-Time	(1,160)	24,900	10,900
Total Salaries	50,780	71,200	64,240
Health Insurance	6,680	6,300	6,750
Retiree Health	610	1,800	1,840
Employee Assistance Program	-	50	20
Worker's Compensation	2,700	2,400	2,400
Medicare	850	1,000	930
Life Insurance	10	50	20
Long Term Disability	220	-	-
Retirement	37,610	9,200	11,880
Total Benefits	48,680	20,800	23,840
Computer Maintenance	10,400	7,100	9,000
Copier Rental	2,240	3,000	3,000
Development Support	2,140	5,300	4,500
Fuel	1,090	1,400	1,000
Insurance - Liability	5,520	3,750	4,050
Insurance - Property	1,060	2,750	2,750
Membership & Dues	220	300	-
Mileage	550	600	600
Office Supplies	3,720	2,300	3,700
Printing	-	1,000	-
Professional Services	140,740	2,000	98,000
Protective Clothing	-	500	-
Repair & Maintenance - Vehicles	-	1,000	-
Training	490	500	-
Travel & Meetings	-	500	-
Utilities - Traffic Signals	24,720	28,600	25,000
Utilities - Telephone	5,060	5,000	3,000
Utilities - Water	350	600	300
Total Services & Supplies	198,300	66,200	154,900
Total Engineering Division	297,760	158,200	242,980
<u>Administrative Division</u>			
Salaries	24,880	21,800	22,510
Total Salaries	24,880	21,800	22,510
Health Insurance	2,630	2,700	2,700
Employee Assistance Program	-	50	10

CITY OF LEMON GROVE
FY 2017-18 Operating Budget

Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
--------------	-------------------	----------------------	----------------------

PUBLIC WORKS (cont'd.)

Administrative Division (cont'd.)

Worker's Compensation	\$ 6,750	\$ 7,000	\$ 7,000
Medicare	390	300	330
Life Insurance	-	60	10
Long Term Disability	500	200	240
Retirement	9,600	4,600	5,380
Total Benefits	19,870	14,910	15,670

Computer Maintenance	9,940	8,000	11,800
Copier Rental	1,800	3,000	4,800
Insurance Premium - Liability	2,480	1,500	1,500
Insurance Premium - Property	960	2,750	2,750
Marketing Supplies	5,080	7,000	6,000
Membership & Dues	1,380	1,700	2,000
Mileage	570	1,200	600
Office Supplies	3,540	2,000	2,400
Professional Services	64,550	93,000	-
Protective Clothing	6,760	7,000	13,000
Repair & Maintenance - Equipment	900	900	900
Software (Minor)	-	-	5,400
Training	16,740	13,000	9,000
Travel & Meetings	70	500	1,000
Utilities - Gas & Electric	2,520	4,400	2,500
Utilities - Telephone	3,150	3,500	2,500
Utilities - Water	210	300	300
Total Services & Supplies	120,650	149,750	66,450

Total Administrative Division	165,400	186,460	104,630
--------------------------------------	----------------	----------------	----------------

Streets Division

Salaries	-	35,100	41,790
Overtime	-	1,500	1,880
Total Salaries	-	36,600	43,670

Health Insurance	-	6,800	6,980
Retiree Health	-	-	310
Employee Assistance Program	-	60	20
Worker's Compensation	-	1,800	1,800
Medicare	-	500	630
Life Insurance	-	60	20
Long Term Disability	-	300	380
Retirement	-	7,300	9,580
Total Benefits	-	16,820	19,720

Computer Maintenance	5,030	4,500	6,400
Contract Services	1,730	5,000	5,000
Copier Rental	-	400	400

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
PUBLIC WORKS (cont'd.)			
<u>Streets Division</u> (cont'd.)			
Cost Recovery Expenditures	\$ -	\$ 1,000	\$ 1,000
Dead Animal Removal	1,980	2,100	2,000
Equipment Rental - External	9,580	9,000	7,000
Fuel	11,790	15,000	12,500
Graffiti Cleanup	2,170	1,800	1,800
Health Exams	380	200	500
Herbicides/Pesticides	1,040	1,000	1,000
Insurance Premium - Liability	5,280	3,750	4,050
Insurance Premium - Property	960	2,750	2,750
Membership & Dues	330	500	500
Office Supplies	120	200	200
Permit Expenses	290	400	400
Protective Clothing	240	13,100	-
Repair & Maintenance - Equipment	14,870	15,000	17,500
Repair & Maintenance - Sidewalk	-	5,000	5,000
Repair & Maintenance - Storm Drain	5,140	15,000	15,000
Repair & Maintenance - Vehicles	15,860	21,000	18,500
Street Sweeping	14,110	14,000	14,000
Tools & Supplies	6,120	18,000	18,000
Utilities - Gas & Electric	450	1,300	1,300
Utilities - Telephone	4,560	3,500	3,500
Utilities - Water	7,990	15,500	10,000
Total Services & Supplies	110,020	169,000	148,300
Total Streets Division	110,020	222,420	211,690
<u>Community Services Division</u>			
Salaries	66,650	86,000	85,990
Overtime	430	-	1,720
Part-Time	45,250	55,100	65,300
Total Salaries	112,330	141,100	153,010
Health Insurance	8,170	13,500	13,500
Retiree Health	6,120	6,100	6,120
Employee Assistance Program	-	50	40
Worker's Compensation	4,540	5,600	5,600
Medicare	3,660	1,800	2,220
Life Insurance	-	50	40
Long Term Disability	720	900	940
Retirement	22,180	17,100	19,470
Unemployment	780	-	-
Total Benefits	46,170	45,100	47,930
Computer Maintenance	4,720	1,000	4,000

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUALS	FY 2016/17 BUDGET	FY 2017/18 BUDGET
--------------	--------------------	----------------------	----------------------

PUBLIC WORKS (cont'd.)

Community Services Division (cont'd.)

Contract Services	\$ 620	\$ 800	\$ 1,000
Copier Rental	-	1,000	800
Credit Card Fees	-	1,000	-
Day Camp	17,120	12,000	25,000
Equipment Rental	2,000	1,800	1,800
Health Exams	100	100	500
Insurance Premium - Liability	2,480	1,500	1,600
Insurance Premium - Property	190	600	600
Maintenance - Supplies	20	100	100
Membership & Dues	50	100	100
Mileage	-	100	100
Office Supplies	870	500	1,000
Personnel Recruitment	60	-	-
Printing	-	500	500
Rental Expense	3,860	5,000	6,000
Repair & Maintenance - Equipment	280	500	500
Special Events	24,690	21,700	27,000
Training	80	100	-
Utilities - Gas & Electric	41,820	44,000	35,000
Utilities - Telephone	5,130	5,500	5,500
Utilities - Water	17,260	16,000	13,000
Total Services & Supplies	121,350	113,900	124,100
Total Community Services Division	279,850	300,100	325,040

Grounds Division

Retiree Health	2,300	4,600	2,300
Total Benefits	2,300	4,600	2,300
Contract Services	113,040	115,000	120,000
Maintenance - Lighting	1,180	2,200	2,200
Maintenance - Supplies	13,050	22,000	22,000
Tree Trimming	21,730	19,000	25,000
Utilities - Gas & Electric	4,310	4,400	4,400
Utilities - Telephone	2,870	3,000	3,000
Utilities - Water	36,130	63,000	50,000
Total Services & Supplies	192,310	228,600	226,600
Total Grounds Division	194,610	233,200	228,900

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUALS	FY 2016/17 BUDGET	FY 2017/18 BUDGET
PUBLIC WORKS (cont'd.)			
Facilities Division			
Salaries	\$ 85,570	\$ 102,100	\$ 101,960
Overtime	2,320	2,500	2,680
Part-Time	23,500	-	-
Total Salaries	111,390	104,600	104,640
Health Insurance	21,870	18,000	18,000
Retiree Health	3,060	2,400	2,450
Employee Assistance Program	-	100	50
Worker's Compensation	5,770	7,000	7,000
Medicare	2,540	1,500	1,520
Life Insurance	280	100	50
Long Term Disability	1,110	900	900
Retirement	31,170	20,600	23,300
Total Benefits	65,800	50,600	53,270
Advertising	-	300	300
Computer Maintenance	3,600	2,200	2,500
Contract Services	7,470	10,000	10,000
Copier Rental	-	200	200
Cost Recovery	-	600	-
Equipment Rental	70	200	200
Fuel	2,010	2,500	2,430
Health Examinations	1,900	-	100
Insurance Premium - Liability	2,640	2,300	2,300
Insurance Premium - Property	480	1,100	1,100
Maintenance - Services	21,700	15,000	15,000
Maintenance - Supplies	29,050	28,000	28,000
Memberships & Dues	40	-	-
Repair & Maintenance	11,630	10,000	10,000
Repair & Maintenance - ADA	-	1,000	1,000
Repair & Maintenance - Equipment	2,290	2,000	2,000
Repair & Maintenance - Vehicles	600	-	-
Special District Assessment	-	5,300	-
Tools & Supplies	2,430	3,000	3,000
Utilities - Gas & Electric	2,890	4,000	3,000
Utilities - Telephone	2,350	1,600	1,600
Utilities - Water	380	100	100
Total Services & Supplies	91,530	89,400	82,830
Total Facilities Division	268,720	244,600	240,740
TOTAL PUBLIC WORKS	\$ 1,316,360	\$ 1,345,000	\$ 1,353,980

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
Expenditure Detail by Department and Division
GENERAL FUND

EXPENDITURES	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
NON- DEPARTMENTAL			
Animal Control Vehicle (carryover)	\$ -	\$ 60,000	\$ -
Audio Visual Equipment	-	-	1,500
General Election Costs	-	32,000	-
General Plan Update (carryover)	-	100,000	75,000
Maintenance Yard Security Gate	-	11,000	-
Thermal Camera - Fire	-	12,000	-
Vacation Payoff	-	12,000	7,000
TOTAL NON-DEPARTMENTAL	\$ -	\$ 227,000	\$ 83,500
TOTAL GENERAL FUND	\$ 12,084,600	\$ 13,013,500	\$ 13,153,490

Other Funds

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

**GAS TAX FUND - HIGHWAY USER TAX
FUND 02**

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 95,720	\$ (2,510)	\$ 117,490
Adjustment to estimated Fund Balance	-	-	(263,190)
Revenues			
Highway Users Tax Section 2103	120,110	61,700	106,600
Highway Users Tax Section 2105	147,060	163,600	154,700
Highway Users Tax Section 2106	101,840	84,600	98,200
Highway Users Tax Section 2107	179,430	227,200	199,800
Highway Users Tax Section 2107.5	6,000	6,000	6,000
Highway Users Tax Section 2030	-	-	153,000
State Loan Repayment	-	-	30,500
Transfer from General Fund	-	100,000	-
Transfer from Sanitation District	100,000	100,000	100,000
Total Resources	750,160	740,590	703,100
Expenditures			
Salaries	444,790	415,500	418,430
Overtime	15,010	7,600	11,930
Part-Time	10,110	6,000	-
Total Salaries	469,910	429,100	430,360
Health Insurance	76,650	70,000	68,310
Retiree Health	8,940	8,100	10,340
Deferred Compensation	570	600	600
Employee Assistance Program	-	200	180
Worker's Compensation	18,150	16,200	16,200
Medicare	7,450	6,200	6,240
Life Insurance	820	200	200
Long Term Disability	4,200	2,800	2,860
Retirement	161,140	85,800	96,210
Total Benefits	277,920	190,100	201,140
Mileage	4,840	3,900	3,900
Professional Services	-	-	42,000
Transfer to City for Administration	-	-	44,500
Total Services & Supplies	4,840	3,900	90,400
Total Expenditures	752,670	623,100	721,900
ENDING FUND BALANCE - June 30	\$ (2,510)	\$ 117,490	\$ (18,800)

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
STREET CONSTRUCTION RESERVE FUND
FUND 03

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 156,980	\$ 158,280	\$ 8,680
Adjustment to estimated Fund Balance	-	-	460
<u>Revenues</u>			
Interest	1,300	400	400
Total Resources	158,280	158,680	9,540
<u>Projects</u>			
Lemon Grove Avenue Realignment Project	-	150,000	9,000
Total Expenditures	0	150,000	9,000
ENDING FUND BALANCE - June 30	\$ 158,280	\$ 8,680	\$ 540

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
PARK LAND DEDICATION ORDINANCE
FUND 05

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 51,330	\$ 113,190	\$ 43,190
Adjustment to estimated Fund Balance	-	-	4,600
<u>Revenues</u>			
Development Fees	64,880	10,000	10,000
Interest	810	-	-
Total Resources	117,020	123,190	57,790
<u>Projects</u>			
Berry Street Park Gazebo	-	80,000	-
Park Improvements	3,830	-	50,000
Total Expenditures	3,830	80,000	50,000
ENDING FUND BALANCE - June 30	\$ 113,190	\$ 43,190	\$ 7,790

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
GENERAL RESERVE FUND
FUND 06

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 1,343,400	\$ 488,160	\$ 493,160
Adjustment to estimated Fund Balance	-	-	(4,980)
<u>Revenues</u>			
Interest	6,490	5,000	5,000
Other	65,200	-	-
Transfer from SIWC Reserve	25,000	-	-
Total Resources	1,440,090	493,160	493,180
<u>Expenditures</u>			
General Plan Update	40,860	-	-
Payback to State	558,950	-	-
Vacation Pay Off	62,650	-	-
<u>Capital Asset Purchases</u>			
Fire Equipment	79,870	-	-
Facility Replacement - City Hall	8,020	-	-
Facility Replacement - Public Works	183,380	-	-
Animal Control Vehicle	18,200	-	-
Total Expenditures	951,930	-	-
ENDING FUND BALANCE - June 30	\$ 488,160	\$ 493,160	\$ 493,180

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
SUPPLEMENTAL LAW ENFORCEMENT SERVICES
FUND 07
Citizen's Option for Public Safety (COPS)

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ (40)	\$ 14,580	\$ 14,580
<u>Revenues</u>			
Annual Allocation	114,620	100,000	100,000
Total Resources	114,580	114,580	114,580
<u>Expenditures</u>			
Transfer to City for Administration & Operations	100,000	100,000	114,600
Total Expenditures	100,000	100,000	114,600
ENDING FUND BALANCE - June 30	\$ 14,580	\$ 14,580	\$ (20)

CITY OF LEMON GROVE
FY 2017-18 Operating Budget

GRANTS
FUND 08

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ (93,210)	\$ -	\$ -
<u>Revenues</u>			
Grant Revenues & Reimbursements	1,101,870		
Total Resources	1,008,660	-	-
<u>Expenditures</u>			
<u>Public Safety</u>			
Disaster Preparedness Grants	-		-
Homeland Security Grants (SHSGP)	19,370	-	-
UASI - Urban Area Security Initiative	1,770	-	-
Department of Justice Grant	-	10,850	-
<u>Miscellaneous</u>			
Beverage Container Recycling Program	7,100	-	7,000
HEAL Zone Grant	46,770	-	-
Safe Routes to School (Non-Infrastructure)	50,040	-	-
Champs Program	-	-	20,000
Irrigation Controller	-	47,520	-
Systemic Safety Analysis	-	30,690	-
Skate Park Expansion	-	85,000	-
<u>Capital Projects</u>			
Promenade Extension Planning	116,890	-	-
Safe Routes to School (Federal) - Palm/Golden	681,420	-	-
Connect Main Street	-	379,500	-
Total Expenditures	923,360	553,560	27,000
ENDING FUND BALANCE - June 30	\$ 85,300	\$ (553,560)	\$ (27,000)

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
COMMUNITY DEVELOPMENT BLOCK GRANT
FUND 09

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ (440)	\$ -	\$ -
Adjustment to estimated Fund Balance	-	-	-
<u>Revenues</u>			
Allocation	173,740	179,500	-
Other Revenue	440	-	-
Total Resources	173,740	179,500	-
<u>Expenditures</u>			
Golden Avenue Overlay	-	179,500	-
Street/Sidewalk Rehabilitation	173,740	-	-
Total Expenditures	173,740	179,500	-
ENDING FUND BALANCE - June 30	\$ -	\$ -	\$ -

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
TRANSPORTATION DEVELOPMENT ACT (TDA)
FUND 10
TransNet Article 4

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ -	\$ (20,900)	\$ 213,460
Adjustment to estimated Fund Balance	-	-	(190,000)
Revenues			
MTS Annual Allocation	121,170	121,200	121,200
Other Revenue (unallocated)	-	237,400	-
Interest	160	100	100
Total Resources	121,330	337,800	144,760
Expenditures			
Salaries	48,790	39,400	24,200
Overtime	220	-	120
Total Salaries	49,010	39,400	24,320
Health Insurance	5,420	4,900	2,880
Retiree Health	320	300	370
Deferred Compensation	30	100	-
Employee Assistance Program	-	20	10
Worker's Compensation	-	100	100
Medicare	660	600	350
Life Insurance	10	20	10
Long Term Disability	560	300	220
Retirement	9,770	8,200	5,700
Total Benefits	16,770	14,540	9,640
Mileage	720	300	200
Capital Expenditures - Bus Shelter Replacement	-	-	-
Broadway/LGA Roadway Repairs	-	-	-
Professional Services	-	-	-
Repair & Maintenance - Bus Shelter	42,540	-	-
Repair & Maintenance - Trolley Facility	-	-	-
Trolley Corridor Landscape Maintenance	15,790	52,700	52,700
Transfer to General Fund - Administration	17,400	17,400	17,400
Total Projects	76,450	70,400	70,300
Total Expenditures	142,230	124,340	104,260
ENDING FUND BALANCE - June 30	\$ (20,900)	\$ 213,460	\$ 40,500

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
LEMON GROVE ROADWAY LIGHTING DISTRICT
FUND 11
GENERAL BENEFIT

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 271,650	\$ 352,330	\$ 386,530
Adjustment to estimated Fund Balance	-	-	13,900
Reserve for Street Light Improvement	30,580	30,600	30,600
Revenues			
General Lighting Assessment	175,970	165,000	165,000
Interest	2,980	400	400
Total Resources	450,600	517,730	565,830
Expenditures			
Salaries	12,980	18,100	18,460
Overtime	30	-	140
Total Salaries	13,010	18,100	18,600
Health Insurance	1,660	2,500	2,250
Retiree Health	490	500	540
Deferred Compensation	30	80	80
Employee Assistance Program	-	10	10
Worker's Compensation	-	-	-
Medicare	230	300	270
Life Insurance	20	10	10
Long Term Disability	70	100	120
Retirement	1,030	3,700	4,280
Total Benefits	3,530	7,200	7,560
Mileage	280	1,000	1,000
Professional Services	-	16,500	2,800
Repair & Maintenance - Street Lights	3,100	5,000	6,000
Utilities - Street Lights	68,950	74,000	80,000
Transfer to City for Administration	9,400	9,400	9,400
Total Operations	81,730	105,900	99,200
Total Expenditures	98,270	131,200	125,360
ENDING FUND BALANCE - June 30	\$ 352,330	\$ 386,530	\$ 440,471

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
LEMON GROVE ROADWAY LIGHTING DISTRICT
FUND 12
LOCAL BENEFIT ASSESSMENT

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 147,710	\$ 32,890	\$ (81,760)
Adjustment to estimated Fund Balance			(5,240)
Revenues			
Local Benefit Lighting Assessment	87,060	86,700	87,800
Interest	570	500	500
Total Resources	235,340	120,090	1,300
Expenditures			
Salaries	41,490	54,400	55,400
Overtime	100	-	410
Total Salaries	41,590	54,400	55,810
Health Insurance	4,690	7,400	6,750
Retiree Health	1,410	1,500	1,600
Deferred Compensation	120	200	220
Employee Assistance Program	-	20	10
Worker's Compensation	-	300	300
Medicare	760	800	810
Life Insurance	60	30	30
Long Term Disability	210	400	360
Retirement	11,590	11,000	12,850
Total Benefits	18,840	21,650	22,930
Mileage	660	800	800
Professional Services	5,050	5,100	16,300
Repair & Maintenance - Street Lights	6,790	6,000	6,200
Utilities - Street Lights	113,870	100,000	100,000
Street Light Repayment Program	10,750	9,000	-
Transfer to City for Administration	4,900	4,900	4,900
Total Operations	142,020	125,800	128,200
Total Expenditures	202,450	201,850	206,940
ENDING FUND BALANCE - June 30	\$ 32,890	\$ (81,760)	\$ (205,640)

CITY OF LEMON GROVE
FY 2017-18 Operating Budget

TRANSNET
FUND 14
Street Construction

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ (35,110)	\$ (301,440)	\$ (308,300)
Revenues			
Annual Allocation	818,560	2,346,700	2,346,700
Total Resources	783,450	2,045,260	2,038,400
Expenditures			
Salaries	75,020	60,800	60,360
Overtime	3,280	3,000	3,760
Part-Time	-	1,500	-
Total Salaries	78,300	65,300	64,120
Health Insurance	6,040	12,600	12,600
Retiree Health	990	-	600
Employee Assistance Program	-	50	40
Worker's Compensation	-	1,600	1,600
Medicare	990	900	930
Life Insurance	20	50	40
Long Term Disability	160	400	440
Retirement	22,580	12,700	13,770
Total Benefits	30,780	28,300	30,020
Mileage	170	-	-
Professional Services	-	-	42,000
Lemon Grove Realignment (CR) - LG 13			
Lemon Grove Realignment	-	1,000,000	1,186,000
Traffic Improvements (PM) - LG 14			
Traffic Improvements (Citywide)	143,040	120,000	120,000
Storm Drain Rehabilitation (PM) - LG 15			
Storm Drain Maintenance (Citywide)	75,150	88,000	88,000
Storm Drain Rehabilitation (CR) - LG 16			
Storm Drain Improvements	151,660	39,000	67,000
Street Improvements (CR) - LG 17			
Street Improvement	62,560	-	50,000
Street Improvements (PM) - LG 17			
Pavement Management	47,520	50,000	-
Traffic Improvements (CR) - LG 18			
Traffic Signals	-	20,000	20,000
Street Improvements (CR) - LG 20			
Street/Sidewalk Rehabilitation	396,900	397,000	397,000
Main Street Promenade Extension (SGIP) - LG 21			
Main Street	-	21,000	-
Lemon Grove Realignment (SGIP) - LG 22			
Lemon Grove Realignment	-	402,000	-
Broadway Downtown Specific Plan (DVSP) - LG 23			
Downtown Expansion	98,980	123,000	-
Total Projects	975,810	2,260,000	1,928,000
Total Expenditures	1,084,890	2,353,600	2,064,140
ENDING FUND BALANCE - June 30	\$ (301,440)	\$ (308,300)	\$ (25,740)

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
LEMON GROVE SANITATION DISTRICT OPERATIONS
FUND 15

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 9,217,520	\$ 7,777,500	\$ 5,713,750
Adjustment to Fund Balance	-	-	-
<u>Revenues</u>			
Sewer Capacity Fee	37,000	17,000	17,000
Interest	87,590	21,800	21,800
Other Revenue	231,010	587,450	587,450
Sewer Service Charges (net of delinquencies)	5,994,990	5,929,000	6,356,400
Sewer Service Charges - LGSD and LM	49,430	50,000	50,000
Total Resources	15,617,540	14,382,750	12,746,400
<u>Expenditures</u>			
Utilities	8,500	7,700	6,500
Personnel	383,640	1,216,500	1,216,490
Training & Travel	970	12,000	2,500
Vehicle & Equipment Maintenance	21,290	35,000	35,000
Services & Supplies	4,620,010	3,045,400	3,672,600
Transfer to General Fund for Administration	552,400	552,400	552,400
Transfer to Gas Tax Fund for Operations	100,000	100,000	100,000
Transfer to LG Sanitation District Pure Water Reserve	-	3,700,000	-
Total Expenditures	5,686,810	8,669,000	5,585,490
ENDING FUND BALANCE - June 30	\$ 9,930,730	\$ 5,713,750	\$ 7,160,910

CITY OF LEMON GROVE
FY 2017-18 Operating Budget

SANITATION OPERATIONS
FUND 15
EXPENDITURE DETAIL

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
Expenditures			
Salaries	\$ 741,720	\$ 898,500	\$ 885,960
Overtime	14,700	14,200	31,640
Part-Time	14,730	27,200	27,200
Total Salaries	771,150	939,900	944,800
Health Insurance	96,280	147,700	143,280
Retiree Health	14,310	15,900	16,620
Deferred Compensation	870	1,700	1,740
Employee Assistance Program	-	400	380
Worker's Compensation	23,140	12,000	12,000
Medicare	11,720	13,500	13,700
Life Insurance	1,190	500	460
Long Term Disability	5,160	5,400	6,480
Retirement	(540,180)	79,500	77,030
Total Benefits	(387,510)	276,600	271,690
Claims Paid	-	20,000	20,000
Computer Maintenance	14,010	46,600	46,600
Contract Services	46,010	55,000	55,000
Copier Service	360	-	-
Emergency Callouts	-	5,000	5,000
Equipment Rental	-	5,000	5,000
Estimated Workers Comp Claim Payable	-	20,000	20,000
Fuel	8,140	15,000	15,100
Industrial Enforcement	-	10,000	10,000
Insurance Premium - Liability	39,040	27,750	27,750
Insurance Premium - Property	7,410	20,350	20,350
Line Cleaning	10,000	10,000	-
Litigation Services	260	60,000	60,000
Health Exams	210	400	400
Membership & Dues	1,680	2,000	2,000
Mileage	7,850	9,000	9,000
Muni Sewage Capacity & Treatment	2,301,960	2,465,400	2,968,500
Muni Sewage Transportation	46,530	66,000	66,000
Office Supplies	600	2,000	2,000
Pension Expense - GASB 68	130,450	-	-
Personnel Recruitment	90	-	-
Professional Services	37,340	157,000	257,900
Professional Services (City Attorney)	-	-	30,000
Protective Clothing	3,620	4,000	4,000
Repairs & Maintenance	770	5,400	5,400
Repair & Maintenance - Equipment	11,810	25,000	25,000
Repair & Maintenance - Vehicles	9,480	10,000	10,000
Restoration Services	-	10,000	10,000
Street Sweeping	16,150	18,000	19,000
Tools & Supplies	13,150	11,000	11,000

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
SANITATION OPERATIONS
FUND 15
EXPENDITURE DETAIL (cont'd.)

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
Traffic Safety Equipment	\$ -	\$ 500	\$ 500
Training	6,060	10,000	2,600
Transfer to PERS Unfunded Liability	1,828,320	-	-
Travel & Meetings	970	2,000	2,000
Utilities - Gas & Electricity	650	700	1,500
Utilities - Telephone	6,050	4,500	4,500
Utilities - Water	1,800	2,500	500
Transfer to General Fund for Operations	552,400	552,400	552,400
Transfer to Gas Tax Fund	100,000	100,000	100,000
Transfer to LG Sanitation District Pure Water Reserve	-	3,700,000	-
Total Operations	5,203,170	7,452,500	4,369,000
Total Expenditures	\$ 5,586,810	\$ 8,669,000	\$ 5,585,490

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
LEMON GROVE SANITATION DISTRICT RESERVE
FUND 16

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 6,934,100	\$ 1,520,000	\$ 3,371,800
Rate Stabilization	3,523,200	3,531,200	2,968,500
Revenues			
Interest	8,000	8,000	8,000
Transfer From Operations	-	-	4,195,000
Transfer to Operations Reserve	-	-	-
Total Resources	10,465,300	5,059,200	10,543,300
Capital Improvement Projects			
Contingent Costs	-	-	159,140
Equipment Replacement	20,000	-	-
Federal Blvd Sewer Rehab (Design)	-	80,000	-
Federal Blvd Sewer Rehab (Construction)	-	600,000	-
Sanitary Sewer Master Plan Update	-	100,000	-
Sewer Main Maintenance Project (Construction)	-	250,000	265,230
Sewer Main Rehabilitation (Design)	-	20,000	106,090
Sewer Main Rehabilitation (Construction)	1,500,000	400,000	1,060,900
Total Capital Improvement Projects	1,520,000	1,450,000	1,591,360
Operations Reserves Ending Balance**	8,945,300	3,609,200	8,951,940
ENDING FUND BALANCE - June 30	\$ 1,520,000	\$ 1,450,000	\$ 1,591,360

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
LEMON GROVE SANITATION DISTRICT PURE WATER RESERVE
FUND 17

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ -	\$ -	\$ 3,700,000
Adjustment to estimated Fund Balance	-	-	-
<u>Revenues</u>			
Transfer from Operations	-	3,700,000	-
Total Resources	-	3,700,000	3,700,000
<u>Expenditures</u>			
Total Expenditures	-	-	-
ENDING FUND BALANCE - June 30	\$ -	\$ 3,700,000	\$ 3,700,000

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

**SIDEWALK RESERVE
FUND 18**

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 22,930	\$ 23,120	\$ 23,170
Adjustment to estimated Fund Balance	-	-	-
<u>Revenues</u>			
Interest	190	50	100
Total Resources	23,120	23,170	23,270
<u>Expenditures</u>			
Total Expenditures	-	-	-
ENDING FUND BALANCE - June 30	\$ 23,120	\$ 23,170	\$ 23,270

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
INTEGRATED WASTE REDUCTION
FUND 21
AB939 - Integrated Waste Reduction Act of 1990

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 146,060	\$ 142,230	\$ 101,110
Adjustment to estimated Fund Balance	-	-	-
Revenues			
AB939 Fees	25,590	20,000	23,000
Other Revenue	-	-	-
Interest	1,630	400	800
Total Resources	173,280	162,630	124,910
Expenditures			
Salaries	15,700	20,900	20,650
Overtime	-	-	80
Total Salaries	15,700	20,900	20,730
Health Insurance	1,600	3,200	2,610
Retiree Health	560	600	980
Deferred Compensation	30	100	60
Employee Assistance Program	-	10	10
Worker's Compensation	-	300	300
Medicare	290	300	300
Life Insurance	10	10	10
Long Term Disability	170	200	240
Retirement	1,170	4,400	4,940
Total Benefits	3,830	9,120	9,450
Consultant Fees	3,350	5,500	4,500
Mileage	190	300	500
Professional Services	-	16,500	-
Household Hazardous Waste Drop-off	6,780	8,000	8,000
Transfer to City for Administration	1,200	1,200	1,200
Total Operations	11,520	31,500	14,200
Total Expenditures	31,050	61,520	44,380
ENDING FUND BALANCE - June 30	\$ 142,230	\$ 101,110	\$ 80,530

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
WILDFLOWER ASSESSMENT DISTRICT
FUND 22
Wildflower Landscape Maintenance Assessment District 97-1

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 4,930	\$ 4,790	\$ (2,780)
Adjustment to estimated Fund Balance	-	-	470
Revenues			
Annual Assessment Revenue	9,100	9,100	9,650
Interest	40	-	-
Total Resources	14,070	13,890	7,340
Expenditures			
Salaries	4,770	9,400	2,340
Overtime	100	-	-
Total Salaries	4,870	9,400	2,340
Health Insurance	500	900	230
Retiree Health	60	300	310
Employee Assistance Program	-	10	-
Medicare	-	100	30
Life Insurance	-	10	-
Long Term Disability	60	100	30
Retirement	450	2,000	550
Total Benefits	1,070	3,420	1,150
Contract Services	2,350	2,800	2,800
Utilities - Gas & Electric	90	100	100
Utilities - Water	800	850	850
Transfer to City for Administration	100	100	100
Total Operations	3,340	3,850	3,850
Total Expenditures	9,280	16,670	7,340
ENDING FUND BALANCE - June 30	\$ 4,790	\$ (2,780)	\$ 0

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
SERIOUS TRAFFIC OFFENDER PROGRAM (STOP)
FUND 23

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 27,690	\$ 36,030	\$ 33,180
Adjustment to estimated Fund Balance	-	-	(17,160)
<u>Revenues</u>			
Impound Fee Share	13,330	9,500	7,000
Interest	270	100	100
Total Resources	41,290	45,630	23,120
<u>Expenditures</u>			
Salaries	1,440	1,700	1,780
Total Salaries	1,440	1,700	1,780
Health Insurance	40	100	90
Retiree Health	90	-	-
Deferred Compensation	30	100	60
Worker's Compensation	-	100	100
Medicare	60	30	30
Long Term Disability	10	20	10
Retirement	60	300	380
Total Benefits	290	650	670
General Expenditure	3,470	10,000	-
Mileage	60	100	100
Total Operations	3,530	10,100	100
Total Expenditures	5,260	12,450	2,550
ENDING FUND BALANCE - June 30	\$ 36,030	\$ 33,180	\$ 20,570

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
SELF-INSURED WORKERS COMPENSATION RESERVE
FUND 25

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 525,560	\$ 636,630	\$ 638,030
Adjustment to estimated Fund Balance	-	-	-
Revenues			
Interest	5,400	1,400	1,400
General Reserve Transfer	-	-	-
Other Revenue	132,640	-	-
Total Resources	663,600	638,030	639,430
Expenditures			
Estimated Claims Payable	-	-	-
Professional Services	1,970	-	-
Transfer to General Fund Operations	25,000	-	100,000
Total Expenditures	26,970	-	100,000
ENDING FUND BALANCE - June 30	\$ 636,630	\$ 638,030	\$ 539,430
*Fund Balance includes \$25,000 on deposit with Tristar.			

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
STORM WATER PROGRAM
FUND 26

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ -	\$ -	\$ -
Adjustment to estimated Fund Balance	-	-	-
<u>Revenues</u>			
Storm Water Fees - Commercial (Business License)	49,710	49,300	47,000
Storm Water Fees - Discretionary (Building Fee)	20,810	19,000	10,000
Transfer from General Fund	79,640	135,120	154,030
Total Resources	150,160	203,420	211,030
<u>Expenditures</u>			
Salaries	25,430	25,800	25,780
Overtime	-	-	90
Total Salaries	25,430	25,800	25,870
Health Insurance	2,970	3,000	2,970
Retiree Health	300	-	-
Employee Assistance Program	-	10	10
Worker's Compensation	-	500	500
Medicare	380	400	370
Life Insurance	-	10	10
Long Term Disability	330	300	340
Retirement	1,750	4,800	6,310
Total Benefits	5,730	9,020	10,510
MOU Cost Share Agreements	-	-	103,000
Program Fees	119,000	168,500	15,000
Mileage	-	100	350
Professional Services	-	-	55,000
Training	-	100	1,300
Total Operations	119,000	168,600	174,650
Total Expenditures	150,160	203,420	211,030
ENDING FUND BALANCE - June 30	\$ -	\$ -	\$ -

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM
FUND 27

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ -	\$ 275,900	\$ (182,000)
Adjustment to estimated Fund Balance	-	-	187,000
Revenues			
Interest	3,320	-	-
RTCIP Fees (\$2,404 per residential housing unit)	272,580	100,000	50,000
Total Resources	275,900	375,900	55,000
Expenditures			
Lemon Grove Avenue Realignment Project	-	557,900	-
Total Expenditures	-	557,900	-
ENDING FUND BALANCE - June 30	\$ 275,900	\$ (182,000)	\$ 55,000
Above fund balance does not reflect \$187,100 in deferred revenue at 6/30/16			

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
SELF-INSURED LIABILITY RESERVE
FUND 29

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 458,760	\$ 410,470	\$ 376,670
Adjustment to estimated Fund Balance	-	-	18,280
<u>Revenues</u>			
Interest	4,010	1,200	4,000
Dividend	5,040	-	5,000
Miscellaneous Revenue	2,090	-	-
Total Resources	469,900	411,670	403,950
<u>Expenditures</u>			
Claims	30,100	10,000	20,000
Professional Services	-	15,000	15,000
Safety Loss Prevention Regulatory Compliance	29,330	10,000	10,000
Total Expenditures	59,430	35,000	45,000
ENDING FUND BALANCE - June 30	\$ 410,470	\$ 376,670	\$ 358,950

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
PUBLIC EDUCATIONAL AND GOVERNMENTAL ACCESS (PEG)
FUND 30

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 209,690	\$ 215,130	\$ 208,630
Adjustment to estimated Fund Balance	-	-	29,640
Revenues			
Interest	1,640	500	500
PEG Fees	57,780	30,000	60,000
Total Resources	269,110	245,630	298,770
Expenditures			
Computer Expense	35,120	36,000	36,000
Professional Services	1,000	1,000	1,000
Capital Improvements	17,860	-	-
Total Expenditures	53,980	37,000	37,000
ENDING FUND BALANCE - June 30	\$ 215,130	\$ 208,630	\$ 261,770

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

**CAPITAL RESERVE
FUND 32**

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ 180,000	\$ 180,000	\$ 180,000
Adjustment to estimated Fund Balance	-	-	-
<u>Revenues</u>			
Revenue	-	-	-
Total Resources	180,000	180,000	180,000
<u>Expenditures</u>			
Facility Repairs and Upgrades	-	-	180,000
Total Expenditures	-	-	180,000
ENDING FUND BALANCE - June 30	\$ 180,000	\$ 180,000	\$ -

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
MAIN STREET PROMENADE COMMUNITY FACILITIES DISTRICT
FUND 33

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ (30)	\$ (1,600)	\$ (1,000)
Adjustment to estimated Fund Balance	-	-	(3,900)
<u>Revenues</u>			
Assessment	9,470	14,600	8,700
Other Revenue	290	-	-
Total Resources	9,730	13,000	3,800
<u>Expenditures</u>			
Contract Services	8,550	10,000	10,000
Repair & Maintenance	190	500	500
Utilities - Gas & Electric	2,110	3,000	3,000
Utilities - Water	480	500	500
Total Expenditures	11,330	14,000	14,000
ENDING FUND BALANCE - June 30	\$ (1,600)	\$ (1,000)	\$ (10,200)

CITY OF LEMON GROVE
FY 2017-18 Operating Budget
SUCCESSOR AGENCY
FUNDS 60 AND 64

FUND ACTIVITY	2015/16 ACTUAL	FY 2016/17 BUDGET	FY 2017/18 BUDGET
BEGINNING FUND BALANCE - July 1	\$ (14,534,020)	\$ (13,179,480)	\$ (12,200,480)
Adjustment to estimated Fund Balance	-	-	-
Revenues			
ROPS Reimbursement	2,488,720	2,400,000	2,400,000
Rent	94,510	-	-
Interest Revenue	14,630	-	-
Total Resources	(11,936,160)	(10,779,480)	(9,800,480)
Expenditures			
Salaries	121,230	-	-
Total Salaries	121,230	-	-
Health Insurance	11,830	-	-
Retiree Health	7,880	-	-
Deferred Compensation	420	-	-
Employee Assistance Program	-	-	-
Worker's Compensation	-	-	-
Medicare	2,810	-	-
Life Insurance	210	-	-
Long Term Disability	930	-	-
Retirement	74,600	-	-
Total Benefits	98,680	-	-
Interest - Bonds	1,095,760	1,071,800	1,039,220
Administrative Reimbursement	39,830	-	100,000
City Loan Repayment	-	343,200	-
Depreciation	16,380	-	-
General Expenditure	5,480	-	-
Legal Services	-	-	-
Lemon Grove Realignment - CIP	830	-	-
Mileage	2,190	-	-
PERS Actuarial Unfunded Liability	(137,060)	-	-
Professional Services	-	6,000	6,000
Total Operations	1,023,410	1,421,000	1,145,220
Total Expenditures	1,243,320	1,421,000	1,145,220
ENDING FUND BALANCE - June 30	\$ (13,179,480)	\$ (12,200,480)	\$ (10,945,700)
In addition the following principal and capital payments have or will be made (these payments do not affect Fund Balance)			
2004 Tax Allocation Bonds - principal only	75,000	-	-
2007 Tax Allocation Bonds - principal only	190,000	205,000	215,000
2010 Tax Allocation Bonds - principal only	345,000	365,000	380,000
2014 Tax Allocation Bonds - principal only	-	115,000	115,000
TOTAL BOND PRINCIPAL PAYMENTS	\$ 1,110,000	\$ 2,485,000	\$ 710,000

Appendix

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**



**Salary Plan
FY 2017-2018
(Effective Date: June 21, 2017)**

	<u>RANGE</u>					
<u>ACCOUNT CLERK</u>						
	17.2	A	B	C	D	E
ANNUAL		29,437.20	30,909.06	32,460.48	34,091.46	35,782.11
MONTHLY		2,453.10	2,575.76	2,705.04	2,840.96	2,981.84
BI-WEEKLY		1,132.20	1,188.81	1,248.48	1,311.21	1,376.24
HOURLY		14.80	15.54	16.32	17.14	17.99
<u>ACCOUNTING ANALYST</u>						
	32.7	A	B	C	D	E
ANNUAL		62,733.06	65,875.68	69,157.53	72,618.39	76,258.26
MONTHLY		5,227.76	5,489.64	5,763.13	6,051.53	6,354.86
BI-WEEKLY		2,412.81	2,533.68	2,659.91	2,793.02	2,933.01
HOURLY		31.54	33.12	34.77	36.51	38.34
<u>ADMINISTRATIVE ASSISTANT</u>						
	24.2	A	B	C	D	E
ANNUAL		41,430.87	43,499.43	45,687.33	47,954.79	50,361.48
MONTHLY		3,452.57	3,624.95	3,807.28	3,996.23	4,196.79
BI-WEEKLY		1,593.50	1,673.06	1,757.21	1,844.42	1,936.98
HOURLY		20.83	21.87	22.97	24.11	25.32
<u>ADMINISTRATIVE ANALYST</u>						
	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12
<u>ASSISTANT CITY MANAGER/PUBLIC WORKS DIRECTOR</u>						
	52.2	A	B	C	D	E
ANNUAL		127,276.11	133,621.02	140,304.06	147,325.23	154,684.53
MONTHLY		10,606.34	11,135.09	11,692.01	12,277.10	12,890.38
BI-WEEKLY		4,895.24	5,139.27	5,396.31	5,666.36	5,949.41
HOURLY		63.99	67.18	70.54	74.07	77.77
<u>ASSISTANT ENGINEER</u>						
	32.7	A	B	C	D	E
ANNUAL		62,733.06	65,875.68	67,168.53	72,618.39	76,258.26
MONTHLY		5,227.76	5,489.64	5,597.38	6,051.53	6,354.86
BI-WEEKLY		2,412.81	2,533.68	2,583.41	2,793.02	2,933.01
HOURLY		31.54	33.12	33.77	36.51	38.34
<u>ASSISTANT PLANNER</u>						
	32.7	A	B	C	D	E
ANNUAL		62,733.06	65,875.68	67,168.53	72,618.39	76,258.26
MONTHLY		5,227.76	5,489.64	5,597.38	6,051.53	6,354.86
BI-WEEKLY		2,412.81	2,533.68	2,583.41	2,793.02	2,933.01
HOURLY		31.54	33.12	33.77	36.51	38.34
<u>ASSOCIATE ACCOUNTANT</u>						
	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

ASSOCIATE CIVIL ENGINEER

	36.5	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

ASSOCIATE PLANNER

	33.4	A	B	C	D	E
ANNUAL		64,920.96	68,163.03	71,564.22	75,144.42	78,903.63
MONTHLY		5,410.08	5,680.25	5,963.69	6,262.04	6,575.30
BI-WEEKLY		2,496.96	2,621.66	2,752.47	2,890.17	3,034.76
HOURLY		32.64	34.27	35.98	37.78	39.67

BATTALION CHIEF

	40.55	A	B	C	D	76.50 shift Y
ANNUAL		87,676.68	93,551.04	99,819.00	106,606.68	115,476.48
MONTHLY		7,306.39	7,795.92	8,318.25	8,883.89	9,623.04
BI-WEEKLY (106 hrs)		3,372.18	3,598.12	3,839.19	4,100.26	4,343.67
HOURLY (2,756 hrs/yr)		31.81	33.94	36.22	38.68	56.78
MONTHLY (56 Hrs/wk. RATE) (53 regular + 3 sch'd OT)		7,926.74	8,457.84	9,024.52	9,638.18	

CITY CLERK

	35.2	A	B	C	D	E
ANNUAL		70,868.07	74,408.49	78,127.92	82,026.36	86,143.59
MONTHLY		5,905.67	6,200.71	6,510.66	6,835.53	7,178.63
BI-WEEKLY		2,725.70	2,861.87	3,004.92	3,154.86	3,313.22
HOURLY		35.63	37.41	39.28	41.24	43.31

CITY MANAGER

						175,000.00
CONTRACT						14,583.33
						6,730.77
						87.98

CODE ENFORCEMENT OFFICER

	26.2	A	B	C	D	E
HOURLY		22.97	24.11	25.32	26.59	27.92

CODE ENFORCEMENT OFFICER/WATER QUALITY INSPECTOR

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

COMMUNITY SERVICES ASSISTANT

	19.1	A	B	C	D	E
ANNUAL		32,301.36	33,912.45	35,622.99	37,393.20	39,262.86
MONTHLY		2,691.78	2,826.04	2,968.58	3,116.10	3,271.91
BI-WEEKLY		1,242.36	1,304.33	1,370.12	1,438.20	1,510.11
HOURLY		16.24	17.05	17.91	18.80	19.74

COMMUNITY SERVICES SUPERINTENDENT

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

DEVELOPMENT SERVICES DIRECTOR

	42.2	A	B	C	D	E
ANNUAL		99,708.57	104,700.96	109,932.03	115,441.56	121,209.66
MONTHLY		8,309.05	8,725.08	9,161.00	9,620.13	10,100.81
BI-WEEKLY		3,834.95	4,026.96	4,228.16	4,440.06	4,661.91
HOURLY		50.13	52.64	55.27	58.04	60.94

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

DEVELOPMENT SERVICES TECHNICIAN II

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

ENGINEERING INSPECTOR

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

ENGINEERING TECH III

	29.7	A	B	C	D	E
ANNUAL		54,180.36	56,905.29	59,749.56	62,733.06	65,875.68
MONTHLY		4,515.03	4,742.11	4,979.13	5,227.76	5,489.64
BI-WEEKLY		2,083.86	2,188.67	2,298.06	2,412.81	2,533.68
HOURLY		27.24	28.61	30.04	31.54	33.12

EXECUTIVE ASSISTANT

	24.2	A	B	C	D	E
ANNUAL		41,430.87	43,499.43	45,687.33	47,954.79	50,361.48
MONTHLY		3,452.57	3,624.95	3,807.28	3,996.23	4,196.79
BI-WEEKLY		1,593.50	1,673.06	1,757.21	1,844.42	1,936.98
HOURLY		20.83	21.87	22.97	24.11	25.32

FACILITY TECH I

	18.0	A	B	C	D	E
ANNUAL		30,610.71	32,142.24	33,753.33	35,443.98	37,194.30
MONTHLY		2,550.89	2,678.52	2,812.78	2,953.67	3,099.53
BI-WEEKLY		1,177.34	1,236.24	1,298.21	1,363.23	1,430.55
HOURLY		15.39	16.16	16.97	17.82	18.70

FACILITY TECH II

	22.0	A	B	C	D	E
ANNUAL		37,214.19	39,063.96	41,033.07	43,081.74	45,229.86
MONTHLY		3,101.18	3,255.33	3,419.42	3,590.15	3,769.16
BI-WEEKLY		1,431.32	1,502.46	1,578.20	1,656.99	1,739.61
HOURLY		18.71	19.64	20.63	21.66	22.74

FINANCE MANAGER

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

FIRE CAPTAIN

	38.45	A	B	C	D
ANNUAL		83,098.20	88,665.84	94,606.44	101,039.76
MONTHLY		6,924.85	7,388.82	7,883.87	8,419.98
BI-WEEKLY (106 hrs)		3,196.08	3,410.22	3,638.71	3,886.14
HOURLY (2,756 hrs/yr)		30.15	32.17	34.33	36.66
MONTHLY (56 Hrs/wk. RATE) (53 regular + 3 sch'd OT)		7,512.81	8,016.17	8,553.26	9,134.88

FIRE DIVISION CHIEF

	43.75	A	B	C	D	E
ANNUAL		107,585.01	112,955.31	118,623.96	124,531.29	130,776.75
MONTHLY		8,965.42	9,412.94	9,885.33	10,377.61	10,898.06
BI-WEEKLY		4,137.89	4,344.44	4,562.46	4,789.67	5,029.88

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

FIRE ENGINEER

	34.25	A	B	C	D
ANNUAL		67,701.36	72,237.36	77,077.20	82,291.44
MONTHLY		5,641.78	6,019.78	6,423.10	6,857.62
BI-WEEKLY (106 hrs)		2,603.90	2,778.36	2,964.51	3,165.06
HOURLY (2,756 hrs/yr)		24.57	26.21	27.97	29.86
MONTHLY (56 Hrs/wk. RATE) (53 regular + 3 sch'd OT)		6,120.80	6,530.89	6,968.46	7,439.87

FIRE INSPECTOR

	26.3	A	B	C	D	E
ANNUAL		45,906.12	48,193.47	50,620.05	53,146.08	55,851.12
MONTHLY		3,825.51	4,016.12	4,218.34	4,428.84	4,654.26
BI-WEEKLY		1,765.62	1,853.60	1,946.93	2,044.08	2,148.12
HOURLY		23.08	24.23	25.45	26.72	28.08

FIRE PREVENTION/PUBLIC EDUCATION SPECIALIST

	26.3	A	B	C	D	E
HOURLY		23.08	24.23	25.45	26.72	28.08

FIREFIGHTER/PARAMEDIC

	33.45	A	A+	B	C	D
ANNUAL		65,109.60	67,290.78	69,471.96	74,126.52	79,167.24
MONTHLY		5,425.80	5,607.57	5,789.33	6,177.21	6,597.27
BI-WEEKLY (106 hrs)		2,504.22	2,588.11	2,672.00	2,851.02	3,044.89
HOURLY (2,756 hrs/yr)		23.62	24.42	25.21	26.90	28.73
MONTHLY-56 Hrs/wk. RATE (53 regular + 3 sch'd OT)		5,886.48	6,083.68	6,280.88	6,701.69	7,157.42

HUMAN RESOURCES MANAGER

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

LICENSE CLERK

	21.0	A	B	C	D	E
ANNUAL		35,443.98	37,214.19	39,063.96	41,033.07	43,081.74
MONTHLY		2,953.67	3,101.18	3,255.33	3,419.42	3,590.15
BI-WEEKLY		1,363.23	1,431.32	1,502.46	1,578.20	1,656.99
HOURLY		17.82	18.71	19.64	20.63	21.66

MAINTENANCE SERVICE WORKER

	12.4	A	B	C	D	E
ANNUAL		23,291.19	24,464.70	25,697.88	26,970.84	28,323.36
MONTHLY		1,940.93	2,038.73	2,141.49	2,247.57	2,360.28
BI-WEEKLY		895.82	940.95	988.38	1,037.34	1,089.36
HOURLY		11.71	12.30	12.92	13.56	14.24

MANAGEMENT ANALYST

	33.2	A	B	C	D	E
ANNUAL		64,284.48	67,486.77	70,868.07	74,408.49	78,127.92
MONTHLY		5,357.04	5,623.90	5,905.67	6,200.71	6,510.66
BI-WEEKLY		2,472.48	2,595.65	2,725.70	2,861.87	3,004.92
HOURLY		32.32	33.93	35.63	37.41	39.28

OFFICE AIDE

	10.8	A	B	C	D	E
HOURLY		10.83	11.38	11.94	12.54	13.17

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

PARK RANGER

	19.6	A	B	C	D	E
HOURLY		16.65	17.48	18.35	19.27	20.23

PRINCIPAL PLANNER

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

PUBLIC WORKS SECRETARY

	21.0	A	B	C	D	E
ANNUAL		35,443.98	37,214.19	39,063.96	41,033.07	43,081.74
MONTHLY		2,953.67	3,101.18	3,255.33	3,419.42	3,590.15
BI-WEEKLY		1,363.23	1,431.32	1,502.46	1,578.20	1,656.99
HOURLY		17.82	18.71	19.64	20.63	21.66

PUBLIC WORKS SUPERINTENDENT

	36.1	A	B	C	D	E
ANNUAL		74,030.58	77,750.01	81,628.56	85,706.01	90,002.25
MONTHLY		6,169.22	6,479.17	6,802.38	7,142.17	7,500.19
BI-WEEKLY		2,847.33	2,990.39	3,139.56	3,296.39	3,461.63
HOURLY		37.22	39.09	41.04	43.09	45.25

RECREATION LEADER I

	10.0	A	B	C	D	E
HOURLY		10.42	10.92	11.48	12.06	12.66

RECREATION LEADER II

	12.4	A	B	C	D	E
ANNUAL		23,291.19	24,464.70	25,697.88	26,970.84	28,323.36
MONTHLY		1,940.93	2,038.73	2,141.49	2,247.57	2,360.28
BI-WEEKLY		895.82	940.95	988.38	1,037.34	1,089.36
HOURLY		11.71	12.30	12.92	13.56	14.24

SANITATION SUPERVISOR

	27.5	A	B	C	D	E
ANNUAL		48,670.83	51,117.30	53,663.22	56,348.37	59,172.75
MONTHLY		4,055.90	4,259.78	4,471.94	4,695.70	4,931.06
BI-WEEKLY		1,871.96	1,966.05	2,063.97	2,167.25	2,275.88
HOURLY		24.47	25.70	26.98	28.33	29.75

SENIOR PLANNER

	34.4	A	B	C	D	E
ANNUAL		68,163.03	71,564.22	75,144.42	78,903.63	82,841.85
MONTHLY		5,680.25	5,963.69	6,262.04	6,575.30	6,903.49
BI-WEEKLY		2,621.66	2,752.47	2,890.17	3,034.76	3,186.23
HOURLY		34.27	35.98	37.78	39.67	41.65

STREET SUPERVISOR

	27.5	A	B	C	D	E
ANNUAL		48,670.83	51,117.30	53,663.22	56,348.37	59,172.75
MONTHLY		4,055.90	4,259.78	4,471.94	4,695.70	4,931.06
BI-WEEKLY		1,871.96	1,966.05	2,063.97	2,167.25	2,275.88
HOURLY		24.47	25.70	26.98	28.33	29.75

STREET TECH I

	18.0	A	B	C	D	E
ANNUAL		30,610.71	32,142.24	33,753.33	35,443.98	37,194.30
MONTHLY		2,550.89	2,678.52	2,812.78	2,953.67	3,099.53
BI-WEEKLY		1,177.34	1,236.24	1,298.21	1,363.23	1,430.55
HOURLY		15.39	16.16	16.97	17.82	18.70

STREET TECH II

**CITY OF LEMON GROVE
FY 2017-18 Operating Budget**

	22.0	A	B	C	D	E
ANNUAL		37,214.19	39,063.96	41,033.07	43,081.74	45,229.86
MONTHLY		3,101.18	3,255.33	3,419.42	3,590.15	3,769.16
BI-WEEKLY		1,431.32	1,502.46	1,578.20	1,656.99	1,739.61
HOURLY		18.71	19.64	20.63	21.66	22.74

TECHNICIAN I

	18.0	A	B	C	D	E
ANNUAL		30,610.71	32,142.24	33,753.33	35,443.98	37,194.30
MONTHLY		2,550.89	2,678.52	2,812.78	2,953.67	3,099.53
BI-WEEKLY		1,177.34	1,236.24	1,298.21	1,363.23	1,430.55
HOURLY		15.39	16.16	16.97	17.82	18.70

TECHNICIAN II

	22.0	A	B	C	D	E
ANNUAL		37,214.19	39,063.96	41,033.07	43,081.74	45,229.86
MONTHLY		3,101.18	3,255.33	3,419.42	3,590.15	3,769.16
BI-WEEKLY		1,431.32	1,502.46	1,578.20	1,656.99	1,739.61
HOURLY		18.71	19.64	20.63	21.66	22.74

CITY OF LEMON GROVE
FY 2017-18 Operating Budget



CLASSIFICATION SUMMARY
(Effective Date: June 21, 2017)

CLASS TITLE/GROUP/STATUS	RANGE NO.	SALARY RANGE	# OF AUTHORIZED EMPLOYEES**
CLASSIFIED			
CLERICAL / ADMIN SUPPORT GROUP			
		MONTHLY	
Account Clerk	17.2	2,453 - 2,982	0
Administrative Assistant	24.2	3,453 - 4,197	1
Community Services Assistant	19.1	2,892 - 3,272	1
Executive Assistant (Confidential)	24.2	3,453 - 4,197	1
License Clerk	21.0	2,954 - 3,590	1
Public Works Secretary	21.0	2,954 - 3,590	1
			5.00
OPERATIONS / MAINTENANCE GROUP			
Community Services Superintendent	36.1	6,169 - 7,500	1
Facility Tech I	18.0	2,551 - 3,100	1
Facility Tech II	22.0	3,101 - 3,769	1
Public Works Superintendent	36.1	6,169 - 7,500	1
Sanitation Supervisor	27.5	4,056 - 4,931	1
Street Supervisor	27.5	4,056 - 4,931	1
Street Tech I	18.0	2,551 - 3,100	2
Street Tech II	22.0	3,101 - 3,769	3
Technician I	18.0	2,551 - 3,100	2
Technician II	22.0	3,101 - 3,769	2
			15.00
PUBLIC SAFETY GROUP			
Fire Captain	38.5	8,925 - 8,420	6
Fire Engineer	34.3	5,642 - 8,858	6
Firefighter/Paramedic	33.5	5,808 - 8,597	6
			18.0
PROFESSIONAL / TECHNICAL GROUP			
Accounting Analyst	32.7	5,228 - 6,355	1
Administrative Analyst	29.7	4,515 - 5,490	1
Assistant Engineer	32.7	5,228 - 6,355	1
Assistant Planner	32.7	5,228 - 6,355	1
Associate Accountant	29.7	4,515 - 5,490	1
Associate Civil Engineer	36.5	6,169 - 7,500	0
Associate Planner	33.4	5,410 - 6,575	1
City Clerk	35.2	5,906 - 7,179	1
Code Enforcement Officer/Water Quality Inspector	29.7	4,515 - 5,490	1
Development Services Technician II	29.7	4,515 - 5,490	1
Engineering Inspector	29.7	4,515 - 5,490	1
Engineering Tech III	29.7	4,515 - 5,490	0
Finance Manager	36.1	6,169 - 7,500	1
Fire Inspector	26.3	3,826 - 4,654	0
Human Resources Manager	36.1	6,169 - 7,500	1
Management Analyst	33.2	5,357 - 6,511	2
Principal Planner	36.1	6,169 - 7,500	0
Senior Planner	34.4	5,680 - 6,903	0
			14.00
MANAGEMENT GROUP			
Assistant City Manager/Public Works Director	52.2	10,606 - 12,990	1
Battalion Chief	40.6	7,306 - 9,623	1
City Manager (contract)	---	14,583 - 14,583	1
Development Services Director	42.2	8,309 - 10,101	1
Fire Division Chief	43.6	8,965 - 10,898	1
			5.0
PART-TIME/TEMPORARY/SEASONAL/OTHER			
		HOURLY	
Class Instructor * (other)	---	10.00 - 25.00	0.5
Code Enforcement Officer	26.2	22.97 - 27.92	0.00
Engineer * (other)	---	30.30 - 30.30	0
Fire Prevention/Public Education Specialist *	26.3	23.08 - 28.08	0.5
Office Aide *	10.8	10.83 - 13.17	1
Intern * (other)	---	10.00 - 15.00	0
Maintenance Service Worker*	12.4	1,941 - 2,360	3.5
Park Ranger *	19.6	16.65 - 20.23	0.5
Recreation Leader I *	10.0	10.42 - 12.66	2.25
Recreation Leader II *	12.4	1,941 - 2,360	2.25
*Full Time Equivalent (fte)			10.50
TOTAL EMPLOYEES:			67.50

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 4
Mtg. Date June 20, 2017
Dept. Development Services Department

Item Title: **Public Hearing to Consider Variance Request VA1-700-0001 to Modify Development Standards Requiring Two Off-street Parking Spaces to be Garaged in the Residential Low Zoning District.**

Staff Contact: Michael Viglione, Assistant Planner
David De Vries, Development Services Director

Recommendation:

- 1) Conduct the public hearing; and
- 2) Either adopt a Resolution (**Attachment B**) approving Variance application VA1-700-0001 granting a modification of off-street parking requirements; or adopt a Resolution (**Attachment C**) denying Variance application VA1-700-0001 upholding off-street parking requirements.

Item Summary:

On October 12, 2016, the Code Enforcement Division issued an Administrative Citation for non-permitted construction to the property owner at 6547 MacArthur Drive. The non-permitted construction included the conversion of existing garages to habitable space leaving the property without the two garaged off-street parking spaces required by the Residential Low (RL) Zoning District. The property owner applied for a variance to modify the Development Standard in order to allow the two required parking spaces to be unenclosed (without a garage), but not visible from the adjacent public street, MacArthur Drive.

Fiscal Impact:

No fiscal impact.

Environmental Review:

- | | |
|---|---|
| ☐ Not subject to review | ☐ Negative Declaration |
| ☒ Categorically Exempt, Section 15301 | ☐ Mitigated Negative Declaration |

Public Information:

- | | | |
|---|---|--|
| ☐ None | ☐ Newsletter article | ☒ Notice to property owners within 500 ft. |
| ☒ Notice published in local newspaper | ☐ Neighborhood meeting | |

Attachments:

- | | |
|---------------------------------|---|
| A. Staff Report | E. Code Enforcement Administrative Citation |
| B. Draft Resolution of Approval | F. Site Photos |
| C. Draft Resolution of Denial | G. Aerial and Vicinity Map |
| D. Letters from the Applicant | H. Exhibit A – Project Plans |

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 4

Mtg. Date June 20, 2017

Item Title: Public Hearing to Consider Variance Request VA1-700-0001 to Modify Development Standards Requiring Two Off-street Parking Spaces to be Garaged in the Residential Low Zoning District.

Staff Contact: Michael Viglione, Assistant Planner
David De Vries, Development Services Director

Application Summary:

APPLICANT/OWNER:	Miroslav Tomic, 6547 MacArthur Drive, Lemon Grove, CA 91945.
PROPERTY LOCATION:	6547 MacArthur Drive. APN: 478-220-05-00. The site is located on the south side of MacArthur Drive approximately 1,200 feet east of its intersection with Federal Boulevard.
PROJECT AREA:	1.03 acres (44,867 square feet).
EXISTING ZONE:	Residential Low (RL).
GENERAL PLAN LAND USE DESIGNATION:	Low Density Residential.
SURROUNDING PROPERTIES:	North: Single-family residential. South: Single-family residential. East: Single-family residential. West: Single-family residential.
ENVIRONMENTAL IMPACT:	The project is Categorically Exempt from the California Environmental Quality Act Section 15301, Class 1. Mitigation measures are not required and no environmental impact is anticipated.

Attachment A

Background

The subject property slopes significantly from its frontage along MacArthur Drive to its back yard such that the rear property line sits about 60 feet below the front of the house along MacArthur Drive making the rear portion of the property difficult to see by pedestrians along MacArthur Drive. The property is nearly 100 feet wide and approximately 447 feet deep on average and was created by the Sonka Urban Heights subdivision in 1946. The original residence, attached garage, basement, pool house and swimming pool were constructed with permits in 1955. In 2004, three separate completed building permits allowed for the addition of two balconies and a new entry way on the main floor of the residence and a detached garage behind the residence. Code Enforcement action in 2016 revealed that the original basement, the garage attached to the residence and the newer detached garage were all converted to habitable spaces without building permit approval. It is unclear how many separate households may have been utilizing the unpermitted habitable areas, however, after code enforcement action, only the property owner resides on the premises (no separate rental units currently exist).

The Code Enforcement Division required that the property owner legalize all non-permitted construction on the property either by obtaining building permits or returning the structures to their original, legal conditions through demolition and interior improvement permits. Since originally receiving the Administrative Citation, the property owner has sought to legalize this non-permitted construction to the greatest extent possible without demolition, however, permitting both garage conversions without constructing two additional garaged parking spaces is not allowed in the Residential Low Zoning District. The development standards require two garaged spaces with each primary single-family residence. To address this issue, the property owner filed a Variance application on January 2, 2017 to modify the two garaged parking space requirement and provide four parking spaces with wheel stops on a gravel ground cover uncovered (no garage or carport) in the rear yard out of sight from through traffic on MacArthur Drive.

The property owner states that returning the non-permitted garage conversions to their original conditions would destroy art and architectural elements of substantial value and significance. Specific reference was made to the stone inlay floor in the main house garage conversion, an artistic fountain and front wall and gate on the driveway in front of the main house off of MacArthur Drive and the plaster finished art wall in place of the removed garage door in the detached garage conversion in the rear of the property.

In a letter to City Council dated May 16, 2017 (**ATTACHMENT D**), the applicant opines that the Variance application satisfies the required findings outlined in Municipal Code Section 17.28.060.B. He asserts that: the uncommon zoning designation, size and topography of the lot, the small percentage of RL properties in apparent compliance with off-street parking requirements, lack of impact to the public and apparent consistency with the off-street parking conditions of nearby properties warrant approval of his variance application.

The property owner also states that returning the property to its original permitted condition or complying with the requirements of the zone through construction of additional garaged parking is not financially feasible as it would constitute a financial and physical hardship. As evidence of this hardship, the applicant provided a separate letter to City Council dated June 1, 2017 (**ATTACHMENT D**) which describes in detail the life events and financial circumstances preventing compliance with Municipal Code Off-Street Parking requirements.

Attachment A

On May 18, 2017, the property owner furnished an undated document (**ATTACHMENT D**) signed by the residents of five nearby properties indicating their support for his parking variance application.

Discussion

As a development regulation, the off-street parking requirement is a component of the larger Zoning Ordinance, the purpose of which is to promote, protect and preserve the public health, safety, peace, comfort and general welfare through the regulation of property and land use. Further, the stated purpose of the Landscaping and Screening regulations in Section 17.24.050.A is to "protect individual properties from undesirable impacts generated by surrounding land uses and general urban activity, and to improve the appearance of neighborhoods in the City by providing adequate landscaping and screening." The inclusion of a screening requirement for vehicle parking in these regulations clearly indicates the potential for parking to become a visual nuisance. Staff believes that the off-street parking requirement articulated in the zone is intended to protect the public in this regard and that the purpose of the garage requirement is to retain the appearance of a traditional single-family residence and to limit the number of vehicles in view from public streets and places.

The parking area in the Variance application is proposed between the detached garage (converted to an accessory dwelling unit) and the pool behind the main residence. The topography of the lot is such that the elevation of the proposed four space parking pad at its highest point is at least 10 full feet below the grade of main residence along its frontage on MacArthur Drive. In conjunction with the mature trees and shrubs along the property lines, this position both behind and lower than the residence, serves to completely obscure the proposed parked vehicles from view along MacArthur Drive. Should the City Council approve the Variance, a condition of approval will require that these four uncovered vehicle parking spaces be retained on the site. The number of parking stalls proposed exceeds the three parking stalls required by the Municipal Code for a primary residence and accessory dwelling unit at this location. Off-street parking is not available along the property's frontage as the old driveway is blocked by a decorative wall and fountain.

The property owner will be required to legalize all non-permitted construction as part of the Code Enforcement process regardless of City Council's decision to approve or deny the variance application. If the Variance is approved, the property owner may choose to convert the garage to a detached bedroom or game room with a covenant that the building will not be used as a separate dwelling unit or the owner may convert it to an accessory rental dwelling unit with payment of appropriate impact fees paid.

In order for City Council to approve a variance, the findings of fact outlined in Section 17.28.060.B. must be made as shown in Attachments B and C. Staff believes that in this circumstance findings to either approve or deny the Variance can be made and as such resolutions for both scenarios are drafted for City Council's consideration (**Attachments B and C**).

Public Information:

The Notice of Public Hearing was published in the June 8, 2017 edition of the East County Californian and mailed to all property owners within 500 feet of the subject property.

Attachment A

The City of Lemon Grove received no comments in response to the Notice of Public Hearing and Environmental Analysis at the time this staff report was prepared. Staff will provide the City Council at the time of the public hearing with any comments.

Conclusion:

Staff recommends that the City Council conduct the public hearing and either approve the Resolution (**Attachment B**) to conditionally approve the variance application or approve the Resolution (**Attachment C**) to deny the variance application.

Attachment B

RESOLUTION NO.

RESOLUTION OF THE LEMON GROVE CITY COUNCIL APPROVING VARIANCE REQUEST VA1-700-0001 TO MODIFY OFF-STREET PARKING REQUIREMENTS FOR TWO OFF-STREET PARKING SPACES TO BE UNENCLOSED (NOT GARAGED) AT 6547 MACARTHUR DRIVE, LEMON GROVE, CALIFORNIA.

WHEREAS, the applicant, Miroslav Tomic, filed a complete application for a Variance request (VA1-700-0001) on May 18, 2017 to modify the Residential Low Zoning District's off-street parking development standards to have the two required spaces be unenclosed (not garaged) to accommodate the existing conversion of all on-site garages to habitable space on a lot developed with a single-family home at 6547 MacArthur Drive, Lemon Grove, California; and

WHEREAS, a variance request associated with the conversion of existing facilities is categorically exempt from the environmental review requirements of the California Environmental Quality Act pursuant to Section 15301; and

WHEREAS, a public hearing was duly noticed and held by the Lemon Grove City Council on June 20, 2017; and

WHEREAS, Section 65852.150 of the State Government Code finds and declares all of the following:

1. Accessory dwelling units are a valuable form of housing in California.
2. Accessory dwelling units provide housing for family members, students, the elderly, in-home health care providers, the disabled, and others, at below market prices within existing neighborhoods.
3. Homeowners who create accessory dwelling units benefit from added income, and an increased sense of security.
4. Allowing accessory dwelling units in single-family or multifamily residential zones provides additional rental housing stock in California.
5. California faces a severe housing crisis.
6. The state is falling far short of meeting current and future housing demand with serious consequences for the state's economy, our ability to build green infill consistent with state greenhouse gas reduction goals, and the well-being of our citizens, particularly lower and middle-income earners.
7. Accessory dwelling units offer lower cost housing to meet the needs of existing and future residents within existing neighborhoods, while respecting architectural character.
8. Accessory dwelling units are, therefore, an essential component of California's housing supply; and

WHEREAS, the City Council determined that the following findings of fact as required by section 17.28.060(B) can be made as follows:

1. There are special property circumstances, (size, shape, topography, location or surroundings) that would cause the strict application of this title to deprive the property of rights enjoyed by other properties in the same vicinity and zoning district; and
 - a. The subject property is steeply sloped. The topography and shape of the property is

Attachment B

such that views of the rear yard from public right-of-way are not visible. The elevation at the front of the property along MacArthur Drive is approximately 10-15 feet above the finished grade of the basement floor and the pool immediately behind it. Moreover, the grade of the slope only steepens toward the back of the property. The proposed parking area/open space is suitable for proposed parking and visually obscured from the public right-of-way. Also, trees located on the property visually obscure the proposed parking area. Requiring the replacement of a garage in this area is not warranted since the parking spaces and garage are not visible from the public right of way. In addition, four uncovered parking spaces are provided where only two are required.

2. Granting the variance is necessary to preserve a substantial property right possessed by other property in the same vicinity and zoning district; and
 - a. Granting the proposed variance preserves the ability of the property owner to use their property in the manner proposed consistent with the intent of the General Plan land use designation. Other property owners in the vicinity do not have a garage.
3. Granting the variance will not be materially detrimental to the public health, safety or welfare, or injurious to the property or improvements; and
 - a. The proposed variance is without adverse impacts. Approving the variance preserve approximately 400 square feet of pervious surfaces reducing heat island effect and potentially provides additional housing that is deemed desirable by the State legislatures.
4. Granting the variance does not constitute a special privilege inconsistent with the limitations upon other properties in the same vicinity and zoning district.
 - a. The stated purpose of the Off-street Parking regulations in the Municipal Code (Section 17.24.010) is multi-modal user equity, reduced traffic congestion and efficient use of the right-of-way and the parking area screening requirements (Section 17.24.050) are intended to protect properties from undesirable impacts of surrounding land uses and improve appearance, we can conclude that the two car garage requirement is intended to preserve community aesthetics and right-of-way function. Approving this variance with conditions will not compromise the stated purposes of either the Off-Street Parking Regulations or the Screening regulations. The subject parking area, which is accessed via driveway on the western property boundary and provides space for up to four (4) vehicles, is located both behind and below the grade of the existing single family dwelling and the fronting public street, MacArthur Drive, and the proposed parking area is not visible from the public right-of-way. There is ample parking for residents of both the main dwelling and accessory dwelling unit. Moreover, mature trees along the driveway screen the parking area from the view of the property immediately west of the subject property.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

SECTION 1. Finds and determines that the facts set forth in the recitals of this Resolution are declared to be true; and

SECTION 2. Conditionally approves Variance VA1-700-0001, a request to modify the Off-street Parking requirements to allow required parking spaces to be unenclosed (without a garage) provided appropriate permits are obtained and finalized for all unpermitted construction on the property and provided four unenclosed parking spaces with wheel stops and appropriate ground

Attachment B

cover are installed and retained behind the existing single-family residence on a site developed with a single-family residence and detached garage at 6547 MacArthur drive, Lemon Grove, CA.

/////

RESOLUTION NO.

RESOLUTION OF THE LEMON GROVE CITY COUNCIL DENYING VARIANCE REQUEST VA1-700-0001 TO MODIFY OFF-STREET PARKING REQUIREMENTS FOR TWO OFF-STREET PARKING SPACES TO BE UNENCLOSED (NOT GARAGED) AT 6547 MACARTHUR DRIVE, LEMON GROVE, CALIFORNIA.

WHEREAS, the applicant, Miroslav Tomic, filed a complete application for a Variance request (VA1-700-0001) on May 18, 2017 to modify the Residential Low Zoning District's off-street parking development standards to have the two required spaced be unenclosed (not garaged) to accommodate the existing conversion of all on-site garages to habitable space on a lot developed with a single-family home at 6547 MacArthur Drive, Lemon Grove, California; and

WHEREAS, a variance request associated with the conversion of existing facilities is categorically exempt from the environmental review requirements of the California Environmental Quality Act pursuant to Section 15301; and

WHEREAS, a public hearing was duly noticed and held by the Lemon Grove City Council on June 20, 2017; and

WHEREAS, the City Council determined that the following findings of fact as required by section 17.28.060(B) cannot all be made as follows:

1. There are not special property circumstances, (size, shape, topography, location or surroundings) that would cause the strict application of this title to deprive the property of rights enjoyed by other properties in the same vicinity and zoning district; and
 - a. The property is not physically constrained by lot size, dimension, topography or its surroundings. The two car garage required by the strict application of the development standards in Residential Low Zoning District could be accommodated on the property.
2. Granting the variance is not necessary to preserve a substantial property right possessed by other property in the same vicinity and zoning district; and
 - a. Granting the variance request does not afford the applicant a substantial property right enjoyed by other property owners in the vicinity. Most property owners within the Residential Low Zoning District comply with Off-Street parking requirements. The property owner converted two separate two-car garages to habitable living space without permits brining the property into nonconforming status.
3. Granting the variance will be materially detrimental to the public health, safety or welfare, or injurious to the property or improvements; and
 - a. The variance application reduces garage parking in the area which is a required improvement.
4. Granting the variance constitutes a special privilege inconsistent with the limitations upon other properties in the same vicinity and zoning district.
 - a. Approval of the variance request would grant the property owner a special exception from the Residential Low Zoning District's development standards with which other property owners must comply.

Attachment C

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

SECTION 1. Finds and determines that the facts set forth in the recitals of this Resolution are declared to be true; and

SECTION 2. Denies Variance VA1-700-0001, a request to modify the Off-street Parking requirements to allow required parking spaces to be unenclosed (without a garage) on a site developed with a single-family residence and a detached garage at 6547 MacArthur drive, Lemon Grove, CA.

/////

/////

Attachment D

From: Miroslav Tomic, Property Owner
6547 MacArthur Drive
Lemon Grove, CA 91945

CITY OF LEMON GROVE

MAY 18 2017

To: Lemon Grove City Council
3232 Main Street
Lemon Grove CA 91945

DEVELOPMENT SERVICES

Re: Request for Parking Variance at 6547 MacArthur Drive

May 16, 2017

Dear Honorable Mayor Vasquez and Members of the Council,

I would like to request your consideration to approve a parking variance for a garage ARDU renovation at a residential site zoned Low-Density on the outskirts of town. This letter and the application enclosed serves as proof that there are special circumstances surrounding this rare zone, whereby granting a variance creates no obstruction to city streets/property setbacks, provides no special privilege, creates no health/safety hazards, and is consistent with the property rights enjoyed by the vast majority of those in our district.

Background: According to article 17.24.010, all single-family residential properties must have two spaces per unit, both of which must be in an enclosed garage. This law protects both the function and the aesthetics of our neighborhood city streets. Section 7 of this article gives you, the city council the right to permit a variance if the proposed project meets four specific requirements for approval. These are as follows:

1) There are special property circumstances involved with the project proposal site (size, shape, topography, location or surroundings).

- **Fact:** Over 90% of the parcels located in the city of Lemon Grove are on small lots zoned Medium to High Density. (See Zoning Map Attached). Without the requirement for garages, the proliferation of these small parcels would definitely crowd streets and neighborhoods and obstruct property setbacks.
- **Fact:** This project proposal is for a unique site in an area zoned Low Density. On conservative estimate, Low Density parcels constitute approximately **2% of all parcels in our city**. Like many of our neighbors, our plot of land is in excess of an acre. We have a fully landscaped front yard set-back that completely prohibits parking front of the house. There is a long asphalt driveway on the side of the home that leads into the back acre. On this gentle slop private open air area, there is a large (approximately 3,000 sq ft) flat historically used as the property's private off-street parking platform, (See Photos and Plot Map Attached). As noted in the project plan, there are 4 proposed off-street parking spots (With potential of up to 7 if ever needed). This ample off-street parking is completely invisible from the street and keeps both the front of our house and the required setbacks free and clear from any kind of parking obstruction.

Attachment D

2) Granting the variance is necessary to preserve a substantial property right possessed by others in the same vicinity and zoning district.

- Fact: A mid-day/mid-week walking survey of similar homes with a shared Low Density Zoning allocation on our street prove that only one-third (1/3) of the properties appear to comply with the residential parking requirement. Specifically, only eighteen (18) of fifty-two (52) nearby single family homes *appear* to have a two-car covered garage on the premise
- Fact: Of those eighteen (18) apparent two-car garages, eleven (11) garages were either fully or partially obstructed and had additional cars obstructing the required front and side setbacks. This observation (and other known 'neighborly' information) suggests that **the actual number of properties in our zoning district that have and use a functioning two-car garage is likely more around 13% (or 7 of 52=13%).**

3) Granting the *variance* will not be materially detrimental to the public health, safety or welfare, or injurious to the property or *improvements*;

- Fact: No part of this request for variance is injurious, nor does it pose any level of risk to the health and safety of us or our neighbors.

4) Granting the variance does not constitute a special privilege inconsistent with the limitations upon other properties in the same vicinity and zoning district.

- Fact: As noted in the supporting facts of part 2 above, granting this variance does not provide any special privileges that are inconsistent with the properties in the Low Density Zoning District. On the contrary, the special circumstances and culture of our particular zoning district is that individual property owners have more than enough land on their own parcels to accommodate parking for their use and the use of their guests. In the 14 years I have called MacArthur Drive my home, I have never known parking to be an issue for anyone on my shared street.

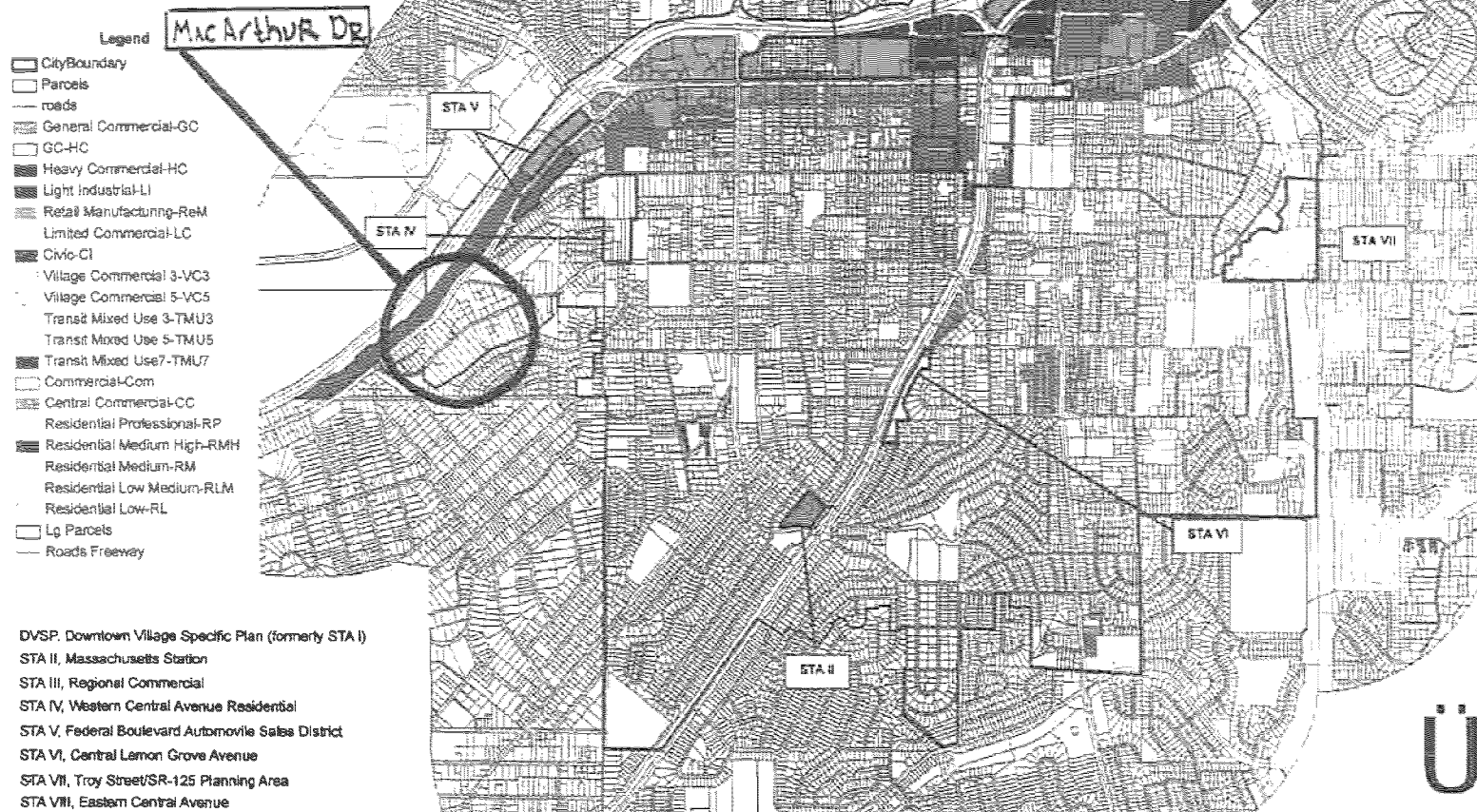
In conclusion, as a long-time home owner and resident of Lemon Grove, I completely support the city's effort to keep excess parked cars off of our public streets. I also support the city's efforts towards encouraging property owners to keep property set-backs free from obstruction. As you can see from the attached application, the request for this parking variance honors both of these goals. Enforcing a mandate to build another garage would only crowd the rare open-space preserve in our back acre. Further, the mandate would seem egregious, given the uniqueness of this zone, the support of our neighbors, and the predominant culture shared and enjoyed in the quiet peacefulness of our neighborhood.

In appreciation for your consideration,


Miroslav Tomić
Property Owner

MAP 2351
LOT #13 RANCHO MISSION
ASSESSOR'S PL 478-220-05
OWNER: MIROSLAV TOMIK
ADDRESS: 6547 MACARTHUR DR

City of Lemon Grove Zoning Map



1 inch = 1,400 feet

January 2012

Attachment D

MAP 2351

LOT #13 RANCHO MISSION

ASSESSOR'S PL: 478-220-05

OWNER: MIROSLAV TOMIC

ADDRESS: 6547 MACARTHUR DR

PROJECT SITE

STA V

STA IV

Commercial-GC

Industrial-MC

TI

Industrial-ReM

Industrial-LC

Industrial 3-VC3

Industrial 5-VC5

Industrial 3-TMU3

Industrial 5-TMU5

Industrial 7-TMU7

TI

Industrial CC

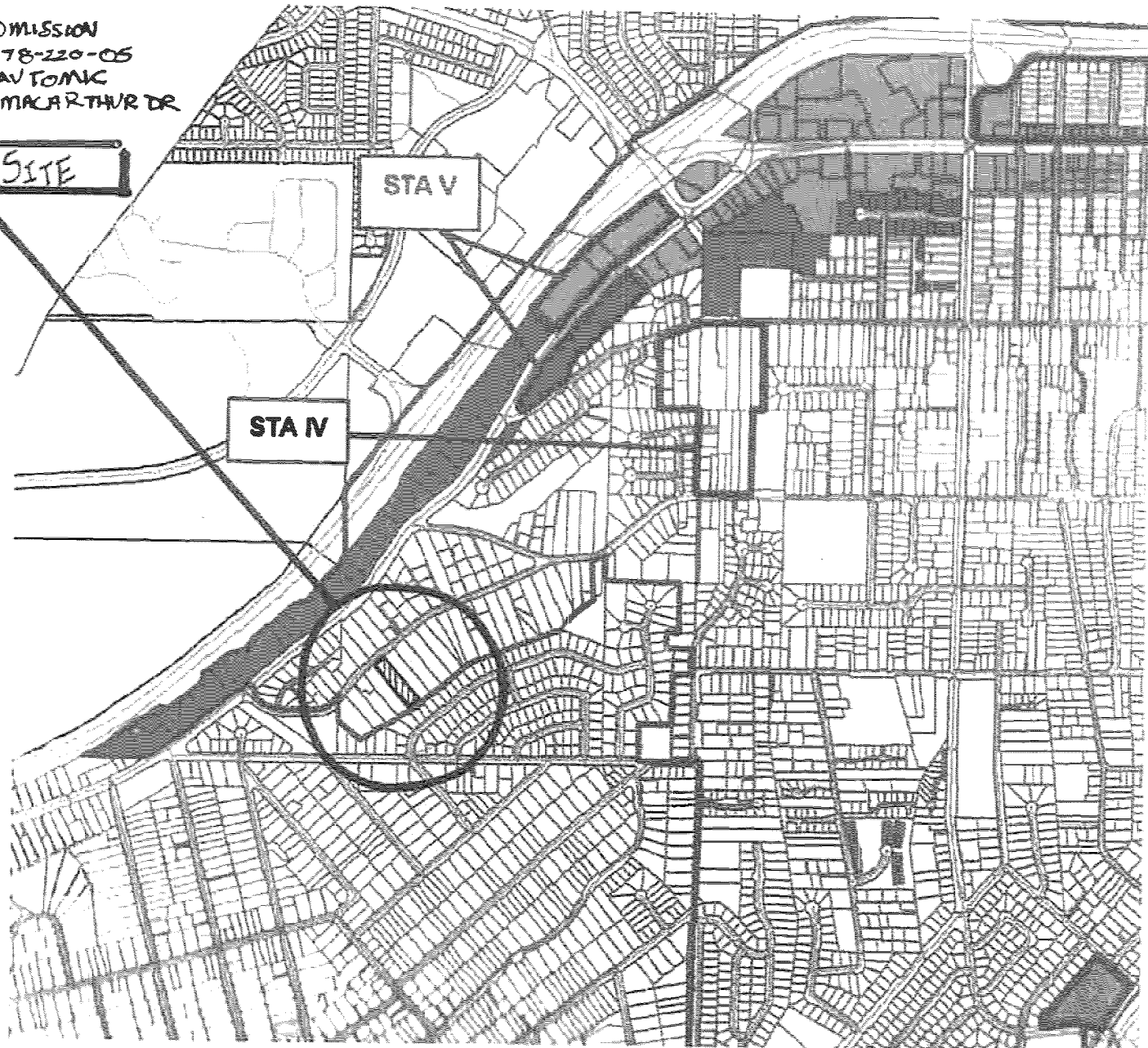
Industrial RP

Urban High RMH

Urban RM

Medium RM

RI



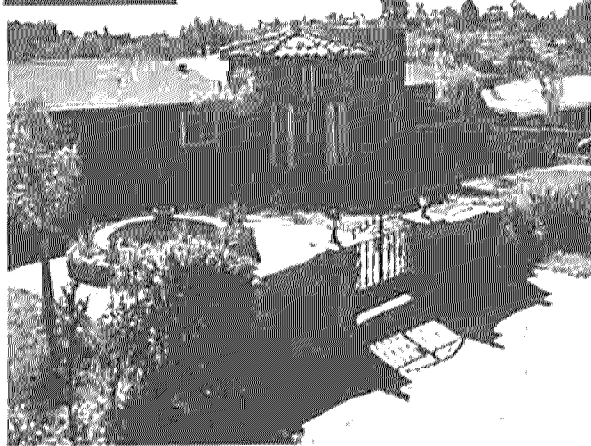
Map 2351
 Lot #13 Rancho Mission
 Assessor's PI #478-220-05
 Owner: Miroslav Tomic
 Address: 6547 MacArthur Drive

Project Name:
 Garage Conversion to ARDU &
 Tomic Parking Variance

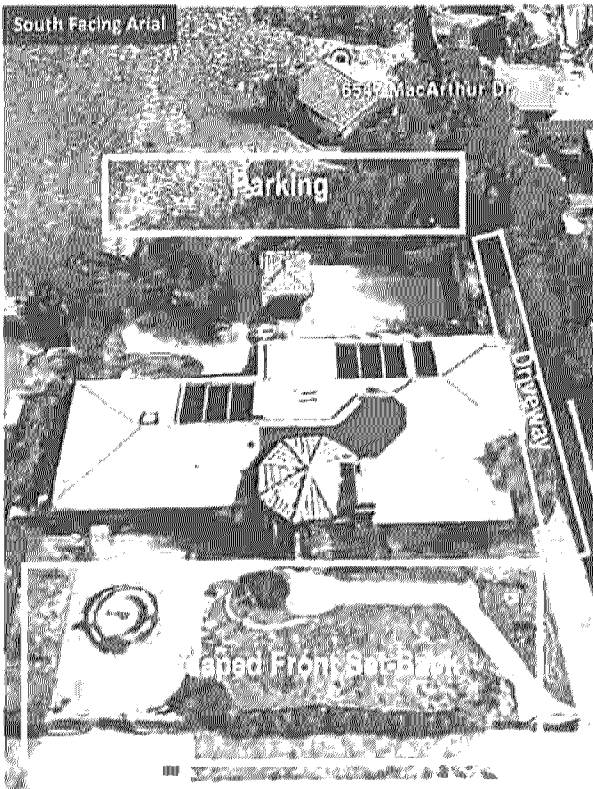
Attached Photos Note:

- Front of house street view
- Decorative gating & fully landscaped setback
- Back acre lot approx. 30 feet below street level elevation and entirely not visible as noted on photos pg 1 & 2
- Pre-existing permitted & approved asphalt driveway leading to large approx. 3,000 sq ft private parking flat
- ARDU maintains consistent roofing with main house & existing structures
- 5 spaces available on open flat 49' in width (9'x5 spaces=45')
- Each space in excess of the required 19' in length (70' length)
- ARDU has addition 2 off-street parking spaces, both amply measure in excess of 9'x19' and remain invisible to street

South West Facing



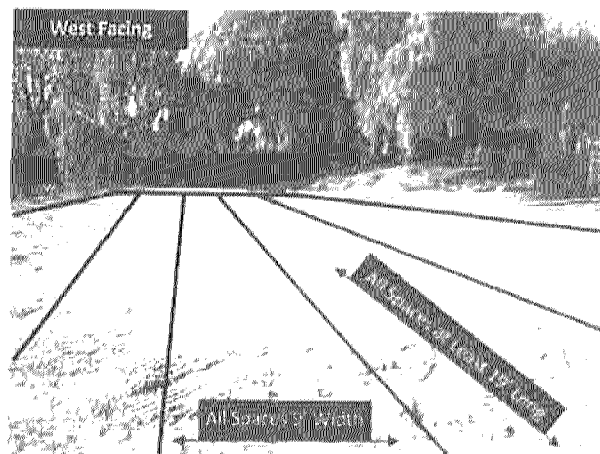
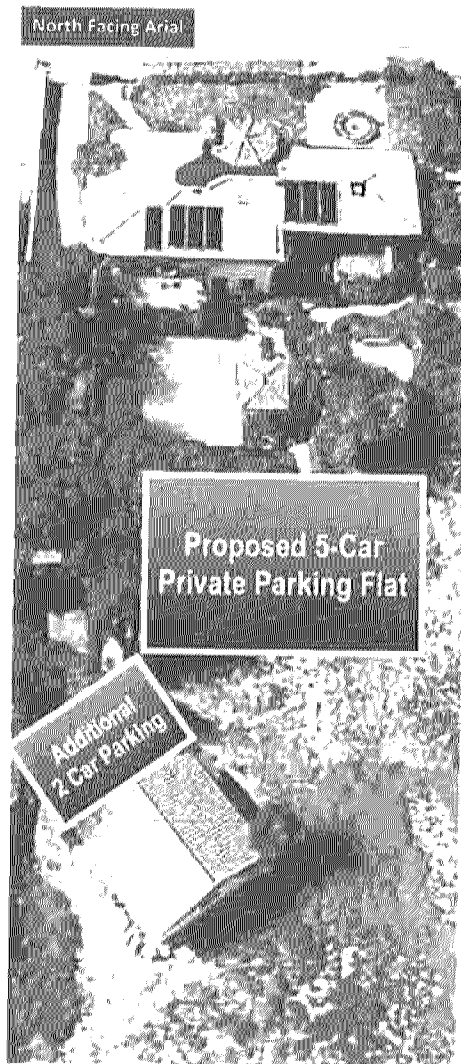
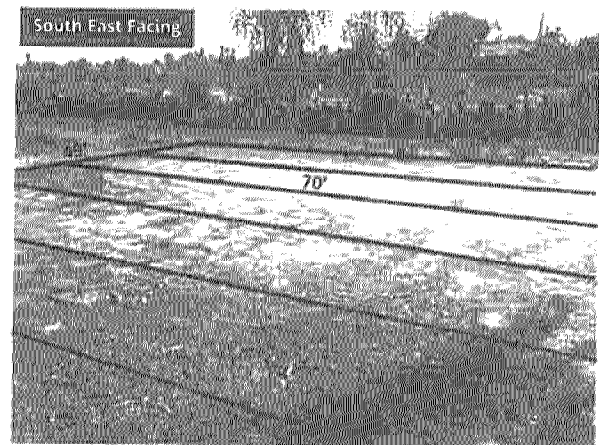
South Facing Aerial



Attachment D

Map 2351
Lot #13 Rancho Mission
Assessor's PI #478-220-05
Owner: Miroslav Tomic
Address: 6547 MacArthur Drive

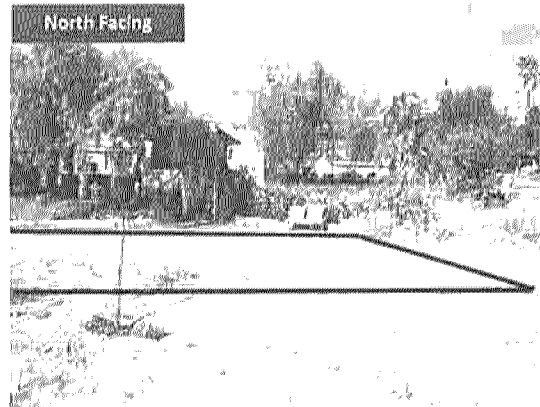
Project Name:
Garage Conversion to ARDU &
Tomic Parking Variance



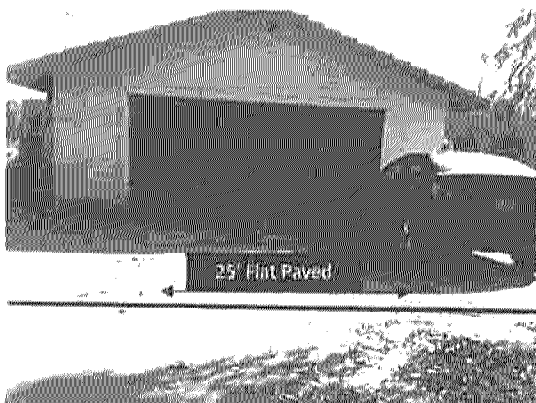
Attachment D

Map 2351
Lot #13 Rancho Mission
Assessor's PI #478-220-05
Owner: Miroslav Tomic
Address: 6547 MacArthur Drive

Project Name:
Garage Conversion to ARDU &
Tomic Parking Variance



Additional 2 Off-Street Parking Spaces for ARDU



Attachment D

From: Miroslav Tomic, Property Owner
6547 MacArthur Drive
Lemon Grove, CA 91945

CITY OF LEMON GROVE

MAY 18 2017

To: Lemon Grove City Council
3232 Main Street
Lemon Grove CA 91945

DEVELOPMENT SERVICES

Re: Parking Variance at 6547 MacArthur Drive, Proof of Hardship

June 1, 2017

Dear Honorable Mayor Vasquez and Members of the Council,

We have been residents of Lemon Grove and property owners of 6547 MacArthur Drive for the last 14 years. We purchased the home as a rehab in great disrepair and have spent the better part of the last decade creating the artistic residence you see now. As avid "do-it-yourselfers" we are proud of our home, but do not want the 'niceness' of any of our things to mislead you or anyone else. Up until this year we have led a comfortable, albeit modest artist lifestyle.

Miro draws a \$367/month social security check and Andrea has always managed to make up the difference in living expenses with her varied roles as a psychotherapist and non-profit director. Miro travels once a year to his childhood home in Croatia and stays there for several months. He does this in large part, because the cost of living is so much cheaper there.

The truth of the matter is that we were, in the past, just getting by. Now, since the horrible car accident Andrea was in just this last November (and AGAIN here in Lemon Grove this last March), expenses continue to rise out of control and \$30,000 to construct a new garage (that we never used to begin with) is just plain insurmountable.

It's been over 6 months since Andrea has been able to work at all. That first devastating car accident in November has left her with a brain injury that makes remembering/recording information very difficult. She still see specialists and treatment doctors 3-5x every week and while she's getting some of her previous thinking/speaking abilities back, her brain and body is still far away from what it used to be. There is question as to whether or not she will ever fully recover and make money as a therapist again.

We've attached a letter from Andrea's neurologist and Miro's SS stub to validate all of the above. We are also including Andrea's unfortunate letter of resignation as Director of Vanguard Culture the LLC and 501(c)3, after months of her continued inability to tolerate music, light, or noise.

We appreciate your heartfelt consideration.

Sincerely,


Miroslav Tomic
Property Owner

Your New Benefit Amount

BENEFICIARY'S NAME: MIROSLAV M TOMIC

Your Social Security benefits will increase by 1.7 percent in 2015 because of a rise in the cost of living. **You can use this letter when you need proof of your benefit amount to receive food, rent, or energy assistance; bank loans; or for other business.** Keep this letter with your important financial records.

How Much Will I Get And When?

- | | |
|--|----------|
| • Your monthly amount (before deductions) is | \$367.00 |
| • The amount we deduct for Medicare medical insurance is | \$0.00 |
| (If you did not have Medicare as of Nov. 20, 2014, | |
| or if someone else pays your premium, we show \$0.00.) | |
| • The amount we deduct for your Medicare prescription drug plan is | \$0.00 |
| (If you did not elect withholding as of Nov. 1, 2014, we show \$0.00.) | |
| • The amount we deduct for voluntary Federal tax withholding is | \$0.00 |
| (If you did not elect voluntary tax withholding as of | |
| Nov. 20, 2014, we show \$0.00.) | |
| • After we take any other deductions, you will receive | \$367.00 |
| on or about Jan. 21, 2015. | |

If you disagree with any of these amounts, you must write to us within 60 days from the date you receive this letter. We would be happy to review the amounts.

You may receive your benefits through direct deposit, a Direct Express® card, or an Electronic Transfer Account. If you still receive a paper check and want to switch to an electronic payment, please visit the Department of the Treasury's Go Direct website at www.godirect.org.

What If I Have Questions?

Please visit our website at www.socialsecurity.gov for more information and a variety of online services. You also can call 1-800-772-1213 and speak to a representative from 7 a.m. until 7 p.m., Monday through Friday. Recorded information and services are available 24 hours a day. Our lines are busiest early in the week, early in the month, as well as during the week between Christmas and New Year's Day; it is best to call at other times. If you are deaf or hard of hearing, call our TTY number, 1-800-325-0778. If you are outside the United States, you can contact any U.S. embassy or consulate office. Please have your Social Security claim number available when you call or visit and include it on any letter you send to Social Security. If you are inside the United States and need assistance of any kind, you can visit your local office.

7961 UNIVERSITY AVE
LA MESA CA

Attachment D

ANDREA V. WEBSTER, M.A.

6547 MacArthur Blvd. San Diego, CA 91945. 619-453-9693. AndreaVielma00@gmail.com.

Susanna Peredo-Swap
Vanguard Culture
590 Fir Street
San Diego, CA 92101

February 10, 2017

Dear Mrs. Peredo-Swap,

As per our most recent conversations, I would like to offer my official resignation as Vanguard Culture's Director of Development and Community Engagement.

You all have been extraordinarily patient with me during this trying time of recovery. In the brief discussions we've had since the accident, I recognize that Vanguard Culture remains at a crucial time of organizational growth and development. I recognize that I still cannot give what I was giving prior to the accident, and that my disabilities are holding the growth of Vanguard Culture back.

After the many weeks have now passed, we come now to face the unfortunate reality that I still just do not currently have (and reasonably may not have), the physical or mental ability to lead this very important aspect of the company's operations in the near future.

As per previous agreements on salaries and co-ownership of the for-profit businesses doings, I hereby relinquish my rights to the agreed upon 50% equity of Vanguard Culture LLC, and the non-profit salary of \$55,000/year, agreed upon and voted in by the board in the summer of 2016.

It is with deep regrets that I furnish this letter of resignation. The mission and vision of Vanguard Culture was tremendously moving for me and I was/am terribly grateful for the opportunity to serve. Vanguard culture remains on the verge of great growth in its unique value proposition. While I can no longer officially serve in the roles formerly imagined, I look forward to watching the magic behind the vision of Vanguard Culture come to fruition.

Sincerely,



Andrea Vielma Webster, MA LMFT



CITY OF LEMON GROVE ADMINISTRATIVE CITATION

A) TYPE OF VIOLATION

Circle One: Warning 1st Citation \$100 2nd Citation \$200 3rd Citation \$500 4th Citation \$1,000

Payment of \$ 0 is due no later than October 12, 2016 to the City of Lemon Grove.
The City accepts cash, check or credit card.

If the violation is not corrected by the date specified therein and/or payment is not received by the date above, the next level of citation may be issued, other enforcement actions may occur, and penalties may be assessed (25% and interest at the rate of 10% per annum). Payment of fine does not excuse or discharge the failure to correct violation identified below.

B) RESPONSIBLE PARTY INFORMATION

Person(s) Cited: 1) Miroslav Tomic 2) _____

Circle One: Property Owner Tenant Business Owner Other _____

Mailing Address: 1) 6547 MacArthur Drive Lemon Grove, CA 91945-1323

2) _____

Business Name (if applicable): _____

C) VIOLATION(S) INFORMATION

Date (Violation Observed): _____ Time (Violation Observed): _____

Location of Violation: 6547 MacArthur Drive 478-220-05-00
(Street Address) (APN)

Violation(s) Observed (Code Section and Description): complaint received for non-permitted construction
• 2013 CA Building Code Chapter 1 Section 4-Permits
Uniform Administrative Code Chapter 3-Permits and Inspections

D) CORRECTION(S) REQUIRED TO BE COMPLETED BY: Submit plans to begin process to legalize non-permitted construction by October 12, 2016 OR Obtain demolition permit to remove non-permitted construction by October 12, 2016 * If no non-permitted construction schedule compliance inspection by October 12, 2016 *

E) SERVICING CITATION INFORMATION

Enforcing Officer Name Paulo Romero Phone No. (619) 825-3800 Signature Paulo Romero Date 9-28-16

Citation Served (circle one) In Person By Mail Posted on Property

This citation may be appealed within thirty (30) days from date of correction identified in Section D. To request an appeal, a Request an Appeal Hearing form (available at City Hall or on the City website www.lemongrove.ca.gov) should be completed and returned to City Hall. In the event a Hardship Waiver is requested, the Request for an Appeal Hearing and Hardship Waiver forms are required within fifteen (15) days from the correction date identified in Section D.

WHITE-ORIGINAL

CITATION CARD-OWNER

Attachment F

6547 MacArthur Drive from Street



Driveway with Fountain and Wall and Gate



Attachment F

Converted attached garage with stone inlay



Proposed Parking Pad



Attachment F

Artistic Plaster Finish in Detached Garage

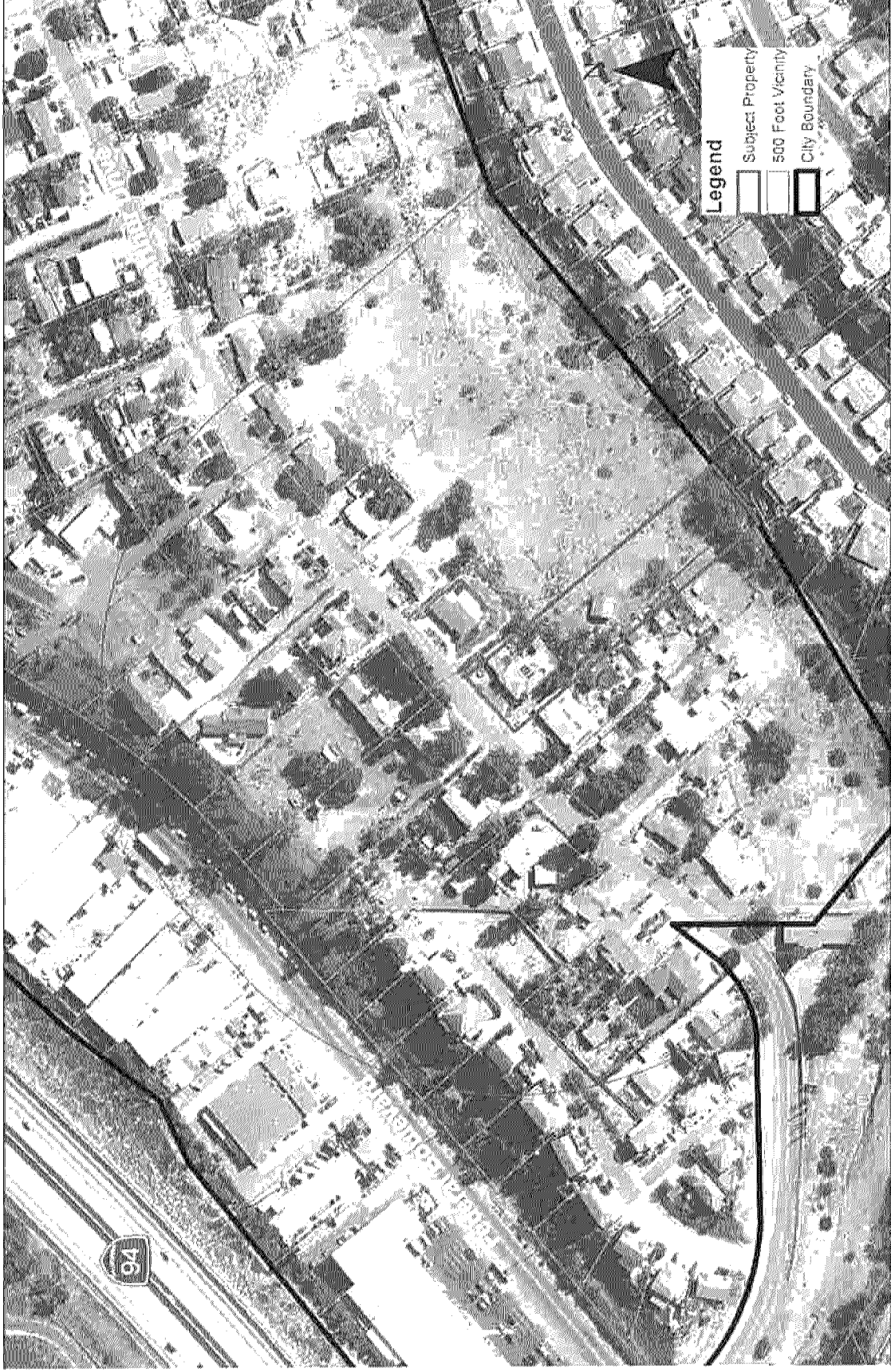


Detached Garage



Attachment G

Aerial and Vicinity Map



Attachment H

EXHIBIT A – PROJECT PLANS

Not Attached

Enclosed in City Council packet or available at City Hall for Review

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 5
Mtg. Date June 20, 2017
Dept. Development Services Department

Item Title: **Public Hearing to Consider Ordinance No. 446 – Zoning Amendment ZA1-500-0002 Amending the Alcoholic Beverage Sales Regulations and the General Commercial Zoning District Regulations to Allow for Light Manufacturing, Brewpubs, Wine Bars and Related Accessory Uses**

Staff Contact: David De Vries, Development Services Director

Recommendation:

- 1) Conduct the public hearing; and
- 2) Introduce Ordinance No. 446 (**Attachment B**).

Item Summary:

The proposed zoning amendment allows for alcoholic beverage manufacturers (e.g., breweries, wineries, distilleries, brewpubs, and wine bars) to be permissible by-right in industrial and commercial zones with related accessory uses (e.g., tasting rooms, off-sale beverages, outdoor consumption in fenced area, catering on-site, live music indoors, etc.). Such uses will be required to obtain a business license and a building permit for any site improvements and comply with minimum conditions of approval and performance standards related to noise, traffic, hazardous materials, airborne emissions, etc. A zoning clearance will be required for all such operations which may be part of the business license application process. A zoning clearance would be required for all incidental alcoholic beverage sales uses such as restaurants and drug and grocery stores that sell alcohol (currently a minor use permit is required with public noticing). Single-serve alcoholic beverages for off-site consumption would also be prohibited. The City recently received a business license application for a brewery in the Heavy Commercial Zoning District. Other prospective brewers, distillers and rectifiers have shown interest in locations within Lemon Grove as well. This staff report provides background information and an overview of the proposed amendments to Chapter 18.27 (Alcoholic Beverage Sales) and Section 17.16.070 (General Commercial Zoning District Regulations).

Fiscal Impact:

None.

Environmental Review:

- | | |
|--|--|
| ☐ Not subject to review | ☐ Negative Declaration |
| ☐ Exempt, Section 15307 and 15308 | ☒ Mitigated Negative Declaration |

Public Information:

- | | | |
|---|---|---|
| ☐ None | ☐ Newsletter article | ☐ Tribal Government Consultation Request |
| ☒ Notice published in local newspaper | | ☐ Notice to property owners within 500 ft. |

Attachments:

- | | |
|---------------------------------------|---|
| A. Staff Report | C. Mitigated Negative Declaration ND17-02 |
| B. Ordinance No. 446 – (ZA1-500-0002) | |

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 5

Mtg. Date June 20, 2017

Item Title: **Public Hearing to Consider Ordinance No. 446 – Zoning Amendment ZA1-500-0002 Amending the Alcoholic Beverage Sales Regulations and the General Commercial Zoning District Regulations to Allow for Light Manufacturing, Brewpubs, Wine Bars and Related Accessory Uses**

Staff Contact: David De Vries, Development Services Director

Background:

The purpose of the City's Alcoholic Beverage Sales Ordinance (Chapter 18.27 of the Lemon Grove Municipal Code) is to regulate and ameliorate problems and adverse conditions associated with establishments which sell, serve, or give away alcoholic beverages. This purpose has been implemented by providing separation requirements between alcohol related uses and from sensitive uses like churches, schools, parks, health facilities, and residential uses.

Within the last few years, the City has received inquiries and business license applications to establish new breweries, brewpubs, distilleries, and rectifiers (mixing and bottling spirits) within the City. The City recently received a business license application for a brewery in the Heavy Commercial Zoning District.

These alcoholic beverage manufacturing businesses were found to be impermissible either because the general commercial zone and/or most of the downtown village specific plan zones did not allow for alcoholic beverage manufacturing related uses or because the minimum conditions of approval in the Alcoholic Beverage Sales Ordinance require separation requirements between alcohol related businesses and other alcohol related businesses and/or sensitive land uses like schools, places of worship, medical facilities, public parks and residences. Additionally, these alcoholic beverage manufacturing related uses require a conditional use permit with additional processing times and fees and approval required by the City Council. There are incidental alcohol related land uses like drug and grocery stores and restaurants selling beer and wine that are exempt from these separation requirements, but a minor use permit is still required with conditions of approval established by the Development Services Director and public noticing to property owners within 500 feet of the prospective property and a notice in the local newspaper is still required. Also, many accessory uses that are common with breweries are not permissible in the Alcoholic Beverage Sales Ordinance. These include tasting rooms, live music both indoors and outdoors, outdoor patios, on-site catering, and the sale of growlers and kegs for off-site consumption.

The San Diego region is emerging as one of the nation's top destinations for craft brewing. Craft beer is not only an increasing important piece of the regional economy, but is also the fastest growing segment of alcoholic beverage production in the United States¹. Breweries have become major economic drivers for cities and are supportive uses to a retail community. Unlike restaurants, almost every brewery that has opened in San Diego County has either remained open or expanded after a year. Breweries and related manufacturers also add to a City's

¹ City of San Diego Draft Economic Development Strategy 2014-2016

Attachment A

employment base. According to the California Association of Local Economic Development, for each direct brewery job, beer manufacturing creates 4.7 additional jobs in wholesale, retail, and service sectors.

Local breweries also serve as a point of local pride and branding opportunity for local jurisdictions. Communities including Vista and the Miramar District in the City of San Diego have capitalized on this opportunity and are now regional beer-tasting destinations for locals and visitors to the San Diego region providing increased sales and property tax revenues for those jurisdictions. Based on conversations between staff and local breweries, an expedited and easy to understand permit process and a single point of contact are some of the most important factors in siting for breweries. Areas in the City of Vista where breweries are permitted by right have shown substantially more brewery growth than areas where a conditional use permit or minor use permit discretionary approval is required.

The San Diego Brewer's Guild Map shows that there are currently no breweries or brewpubs in the City of Lemon Grove. The City of Lemon Grove's proximity to downtown San Diego, East County residential communities, and service from the San Diego Trolley provide a unique opportunity for local breweries and related alcohol manufacturing land uses.

State regulations require alcoholic beverage sales businesses to obtain an Alcoholic Beverage License from the Department of Alcoholic Beverage Control (ABC) with conditions of approval, an Alcohol and Tobacco Tax and Trade Bureau (TTB) permit and registration with the Food and Drug Administration (FDA). A state seller's permit and health permit and approval by the County Hazardous Material's Division and Air Pollution Control District may also be required.

Discussion

Proposed Amendments

The proposed zoning amendment amends the General Commercial zone (Section 17.26.070) to allow brewpubs and wine bars and light manufacturing businesses. A retail storefront is required (e.g., a brewery with a tasting room or merchandise sales). Light manufacturing is currently allowed in other commercial and industrial zones, but does not require a retail component and brewpubs and wine bars are not permitted in these zones. The Draft Downtown Village Specific Plan Expansion will include revisions allowing for light manufacturing throughout the downtown with a retail storefront required along major streets.

For new developments, a planned development permit and City Council approval will continue to be required as follows, but aside from this criteria, the City Council will not review permits for light manufacturing type uses like breweries and brewpubs:

1. Development that includes three or more principal buildings on one site;
2. Development of principal uses on commercial, industrial, and/or mixed use sites of one acre or more; and
3. Development in the Downtown Village specific plan area.

The proposed zoning amendment also amends the Alcoholic Beverage Sales regulations (Chapter 18.27) allowing for alcoholic beverage light manufacturing land uses as incidental alcoholic beverage sales land uses. Existing incidental uses include restaurants selling beer and wine and drug and grocery stores selling alcoholic beverages. Additionally, incidental alcoholic beverage sales land uses are proposed to only require a zoning clearance instead of a minor

Attachment A

use permit. Through the zoning clearance, such uses will be required to obtain a business license and a building permit for any site improvements and be required to comply with the minimum conditions of approval shown in the Alcoholic Beverage Sales Ordinance and performance standards related to noise, traffic, hazardous materials, airborne emissions, etc. (Section 17.24.080). Other Municipal Code requirements will also apply.

The proposed zoning amendment also permits by-right accessory uses that are common to breweries (e.g., tasting rooms, outdoor consumption in fenced area, catering on-site, live music indoors, recreational activities including games of skill or chance and retail sales for off-site consumption). Food trucks are already permitted on a temporary basis and can only stop when servicing customers. Staff is also recommending that the sale of single-serving alcoholic beverages (e.g., a single 32 ounce beer can or a 40 ounce beer bottle) be prohibited. This may be a minor concern for some alcoholic beverage manufacturers, but this prohibition is consistent with recommendations from the Sheriff's Department.

Concentration of Alcoholic Beverage Sales Businesses

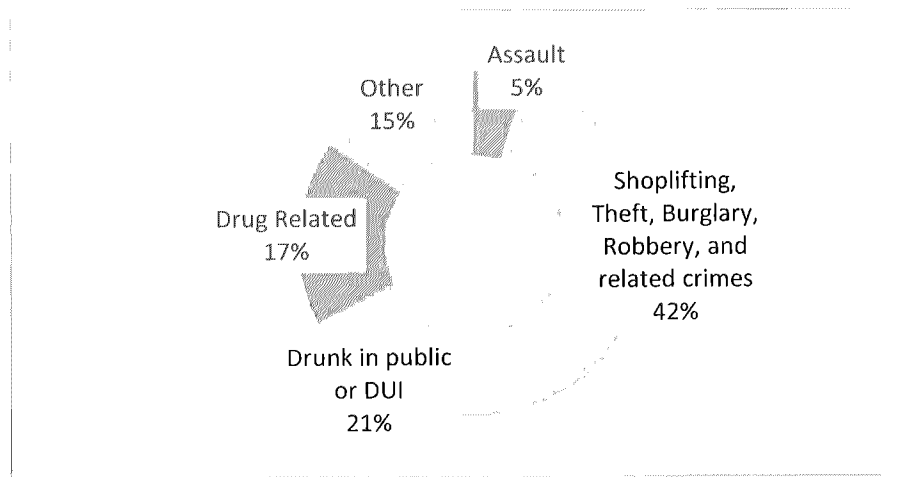
The provision of alcoholic beverage licenses from ABC allows jurisdictions to determine when there is an undue over-concentration of alcoholic beverage sales businesses. ABC measures undue concentration in two ways: excess crime (greater than 20 percent of crime reporting district) and ratios of licenses to residents compared with the county as a whole. Both measurements are considered at the city and census tract level. The City of Lemon Grove is allowed 20 off-sale (sales for consumption off-site) and 35 on-sale (sales for consumption on-site) licenses using ABC's population ratios and the 2010 Census. Currently, 16 off-sale of 20 on-sale have been issued in the City.

Any new off-sale licenses or any licenses in Census Tract 144, which includes the Broadway Commercial Corridor, will require letters of public convenience or necessity from staff. Census tract 144 has a higher crime rate than the City as a whole, largely attributed to its retail commercial and higher density residential land uses. A recent survey was conducted over a six month period in 2015 showed the majority of crimes in the City during the Spring and Summer were theft related (Figure 1).

The relationship between alcohol licenses and crime is illustrated in Figure 1 and Map 1 on the following page. The Alcoholic Beverage Sales Ordinance includes provisions for minimum conditions of approval for all alcohol sales including the volume, advertising, and separation distances from sensitive land uses such as schools. These regulations are used to regulate the type and character of alcohol sales in the City and discourage problem drinking behavior. Because of the separation requirements, new alcohol beverage sales businesses that are not incidental, like liquor stores, bars, night clubs, and convenience store sales will be severely impacted by the existing separation requirements and few if any such businesses will be allowed to open in the future as a result. These separation requirements are proposed to remain since they include more intensive alcohol related uses.

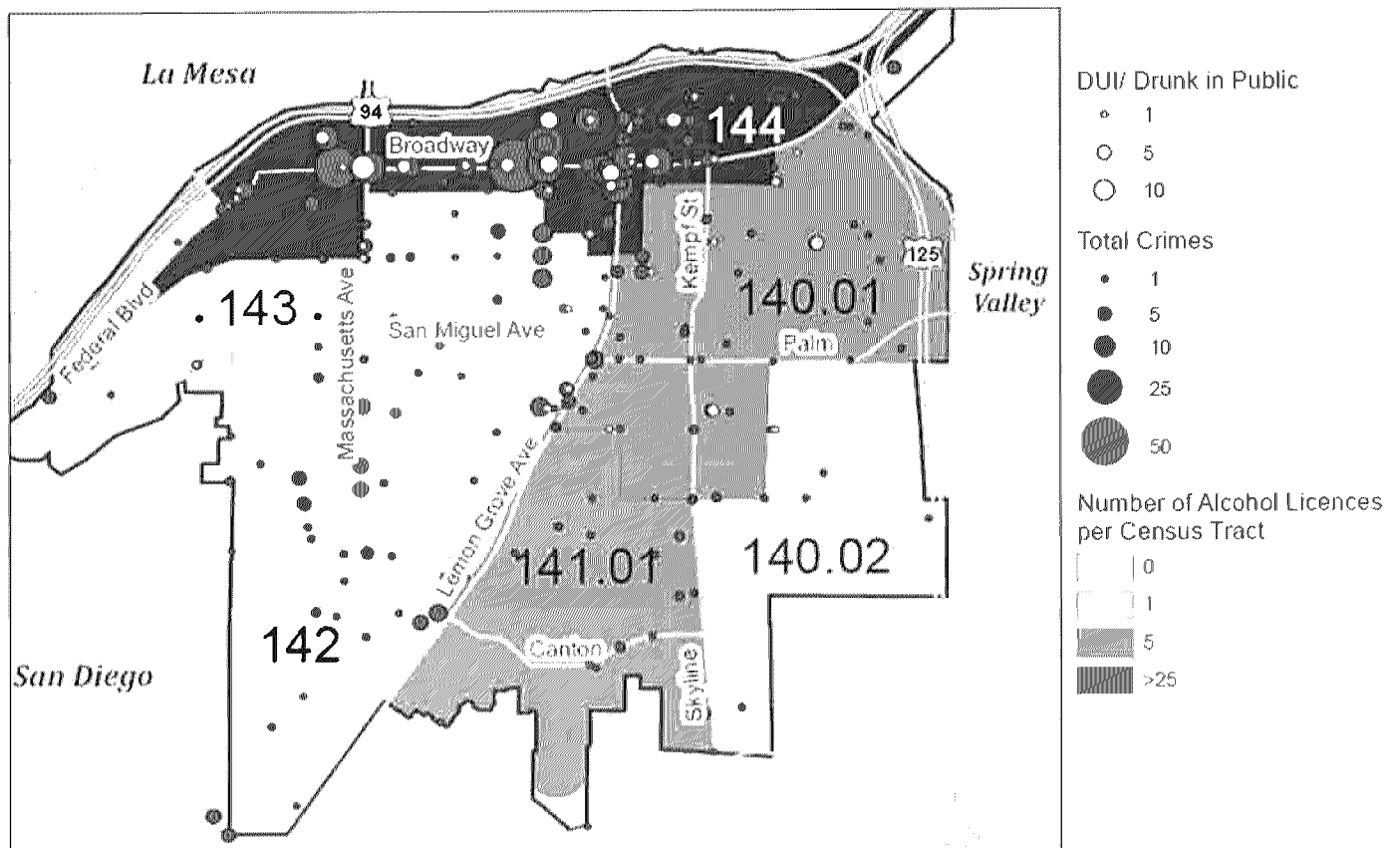
Attachment A

Figure 1: Crime Typography in Lemon Grove



Source: Crimemapping.org. Crimes Between February 12th – August 11, 2015

**Map 1:
Alcohol Licenses & Related Crime, Lemon Grove, CA**



Crimes reported February 12th 2015 - August 11, 2015: Lemon Grove Sheriff

0 0.5 1 Mile

California Department of Alcoholic Beverage Control, 2015
U.S. Census, 2013
Crimemapping.com, 2015
SANDAG, 2015

Attachment A

The State Department of Alcoholic Beverage Control (ABC) investigates overconcentration and crime statistics within a specific Census Tract. Census Tract 144 is shown on Map 1. ABC has determined that there is an over-concentration of off-sale licenses (two permitted; 10 existing) and that there is a higher than average crime rate (137.9% of average) within Census Tract 144.

As a part of the approval of this ordinance, staff recommends that the City Council find that public convenience or necessity would be served by the issuance of alcoholic beverage sales manufacturing businesses. Staff believes this ABC finding can be made as follows (also described in the draft Resolution of approval (**Attachment B**):

1. For the City as a whole (all census tracts), there are 16 active off-sale alcoholic beverage licenses and approximately 20 off-sale licenses that may be allowed using ABC's population ratio.
2. The majority of alcohol related businesses will continue to be located within Census Tract 144, which is shown to have high crime, however, allowing alcoholic beverage sales manufacturers improves property, increases employment and services to the site thereby increasing "eyes on the street" in the surrounding area and attracts economic development and visitors to the City.
3. The prohibition of single-serving alcoholic beverages will reduce public consumption of alcoholic beverages.

Public Information:

A Mitigated Negative Declaration (MND) of Environmental Impact has been prepared for this project (**Attachment C**) and will be filed subsequent to the adoption and final approval of the proposed ordinance by the City Council. The Initial Environmental Study prepared for this project identified potential environmental impacts related to noise from indoor live music and outdoor patios. Mitigation measures include compliance with noise regulations, patio areas are required to have appropriate barriers and interior spaces require double entry doorways and appropriate STC rated windows, and a closed window and door condition and a HVAC system is required when live music is proposed. Alternatively, a noise analysis may be prepared to identify appropriate noise mitigations.

The Notice of Public Hearing for this item was published in the March 25, 2017 edition of the East County Californian.

No formal public comments have been received as of the writing of this report.

Conclusion:

Staff recommends that the City Council: 1) conduct public hearing, 2) introduce Ordinance No. 446 certifying Mitigated Negative Declaration ND17-02 and approving Zoning Amendment ZA1-500-0002 (**Attachment B**).

ORDINANCE NO. 446

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA AMENDING CHAPTER 18.27 (ALCOHOLIC BEVERAGE SALES REGULATIONS) AND SECTION 17.16.070 (GENERAL COMMERCIAL ZONING DISTRICT REGULATIONS) OF THE LEMON GROVE MUNICIPAL CODE TO ALLOW FOR LIGHT MANUFACTURING, BREW PUBS, WINE BARS AND RELATED ACCESSORY USES

WHEREAS, staff has received several inquiries and business license proposals from prospective alcoholic beverage manufacturers to open a related business within the City; and

WHEREAS, allowing and encouraging alcoholic beverage manufacturing and related accessory uses is found to be an important economic development strategy. Alcoholic beverage manufacturers create employment opportunities, revitalize property, stimulate economic development, create regional destinations that attract visitors, and provide increased tax revenue; and

WHEREAS, on June 20, 2017, a public hearing was duly noticed and held by the Lemon Grove City Council; and

WHEREAS, the City of Lemon Grove conducted an environmental assessment for Zoning Amendment ZA1-500-0002 on May 25, 2017. A Mitigated Negative Declaration (MND) of Environmental Impact will be filed subsequent to the adoption and final approval of the proposed project. The Initial Environmental Study prepared for this project identified potential environmental impacts related to noise from indoor live music and outdoor patios. Mitigation measures included compliance with noise regulations; patio areas are required to have appropriate barriers and interior spaces will require double entry doorways, appropriate STC rated windows with a closed window and door condition and a HVAC system when live music is proposed. A noise analysis may alternatively be prepared to identify appropriate noise mitigations; and

WHEREAS, the City Council finds that the following findings required to approve a Zoning Amendment can be made in accordance with Section 17.28.080(B) of the Municipal Code:

1. That the proposed amendment is consistent with the General Plan, in accordance with Government Code Section 65860, as amended.
 - Provisions for alcoholic beverage sales and manufacturing uses include implementation of and consistency with General Plan goals and policies including encouraging redevelopment of the Broadway corridor to attract regional shoppers; fostering revitalization of the light industrial district; pursuing new local entertainment opportunities; cultivating small businesses; and encouraging outdoor dining.
2. That the public health, safety, and general welfare benefit from the adoption of the proposed amendment.
 - Allowing alcoholic beverage sales manufacturers improves property aesthetics, increases employment and services to the site thereby increasing "eyes on the street" in the surrounding area where the manufacturer is located and attracts economic development and visitors to the City. Also, the prohibition of single-serving alcoholic beverages will reduce public consumption of alcoholic beverages ensuring appropriate

Attachment B

safety measures are taken to benefit the public health, safety and general welfare of the community; and

WHEREAS, the City Council has considered the following findings of fact, as required by Section 18.27.050 of the Lemon Grove Municipal Code (LGMC) for allowing alcoholic beverage manufacturing businesses with accessory uses within commercial and industrial zones:

1. Whether the proposed use will result in an undue concentration of establishments selling alcoholic beverages as defined by the State Alcoholic Beverage Control Department (ABC) or by City ordinance or policy.
 - The City Council finds that the proposed project will result in an over-concentration of establishments selling alcoholic beverages within Census Tract 144, however, because permits for off-sale alcohol uses in the entire City are less than what is allowed (16 exist; approximately 20 allowed), there will not be an undue concentration for the City as a whole and the proposed zoning amendment will not result in an undue concentration of establishments selling alcoholic beverages in the City.
2. Whether the approval of the proposed use will violate the minimum requirements, set forth in Chapter 18.27, for distance separations between establishments which sell, serve or give away alcoholic beverages; and separations between establishments which sell, serve or give away alcoholic beverages and other specific land uses.
 - The City Council finds that the proposed zoning amendment continues to support separation and minimum requirements to limit alcoholic beverage sales businesses within the City.
3. Whether the proposed use will be located in an area which, based on the most recent yearly compilation by the San Diego County Sheriff's Department or other appropriate law enforcement agency, has experienced a greater than average number of reported crimes and arrests, including those reported as alcohol-related, as well as, criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny, theft, motor vehicle theft combined with all arrests for other crimes, felonies and misdemeanors, except traffic citations.
 - The City Council finds that the City includes Census Tract 144, which is shown to have high crime (137.9% of average), however, the proposed zoning amendment, which includes allowing alcoholic beverage sales manufacturers, improves property aesthetics and encourages redevelopment, increases employment and services to the site thereby increasing "eyes on the street" in the surrounding area where the manufacturer is located and attracts economic development and visitors to the City. Also, the prohibition of single-serving alcoholic beverages will reduce public consumption of alcoholic beverages and is consistent with Sheriff staff public safety recommendations; and

WHEREAS, based on crime statistics and number of alcohol beverage sales licenses within Census Tract 144, the State Department of Alcoholic Beverage Control (ABC) has determined that there is an over-concentration of licenses (two permitted; 10 exist) and that there is a higher than average crime rate in the Census Tract that the subject property is located in (137.9% of average) and as a result, ABC requires that the governing body determine that public convenience or necessity would be served by the issuance of this license.

- The City Council finds that public convenience and necessity would be served by allowing alcoholic beverage sales manufacturers within the City based on findings stated herein; and

Attachment B

NOW, THEREFORE, the City Council of the City of Lemon Grove hereby ordains as follows:

SECTION ONE:

ENVIRONMENTAL FINDING. The City Council finds in its independent judgment that the proposed amendment to the Municipal Code could not have a significant effect on the environment and certifies Mitigated Negative Declaration ND17-02.

SECTION TWO:

Amendments to Chapter 18.27 (Alcoholic Beverage Sales Regulations) and Section 17.16.070 (General Commercial Zoning District Regulations) of the Lemon Grove Municipal Code to Allow for Light Manufacturing, Brewpubs, Wine Bars and Related Accessory Uses, are hereby added to the City of Lemon Grove Municipal Code to read as shown in Exhibit A.

INTRODUCED by the City Council on June 20, 2017.

////

////

Attachment B

EXHIBIT A

TEXT OF PROPOSED REGULATIONS

NOTE:

- Text proposed to be added is displayed in underlined type.
- Text proposed to be deleted is displayed in strikeout type.

The City of Lemon Grove Municipal Code to amend Zoning District Regulations for the General Commercial Zone, Section 17.16.070, and to amend the Alcoholic Beverage Sales Regulations, Chapter 18.27, to read as follows:

17.16.070 General commercial (GC) zone. [Excerpts Only]

A. Purpose. The general commercial (GC) zone is available to auto-oriented, generally large-scale businesses and activities offering retail goods and services meant to serve the needs of local and regional shoppers. These regulations establish development standards and conditions through which uses may be located in this zone. All uses shall be subject to the applicable regulations of this title.

B. Permitted Uses. Uses that are consistent with the following categories, as determined by the development services director, are permitted by right, as verified by zoning clearance:

1. Animal Sales and Services—Pet Supplies. Uses that provide sales of pet supplies including feed and grain. Facilities and operations shall comply with all standards set forth in this title.

2. Animal Sales and Services—Grooming. Uses that provide animal grooming, with or without the sale of supplies, for household pets and small farm animals as defined in LGMC Chapter 18.16. Facilities and operations shall comply with all standards set forth in this title.

3. Brewpubs and wine bars as defined by Chapter 18.27.

34. Business and Professional. Uses related to the practice of a vocation requiring specialized training or education that can be performed in an office setting.

45. Business Support. Uses that provide printing, copying, photographic, computer, or technological services.

56. Educational and Training Facilities. Uses that provide classroom-style instruction for occupancies less than fifty persons as determined by the building official.

67. Financial Institutions. Uses related to the exchange, lending, borrowing, and safe-keeping of money.

78. Food and Beverage Establishments with Drive-Through. Uses that prepare, provide, or serve food or beverages for consumption on or off the premises that may include drive-through service. Alcoholic beverage sales shall be subject to LGMC Chapter 18.27.

89. Funeral and Mortuary Services—No Assembly Space. Uses that provide services related to the death of a human (without crematoria). This use does not include assembly space.

910. Government. Uses related to local, state, or federal government agencies in an office setting.

Attachment B

11. Light Manufacturing. Uses that process, fabricate, assemble, treat, or package finished parts or products, of a limited intensity that result in few outside impacts. This use requires a retail component along the entire street frontages.

4012. Maintenance and Repair of Consumer Goods. Uses that provide maintenance, cleaning, and repair services for consumer goods. This use does not include vehicle repair uses.

4413. Medical, Dental, Clinics and Health Practitioners. Uses related to diagnosis and treatment of human illness and physical malfunction, including medical and dental laboratories that can be performed in an office setting.

4214. Parking. Uses that provide surface or structure parking for passenger vehicles. Parking areas may be public or privately-owned and managed.

4315. Personal Services. Uses that provide a variety of services associated with personal grooming or adornment, health maintenance, or well-being.

4416. Recreation—Small. Uses or facilities associated with indoor or outdoor, active or passive recreation for indoor occupancies less than fifty persons as determined by the building official and outdoor occupancies less than fifty persons as determined by the community development director.

4517. Retail. Uses that provide new consumer goods, large and small, functional and decorative, for use, entertainment, comfort, or aesthetics; goods for personal grooming or day-to-day maintenance of personal health and well-being. This use includes, but is not limited to, furniture, appliances, sundries, pharmaceuticals, wearing apparel and accessories, small equipment sales and rentals. This use does not include vehicle uses.

4618. Retail—Antiques. Uses that provide antique goods, large and small, functional and decorative, for use, entertainment, comfort, or aesthetics.

4719. Vehicle Equipment and Supplies Without Installation. Uses related to the sale of new or used parts, tools or supplies for repairing or maintaining vehicles. This use does not include on-site installation.

Chapter 18.27 ALCOHOLIC BEVERAGE SALES

18.27.010 Statement of necessity.

A. The city council finds and determines that the sale and use of alcoholic beverages contributes to problems encountered by residents, businesses, property owners, visitors and workers of the city of Lemon Grove. Documented problems include: (1) debilitating and life-threatening medical conditions such as those related to the dysfunction of the heart and circulatory system, stroke and diseases of the liver; (2) social problems such as child and family neglect and abuse, public drunkenness, and lost productivity; (3) public safety issues relating to drunk driving and related automobile traffic and pedestrian accidents, violence and crime.

B. The city council finds and determines that, without the appropriate regulation, the sale, service and use of alcoholic beverages may adversely and seriously affect the peace, health, safety and welfare of residents of the community and may specifically affect the safety of

Attachment B

children and of visitors to the city, may contribute to the deterioration of neighborhoods, cause devaluation of property, erode community values and lower the quality of life.

C. The city council finds that relatively high densities of alcohol outlets are associated with relatively higher rates of related medical disorders, relatively higher rates of social problems and alcohol-related traffic casualties.

18.27.020 Purpose.

A. To deal with and ameliorate problems and adverse conditions associated with establishments which sell, serve or give away alcoholic beverages by restricting the location of such uses in relation to one another, and their proximity to facilities primarily devoted to use by children and families and the general public, and through the denial of a conditional use permit or through the imposition of conditions on a case by case basis, thereby preventing undue concentration and undesirable community impact of such uses, and by the imposition of reasonable conditions upon the operation of all such uses both existing and in the future.

B. To implement the purposes, policies, and programs of the general plan.

18.27.030 Definitions.

The following words and phrases are specifically defined to apply to the regulations of this chapter. Where words are not defined here or elsewhere in this municipal code, their common meaning shall apply.

A. "Alcoholic beverage" means and includes alcohol, spirits, liquor, wine, beer, and every liquid or solid containing alcohol, spirits, wine, or beer and which contains one-half of one percent or more of alcohol by volume and which is fit for beverage purposes either alone or when diluted, mixed, or combined with other substances.

B. Alcoholic Beverage Sales, Incidental.

1. Alcoholic beverage sales in restaurants shall be considered incidental if all of the following conditions exist:

- a. Alcoholic beverages are sold for consumption on the premises only;
- b. The primary purpose of the establishment is sit-down dining with table service;
- c. The restaurant contains a fully equipped kitchen, which is utilized each day of business operation for preparation of meals to be served to patrons;
- d. Full food service is available in the restaurant for all hours that the facility, including the bar or cocktail lounge, is open;
- e. Take-out food service, if any, is only incidental to the primary use, sit-down food service;
- f. The restaurant offers no drive-up or drive-through service and does not have a take-out window.

g. A separate bar or cocktail lounge may be located on the premises ~~(subject to the provisions set forth in Section 17.28.050 conditional use permits, of the city of Lemon Grove development code);~~

Attachment B

h. ~~No alcoholic beverage is served in conjunction with any recreational activity, any game of skill or chance, any athletic event or any form of adult entertainment in accordance with Chapter 18.28.~~

2. Alcoholic beverage sales in food stores other than convenience markets shall be considered incidental when the shelving or display area allocated to alcoholic beverages does not exceed more than ten percent of the total shelf and display area within the store;

3. Alcoholic beverage sales in drug stores with a floor area greater than ten thousand square feet, with or without the sale of household merchandise, beauty supplies, toiletries, and packaged food products, shall be considered incidental when the shelving or display area allocated to alcoholic beverages does not exceed six percent of the total shelf and display area within the store.

4. Brewpubs, wine bars, rectifiers, and alcoholic beverage manufacturers with accessory on- and off-sale alcoholic beverage sales including, but not limited to, tasting rooms and off-sale alcoholic beverages that are manufactured on-site with catering permitted on-site shall be considered incidental provided performance standards in Section 17.24.080(E) are adhered to.

5. Accessory indoor music and outdoor consumption of alcoholic beverages within a private fenced area shall be considered incidental provided noise regulations within Section 9.24.080(B) are adhered to during the hours between 7 P.M. to 7 A.M.

C. "Brewpub" means a small primary or accessory beer manufacturer, which may include a restaurant, where the alcohol is produced exclusively at its own premises and sold for on- and/or off-site consumption. This operation allows the sale of other supplier's alcohol for consumption on its own premises.

GD. "Convenience markets" means, for purposes of this chapter, any store selling food and household merchandise to the public, which has a floor area less than ten thousand square feet.

DE. "Establishment" means a place of business with its furnishings and staff which may be regarded as the smallest unit conveyable by sale, rent or lease.

EF. "Notice and order" means the community development director's written notice and order to a business or facility owner or operator which directs such owner or operator to comply with city regulations and the specific requirements of the conditional use permit or ~~minor use~~ permit ~~zoning clearance~~ authorizing the operation of the business or facility which sells, serves or gives away alcoholic beverages.

FG. "Off-sale liquor establishment" means any establishment wherein alcoholic beverages are sold or given away for consumption off the premises including but not limited to any establishment which is applying for or has obtained a liquor license from the California Department of Alcoholic Beverage Control, including types 20 and 21.

H. "On-sale liquor establishment" means any establishment wherein alcoholic beverages are sold, served or given away for consumption on the premises including but not limited to any establishment which is applying for or has obtained a California Department of Alcoholic Beverage Control license types 41, 42, 47, 48, 51, 52 and 63.

I. "Rectifier" means to cut, blend, rectify, mix, flavor and color distilled spirits and wine upon which excise tax has been paid and, whether rectified by the licensee or another person.

Attachment B

to package, label, export and sell the products to persons holding licenses authorizing the sale of distilled spirits.

J. "Tasting Room" means an area used for accessory alcoholic beverage retail consumption on the premises where the alcoholic beverages are produced.

K. "Wine bar" means a small primary or accessory wine beverage manufacturer, which may include a restaurant, where the wine is produced exclusively at its own premises and sold for on- and/or off-site consumption. This operation allows the sale of other supplier's alcohol for consumption on its own premises.

H.L. Substantial Change in Mode or Character of Operation. Any of the following actions or situations will constitute a "substantial change in mode or character of operation" for purposes of this chapter:

1. The establishment changes its type of retail liquor license within a license classification; or

2. The establishment ceases operation for a period of thirty-one days. The suspension of business during the diligent prosecution of building repairs or remodeling undertaken under the authority of a valid building permit shall not be considered a substantial change in the mode or character of operation if the repairs or remodeling do not change the nature of the licensed premises and do not increase the square footage of the area which constitutes the establishment;

3. Any addition exceeding ten percent of the existing floor area is made to the building or portion of a building occupied exclusively by a business which sells or serves alcoholic beverages and which would be subject to approval by conditional use permit, if being established as a new use;

4. Any modification, remodeling or renovation of an existing building, or portion thereof, occupied exclusively by a business or facility which sells or serves alcoholic beverages, when the value of such modification, remodeling, or renovation exceeds fifty percent of the replacement value of the subject premises as determined by the building official;

5. The establishment is found to be a public nuisance by the city council;

6. The California Department of Alcoholic Beverage Control has held a formal hearing regarding accusations of violations, by the establishment, of ABC rules and has determined that such violations have occurred.

I.M. Timely Compliance.

1. For all violations involving the unauthorized enlargement or physical modification to the existing building, facility or outdoor service area, timely compliance means complete removal of the physical modifications which constitute the violation or submittal of detailed working drawings sufficient for an application for building permit and a complete application for modification of the conditional use permit or minor-use permit/zoning clearance which authorizes the business or facility. Evidence of the complete removal of unauthorized work, or the working drawings and complete application shall be filed in the office of the community development services department within fifteen calendar days following the receipt of the community development services director's notice and order by the owner, operator or employee-in-charge of the business or facility.

Attachment B

2. For all violations, other than those described in subsection HL of this section, such as, but not limited to, the sale or display of unauthorized fortified wines, the display of unauthorized advertising signs, exceeding shelf area limitations; "timely compliance" means full compliance within twenty-four hours following receipt of the community development services director's notice and order by the owner, operator or employee-in-charge of the business or facility.

18.27.040 General provisions.

A. Alcoholic Beverage Sales or Service, New and Substantial Changes. Except as otherwise stated herein, on and after the effective date of the ordinance creating this chapter, no place, facility or business wherein alcoholic beverages are sold, served or given away for on-site or off-site consumption, shall be established or shall affect a "substantial change" in mode or character of operation as defined in Section 18.27.030(G) without first obtaining a conditional use permit, or modification of an existing conditional use permit, pursuant to Section 17.28.050 of the zoning ordinance. A ~~minor use permit, or modification of a minor use permit,~~zoning clearance shall be required if alcoholic beverage sales or services are "incidental" as defined in Section 18.27.030(B).

B. Alcoholic Beverage Sales or Service, Not Authorized by CUP or ~~MUP~~zoning clearance. Except for those places, businesses and facilities described in subsection A of this section as an establishment having a conditional use permit or ~~minor use permit~~zoning clearance and being in full or substantial compliance with current requirements, on and after the effective date of the ordinance creating this chapter, all existing places wherein alcoholic beverages are sold, served, or given away for on-site or off-site consumption shall be considered nonconforming uses. Elimination of nonconforming status may be achieved by filing the appropriate application, receiving a conditional use permit or ~~minor use permit~~zoning clearance as required by this chapter, and complying with conditions of approval which shall be limited to the minimum conditions of approval as set forth in Sections 18.27.060(A) and (B). These requirements shall be enforced according to the provisions of subsection C of this section. For existing businesses selling alcoholic beverages, the requirements of this chapter relating to minimum separations between the existing business, similar establishments and other specific land uses shall be waived.

C. Alcoholic Beverage Sales or Service—Enforcement. The alcoholic beverage sales ordinance shall be enforced according to the provisions of Section 18.27.120 of the development code and Section 17.28.020 of the zoning ordinance. (Ord. 386 § 3, 2009)

18.27.050 Findings.

In addition to the findings required for the granting of conditional use permits by Section 17.28.050 of the zoning ordinance, the decision making authority shall consider the following:

A. Whether the proposed use will result in an undue concentration of establishments selling alcoholic beverages as defined by the state Alcoholic Beverage Control Department (ABC) or by city ordinance, resolution, or policy.

B. Whether the approval of the proposed use will violate the minimum requirements, set forth in this chapter, for distance separations between establishments which sell, serve or give

Attachment B

away alcoholic beverages; and separations between establishments which sell, serve or give away alcoholic beverages and other specific land uses.

C. Whether the proposed use will be located in an area which, based on the most recent yearly compilation by the San Diego County sheriff's department or other appropriate law enforcement agency, has experienced a greater than average number of reported crimes and arrests, including those reported as alcohol-related, as well as, criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny, theft, motor vehicle theft combined with all arrests for other crimes, felonies and misdemeanors, except traffic citations. (Ord. 386 § 3, 2009)

18.27.060 Minimum conditions of approval.

A. Businesses or facilities providing alcoholic beverages for off-site consumption shall comply with the following minimum conditions of approval. However, the ~~planning commission, or city council on appeal,~~ may impose such additional conditions and restrictions as found necessary or desirable to achieve the purposes of this chapter.

1. No alcoholic beverages shall be consumed on the premises under the control of the business owner or the property owner, excepting when alcoholic beverages are manufactured on the premises.

2. Adequate litter receptacles shall be provided.

3. All display of alcoholic beverages shall be located a minimum of five feet from the store entrance.

4. For establishments which sell or give away alcoholic beverages and also sell gasoline, no signs advertising alcoholic beverages may be visible from the exterior of the building. Except for liquor stores, the signage for which shall be governed by conditional use permit and the city sign ordinance, signage advertising alcoholic beverages for all other establishments selling alcoholic beverages for off-premises consumption shall be limited to no more than fifty percent of the temporary window display permitted by the sign ordinance (twelve and one-half percent of total window area). Not more than two neon signs which hang on the inside of a window may be permitted subject to, and deducted from, the area limitations established in this subsection. No reference to liquor, any alcoholic beverage or product, or alcoholic beverage brand name may be included in any permanent signage for any establishment selling alcoholic beverages for off-site consumption other than that displayed by liquor stores or alcoholic beverage manufacturers when they are on the premises.

5. No wine shall be displayed, sold or given away in containers of less than seven hundred ml, except multipack containers of wine and wine coolers containing no more than ~~six~~fifteen percent alcohol by volume.

6. No distilled spirits shall be displayed, sold or given away in containers of less than two hundred fifty ml, except two-hundred-ml pre-mixed cocktails.

7. The display, sale or distribution of fifty ml "airport bottles" and three-hundred-seventy-five ml "hip flask" containers is prohibited.

8. No ~~single-serve~~ beer, ale or malt liquor shall be offered for sale in a container with a volume greater equal to or less than thirty-two~~forty~~ ounces. This restriction is not intended to

Attachment B

prohibit the sale of such beverages in kegs or other types of containers, ~~with a volume of two or more gallons,~~ which are clearly designed to dispense multiple servings.

9. No wine with an alcoholic content greater than fifteen percent by volume shall be displayed, sold or given away unless the following conditions are met:

- a. The alcohol content is solely the result of the natural fermentation process; or
- b. If the alcohol content resulting from natural fermentation has been increased by the addition of wine spirits, brandy, or other alcohol, the wine must be sealed and capped by cork closure and aged for two or more years.

10. All litter shall be removed from the exterior areas around the building as required and no less frequently than once each day this business is open.

11. The operation of the business shall comply fully with all the rules, regulations and orders of the state Alcoholic Beverage Control Department. Failure to comply with these requirements shall constitute grounds for revocation of a conditional use permit or ~~minor use permit~~ zoning clearance.

12. The business shall comply with all of the conditions of the conditional use permit or ~~minor use permit~~ zoning clearance which authorizes its operation.

13. For all businesses other than liquor stores, brewpubs, wine bars, rectifiers and manufacturing, warehouse, and distribution facilities, the display, sale and distribution of alcoholic beverages shall be accessory to other permitted activities. Except where Section 18.27.030(B)(3) requires a greater limitation, shelving or other display area allocated to the display of alcoholic beverages shall not exceed ten percent of the total shelf or display area within the premises.

14. No sale or distribution of alcoholic beverages shall be made from a drive-up or walk-up window.

15. No display, sale or distribution of beer or wine, wine coolers or similar alcoholic beverages shall be made from an ice tub, ~~barrel~~ or similar container.

16. Employees engaged in the sale or distribution of alcoholic beverages shall be at least twenty-one years old, or at least one salesperson twenty-one years old or older must be on the premises during all times when alcoholic beverages are sold.

17. Businesses engaged in the sale or distribution of alcoholic beverages for off-site consumption shall maintain a minimum separation of five hundred feet from any other business required to have a conditional use permit for the sale of alcoholic beverages. This subdivision shall not apply to incidental alcoholic beverage sales and the following:

- ~~1. Warehouses, and distribution facilities;~~
- ~~2. Food or drug stores engaged in the incidental sale of alcoholic beverages as defined in Section 18.27.030(B).~~

B. Businesses providing the sale or service of alcoholic beverages for on-site consumption shall comply with the following minimum conditions of approval. However, the ~~planning commission, or city council on appeal,~~ may impose such additional conditions and restrictions as are found necessary or desirable to achieve the purposes of this chapter.

Attachment B

1. Except within city-approved outdoor eating places which are adequately separated from direct public access via a fence or other means, no alcoholic beverages shall be consumed outside of an enclosed building.

2. For restaurants, bars, taverns and cocktail lounges, signs advertising alcoholic beverages shall be limited to no more than fifty percent of the temporary window display permitted by the sign ordinance (twelve and one-half percent of total window area). Not more than two neon signs which hang on the inside of a window may be permitted subject to, and deducted from, the area limitations established in this subsection.

3. Except for manufacturers, brewpubs, wine bars and rectifiers, ~~No~~ reference to liquor, any alcoholic beverage or product, or alcoholic beverage brand name may be included in any permanent signage for any establishment selling alcoholic beverages for on-site consumption other than that displayed by bars, taverns and cocktail lounges.

No wine with an alcoholic content greater than fifteen percent by volume shall be displayed, sold or served unless the following conditions are met:

- a. The alcohol content is solely the result of the natural fermentation process; or
- b. If the alcohol content resulting from natural fermentation has been increased by the addition of wine spirits, brandy, or other alcohol, the wine must be sealed and capped by cork closure and aged for two or more years.

4. All litter shall be removed from the exterior of the building as required and no less frequently than once each day the business is open.

5. The operation of the business or facility shall comply fully with all the rules, regulations and orders of the state Alcoholic Beverage Control Department. Failure to comply with these requirements shall constitute grounds for revocation of a conditional use permit or minor-use permit/zoning clearance.

6. For all businesses and other facilities engaged in the sale or service of alcoholic beverages for on-site consumption other than bars and taverns, the sale of alcoholic beverages shall be incidental and accessory to other permitted activities.

7. Employees engaged in the sale or service of alcoholic beverages for on-site consumption shall be at least twenty-one years old.

8. ~~Except for restaurants with incidental on-site alcoholic beverage sales~~ businesses for on-site consumption, businesses engaged in the sale or service of alcoholic beverages for on-site consumption shall maintain a minimum separation of one thousand feet from another business selling or serving alcoholic beverages for on-site consumption and a minimum of five hundred feet from any other business requiring a conditional use permit for the on-site or off-site sale or service of alcoholic beverages; any church or other place of worship; any public or private preschool, elementary school or high school; any public park or playground; any hospital, clinic, or other health care facility; any residential unit other than a caretaker's dwelling on a commercial or industrial property; and any property zoned for residential use. Except that existing businesses that serve alcohol and that were located closer than five hundred feet or one thousand feet from another business serving alcohol prior to adoption of the ordinance codified in this chapter shall be allowed to expand their business as long as the expansion does not violate the distance requirements from any of the designated sensitive uses identified in this section above. Based upon the particular circumstances involved, the ~~planning commission~~City

Attachment B

Council shall determine the appropriate separation between private clubs and lodges operated by recognized national, state or regional religious or fraternal order and appropriate distances between such clubs and lodges and other types of land use.

18.27.070 Measurement of distance.

A. Types of Uses.

1. "Regulated uses" are those businesses and facilities which sell, serve or give away alcoholic beverages and which have been identified in Sections 18.27.060(A)(16) and 18.27.060(B)(8).

2. "Protected uses" are churches or other places of worship; any public or private preschool, elementary school or high school; any park or playground; any hospital, clinic, or other health care facility; any residential unit other than a caretaker's dwelling on a commercial or industrial property; and any property zoned for residential use.

B. Distance Computation.

1. When a physical separation is required between two regulated uses, the distance of such separation is measured along a straight line extending between the closest exterior structural walls of each use.

2. When a physical separation is required between a regulated use and a protected use, the distance of such separation is measured along a straight line extending between the closest exterior structural wall of the regulated use and the closest property line of the protected use.

18.27.080 Notification to alcoholic beverage control department.

A. Within five days following the city's approval of a conditional use permit or ~~minor-use permit~~ zoning clearance for a business proposing to sell, serve or give away alcoholic beverages, the city will send a written notice of such approval to the local office of the State Alcoholic Beverage Control Department.

1. The notice shall include a copy of the resolution or notice of approval and will state that city approval of the business or other facility proposing to sell, serve or give away alcoholic beverages has been granted subject to compliance, by the business or facility, with certain specific conditions.

2. The notice shall indicate the final date for the filing of any appeals from the decision or conditions of approval.

3. The notice shall state clearly in its heading and text that formal city approval of the business or facility which proposes to sell, serve or give away alcoholic beverages will be withheld until the business has complied with all appropriate conditions of approval.

B. Within three working days of the city's determination that a business proposing to sell alcoholic beverages has fully complied with all appropriate conditions of approval of a conditional use permit or ~~minor-use permit~~ zoning clearance, a notice regarding such full compliance will be sent to the local ABC office.

Attachment B

18.27.090 Notification regarding violations.

Each time the ~~community development services~~ director determines that a business or other facility which sells, serves or gives away alcoholic beverages has violated any provision or condition of its conditional use permit, ~~minor use permit~~zoning clearance, other city law or regulation, or any requirement of the state Alcoholic Beverage Control Department, it shall issue a written notice and order to the owner of the business or facility. The notice and order shall include the following:

- A. A requirement that the business owner or facility operator correct all violations immediately.
- B. A statement that a violation of the alcoholic beverage sales ordinance constitutes a misdemeanor subject to the general penalty provisions of this code, that conviction of a misdemeanor shall be punishable by fine or imprisonment or both such fine and imprisonment, and that each day a violation is committed or continued constitutes a separate offense.
- C. A statement that, in addition to the penalties stated in Section 18.27.080, failure to comply in a timely manner or repeated violations may result in a revocation of the conditional use permit or ~~minor use permit~~zoning clearance which authorizes the maintenance of an establishment selling, serving or giving away alcoholic beverages.
- D. A notification that a written report of such violation or violations has been transmitted to both the owner of the property where the business or facility is being conducted or operated and to the local office of the Alcoholic Beverage Control Department.

18.27.100 Justification for revocation of approvals.

Any business establishment which has been authorized by the city to sell, serve or give away alcoholic beverages shall comply fully with all city zoning and sign regulations, with all conditions attached to the approval of its conditional use permit or ~~minor use permit~~zoning clearance, and with all rules, regulations and orders of the State Alcoholic Beverage Control Department. Failure to comply with any of these requirements shall constitute grounds for revocation of a conditional use permit or ~~minor use permit~~zoning clearance.

18.27.110 Hearing regarding alleged violations.

If a business or other facility which sells, serves or gives away alcoholic beverages has been declared a public nuisance; if it has been found, by the California Department of Alcoholic Beverage Control, to be in violation of ABC rules; if its owner or operator fails to comply or refuses to comply with a notice and order to correct a violation in a timely manner; or if the ~~community development services~~ director, on three separate occasions within any twelve-month period, has issued a written notice and order to the owner of said business or operator of the facility, pursuant to Section 18.27.080, requiring the correction of specific violations of its conditional use permit or ~~minor use permit~~zoning clearance; the ~~planning commission~~City Council will schedule a public hearing, consistent with the requirements of Section 17.28.020 of the zoning ordinance to consider these matters. Following such public hearing, the ~~planning commission~~City Council may make any findings which it believes to be supported by the facts presented in the hearing, including the following:

Attachment B

A. It may find that the alleged violation(s) did not occur, were beyond the control of the business owner or facility operator, or were insignificant.

B. It may find that the alleged violation(s) did occur, that they were the responsibility of the business owner or facility operator, and were significant. As part of its determination regarding the appropriate action to be taken, the ~~planning commission~~City Council may consider whether the violations were corrected immediately after being brought to the owner's or facility operator's attention, whether such violations constitute a minor or major violation of this chapter and its purpose and intent, and whether such violations appear to constitute a pattern of disregard for the city's laws and the standards of the community. (Ord. 386 § 3, 2009)

18.27.120 City actions in response to violations.

If, after a public hearing and full examination of the evidence regarding alleged violations of the city's regulations governing the sale, service or distribution of alcoholic beverages, the ~~planning commission~~City Council makes findings similar to those stated in Section 18.27.110(A) it may choose to take no action against the owner of the subject business or operator of the subject facility. However, if the evidence submitted in the public hearing convinces the ~~planning commission~~City Council that a significant violation has occurred, it may take one or more of the following actions:

A. Imposition of additional conditions governing the physical design of the building or property where the business is conducted or the facility is operated.

B. Attachment of additional conditions or limitations affecting the operations of the business or facility.

C. The ~~planning commission~~City Council may determine that the business or facility, and its manner of operation, constitutes a serious threat to the preservation of the public health, safety and welfare and may take one or both of the following actions:

1. It may revoke the conditional use permit or ~~minor use permit~~zoning clearance which authorizes the business or facility to sell, serve or give away alcoholic beverages.

2. It may recommend that the city council declare that the business or facility is a public nuisance subject to abatement or enjoinder in the manner provided by law.

**INITIAL STUDY / ENVIRONMENTAL CHECKLIST
ENVIRONMENTAL ASSESSMENT NO. ND17-02
FOR ZONING AMENDMENT ZA1-500-0002
CITY-WIDE
LEMON GROVE, CALIFORNIA**

Prepared by:
Lemon Grove Planning Division Staff
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3805

May 25, 2017

Attachment C

City of Lemon Grove Initial Study / Environmental Checklist

This Initial Study / Environmental Checklist has been prepared pursuant to the California Environmental Quality Act (CEQA) [Public Resources Code §21000, et seq.] and the 2016 State CEQA Guidelines [California Code of Regulations §15000, et seq.]. This Initial Study / Environmental Checklist determines that the project will result in no impacts or less than significant impacts (with mitigation) on the environmental resources and issues evaluated herein, and hence would not have a significant impact on the environment.

This document is being made available for a 20-day public review comment period, beginning May 25, 2017 and ending June 14, 2017. Comments regarding this Initial Study/ Environmental Checklist must be made in writing to: David De Vries, Development Services Director, City of Lemon Grove, 3232 Main Street, Lemon Grove, California 91945. Comments must be received by 5:00 P.M. on the last day of the public review period.

1. **Project Title:** Alcoholic Beverage Sales Ordinance Amendment; ZA1-500-0002, ND17-02
2. **Lead Agency Name and Address:** City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
3. **Contact Person and Phone Number:** David De Vries
Development Services Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
(619) 825-3812
4. **Project Location:** City wide, Lemon Grove, CA 91945
5. **Project Applicant:** City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945
6. **General Plan Designation:** City wide
7. **Zoning Designation:** City wide
8. **Project Description:**

This project includes implementing changes to the Municipal Code to allow for, as permitted uses, alcoholic beverage manufacturers with on-site alcoholic beverage sales and consumption, alcoholic beverage sales for off-site consumption, and other accessory uses provided certain performance standards are adhered to within commercial and industrial zoning districts.
9. **Setting and Surrounding Land Uses:**

The project area includes all existing and potential areas in the City. The City is mostly residential with a mix of other land uses. Very few undeveloped parcels remain in the City.

Attachment C

To the north is the State Route 94 and the Cities of La Mesa and San Diego. To the east is the State Route 125 and the County of San Diego (Spring Valley community). To the south and west is the City of San Diego. The existing landscape consists of native and ornamental vegetation.

10. Approvals Required:

Zoning Amendment ZA1-500-0002 including modifications to Chapter 18.27 (Alcoholic Beverage Sales) and Section 17.16.070 (General Commercial Zoning District Regulations) of the Lemon Grove Municipal Code.

11. Other public agencies whose approvals are required (e.g., permits, financing approval, or participation agreement):

Department of Fish and Game.

Attachment C

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

Based upon the initial evaluation presented in the following Initial Study / Environmental Checklist, it is concluded that the Project **would** result in the following potentially significant adverse environmental impacts to the following resource areas:

- | | |
|---|---|
| ☐ Aesthetics | ☐ Land Use and Planning |
| ☐ Agriculture & Forestry Resources | ☐ Mineral Resources |
| ☐ Air Quality | ☒ Noise |
| ☐ Biological Resources | ☐ Population and Housing |
| ☐ Cultural Resources | ☐ Public Services |
| ☐ Geology and Soils | ☐ Recreation |
| ☐ Greenhouse Gas Emissions | ☐ Transportation / Traffic |
| ☐ Hazards and Hazardous Materials | ☐ Utilities and Service Systems |
| ☐ Hydrology and Water Quality | ☐ Mandatory Findings of Significance |

DETERMINATION:

On the basis of this initial evaluation: (To be completed by the Lead Agency)

- ☐ I find that the project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- ☒ I find that although the project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- ☐ I find that the project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- ☐ I find that the project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (a) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (b) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT (EIR) is required, but it must analyze only the effects that remain to be addressed.
- ☐ I find that although the project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or (MITIGATED) NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or (MITIGATED) NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the project, nothing further is required.

EVALUATION OF ENVIRONMENTAL IMPACTS:

1. A brief explanation is required for all answers except “No Impact” answers that are adequately supported by the information sources a lead agency cites in the parentheses following each question. A “No Impact” answer is adequately supported if the referenced information sources show that the impact simply does not apply to projects like the one involved (e.g., the project falls outside a fault rupture zone). A “No Impact” answer should be explained where it is based on project-specific factors as well as general standards (e.g., the project will not expose sensitive receptors to pollutants, based on a project-specific screening analysis).
2. All answers must take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
3. Once the lead agency has determined that a particular physical impact may occur then, the checklist answers must indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. “Potentially Significant Impact” is appropriate if there is substantial evidence that an effect may be significant. If there are one or more “Potentially Significant Impact” entries when the determination is made, an EIR is required.
4. “Negative Declaration: Less Than Significant With Mitigation Incorporated” applies where the incorporation of mitigation measures has reduced an effect from “Potentially Significant Impact” to a “Less Than Significant Impact.” The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less than significant level (mitigation measures from “Earlier Analyses”, as described in (5) below, may be cross-referenced).
5. Earlier analyses may be used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or (mitigated) negative declaration pursuant to Section 15063(c)(3)(D) of the CEQA Guidelines. In this case, a brief discussion should identify the following:
 - a. Earlier Analysis Used. Identify and state where they are available for review.
 - b. Impacts Adequately Addressed. Identify which effects from the above checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and state whether such effects were addressed by mitigation measures based on the earlier analysis.
 - c. Mitigation Measures. For effects that are “Less Than Significant With Mitigation Measures Incorporated”, describe the mitigation measures that were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
6. Lead agencies are encouraged to incorporate into the checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances). Reference to a previously prepared or outside document should, where appropriate, include a reference to the page or pages where the statement is substantiated.

Attachment C

7. Supporting Information Sources: A source list should be attached, and other sources used or individuals contacted should be cited in the discussion.
8. This is only a suggested form, and lead agencies are free to use different formats; however, lead agencies should normally address the questions from this checklist that are relevant to a project's environmental effects in whatever format is selected.
9. The explanation of each issue should identify:
 - a. The significance criteria or threshold, if any, used to evaluate each question; and
 - b. The mitigation measure identified, if any, to reduce the impact to less than significant.

Impact Terminology

The following terminology is used to describe the potential level of significance of impacts:

- A finding of ***no impact*** is appropriate if the analysis concludes that the project would not affect the particular resource in any way.
- An impact is considered a ***less than significant impact*** if the analysis concludes that it would not cause substantial adverse change to the environment and requires no mitigation.
- An impact is considered ***less than significant with mitigation incorporated*** if the analysis concludes that it would not cause substantial adverse change to the environment with the inclusion of environmental commitments that have been agreed to by the applicant.
- An impact is considered a ***potentially significant impact*** if the analysis concludes that it could have a substantial adverse effect on the environment and requires mitigation.

Attachment C

I. AESTHETICS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Have a substantial adverse effect on a scenic vista?	☐	☐	☐	☒
b. Substantially damage scenic resources, including but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☐	☒
c. Substantially degrade the existing visual character or quality of the site and its surroundings?	☐	☐	☐	☒
d. Create a new source of substantial light or glare that would adversely affect day or nighttime views in the area?	☐	☐	☐	☒

Explanation of Checklist:

a-d: No Impact. No construction is proposed as a part of this project. This project includes amendments to the Municipal Code unrelated to land development.

Source: 1, 2, 3, 4, 5

Attachment C

II. AGRICULTURAL AND FOREST RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?	☐	☐	☐	☒
b. Conflict with existing zoning for agricultural use, or a Williamson Act Contract?	☐	☐	☐	☒
c. Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220[g]), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104[g])?	☐	☐	☐	☒
d. Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	☒
e. Involve other changes in the existing environment, which, due to their location or nature, could result in conversion of Farmland to non-agricultural use or conversion of forest land to non-forest use?	☐	☐	☐	☒

Explanation of Checklist:

a–e: No Impact. No construction is proposed as a part of this project. The project is not expected to result in conflicts with applicable air quality plans or standards. Therefore, the project would not convert Important Farmland, conflict with agricultural zoning, or otherwise cause the conversion of farmland or forest land to non-agricultural/non-forest use. The project would have no agricultural resource impact.

Source: 1, 2, 3, 4, 11

Attachment C

III. AIR QUALITY

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☒
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?	☐	☐	☐	☒
c. Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?	☐	☐	☐	☒
d. Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☐	☒
e. Create objectionable odors affecting a substantial number of people?	☐	☐	☐	☒

Explanation of Checklist:

a-e: Less Than Significant Impact. No construction is proposed as a part of this project. No significant impact on air resources is likely to occur. While the proposed project may result in a slight increase in vehicular traffic and a slight increase in air quality impacts to the region, the Master Environmental Impact Report (MEIR) for the City of Lemon Grove's General Plan anticipates vehicular air quality impacts associated with the build out of Lemon Grove but not to a level of significance. The cumulative air quality impacts of buildout of the Lemon Grove General Plan will remain significant and unmitigated. However, this project is not likely to result in a cumulatively considerable net increase of any criteria pollutant. In conformance with the General Plan MEIR, all existing buildings must be tested for asbestos prior to demolition and all necessary treatment implemented if identified. Standard conditions of project approval will require the control of dust during site grading and construction. During construction, diesel equipment may generate some nuisance odors; however, due to best management practice requirements to control dust and odors, odors associated with project construction would not be significant. As a commercial and industrial use, future projects will be evaluated as it relates to the generation of objectionable odors.

Attachment C

Section 15125(d) of the CEQA Guidelines contains specific reference to the need to evaluate any inconsistencies between the proposed project and the applicable air quality management plan, i.e., the San Diego Regional Air Quality Strategy (RAQS). Included in the RAQS are transportation control measures (TCMs). The RAQS and TCM set forth the steps needed to accomplish attainment of state and federal ambient air quality standards. The primary concern for assessing impacts on the RAQS is whether the project is consistent with the growth assumptions used to develop the plan.

San Diego Air Pollution Control District (SDAPCD) relies on land use designations contained in local general plan documents and the San Diego Association of Governments (SANDAG) regional transportation plans to prepare air quality plans. SDAPCD refers to approved general plans to forecast, inventory, and allocate regional emissions from land use and development-related sources. These emissions budgets are used in statewide air quality attainment planning efforts. As such, a project is inherently consistent if it proposes development in conformance with a given General Plan land use designation. Projects that propose development that is greater than anticipated in the growth projections warrant further analysis to determine consistency with RAQS and the State Implementation Plan (SIP). This analysis will be done as a part of future projects.

Source: 1, 2, 3, 4, 6, 8, 9, 10, 13, 14

Attachment C

IV. BIOLOGICAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Have substantial adverse effects, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Service (USFWS)?	☐	☐	☐	☒
b. Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, and regulations or by the CDFW or USFWS?	☐	☐	☐	☒
c. Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?	☐	☐	☐	☒
d. Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☐	☒
e. Conflict with any local policies or ordinances protecting biological resources, such as tree preservation policy or ordinance?	☐	☐	☐	☒

Attachment C

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
f. Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	☐	☒

Explanation of Checklist:

a-f: No Impact. No construction is proposed as a part of this project. The MEIR for the City of Lemon Grove's General Plan confirms there are limited known sensitive biological resources, riparian habitat, or wetlands within the project area. Future development projects within these areas will require environmental review and appropriate technical analysis to determine environmental impacts.

Source: 1, 2, 3, 4

Attachment C

V. CULTURAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Cause a substantial adverse change in the significance of an historical resource as defined in §15064.5?	☐	☐	☐	☒
b. Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?	☐	☐	☐	☒
c. Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☐	☐	☒
d. Disturb human remains, including those interred outside of dedicated cemeteries?	☐	☐	☐	☒
e. Cause a substantial adverse change in the significance of a Tribal Cultural Resource as defined in Public Resources Code, Section 21074 as either: 1) a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American Tribe, that is listed or eligible for listing on the California Register of Historical Resources, or on a local register of historical resources as defined in Public Resources Code section 5020.1(k), or 2) a resource determined by a lead agency, in its discretion and supported by substantial evidence, to be significant according to the historical register criteria in Public	☐	☐	☐	☒

Attachment C

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
Resources Code section 5024.1 (c), and considering the significance of the resource to a California Native American tribe.				

Explanation of Checklist:

a-e: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. Tribal consultation was not requested for this project since no development or construction activity is proposed.

Source: 1, 2, 3, 4, 6, 13

Attachment C

VI. GEOLOGY AND SOILS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.	☐	☐	☒	☐
ii. Strong seismic ground shaking?	☐	☐	☒	☐
iii. Seismic-related ground failure, including liquefaction?	☐	☐	☒	☐
iv. Landslides?	☐	☐	☐	☒
b. Result in substantial soil erosion or the loss of topsoil?	☐	☐	☐	☒
c. Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?	☐	☐	☐	☒
d. Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?	☐	☐	☐	☒

Attachment C

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
e. Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	☐	☐	☐	☒

Explanation of Checklist:

a: Less than Significant Impact. . No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The City is located within the seismically active southern California region. The Rose Canyon Fault Zone is the nearest active fault system to the project site and lies approximately eight miles to the west. The geotechnical evaluation from the General Plan MEIR further indicates that there are no known active faults crossing the City. Given the proximity of the Rose Canyon fault system, a strong earthquake on this fault could produce severe ground shaking, but would be unlikely to produce ground rupture. Despite the potential of the Rose Canyon fault system to produce severe ground shaking at the project site, impacts to the project would be reduced through adherence to requirements specified in the Alquist–Priolo Act, the Uniform Building Code, Title 24 of the California Building Code, and all development regulations of the City. Compliance with these building standards would minimize impacts associated with seismic hazards.

b-e: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The project would be served by the City's wastewater system and would not require the use of septic systems. No impact related to septic system soil issues would occur. Typical erosion control measures will be required during site grading. Standard conditions of approval for future development projects will require best management practices.

Source: 1, 2, 3, 4, 5, 7

VII. GREENHOUSE GAS EMISSIONS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☐	☐	☒	☐
b. Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☐	☐	☒	☐

Explanation of Checklist:

a–b: Less Than Significant Impact.

No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. Analysis will require investigation to determine if future development is below the threshold of significance established by the Californian Air Pollution Control Officers Association (CAPCOA) for greenhouse gas emissions. Pursuant to California Assembly Bill 32, the State must reduce greenhouse gas emissions by at least 16% in order to roll back the level of emissions for the year 2020 to those levels that existed in 1990. CAPCOA has determined that any project which generates less than 900 metric tons of CO₂-equivalent emissions per year is below the level necessary to achieve the 16% reduction in anticipated state-wide emissions for the year 2020 under the “business as usual” scenario.

During future grading and project construction, a temporary increase in operational emissions may occur. Operational emissions may include mobile source emissions and building emissions. The San Diego Air Pollution Control District Rule 55 requires compliance with standard fugitive dust control best management practices which will be required as a part of normal practices. The impacts are expected to be less than significant.

Source: 1, 2, 3, 4, 6, 8, 9, 10, 13, 14

Attachment C

VIII. HAZARDS AND HAZARDOUS MATERIALS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Create a significant hazard to the public or the environment through routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒
b. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☐	☒
c. Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
d. Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?	☐	☐	☐	☒
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒
f. For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?	☐	☐	☐	☒

Attachment C

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
g. Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
h. Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?	☐	☐	☐	☒

Explanation of Checklist:

a–h: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues and will require compliance with performance standards related to noise, glare, traffic, vibrations, hazardous materials, airborne emissions, and liquid and solid wastes.

Source: 1, 2, 3, 4

Attachment C

IX. HYDROLOGY AND WATER QUALITY

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Violate any water quality standards or waste discharge requirements?	☐	☐	☐	☒
b. Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table?	☐	☐	☐	☒
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner, which would result in substantial erosion or siltation on- or off-site?	☐	☐	☐	☒
d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?	☐	☐	☐	☒
e. Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?	☐	☐	☐	☒
f. Otherwise substantially degrade water quality?	☐	☐	☐	☒

Attachment C

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?	☐	☐	☐	☒
h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows?	☐	☐	☐	☒
i. Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?	☐	☐	☐	☒
j. Contribute to inundation by seiche, tsunami, or mudflow?	☐	☐	☐	☒

Explanation of Checklist:

a-j: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues.

The City is located approximately 9 miles from the nearest shoreline of the Pacific Ocean at an elevation of approximately 380 feet above sea level. As such there is no threat to the site from seiche, tsunami, or mudflow.

Source: 1, 2, 3, 4

Attachment C

X. LAND USE AND PLANNING

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Physically divide an established community?	☐	☐	☐	☒
b. Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☒
c. Conflict with any applicable habitat conservation plan or natural community conservation plan?	☐	☐	☐	☒

Explanation of Checklist:

a-c: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The project will not divide the community. The proposed project is consistent with the commercial and industrial General Plan land use designations. There are no habitat conservation or mitigation plans in effect within the City.

Source: 1, 2, 3, 4

Attachment C

XI. MINERAL RESOURCES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b. Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?	☐	☐	☐	☒

Explanation of Checklist:

a-b: No Impact. There are no known mineral resources of significance or categorized as locally important within the City. As a result, there would be no impact to mineral resources associated with implementation of the project.

Source: 1, 2, 3, 4

Attachment C

XII. NOISE

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Expose persons to or generate noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?	☐	☒	☐	☐
b. Expose persons to or generate excessive ground borne vibration or ground borne noise levels?	☐	☐	☒	☐
c. Result in a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☒	☐
d. Result in a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?	☐	☐	☒	☐
e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒
f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒

Explanation of Checklist:

a: Less Than Significant Impact with Mitigation. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The project may result in outdoor patios and indoor live music operations. Mitigation measures will require compliance with the City's Noise Abatement and Control Ordinance (Chapter

Attachment C

9.24). Patio areas are required to have appropriate barriers and interior spaces will require double entry doorways and appropriate STC rated windows, a closed window and door condition, and a HVAC system when live music is proposed. Alternatively, a noise analysis may be prepared. Standard conditions require compliance with interior noise restrictions of 45 decibels or less of exposure in a closed window and door condition. Exterior patio areas will be encouraged to be located on building faces opposite freeways or major roads or provide appropriate noise attenuation features as appropriate to limit exterior noise exposure. The MEIR for the General Plan states that projects with existing noise levels below 60 dB CNEL are normally acceptable or satisfactory for the area and no conditions are required. The General Plan MEIR further states that noise studies are required for projects exceeding 60 dB CNEL. Conformance with the City's Noise Abatement and Control ordinance is also required for operation of any single or combination of powered construction equipment at any construction site.

b-d: Less than Significant Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The proposed project will not expose persons to, or generate, excessive ground borne vibration or ground borne noise levels. Construction activities may create minor ground borne vibrations during the construction process, but any such vibrations would be temporary in nature and less than significant.

e-f: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The project area is more than six miles from the nearest airport, and more than nine miles from the nearest private air strip.

Source: 1, 2, 3, 4

Attachment C

XIII. POPULATION AND HOUSING

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?	☐	☐	☐	☒
b. Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒
c. Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?	☐	☐	☐	☒

Explanation of Checklist:

a-c: No Impact. No construction or demolition is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The proposed development is located in an urbanized area. The project proposes no housing and no housing will result from the project and would not indirectly induce growth.

Source: 1, 2, 3, 4

XIV. PUBLIC SERVICES

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
i. Fire protection?	☐	☐	☒	☐
ii. Police protection?	☐	☐	☒	☐
iii. Schools?	☐	☐	☒	☐
iv. Parks?	☐	☐	☒	☐
v. Other public facilities?	☐	☐	☒	☐

Explanation of Checklist:

a(i-v): Less Than Significant Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. Since other alcoholic beverage uses are currently permitted in commercial and industrial areas, impacts are anticipated to be less than significant as it relates to impacts on protection and services.

The project is located in an urbanized community well served with sewer and water lines, streets, storm drains and other public utilities. In addition, the project site is served by Heartland Fire & Rescue, a joint powers authority delivering fire protection and emergency medical services to the cities of El Cajon, Lemon Grove, and La Mesa. Police protection is provided by the San Diego County Sheriff's office in Lemon Grove.

Source: 1, 2, 3, 4

Attachment C

XV. RECREATION

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
b. Include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	☐	☐	☐	☒

Explanation of Checklist:

a–b: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The proposed project will not cause a significant increase in the demand on recreational services in the community.

Source: 1, 2, 3, 4

Attachment C

XVI. TRANSPORTATION / TRAFFIC

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Conflict with an applicable plan, ordinance, or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?	☐	☐	☐	☒
b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?	☐	☐	☐	☒
c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?	☐	☐	☐	☒
d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☒
e. Result in inadequate emergency access?	☐	☐	☐	☒
f. Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?	☐	☐	☐	☒

Attachment C

Explanation of Checklist:

a–f: No Impact.

No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. Based on the San Diego Traffic Engineers' Council (SANTEC) and the Institute of Transportation Engineers (ITE) document *SANTEC/ITE Guidelines for Traffic Impact Studies in the San Diego Region*, a Traffic Impact Study is not required when the project's trip generation is calculated to be less than 1,000 ADT and less than 100 peak hour trips.

Requirements for parking and emergency access will be required to be adhered to.

Source: 1, 2, 3, 4, 10, 13, 14

Attachment C

XVII. UTILITIES AND SERVICE SYSTEMS

Would the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?	☐	☐	☐	☒
b. Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
c. Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?	☐	☐	☐	☒
d. Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?	☐	☐	☐	☒
e. Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☐	☒
f. Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?	☐	☐	☐	☒
g. Comply with federal, state, and local statutes and regulation related to solid waste?	☐	☐	☐	☒

Attachment C

Explanation of Checklist:

a–g: No Impact.

No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. Properties within the City are served by the City of Lemon Grove Sanitation District. Standard conditions of approval for future projects will require that the project obtain sewer permits, pay sewer service and connection fees, and connect to the Sanitation District. Standard conditions of approval will require that a future project construct improvements consistent with City Engineering requirements and provide storm water facilities in conformance with the Municipal Code and Jurisdictional Runoff Management Program.

The proposed project will not result in a significant increase in demand for domestic water supplies. Standard conditions of approval for future projects will require that the project obtain water service permits, pay the water service and connection fees, and connect to the Helix Water District.

Compliance with all federal, state, and local statutes and regulations regarding solid waste will also be required.

Source: 1, 2, 3, 4

Attachment C

XVIII. MANDATORY FINDINGS OF SIGNIFICANCE

Does the project:

Issue	Potentially Significant Impact	Less Than Significant with Mitigation Incorporated	Less Than Significant Impact	No Impact
a. Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?	☐	☐	☐	☒
b. Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?	☐	☐	☒	☐
c. Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☐	☒	☐

Explanation of Checklist:

a: No Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. The proposed project will not degrade the quality of the environment.

b-c: Less Than Significant Impact. No construction is proposed as a part of this project. Future development resulting from these Municipal Code amendments will require investigation as it relates to these issues. Since other alcoholic beverage uses

Attachment C

are currently permitted in commercial and industrial areas, impacts are anticipated to be less than significant as it relates to cumulative impacts and impacts on human beings.

XIX. DETERMINATION AND PREPARERS

CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE FEE DETERMINATION

(Fish and Game Code Section 711.4, Statutes of 2006 – SB 1535)

- ☒ [X] It is hereby found that this project involves no potential for any adverse effect, either individually or cumulatively, on wildlife resources and that a "Certificate of Fee Exemption" shall be prepared for this project.
- ☐ [] It is hereby found that this project could potentially impact wildlife, individually or cumulatively, and therefore, fees in accordance with Section 711.4(d) of the Fish and Game Code shall be paid to the County Clerk.

Attachment C

XX. REFERENCES

Section 15150 of the State CEQA Guidelines permits an environmental document to incorporate by reference other documents that provide relevant data. The documents listed below are hereby incorporated by reference. The pertinent material is summarized throughout this Initial Study / Environmental Checklist where that information is relevant to the analysis of impacts of the Project. The following references were used in the preparation of this Initial Study / Environmental Checklist and are available for review at the City Hall located at 3232 Main Street, in Lemon Grove.

<u>Reference #</u>	<u>Document Title</u>
1.	City of Lemon Grove General Plan
2.	Master Environmental Impact Report for the Lemon Grove General Plan
3.	City of Lemon Grove Municipal Code
4.	ZA1-500-0002 Application Packet
5.	Caltrans Scenic Highway website: http://www.dot.ca.gov/hq/LandArch/16_livability/scenic_highways/
6.	San Diego Air Pollution Control District's Regional Air Quality Standards (RAQS) available at: http://www.sdapcd.org/content/sdc/apcd/en/air-quality-planning.html
7.	Department of Conservation's Alquist-Priolo Earthquake Fault Zoning Map available at: http://www.conservation.ca.gov/cgs/rghm/ap
8.	CAPCOA White Paper, published January, 2008.
9.	California Environmental Protection Agency Cortese List Data Resources available at: http://www.calepa.ca.gov/sitecleanup/corteselist/
10.	SANDAG Brief Guide of Vehicular Traffic Generation Rates available at: http://www.sandag.org/uploads/publicationid/publicationid_1140_5044.pdf
11.	Department of Conservation, Farmland Mapping and Monitoring Program website: http://www.conservation.ca.gov/dlrp/fmmp
12.	FEMA Flood Insurance Rate Map Panel No. 06073C1910G May 16, 2012
13.	SANTEC/ITE Guidelines for Traffic Impact Studies in the San Diego Region
14.	Caltrans Guide For The Preparation of Traffic Impact Studies

Individuals and Organizations Consulted

Michael Viglione, Assistant Planner, City of Lemon Grove



SAN DIEGO BREWERS GUILD

P.O. Box 180696, Coronado, CA 92178 / (858) 581-7368 / sandiegobrewersguild.org



Representatives of the Lemon Grove City Council:

The San Diego Brewers Guild, which promotes San Diego County's more than 140 craft breweries, would like to extend its support to any initiatives proposed/introduced by the City of Lemon Grove which would facilitate the opening of operational brewhouses and tasting rooms in Lemon Grove.

The City of San Diego has observed firsthand the impressive economic impact of San Diego's craft breweries—it was reported by the National University System Institute in 2015 that 114 San Diego Based breweries and brewpubs generated \$851 million in sales and employed 4,512 workers. Since 2012, the industry has experienced unprecedented growth and this year is projected to see largest number of brewery openings to date— 20 breweries have opened to date in 2017.

Today, craft brewing has become synonymous with San Diego County and craft beer tourism is a significant impetus for visitors to San Diego. In response, the San Diego Tourism Authority has honed in on the industry as a key tourism driver and has developed a regional marketing campaign extolling San Diego craft beer.

Policy choices have a direct impact on craft brewers. Opening a new brewery or brewpub requires a great deal of time and money as well as dealing with government regulations from Federal, State and local agencies. One city, Oceanside, is attempting to encourage small breweries to open in areas of the Coast Highway by revising its zoning laws to allow small breweries and having a process whereby they can be approved without public hearings. This may eliminate the cost and time in obtaining a major or minor use permit and Planning Commission and/or City Council hearings which can prolong the process of opening for a year. Another city, Vista, is making the city more brewery friendly by having its Economic Development Director assist existing and new breweries with the governmental regulations and laws regarding new and existing breweries. The city of Vista recently released a FAQ for breweries regarding the Host Facility Permit now required by the County due to the ordinance enacted January 2017. Having a single point of contact for breweries to coordinate the requirements of a variety of departments within the city can make the process of opening a brewery much easier.

Many small breweries greatly rely on the revenue from tasting rooms so the size, days and hours of operation, construction costs (bathrooms, sprinklers, etc), number of parking spaces, regulations regarding serving food and limitations on entertainment can impact the business plan for a brewery.

In addition to the positive economic impact of craft breweries, tasting rooms offer a unique community gathering

In short, the San Diego Brewers Guild would be thrilled to see craft breweries in the City of Lemon Grove.

Jill Davidson
San Diego Brewers Guild President

13 Point Brewing Company, LLC

June 19, 2017

City Council Members
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

RE: Ordinance No. 446 – Zoning Amendment

City Council Members,

My name is Bob Frank and I am opening a small brewery somewhere in San Diego County. It has been brought to my attention that Lemon Grove has a desire for this business type within their borders. As our business plan involves starting our business in the East County region of San Diego, this desire has intrigued my investors and I to give Lemon Grove serious considerations. It has also been brought to my attention that a city ordinance exists which would prevent us from having retail sales of our manufactured beer at our facility.

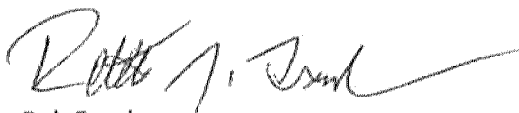
I hereby support the adoption of Ordinance 446 – Zoning Amendment ZA1-500-0002 Amending the Alcoholic Beverage Sales Regulations and the General Commercial Zoning District Regulations to Allow for Light Manufacturing, Brewpubs, Wine Bars and Related Accessory Uses.

However, I do so with the following caveat. The ordinance would prohibit the sale of single-serving alcoholic beverages (e.g., a single 32 ounce beer can). The ordinance summary states that this may be a minor concern for some alcohol beverage manufacturers, and that this prohibition is consistent with recommendations from the Sheriff's Department. I would claim that this is a major concern for my business, and that I cannot speak for other would-be alcohol beverage manufacturers.

I understand the Sheriff's Department's concern in this matter, and would only argue that persons who would purchase single-serving alcoholic beverages and drink them in illegal areas of the city are likely not the same persons who would pay premium retail craft beer or craft wine prices to do so, and that it would be far more likely that they would purchase cheaper beverages from a liquor store or grocer. I would also be willing to sit and discuss this matter with the Sheriff's Department to see if we can come to a solution that would satisfy both sides of this issue. Obviously I would not want our business to bring additional crime to your city and would hope we could come to a reasonable understanding.

Thank you for your consideration.

Sincerely,



Bob Frank
13 Point Brewing Company, LLC