



City of Lemon Grove City Council Regular Meeting Agenda

Tuesday, May 3, 2022, 6:00 p.m.

Lemon Grove Community Center
3146 School Lane, Lemon Grove, CA 91945

For everyone's protection, all attendees must maintain a safe social distance. Face coverings are optional but strongly recommended during the meeting.

City Council

Racquel Vasquez, Mayor
Jerry Jones, Mayor Pro Tem
Jennifer Mendoza, Councilmember
Liana LeBaron, Councilmember
George Gastil, Councilmember

A complete agenda packet is available for review on the [City's website](#)

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

Call to Order

Pledge of Allegiance

Changes to the Agenda

Presentation(s)

Regional Decarbonization Framework: A Collaborative Effort to Lower the Region's Carbon Footprint – Murtaza H. Baxamusa, PhD, AICP, Program Manager for Regional Sustainability at the County of San Diego's Land Use and Environment Group

Public Comment

Digitally submitted public comments received by the City Clerk at amalone@lemongrove.ca.gov will not be read out-loud during the meeting. However, they will be provided to the City Council and remain part of the meeting's records. Per the Lemon Grove Municipal Code Section 2.14.150, live comments are allotted a maximum of three (3) minutes.

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.)

1.A Waive Full Text Reading of All Ordinances on the Agenda

Reference: Kristen Steinke, City Attorney

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

1.B City of Lemon Grove Payment Demands

Reference: Joseph Ware, Finance Director

Recommendation: Ratify Demands

- 1.C Review and File Planning Commission Meeting Minutes
Reference: Audrey Malone, City Clerk
Recommendation: Review and File Planning Commission Meeting, meeting of February 28, 2022.
- 1.D Call for Applications and Setting Interview Date to Fill Two Planning Commissioner Vacancies
Reference: Audrey Malone, City Clerk
Recommendation: Adopt a resolution calling for the applications to appoint two members to the Lemon Grove Planning Commission, each to serve a four year term, beginning July 1, 2022, and determining a date to interview the qualifying applicants.

Report(s) to Council:

- 2. Installation of an All Way Stop Intersection at Palm Street and Washington Street
Reference: Ed Walton, Contracted City Engineer
Recommendation: That the City Council adopt a resolution approving the installation of an all way stop intersection at Palm Street and Washington Street.
- 3. Agreement for Professional Financial Auditing Services
Reference: Joseph Ware, Finance Manager
Recommendation: That the City Council award an agreement for Professional Financial Auditing Services to Badawi & Associates, CPA for Professional Financial Auditing Services.

City Council Reports on Meetings Attended at the Expense of the City

(GC 53232.3 (d)) (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.)

City Manager Report

Adjournment

AFFIDAVIT OF NOTIFICATION AND POSTING

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO) SS
CITY OF LEMON GROVE)

I, Audrey Malone, City Clerk of the City of Lemon Grove, hereby declare under penalty of perjury that a copy of the above Agenda of the Regular Meeting of the City Council of the City of Lemon Grove, California, was delivered and/or notice by email not less than 72 hours, before the hour of 6:00 p.m. on April 28, 2022 to the members of the governing agency, and caused the agenda to be posted on the City's website at www.lemongrove.ca.gov and at Lemon Grove City Hall, 3232 Main Street Lemon Grove, CA 91945.

/s/: Audrey Malone
Audrey Malone, City Clerk

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 amalone@lemongrove.ca.gov. A full agenda is available for public review at City Hall.

CITY COUNCIL FY 2021-2022 PRIORITIES

| Lemon Grove City Council Priorities FY 21-22 | | | |
|---|---|--|---|
| Priority Category | Strategy | Budget Impact | Target Completion Dates |
| PUBLIC STREETS & SIDEWALKS | Priority: Increase Street Repair and Maintenance | | |
| | Update Pavement Management Program | \$75,000 | Winter 22 |
| | Schedule Street Maintenance / Repair Workshop | \$0 (Staff time) | Summer 21 |
| | Evaluate and treat residential neighborhood streets in poor condition | Up to \$250,000 per year dedicated to 0-25 PCI streets | Ongoing |
| | Priority: Focus on City Beautification and Attractiveness Efforts | | |
| | Continue to address trash and cleanliness issues citywide | \$0 (Staff time twice per week currently) More personnel could accommodate a higher frequency. | Ongoing |
| | Identify trash incentive opportunities | | Summer 21 |
| | Continue yearly bulk item and recycling drop off events | \$0 with payments by participants. If we increase the bulk item drop off, conceivably it could also pay for itself. | Ongoing |
| | Priority: Focus on Sidewalk Repair and Connections | | |
| | Prepare City-Wide Sidewalk Master Plan | \$75,000 (high estimate for a contractor to walk the streets, assessment and quantity sidewalks then prepare a report of our current conditions and assess how to get to the next better walkability model) | Summer/Fall 21 |
| Priority: Emphasis on Neighborhood Traffic Safety | | | |
| Expand Neighborhood Safety Programs to facilitate traffic control devices and traffic calming | | Winter 21 | |
| HOMELESSNESS | Priority: Focus on Homeless Solutions | | |
| | Continue to participate in regional meetings, especially in the East County Homeless Task Force (ECHTF) | | Ongoing |
| | Consider recommendations from the ECHTF | Unknown. The cost to maintain a regional low barrier shelter is currently being explored. It is heavily dependent on the County to put forth the initial capital cost to build and the east county cities would contribute to annual maintenance costs and cost for a contractor (non-profit) to manage. | Staff to bring to Council to consider as part of the regional discussions |
| | 1) Increase year round beds | | |
| | 2) Increase permanent supportive housing | | |
| | 3) Sustain the ECHTF with funds | | |
| | Continue to participate in regional meetings, especially with the East County cities exploring regional solutions | \$0 | Ongoing |
| Continue HomeStart Program for homeless outreach | Grant funded | Ongoing | |
| COMMUNITY LIFE | Priority: Examine Increasing Community Events | | |
| | Explore partnership with local community groups for a City parade and other community events | | Ongoing |
| | Priority: Increase City Communication Efforts | | |
| | Create a PIO position - part time | \$35,000 - \$45,000 | Summer 21 |
| | Increase communication with residents on City programs using current city platforms | Unknown at this time | Summer 21 |
| | Bring City Newsletter (The Zest) back | \$5,000 to \$7,000 | Summer 21 |
| | Priority: Increase Public Art | | |
| | Encourage the development of public art | \$0 | Ongoing |
| | Priority: Increase Park and Open Space | | |
| | Work with community group for additional community gardens | | Ongoing |
| Partner with School District to explore community use of school fields - Expand current joint use agreement | | Ongoing | |
| Explore additional Park and/or any open space | | Ongoing | |
| DIVERSIFY CITY REVENUE & ECONOMIC DEVELOPMENT | Priority: Explore Diversification of New Revenue | | |
| | Explore Sales Tax (TUT) Measure | \$35,000 est. | Staff to bring a plan for Council to consider |
| | Explore more grant opportunities | | Ongoing |
| | Priority: Increase Economic Development Activity | | |
| | Create Economic Development Plan | \$50,000 | Fall/Winter 21/22 |
| Priority: Create a Budget Review Committee | | | |
| Utilize Community Advisory Commission as a budget review committee | | Fall/Winter 21/22 | |
| PUBLIC SAFETY / LAW ENFORCEMENT | Priority: Address Traffic and Speeding by Law Enforcement | | |
| | Explore adding a part-time traffic deputy | \$90,000-\$100,000 | Summer 21 |
| | Work with Sheriff's to address street racing | | Ongoing |
| Evaluate Animal Control contract for other service options | | Summer/Fall 21 | |
| ORGANIZATIONAL DEVELOPMENT | Priority: Conduct Facilitated Team Building for the City Council | | Summer 21 |



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.A
Meeting Date: May 3, 2022
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Kristen Steinke, City Attorney
Item Title: **Waive the Full Text Reading of all Ordinances**

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

Environmental Review:

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

Fiscal Impact: None.

Public Notification: None.



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.B
Meeting Date: May 3, 2022
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Joe Ware, Finance Manager
jware@lemongrove.ca.gov
Item Title: **City of Lemon Grove Payment Demands**

Recommended Action: Ratify Demands.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section | <input type="checkbox"/> Mitigated Negative Declaration |

Fiscal Impact: None.

Public Notification: None.

City of Lemon Grove Demands Summary

Approved as Submitted:

Joseph Ware, Finance Manager

For Council Meeting: 05/03/22

ACH/AP Checks 04/11/22-04/22/22

948,835.47

Payroll - 04/19/22

120,826.02

Total Demands

1,069,661.49

| CHECK NO | INVOICE NO | VENDOR NAME | CHECK DATE | Description | INVOICE AMOUNT | CHECK AMOUNT |
|----------|------------------------------------|--|------------|--|----------------------------|--------------|
| ACH | Mar22 | Wells Fargo | 04/11/2022 | Bank Service Charge - Mar'22 | 142.80 | 142.80 |
| ACH | Jan22 | San Diego County Sheriff's Department | 04/12/2022 | Law Enforcement Services - Jan'22 | 541,074.87 | 541,074.87 |
| ACH | Mar22 | Wells Fargo | 04/12/2022 | Credit Card Processing-Mo.Svc - Mar'22 Credit Card Transaction Fees - Mar'22 | 9.95 1,008.74 | 1,018.69 |
| ACH | Apr5 '22 | US Treasury | 04/12/2022 | Federal Taxes 4/5/22 | 26,632.03 | 26,632.03 |
| ACH | Feb23 Mar22 '22 | California Public Empl Retirement System | 04/13/2022 | Pers Retirement 2/23/22-3/22/22 | 64,474.31 | 64,474.31 |
| ACH | Mar22 | Home Depot | 04/14/2022 | Home Depot Purchases - Mar'22 | 1,459.28 | 1,459.28 |
| ACH | Refill 4/13/22 | Pitney Bowes Global Financial Services LLC | 04/14/2022 | Postage Usage 4/13/22 | 250.00 | 250.00 |
| ACH | 80102046/33374 | WEX Bank | 04/19/2022 | Fuel - Fire Dept/Animal Control - Mar'22 | 3,240.06 | 3,240.06 |
| ACH | Apr19 '22 | Employment Development Department | 04/21/2022 | State Taxes 4/19/22 | 7,219.92 | 7,219.92 |
| ACH | Apr6-Apr19 '22 | Calpers Supplemental Income 457 Plan | 04/22/2022 | 457 Plan 4/6/22-4/19/22 | 7,679.85 | 7,679.85 |
| 15589 | 01-626118 | AppleOne Employment Services | 04/13/2022 | Temp Replacement/Exec Asst 3/27/22-4/2/22 | 887.64 | 887.64 |
| 15590 | Reimb- 4/1/22 | Brackney, Cody | 04/13/2022 | Training Reimb- Fireline Medic S223/Brackney 3/29/22-3/30/22 | 348.12 | 348.12 |
| 15591 | May 2022 | California Dental Network Inc | 04/13/2022 | California Dental Insurance -May'22 | 226.09 | 226.09 |
| 15592 | 307 | CityPlace Planning, Inc. | 04/13/2022 | Prof Svcs: Density Bonus Ordinance/ADU Ordinance | 632.50 | 632.50 |
| 15593 | Feb22 | Colonial Life | 04/13/2022 | Colonial Optional Insurance Feb-22 | 512.32 | 512.32 |
| 15594 | 202200230 | County of San Diego/Assessor/Recorder/Clerk | 04/13/2022 | Recording Services- 3/2/22 & 3/15/22 & 3/23/22 | 140.00 | 140.00 |
| 15595 | 04032220560 | DAR Contractors | 04/13/2022 | Animal Disposal- Mar'22 | 162.00 | 162.00 |
| 15596 | 382 | Diviana's Party Rentals | 04/13/2022 | Large Obstacle Course/Generator - Eggstravaganza 4/16/22 | 463.32 | 463.32 |
| 15597 | 3/7-10/22 4/4-7/22 | Esgil Corporation | 04/13/2022 | 75% Building Fees- 3/7/22-3/10/22 75% Building Fees- 4/4/22-4/7/22 | 55,214.71 12,190.92 | 67,405.63 |
| 15598 | IN301874 | Geotab USA, Inc. | 04/13/2022 | Monthly ProPlus Plan | 197.50 | 197.50 |
| 15599 | Gonzalez | Gonzalez Construction & Landscape Design | 04/13/2022 | Refund/Gonzalez Construction & Landscape Design/Cancel Permit | 187.43 | 187.43 |
| 15600 | 1740 | Janazz, LLC SD | 04/13/2022 | IT Services- City Hall- Mar'22 | 2,500.00 | 2,500.00 |
| 15601 | 166050 | MJC Construction | 04/13/2022 | CUPCCA #2021-29 Emergency Manhole Improvements - 2605 LGA | 10,122.00 | 10,122.00 |
| 15602 | IN1696278 | Municipal Emergency Services Inc | 04/13/2022 | Engine Headset Repairs | 446.27 | 446.27 |
| 15603 | 74847834 74847834 74847834 | Occupational Health Centers of CA, A Med Cor | 04/13/2022 | Annual DMV Medical Exam - 3/24/22 Annual DMV Medical Exam - 3/25/22 Medical Exam - 3/29/22 | 110.00 110.00 105.00 | 325.00 |
| 15604 | 10425-03.1 | PAL General Engineering, Inc. | 04/13/2022 | McKnight Dr Drainage Proj 10/1/21-10/30/21 | 40,631.79 | 40,631.79 |
| 15605 | #Mar-22 | San Diego County Sheriff's Department | 04/13/2022 | CESF CARES COVID-19 Homeless Response & Assist 12/17/21-3/10/22 | 1,981.08 | 1,981.08 |
| 15606 | Reimb- 3/1/22 | Schroeder, John | 04/13/2022 | Reimb: Tuition- S270 Air Operations/Schroeder 2/16/22-2/17/22 | 169.31 | 169.31 |
| 15607 | 3568860625/0422 4154920380/0422 | SDG&E | 04/13/2022 | Electric Usage:St Light 3/1/22-3/31/22 Electric Usage:St Light 3/1/22-3/31/22 | 2,091.88 3,057.27 | 5,149.15 |
| 15608 | SEAMO Inc. | SEAMO Inc. | 04/13/2022 | Refund/SEAMO Inc/Remaining Deposit for CUP 200-0002 | 665.28 | 665.28 |
| 15609 | 8065773080 | Staples Advantage | 04/13/2022 | Office Supplies & Copy Paper | 221.22 | 221.22 |
| 15610 | 0001508169-IN | WEX Health, Inc. | 04/13/2022 | COBRA - Monthly/Mar'22 | 85.00 | 85.00 |

| | | | | | | |
|-------|--------------------------------------|--|------------|---|--|------------|
| 15611 | 01-6267800 | AppleOne Employment Services | 04/20/2022 | Temp Replacement/Exec Asst 4/3/22-4/9/22 | 892.76 | 892.76 |
| 15612 | 12056600 12056697 | Aztec Fire & Safety, Inc. | 04/20/2022 | Emergency Lights/New Fire Extinguisher/Lemon Blossom Hall New Fire Extinguishers/PW Yard | 1,651.85 603.26 | 2,255.11 |
| 15613 | 10435L 10436L 10437L 10438L | Aztec Landscaping Inc | 04/20/2022 | Annual Stormdrain Channel Maintenance - San Altos Elem Annual Stormdrain Channel Maintenance - Arthur Neal Ct Channel Annual Stormdrain Channel Maintenance - San Altos Elem Channel Annual Stormdrain Channel Maintenance - Citronella St Channel | 4,606.00 1,920.00 4,800.00 2,312.00 | 13,638.00 |
| 15614 | 5348661 | Bearcom Group Inc. | 04/20/2022 | Portable Radios Monthly Contract 3/22/22-4/21/22 | 150.00 | 150.00 |
| 15615 | 56233 | Boot World Inc | 04/20/2022 | Work Boots - PW | 250.00 | 250.00 |
| 15616 | 4093 4247 4248 | Clothing International, Inc | 04/20/2022 | Protective Clothing - PW - Work Shirts Protective Clothing - PW - Rain Jacket Protective Clothing - PW - Work Shirts/Pants | 226.17 62.47 376.91 | 665.55 |
| 15617 | 2022REG_COP-10 | County of San Diego- Dept of Public Works | 04/20/2022 | FY21-22 Stormwater Copermittee Regional Program Shared Costs | 5,827.00 | 5,827.00 |
| 15618 | 22CTOFLGN09 | County of San Diego- RCS | 04/20/2022 | 800 MHZ Network - Mar'22 | 2,251.50 | 2,251.50 |
| 15619 | 17394 | Custom Auto Wrap Inc | 04/20/2022 | Signage - Community Ctr | 1,376.34 | 1,376.34 |
| 15620 | 7180 7181 7184 | D- Max Engineering Inc | 04/20/2022 | 7508 Church St Inspection 3/1/22-3/31/22 Vista Azul Inspection 3/1/22-3/31/22 D-Max Stormwater Prof Svcs 3/1/22-3/31/22 | 489.51 627.44 14,335.10 | 15,452.05 |
| 15621 | 94991455 | Deutz Corporation | 04/20/2022 | Emergency Repair Aux Engine - '13 VacCon Sewer Cleaning Truck | 9,409.58 | 9,409.58 |
| 15622 | 2022CA Election | DFM Associates | 04/20/2022 | 2022 CA Elections Code Book/Paperback | 64.35 | 64.35 |
| 15623 | 0111878 | Discount Specialty Chemical | 04/20/2022 | Sanitizer Wipes | 275.08 | 275.08 |
| 15624 | Jan-Mar22 | Division of the State Architect | 04/20/2022 | State CASP Fee (\$4) - 1/1/22-3/31/22 | 260.80 | 260.80 |
| 15625 | 9245194759 | Grainger Inc | 04/20/2022 | Door Mechanism/Restroom Door - City Hall | 167.99 | 167.99 |
| 15626 | 52151 | Harris & Associates Inc. | 04/20/2022 | Sanitation Dist Financial Consulting Svcs 2/27/22-4/2/22 | 6,648.75 | 6,648.75 |
| 15627 | 3/3/22-3/28/22 | Helix Water District | 04/20/2022 | Water/Sanitation Gap Vax Veh/3/3/22-3/28/22 | 146.92 | 146.92 |
| 15628 | 68510 | Horrocks Engineers Inc | 04/20/2022 | Prof Eng Svcs: FY19/20 Sewer Rehab Proj thru 3/31/22 | 280.50 | 280.50 |
| 15629 | 00106435 | Hudson Safe-T- Lite Rentals | 04/20/2022 | Traffic Signs - No Parking/Begin/End | 422.18 | 422.18 |
| 15630 | 4/19/22 | ICMA | 04/20/2022 | ICMA Deferred Compensation Pay Period Ending 4/19/22 | 780.77 | 780.77 |
| 15631 | 150546 150660 150659 | Knott's Pest Control, Inc. | 04/20/2022 | On Call Pest Control - Community Ctr - Mar'22 Monthly Bait Stations- Civic Ctr - Apr'22 Monthly Bait Stations- Sheriff- Apr'22 | 90.00 60.00 60.00 | 210.00 |
| 15632 | 202203 202203 202203 | Lemon Grove Car Wash, Inc. | 04/20/2022 | Oil Change - LGPW#31 '14 Ford Escape - 3/10/22 Car Wash - Skyline Resident/Weed Abatement Proj - 3/30/22 Car Wash - LGPW#22 '03 GMC 2500 - 3/30/22 | 55.70 44.99 61.19 | 161.88 |
| 15633 | 184736 | Penske Ford | 04/20/2022 | LGPW#14 '20 Ford Fusion- Oil Change | 62.70 | 62.70 |
| 15634 | PD-50744 | Plumbers Depot Inc | 04/20/2022 | Sewer Camera- Replace 3/4" Hose | 2,049.41 | 2,049.41 |
| 15635 | 86792 | Rick Engineering Company | 04/20/2022 | Prof Svc: City Engineer 1/29/22-2/25/22 | 70,066.48 | 70,066.48 |
| 15636 | Mar22 | SDG&E | 04/20/2022 | Gas & Electric 2/23/22-3/23/22 | 24,704.28 | 24,704.28 |
| 15637 | Apr 19 Apr 5 | Southern CA Firefighters Benefit Trust | 04/20/2022 | LG Firefighters Benefit Trust 4/19/22 LG Firefighters Benefit Trust 4/5/22 | 830.70 830.70 | 1,661.40 |
| 15638 | 5010 | Spring Valley Lawn Mower Shop | 04/20/2022 | Air Filter/Spark Plug/Carb Assembly/Cord/Oil - PW/Streets | 293.96 | 293.96 |
| 15639 | 572763 | State of California- Department of Justice | 04/20/2022 | Fingerprint Apps - Jackson - Mar'22 | 32.00 | 32.00 |
| 15640 | 13256 | T-Man Traffic Supply | 04/20/2022 | Traffic Cones/Barricades - Streets | 1,431.82 | 1,431.82 |
| 15641 | 73234509 73237376 | Vulcan Materials Company | 04/20/2022 | Asphalt/SS1H 4.5 Gallon Bucket Asphalt | 200.32 95.53 | 295.85 |
| | | | | | 948,835.47 | 948,835.47 |



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.C
Meeting Date: May 3, 2022
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Audrey Malone, City Clerk
amalone@lemongrove.ca.gov
Item Title: **Review and File Planning Commission Meeting Minutes**

Recommended Action: Review and file Planning Commission Meeting Minutes, meeting of February 28, 2022.

Environmental Review:

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

Fiscal Impact: None.

Public Notification: None.

**MINUTES OF THE REGULAR MEETING
OF THE LEMON GROVE PLANNING COMMISSION
Lemon Grove Community Center
3146 School Lane, Lemon Grove, CA 91945
MONDAY, February 28, 2022 at 6 PM**

Call To Order:

Chair Robert "Bob" Bailey called the Regular Planning Commission Meeting to order at 6:00 pm

Present:

Chair Bob Bailey, Vice Chair Stephen Browne, Commissioner Miranda Evans, Commissioner Seth Smith and Commissioner Elizabeth Jacobs.

Absent: None.

Staff Members Present:

Lydia Romero, City Manager, Elizabeth Mitchell, Planning Commission Attorney, Bill Chopyk, Interim Community Development Manager and Audrey Malone, Planning Commission Clerk.

Pledge of Allegiance:

Led by Chair Bob Bailey.

Changes to the Agenda:

None.

Public Comment:

Email Submitted: None.

In-Person: None.

Consent Calendar:

1. Approval of Planning Commission Meeting Minutes, meeting of October 25, 2021.

Action: Motion by Commissioner Jacobs, second by Commissioner Smith to approve Planning Commission Meeting Minutes of October 25, 2021.

The motion passed by the following vote:

Ayes: Bailey, Browne, Evans, Smith, Jacobs.

Noes: None.

Public Hearing(s):

2. Minor Use Permit No. MUP-210-0002 Car Wash Appeal

Chair Bailey opens the Public Hearing at 6:03 pm

Bill Chopyk, Interim Community Development Manager presents report.

John Ziebarth, applicants representative presents.

Jean Sabroni, architect for the project assists Mr. Ziebarth addressing the Commission's questions.

Neal Capen, leasing the property from owner addresses the Commission.

Public Comment:

Email Submitted: None.

In-Person:

- Ralph Chuddy
- John Ziebarth
- Christina Stone/Christy Stellers
- Kathleen McLean
- Teresa Rosiak-Proffit
- Chris Williams

Neal Capen makes final comments.

Motion: Close the Public Hearing.

Action: Motioned by Commissioner Evans, seconded by Commissioner Jacobs.

The motion passed by the following call vote:

Ayes: Bailey, Browne, Evans, Smith, Jacobs.

Noes: None.

Public Hearing Closed at 6:47 pm.

Commissioner's deliberate.

Motion: Adopt a resolution approving an appeal of the Community Development Manager (CDM) Decision to deny Minor Use Permit MUP-210-0002 to construct and operate a car wash at 7431 Broadway in the General Commercial (GC) zone. In addition, adding rear yard trees and anti-graffiti paint on wall.

Action: Motioned by Commissioner Jacobs, second by Vice Chair Browne.

The motion passed by the following call vote:

Ayes: Bailey, Browne, Evans, Smith, Jacobs.

Noes: None.

Report(s) to Commission:

3. Tentative Map No. TM0-000-0064 & PDP-170-0003 Time Extensions

Bill Chopyk, Interim Community Development Manager presents report.

Public Comment:

Email Submitted: None.

In-Person: None.

Applicant Mezahad Emeza provide the Commission a project status update.

Motion: Adopt a resolution approving a time extension of approved Tentative Map No. TM0-000-0064 and Planned Development Permit No. PDP-170-0003 to construct six (6) condominium units located at 8200 Hilltop Drive in the Residential Medium High (RMH) zone, extending the expiration date from January 21, 2022 to January 21, 2023.

Action: Motioned by Vice Chair Browne, second by Commissioner Evans.

The motion passed by the following roll call vote:

Ayes: Bailey, Browne, Evans, Smith, Jacobs.

Noes: None.

Business from the Community Development Manager

- Welcoming Bill Chopyk as the Interim Community Development Manager

Business from the Planning Commission Attorney: None.

Planning Commission Oral Reports on Meeting Attended at the Expense of the City:

None.

Adjournment:

There being no further business to come before the Planning Commission Chair Bailey asks for a motion to adjourn the meeting.

Action: Motioned by Commissioner Jacobs, second by Vice Chair Browne.

The motion passed by the following roll call vote:

Ayes: Bailey, Browne, Evans, Smith, Jacobs.

Noes: None.



Audrey Malone
Planning Commission Clerk



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 1.D
Meeting Date: May 3, 2022
Submitted to: Honorable Mayor and Members of the City Council
Department: City Manager's Office
Staff Contact: Audrey Malone, City Clerk
amalone@lemongrove.ca.gov
Item Title: **Call for Applications and Setting Interview Date to Fill
Two Planning Commissioner Vacancies**

Recommended Action: Adopt a resolution (**Attachment B**) calling for the applications to appoint two members to the Lemon Grove Planning Commission, each to serve a four year term, beginning July 1, 2022, and determining a date to interview the qualifying applicants.

Summary: On March 6, 2018, The Lemon Grove City Council adopted Ordinance No. 448 re-establishing the Lemon Grove Planning Commission (**Attachment A**).

On April 17, 2018, City Council appointed five Planning Commissioners to the Planning Commission for various terms based on a tiered system ranging between one to four years.

On June 25, 2018, the Lemon Grove City Council appointed Robert "Bob" Bailey, and Stephen Browne to each serve a four year term on the Lemon Grove Planning Commission to expire on June 30 of this year. Thus creating two vacancies in the Planning Commission. Currently, Mr. Bailey serves as Chair and Mr. Browne serves as Vice Chair.

The City Council will need to appoint two positions to fill the vacant seats each serving four year terms effective July 1, 2022 and expiring June 30, 2026. The members of the Planning Commission will determine the positions of Chair and Vice Chair after the two vacancies have been filled.

A call for applications will be prepared and posted to the City's website, the bulletin board in front of City Hall, at 3232 Main Street, Lemon Grove, CA 91945 and a news release sent to the press for publication.

Applications will be available Monday, May 9, 2022 on the City’s website and at City Hall. Applicants have until 5PM, Tuesday, June 7, 2022 to submit their applications to the City Clerk. The City Council will conduct interviews for appointment at the Tuesday, June 21, 2022 Regular City Council Meeting.

Environmental Review:

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

Fiscal Impact: None.

Public Notification: Notice of vacancy will be posted on the City’s website, bulletin board located at City Hall, and a press release will published.

Staff Recommendation: Adopt a resolution (**Attachment B**) calling for the applications to appoint two members to the Lemon Grove Planning Commission, each to serve a four year term, beginning July 1, 2022, and determining a date to interview the qualifying applicants.

Attachments:

- Attachment A** – Ordinance 448
- Attachment B** – Resolution

ORDINANCE NO. 2018 – 448

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, ADDING CHAPTER 2.36 (PLANNING COMMISSION) TO THE LEMON GROVE MUNICIPAL CODE

WHEREAS, the City Council of the City of Lemon Grove has determined to reestablish the Planning Commission to act as the Planning Agency for the City pursuant to California Government Code Section 65101; and

WHEREAS, the Planning Commission shall have five Lemon Grove residents who are registered voters as members for terms of office as specified herein; and

WHEREAS, the Planning Commission shall have the legal authority to review, approve and recommend matters as herein allowed in a manner consistent with the California Local Planning laws; and

WHEREAS, the City Council finds that the Planning Commission shall also serve as the Lemon Grove relocation appeals board.

NOW THEREFORE, the City Council of the City of Lemon Grove does ordain as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. This Ordinance adds Chapter 2.36 (Planning Commission) as fully set forth in Attachment C, which is fully incorporated herein by reference.

Section 3. This Ordinance shall be effective thirty (30) days following its adoption. Within fifteen (15) days following its adoption, the City Clerk shall publish the title thereof, as a summary as required by state law.

INTRODUCED by the City Council on February 20, 2018. PASSED AND ADOPTED by the City Council of the City of Lemon Grove, State of California, on March 06, 2018 by the following vote:

AYES: R. Vasquez, J. Mendoza, D. Arambula

NOES: M. Mendoza, J. Jones

ABSENT: None

Attest:

Lydia Romero, Interim City Clerk

Racquel Vasquez, Mayor

Approved as to form:

James P. Lough, City Attorney

RESOLUTION NO. 2022-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, APPROVING THE CALLING FOR APPLICATIONS TO APPOINT TWO (2) MEMBERS TO THE LEMON GROVE PLANNING COMMISSION TO SERVE A FOUR (4) YEAR TERM, BEGINNING JULY 1, 2022, AND SETTING THE DATE FOR INTERVIEWS FOR PLANNING COMMISSION APPLICANTS.

WHEREAS, on March 6, 2018, The Lemon Grove City Council adopted Ordinance No. 448 re-establishing the Lemon Grove Planning Commission; and

WHEREAS, on April 17, 2018, City Council appointed five (5) Planning Commissioners to the Planning Commission for various terms based on a tiered system ranging between one (1) to four (4) years; and

WHEREAS, Chair Robert “Bob” Bailey and Vice Chair Stephen Browne were appointed by the City Council to serve four (4) year terms on the Lemon Grove Planning Commission effective July 1, 2018 and expiring June 30, 2022, thus creating two vacant seats on the Planning Commission; and

WHEREAS, a call for applications to fill the two vacant seats will be prepared and posted to the City website, the bulletin board in front of City Hall, and a news release sent to the press for publication; and

WHEREAS, each seat calls to serve a four (4) year term effective July 1, 2022 and set to expire on June 30, 2026; and

WHEREAS, applications will be available Monday, May 9, 2022 on the City’s website and at City Hall. Applicants have until 5PM Tuesday, June 7, 2022 to submit their applications to the City Clerk. The City Council will conduct interviews for appointment at the Tuesday, June 21, 2021 at Regular City Council Meeting; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California, hereby approves the calling for applications to appoint one (2) members to the Lemon Grove Planning Commission to each serve a four (4) year term, beginning July 1, 2022, and setting the date for interviews for Planning Commission applicants.

PASSED AND ADOPTED on May 3, 2022, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2022- _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Audrey Malone, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney



CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 2.

Meeting Date: May 3, 2022

Submitted to: Honorable Mayor and Members of the City Council

Department: Public Works Department

Staff Contact: Ed Walton, Contract City Engineer
ewalton@lemongrove.ca.gov

Item Title: **Installation of an All Way Stop Intersection at Palm Street and Washington Street**

Recommended Action: That the City Council adopt a resolution (**Attachment A**) approving the installation of an all way stop intersection at Palm Street and Washington Street.

Summary: The intersection of Palm Street and Washington Street has experienced a recent increase in the number of vehicle collisions. Concern over the safety of this intersection prompted City Council to direct staff to conduct a traffic analysis for possible solutions to reduce the number of accidents.

Discussion: Palm Street and Washington Street intersect at right angles and the topography of the intersection is relatively flat. Palm Street is a two lane Class II Collector and carries approximately 7,200 vehicles per day in the east-west direction. The posted speed limit is 40 mph and it consists of two 12' wide travel lanes (one in each direction), a 10' wide center turning lane with bike lanes and parallel parking on both sides. In addition, curb extensions (sometimes called bulb-outs or curb pop-outs) have been constructed on the two southern corners at Washington Street. Washington Street is a two lane Class III Collector running north and south and carries approximately 1,800 vehicles per day. The posted speed limit is 25 mph and it has two 12' lanes, one lane in each direction and generally allows parking on either side. See **attachment B** Intersection Diagram.

Rick Engineering Company, the City's on call traffic engineering consultant was asked to evaluate the intersection for possible safety improvements to reduce the number of preventable accidents that have been occurring. The review included site visibility

assessment, analysis of an all way stop intersection (installing stop signs on Palm Street in both directions), and a signalization analysis.

In their review, Rick Engineering Company concluded that visibility of the intersection could be improved, particularly in the north bound direction with the installation of red curbing and the relocation of the stop limit line for north bound traffic. As an alternative to the installation of an all way stop (discussed below), a recommendation to improve sight distance of the intersection proposes to install approximately 75' of red curb on the south side of Palm Street west of Washington Street and 50' of red curb on the south side of Palm Street east of Washington Street and move the limit line for north bound Washington traffic 8' closer to Palm Street. Although the red curb and relocation of the limit line will increase visibility and should reduce the number of accidents this intersection is experiencing; it would displace approximately six existing parallel parking spaces on Palm Street.

In addition to checking sight visibility, the intersection was reviewed to see if it met the warrants or established criteria for an all way stop intersection. The warrant analysis (**Attachment C**) reviewed intersection characteristics including the following: accident history, sight distance, vehicle volumes, pedestrian crossings, unusual conditions such as being adjacent to a school, fire station, senior center, etc. The warrant assigns possible points values against specific criteria, with a maximum of 100 points being possible. A minimum score of 45 is needed to justify an all way stop. The intersection of Palm and Washington Street tallied 52 points when reviewed against the warrants for an all way stop, justifying the installation of stop signs on Palm Street, creating an all way stop controlled intersection.

Taking the analysis one step further, the intersection was reviewed to determine if the intersection should be controlled via a traffic signal. Similar to the warrants for an all way stop, warrants have been established for the installation of traffic signals. The signal warrant analysis also looks at intersection characteristic such as accidents, school crossings, pedestrian volumes and traffic volumes (including volumes during the peak hours). The signal analysis for Palm Street and Washington Street concluded that a traffic signal is not currently justified at this intersection (**Attachment D**).

After review of the various alternatives, it is recommended that stop signs be installed on Palm Street, making this an all way stop intersection. This will allow Washington Street traffic opportunities to enter into the intersection under controlled conditions as traffic on Palm Street will be required to stop; thus reducing the potential of accidents. Because of the potential for the new stop signs to increase queueing along Palm Street, a queueing analysis was also performed to ensure that the new stop signs did not interfere with the operations of the traffic signals at Palm Street/Skyline Drive to the west and Palm

Street/Golden Avenue to the east. It was concluded that the installation of stop signs on Palm Street at Washington Street would not significantly back up traffic to interfere the two closest signals.

Environmental Review:

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

Fiscal Impact: The cost to install the recommended the stop signs and the associated pavement markings is estimated to be under \$1,000 which is available in the street maintenance budget.

Public Notification: None.

Staff Recommendation: That the City Council adopt a resolution (**Attachment A**) approving the installation of an all way stop intersection at Palm Street and Washington Street.

Attachments

Attachment A – Resolution

Attachment B - Intersection Diagram

Attachment C – All Way Stop Warrant Analysis

Attachment D – Traffic Signal Analysis

RESOLUTION NO. –

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA, APPROVING THE INSTALLATION OF AN ALL WAY STOP INTERSECTION AT PALM STREET AND WASHINGTON STREET, IN LEMON GROVE, CALIFORNIA

WHEREAS, the number of traffic accidents at the intersection of Palm and Washington Streets has shown a recent increase; and

WHEREAS, three accidents have occurred over the past 12 months which could have been preventable with an all way stop intersection; and

WHEREAS, the City of Lemon Grove has adopted warrants for the installation of an all way stop intersection; and

WHEREAS, the intersection of Palm and Washington street has been analyzed against the warrants and an all way stop is justified at this location; and

WHEREAS, a queueing analysis was performed and demonstrated the installation of stop signs on Palm Avenue would not stack traffic up significantly enough to interfere with the operation of the nearby traffic signals at Skyline Drive and Golden Avenue; and

WHEREAS, stops signs on Palm Street will provide a controlled crossing for vehicles on Washington Street, thus reducing the potential for traffic collisions; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Lemon Grove, California does hereby authorize the installation of stop sign and associated pavement markings on Palm Street at the intersection of Washington Street, making it an all way stop.

PASSED AND ADOPTED on May 3, 2022, the City Council of the City of Lemon Grove, California, adopted Resolution No.2022- _____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Audrey Malone, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

Nomel Ln



Palm St

STOP STOP

STOP STOP

Palm St

STOP



ATTACHMENT C

| ALL-WAY STOP POLICY | | | |
|---------------------|---------------------------------|----------------|--|
| LOCATION | PALM STREET / WASHINGTON STREET | PAGE | |
| DATE | 2/15/2022 | 1 OF 6 | |
| POLICY NUMBER | | EFFECTIVE DATE | |

PURPOSE

The purpose of this policy is to create an equitable and comprehensive all-way stop warrant system that analyzes, evaluates and recommends a course of action based on a point system, after public requests to install stop signs are received.

GENERAL

Points are assigned to each of the following warrants. The total points possible are 100. The installation of an all-way stop control is justified with a minimum of 45 points, unless:

Case 1:
If Caltrans' criteria is met, the point system is not applicable. **NOT MET**

Case 2:
If any of the five criteria is met to the extent of 100% an all-way stop control intersection may be warranted even though the minimum number of points is not accumulated. **NOT MET**

Case 3:
If the following conditions are met:

(a) The street to be controlled is within a residence district as defined in Section 515 of the California Vehicle Code, and **MET**

(b) The street to be controlled is classified a collector or is functioning as a collector, and **MET**

(c) The subject intersection is not within 600 feet from the nearest controlled intersection along the collector, and **MET**

(d) There is a parallel arterial highway that can be used as an alternative route, then **MET**

The subject intersection shall receive a bonus of 10 points. POINTS: 10

ALL-WAY STOP POINT SYSTEM CRITERIA:

1) **ACCIDENT WARRANT: (25 points)**

Five Points are assigned for each accident susceptible to correction by an all-way stop control during any 12-month period prior to the investigation date.

Total number of accidents correctible by all-way stop: 3

(Maximum 25 points) POINTS: 15

2) **UNUSUAL CONDITION WARRANT: (21 points)**

1) Adjacent to school, fire station, playground, senior center and/or amusement park.

(7 points maximum)

a) within 100' of the intersection centerline. 7 Points

b) between 101'-300' from the intersection centerline. 4 Points

c) between 301'-600' from the intersection centerline. 1 Point

ALL-WAY STOP POLICY

| | | |
|---------------|---------------------------------|----------------|
| LOCATION | PALM STREET / WASHINGTON STREET | PAGE |
| DATE | 2/15/2022 | 2 OF 6 |
| POLICY NUMBER | | EFFECTIVE DATE |

2) Any visibility obstruction including horizontal and/or vertical curves which result in limited sight distances in accordance with Topic 405 of the State of California Highway Design Manual, based on either the posted speed limit or the 85% tile speed, whichever is higher. (7 points maximum)

$$\frac{420}{289} \times 100\% = > 100\%$$

- a) provides for less than 40% of the required sight distance. 7 Points
 - b) provides for less than 50% of the required sight distance. 6 Points
 - c) provides for less than 60% of the required sight distance. 5 Points
 - d) provides for less than 70% of the required sight distance. 4 Points
 - e) provides for less than 80% of the required sight distance. 3 Points
 - f) provides for less than 90% of the required sight distance. 2 Points
 - g) provides for less than 100 % of the required sight distance. 1 Point
- 3) An intersection leading to an arterial from an interior (circular) collector. 2 Points
- WASHINGTON ST. IS A CLASS III COLLECTOR
PALM ST. IS A CLASS II COLLECTOR
- 4) Intersection with steep grades within 500' from the intersection on the downhill approach.
- a) greater than 9% grade 7 Points
 - b) greater than 8% grade 5 Points
 - c) greater than 7% grade 3 Points
 - d) greater than 6% grade 1 Point
- 5) Intersection is on "Suggested Route To School" and no other controlled crossing is located within 600'. (7 points maximum)
- a) intersection is 300' from edge of school grounds. 7 Points
 - b) intersection is 400' from edge of school grounds. 5 Points
 - c) intersection is 500' from edge of school grounds. 3 Points
 - d) intersection is 600' from edge of school grounds. 1 Point
- 6) High approach speeds.
- a) prevailing speeds are more than 10 mph higher than posted speed. 7 Points
 - b) prevailing speeds are up to 10 mph higher than posted speed. 4 Points
 - c) prevailing speeds are up to 5 mph higher than the posted speed. 1 Point
- 7) School bus drop-off 7 Points
Public mailbox 2 Points
Adjacent to a Bus Stop 2 Points

(Maximum 21 points)

POINTS:

ALL-WAY STOP POLICY

| | | |
|---------------|---------------------------------|----------------|
| LOCATION | PALM STREET / WASHINGTON STREET | PAGE |
| DATE | 2/15/2022 | 3 OF 6 |
| POLICY NUMBER | | EFFECTIVE DATE |

3) PEDESTRIAN VOLUME (20 points)

Consideration is given to large numbers of pedestrians crossing the uncontrolled street during the busiest hour of an average day.

Peak Hour: 12:00 - 1:00PM Number of Pedestrians: 6

Pedestrians crossing UNCONTROLLED street, Total during the peak pedestrian

| | | | | | |
|----------|------|-------|-------|-------|---------|
| Volumes: | 1-10 | 11-20 | 21-30 | 31-40 | 41-OVER |
| Points: | 4 | 8 | 12 | 16 | 20 |

(Maximum 20 points)

POINTS: 4

4) TRAFFIC VOLUME (24 points)

Points are dependent upon the magnitude of vehicular volumes entering the intersection during the eight busiest hours of an average day.

Traffic Counts (circle eight highest hour volumes):

| DIRECTION | 600 | 700 | 800 | 900 | 1000 | 1100 | 1200 | 1300 | 1400 | 1500 | 1600 | 1700 | 1800 | 1900 | 2000 | TOTAL |
|-----------|-----|-----|-----|-----|------|------|------|------|------|------|------|------|------|------|------|-------|
| NB | 62 | 146 | 102 | 70 | 118 | 97 | 97 | 120 | 130 | 106 | 94 | 99 | 58 | 34 | 33 | - |
| SB | 7 | 26 | 19 | 19 | 21 | 24 | 19 | 27 | 25 | 39 | 32 | 32 | 22 | 11 | 13 | - |
| SUBTOTAL | 69 | 172 | 121 | 89 | 139 | 121 | 116 | 147 | 155 | 145 | 126 | 131 | 80 | 45 | 46 | - |
| EB | 100 | 249 | 277 | 172 | 167 | 192 | 204 | 246 | 253 | 329 | 333 | 281 | 189 | 144 | 109 | - |
| WB | 98 | 250 | 239 | 201 | 196 | 219 | 217 | 252 | 285 | 316 | 325 | 326 | 219 | 135 | 119 | - |
| SUBTOTAL | 198 | 499 | 516 | 373 | 363 | 411 | 421 | 498 | 538 | 645 | 658 | 607 | 408 | 279 | 228 | - |
| TOTAL | 267 | 671 | 637 | 462 | 502 | 532 | 537 | 645 | 693 | 790 | 784 | 738 | 488 | 324 | 274 | - |
| POINTS | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | | | 16 |

- 3 POINTS ARE ASSIGNED PER HOUR WHEN TOTAL ENTERING VEHICULAR VOLUMES EXCEED 500 AND MINOR STREET VOLUMES (INCLUDING PEDESTRIANS) EXCEED 200. (350/140)
- 2 POINTS ARE ASSIGNED PER HOUR WHEN TOTAL ENTERING VOLUMES EXCEED 500 BUT MINOR STREET VOLUMES ARE LESS THAN 200, BUT MORE THAN 100. (350/70)
- 1 POINT IS ASSIGNED PER HOUR WHEN TOTAL ENTERING VEHICULAR VOLUMES EXCEED 500 BUT MINOR STREET VOLUMES ARE LESS THAN 100. (350/70)
- 1 POINT IS ASSIGNED PER HOUR WHEN TOTAL ENTERING VEHICULAR VOLUMES DO NOT MEET 500, BUT MINOR STREET VOLUMES EXCEED 200. (<350/140)

✓ In residence districts as defined by Section 515 CVC, if the 85th percentile approach speed of the uncontrolled street exceeds 35 miles per hour, the Traffic Volume warrant is 70% of the above requirements.

(Maximum 24 points)

POINTS: 20

ALL-WAY STOP POLICY

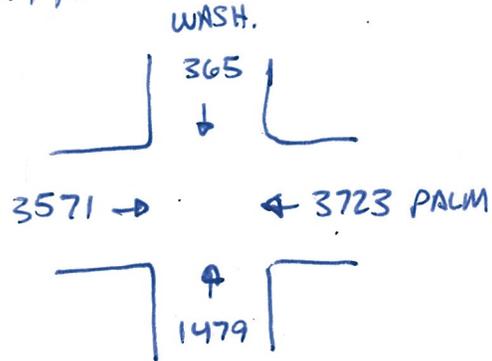
| | | |
|---------------|--|----------------|
| LOCATION | PALM STREET / WASHINGTON STREET | PAGE |
| DATE | 2/15/2022 | 4 OF 6 |
| POLICY NUMBER | | EFFECTIVE DATE |

5) TRAFFIC VOLUME DIFFERENCE (10 POINTS)

All-way stops operate best when the major and minor street approach traffic volumes are nearly equal. Points shall be assigned in accordance with the following table:

*24-Hour Minor St. Approach Volumes $\times 100\% = \frac{1815}{7190} \times 100\% = 25$
 *24-Hour Major St. Approach Volumes

| PERCENTAGE | POINTS |
|------------|------------|
| 95-100 | 10 |
| 85-94 | 9 |
| 75-84 | 8 |
| 65-74 | 7 |
| 55-64 | 6 |
| 45-54 | 5 |
| 35-44 | 4 |
| 25-34 | (3) |
| 15-24 | 2 |
| 5-14 | 1 |
| 0-4 | 0 |



(Maximum 10 points)

POINTS: 3

*For T-intersections, the percent is the ratio of the minor street approach volume to the highest single leg approach volume on the major street multiplied by one hundred.

CALTRANS CRITERIA (Chapter 4 CalTrans Traffic Manual)

Any of the following conditions may warrant a multi-way STOP sign installation, regardless of the point system:

- 1) Where traffic signals are warranted and urgently needed, the multi-way stop may be an interim measure that can be installed quickly to control traffic while arrangements are being made for the signal installation. **NOT MET**
- 2) An accident problem, as indicated by five or more reported accidents within a 12 month period of a type susceptible to correction by a multi-way stop installation. Such accidents include right- and left-turn collisions as well as right-angle collisions. **(3) NOT MET**
- 3) Minimum traffic volumes - The total vehicular volume entering the intersection from all approaches must average at least 500 vehicles per hour for any 8 hours of an average day, and the combined vehicular and pedestrian volume from the minor street or highway must average at least 200 units per hour for the same 8 hours, with an average delay to minor street vehicular traffic of at least 30 seconds per vehicle during the maximum hour, but when the 85th percentile approach speed of the major street traffic exceeds 40 miles per hour (**), the Traffic Volume warrant is 70 percent of the above requirements. **NOT MET**

(**) This speed applies only to CalTrans Criteria

ALL-WAY STOP POLICY

| | | |
|---------------|--|----------------|
| LOCATION | <u>PALM STREET / WASHINGTON STREET</u> | PAGE |
| DATE | <u>2/15/2022</u> | 5 OF 6 |
| POLICY NUMBER | | EFFECTIVE DATE |

ALL-WAY STOP WARRANT SUMMARY

INTERSECTION: PALM STREET (Major) WASHINGTON STREET (Minor)

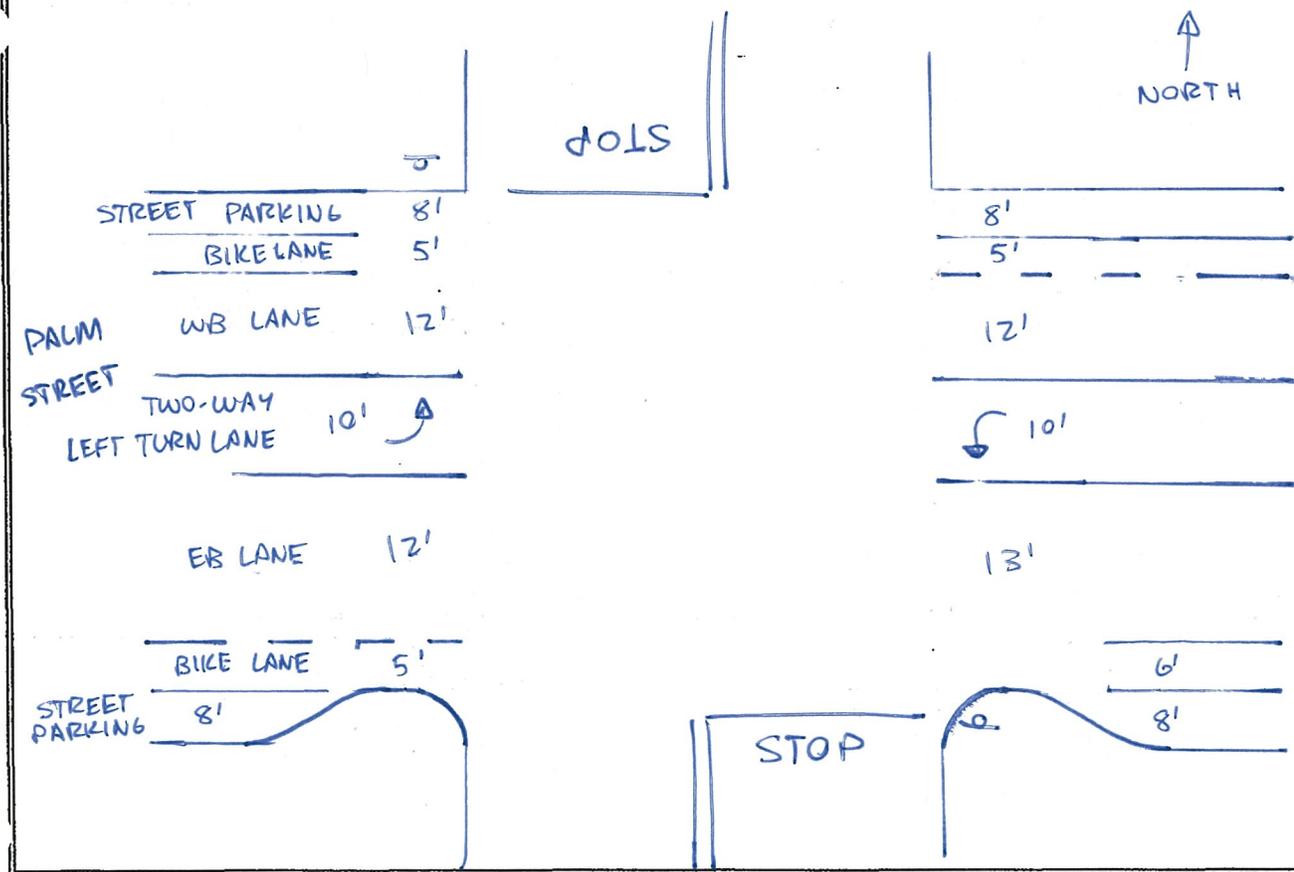
DATE INVESTIGATION WAS COMPLETED: FEBRUARY 15, 2022

- Warrant (1), Accident Warrant (Maximum 25 points): 15 Points
- Warrant (2), Unusual Conditions Warrant (Maximum 21 points): 0 Points
- Warrant (3), Pedestrian Volume Warrant (Maximum 20 points): 4 Points
- Warrant (4), Traffic Volume Warrant (Maximum 24 points): 20 Points
- Warrant (5), Traffic Volume Difference Warrant (Maximum 10 points): 3 Points
- Bonus Points: 10 Points

TOTAL SCORE (MAXIMUM 100 POINTS): 52 POINTS

The minimum required to justify an all-way stop control is 45 points.

INTERSECTION DIAGRAM: WASHINGTON STREET



ALL-WAY STOP POLICY

| | | |
|---------------|--|----------------|
| LOCATION | | PAGE |
| DATE | | 6 OF 6 |
| POLICY NUMBER | | EFFECTIVE DATE |

RECOMMENDATIONS:

1.- Provide approximately 75' of red curb paint along the south side of Palm St. west of Washington St. and approximately 50' of red curb paint along the south side of Palm St east of Washington St. Additionally, move the existing limit line for the northbound approach approximately 8' north. These 3 suggestions are recommended to improve sight distance for the north bound approach.

REMARKS:

2.- Provide all way stop control at the Palm St/Washington St intersection. This will include installing for both the West and East bound directions, stop signs (R1-1)(2) telescopic post (4), limit line (2), "stop" pavement markings (2) "stop Ahead" pavement markings (2) and W3-1 signs (2)

Figure 4C-101 (CA). Traffic Signal Warrants Worksheet (Sheet 1 of 5)

| | | | | | | | |
|---|----|-----|----|-------------------------------------|--------------|-------------|---------|
| | | | | | | | |
| DIST | CO | RTE | PM | COUNT DATE | JAN 19, 2022 | | |
| Major St: <u>PALM STREET</u> | | | | CALC | JC | DATE | 2/15/22 |
| Minor St: <u>WASHINGTON STREET</u> | | | | CHK | CCPM | DATE | 3/8/22 |
| | | | | Critical Approach Speed | 40 | mph | |
| | | | | Critical Approach Speed | 31 | mph | |
| Speed limit or critical speed on major street traffic > 40 mph..... | | | | <input type="checkbox"/> | or | } RURAL (R) | |
| In built up area of isolated community of < 10,000 population..... | | | | <input type="checkbox"/> | | | |
| | | | | <input checked="" type="checkbox"/> | URBAN (U) | | |

WARRANT 1 - Eight Hour Vehicular Volume SATISFIED YES NO
(Condition A or Condition B or combination of A and B must be satisfied)

Condition A - Minimum Vehicle Volume 100% SATISFIED YES NO
80% SATISFIED YES NO

| APPROACH LANES | MINIMUM REQUIREMENTS (80% SHOWN IN BRACKETS) | | | | | | | | | | | | | | | |
|-------------------------------|---|--------------|--------------|--------------|-------|-------|------|------|------|------|------|------|------|--|--|--|
| | U | | R | | U | | R | | | | | | | | | |
| | 1 | | 2 or More | | | | | | | | | | | | | |
| Both Approaches Major Street | 500 (400) | 350 (280) | 600 (480) | 420 (336) | 11:00 | 12:00 | 1:00 | 2:00 | 3:00 | 4:00 | 5:00 | 6:00 | Hour | | | |
| Highest Approach Minor Street | 150 (120) | 105 (84) | 200 (160) | 140 (112) | 410 | 420 | 498 | 538 | 645 | 658 | 607 | 408 | | | | |
| | | | | | 97 | 97 | 120 | 130 | 106 | 94 | 99 | 58 | | | | |

Condition B - Interruption of Continuous Traffic 100% SATISFIED YES NO
80% SATISFIED YES NO

| APPROACH LANES | MINIMUM REQUIREMENTS (80% SHOWN IN BRACKETS) | | | | | | | | | | | | | | | |
|-------------------------------|---|--------------|--------------|--------------|-------|-------|------|------|------|------|------|------|------|--|--|--|
| | U | | R | | U | | R | | | | | | | | | |
| | 1 | | 2 or More | | | | | | | | | | | | | |
| Both Approaches Major Street | 750 (600) | 525 (420) | 900 (720) | 630 (504) | 11:00 | 12:00 | 1:00 | 2:00 | 3:00 | 4:00 | 5:00 | 6:00 | Hour | | | |
| Highest Approach Minor Street | 75 (60) | 53 (42) | 100 (80) | 70 (56) | 410 | 420 | 498 | 538 | 645 | 658 | 607 | 408 | | | | |
| | | | | | 97 | 97 | 120 | 130 | 106 | 94 | 99 | 58 | | | | |

Combination of Conditions A & B SATISFIED YES NO

| REQUIREMENT | CONDITION | ✓ | FULFILLED |
|--|--|---|---|
| TWO CONDITIONS SATISFIED 80% | A. MINIMUM VEHICULAR VOLUME | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| | AND, B. INTERRUPTION OF CONTINUOUS TRAFFIC | | |
| AND, AN ADEQUATE TRIAL OF OTHER ALTERNATIVES THAT COULD CAUSE LESS DELAY AND INCONVENIENCE TO TRAFFIC HAS FAILED TO SOLVE THE TRAFFIC PROBLEMS | | | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

The satisfaction of a traffic signal warrant or warrants shall not in itself require the installation of a traffic control signal.

JC 2/15/2022

Figure 4C-101 (CA). Traffic Signal Warrants Worksheet (Sheet 2 of 5)

WARRANT 2 - Four Hour Vehicular Volume

SATISFIED* YES NO

Record hourly vehicular volumes for any four hours of an average day.

| APPROACH LANES | One | 2 or More | Hour | | | |
|--------------------------------|-----|-----------|-------|------|------|------|
| | | | 12:00 | 1:00 | 2:00 | 3:00 |
| Both Approaches - Major Street | X | | 420 | 498 | 538 | 645 |
| Higher Approach - Minor Street | X | | 97 | 120 | 130 | 106 |

| | | |
|--|------------------------------|--|
| *All plotted points fall above the applicable curve in Figure 4C-1. (URBAN AREAS) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| <u>OR</u> , All plotted points fall above the applicable curve in Figure 4C-2. (RURAL AREAS) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

WARRANT 3 - Peak Hour
 (Part A or Part B must be satisfied)

SATISFIED YES NO

PART A

SATISFIED YES NO

(All parts 1, 2, and 3 below must be satisfied for the same one hour, for any four consecutive 15-minute periods)

| | | |
|---|---|--|
| 1. The total delay experienced by traffic on one minor street approach (one direction only) controlled by a STOP sign equals or exceeds four vehicle-hours for a one-lane approach, or five vehicle-hours for a two-lane approach; <u>AND</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| 2. The volume on the same minor street approach (one direction only) equals or exceeds 100 vph for one moving lane of traffic or 150 vph for two moving lanes; <u>AND</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| 3. The total entering volume serviced during the hour equals or exceeds 800 vph for intersections with four or more approaches or 650 vph for intersections with three approaches. | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

PART B

SATISFIED YES NO

| APPROACH LANES | One | 2 or More | Hour |
|--------------------------------|-----|-----------|-------------|
| | | | 7:30 - 8:30 |
| Both Approaches - Major Street | X | | 608 |
| Higher Approach - Minor Street | X | | 152 |

| | | |
|--|------------------------------|--|
| The plotted point falls above the applicable curve in Figure 4C-3. (URBAN AREAS) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| <u>OR</u> , The plotted point falls above the applicable curve in Figure 4C-4. (RURAL AREAS) | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

The satisfaction of a traffic signal warrant or warrants shall not in itself require the installation of a traffic control signal.

Figure 4C-101 (CA). Traffic Signal Warrants Worksheet (Sheet 3 of 5)

**WARRANT 4 - Pedestrian Volume
 (Parts 1 and 2 Must Be Satisfied)**

SATISFIED YES NO

Part 1 (Parts A or B must be satisfied)
 Hours -->

| | | | | |
|--------------------------------------|-------|-------|------|------|
| | 11:00 | 12:00 | 1:00 | 2:00 |
| A. Vehicles per hour for any 4 hours | 411 | 421 | 498 | 538 |
| Pedestrians per hour for any 4 hours | 4 | 6 | 6 | 5 |

Figure 4C-5 or Figure 4C-6
 SATISFIED YES NO

Hours -->

| | | |
|-------------------------------------|------|-------|
| | 7:00 | 12:00 |
| B. Vehicles per hour for any 1 hour | 499 | 421 |
| Pedestrians per hour for any 1 hour | 5 | 6 |

Figure 4C-7 or Figure 4C-8
 SATISFIED YES NO

Part 2

SATISFIED YES NO

| | |
|--|---|
| <u>AND</u> , The distance to the nearest traffic signal along the major street is greater than 300 ft | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| <u>OR</u> , The proposed traffic signal will not restrict progressive traffic flow along the major street. | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

**WARRANT 5 - School Crossing
 (Parts A and B Must Be Satisfied)**

N/A

SATISFIED YES NO

**Part A
 Gap/Minutes and # of Children**

SATISFIED YES NO

| | | |
|---|---------------------------------|------|
| Gaps vs Minutes | Minutes Children Using Crossing | Hour |
| | Number of Adequate Gaps | |
| School Age Pedestrians Crossing Street / hr | | |

Gaps < Minutes YES NO

AND Children > 20/hr YES NO

| | |
|--|--|
| <u>AND</u> , Consideration has been given to less restrictive remedial measures. | Yes <input type="checkbox"/> No <input type="checkbox"/> |
|--|--|

Part B

SATISFIED YES NO

| | |
|--|--|
| The distance to the nearest traffic signal along the major street is greater than 300 ft | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <u>OR</u> , The proposed signal will not restrict the progressive movement of traffic. | Yes <input type="checkbox"/> No <input type="checkbox"/> |

The satisfaction of a traffic signal warrant or warrants shall not in itself require the installation of a traffic control signal.

Figure 4C-101 (CA). Traffic Signal Warrants Worksheet (Sheet 4 of 5)

WARRANT 6 - Coordinated Signal System (All Parts Must Be Satisfied) N/A SATISFIED YES NO

| | | |
|--|--|--|
| MINIMUM REQUIREMENTS | DISTANCE TO NEAREST SIGNAL | |
| ≥ 1000 ft | N _____ ft, S _____ ft, E _____ ft, W _____ ft | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| On a one-way street or a street that has traffic predominantly in one direction, the adjacent traffic control signals are so far apart that they do not provide the necessary degree of vehicular platooning. | | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| OR, On a two-way street, adjacent traffic control signals do not provide the necessary degree of platooning and the proposed and adjacent traffic control signals will collectively provide a progressive operation. | | |

WARRANT 7 - Crash Experience Warrant (All Parts Must Be Satisfied) SATISFIED YES NO

| | | |
|---|--|---|
| Adequate trial of alternatives with satisfactory observance and enforcement has failed to reduce the crash frequency. | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |
| REQUIREMENTS | Number of crashes reported within a 12 month period susceptible to correction by a traffic signal, and involving injury or damage exceeding the requirements for a reportable crash. | |
| 5 OR MORE | 3 CRASHES REPORTED | |
| REQUIREMENTS | CONDITIONS <input checked="" type="checkbox"/> | |
| ONE CONDITION SATISFIED 80% | Warrant 1, Condition A - Minimum Vehicular Volume | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| | OR, Warrant 1, Condition B - Interruption of Continuous Traffic | |
| | OR, Warrant 4, Pedestrian Volume Condition Ped Vol ≥ 80% of Figure 4C-5 through Figure 4C-8 | |

WARRANT 8 - Roadway Network (All Parts Must Be Satisfied) N/A SATISFIED YES NO

| | | | |
|--|---|---------------|--|
| MINIMUM VOLUME REQUIREMENTS | ENTERING VOLUMES - ALL APPROACHES | ✓ | FULFILLED |
| 1000 Veh/Hr | During Typical Weekday Peak Hour _____ Veh/Hr and has 5-year projected traffic volumes that meet one or more of Warrants 1, 2, and 3 during an average weekday. | | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| | OR During Each of Any 5 Hrs. of a Sat. or Sun _____ Veh/Hr | | |
| CHARACTERISTICS OF MAJOR ROUTES | | MAJOR ROUTE A | MAJOR ROUTE B |
| Hwy. System Serving as Principal Network for Through Traffic | | | |
| Rural or Suburban Highway Outside Of, Entering, or Traversing a City | | | |
| Appears as Major Route on an Official Plan | | | |
| Any Major Route Characteristics Met, Both Streets | | | Yes <input type="checkbox"/> No <input type="checkbox"/> |

The satisfaction of a traffic signal warrant or warrants shall not in itself require the installation of a traffic control signal.

Figure 4C-101 (CA). Traffic Signal Warrants Worksheet (Sheet 5 of 5)

WARRANT 9 - Intersection Near a Grade Crossing N/A **SATISFIED** YES NO
 (Both Parts A and B Must Be Satisfied)

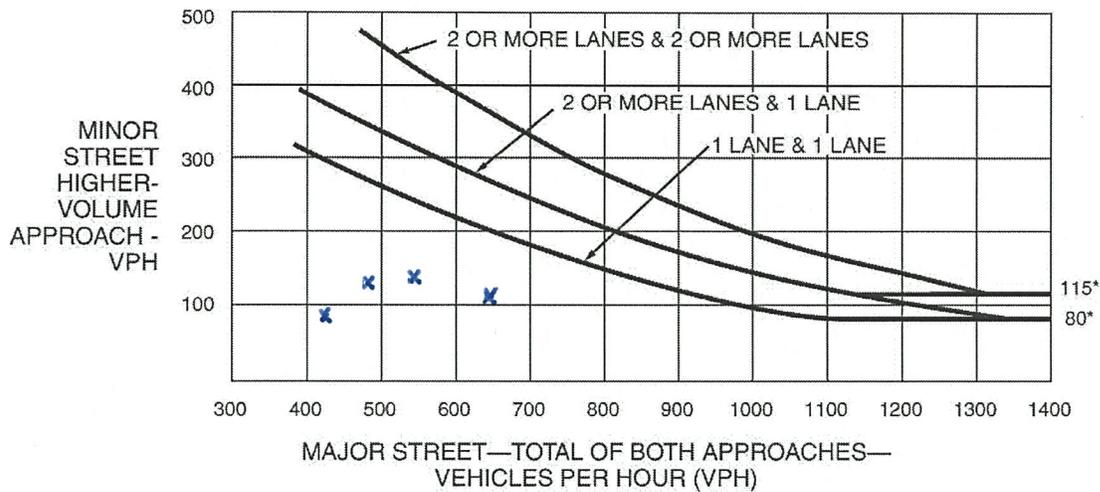
| | |
|---|--|
| <p><u>PART A</u></p> <p>A grade crossing exists on an approach controlled by a STOP or YIELD sign and the center of the track nearest to the intersection is within 140 feet of the stop line or yield line on the approach. Track Center Line to Limit Line _____ ft</p> | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <p><u>PART B</u></p> <p>There is one minor street approach lane at the track crossing - During the highest traffic volume hour during which rail traffic uses the crossing, the plotted point falls above the applicable curve in Figure 4C-9.</p> <p>Major Street - Total of both approaches: _____ VPH Minor Street - Crosses the track (one direction only, approaching the intersection): _____ VPH X AF (Use Tables 4C-2, 3, & 4 below to calculate AF) = _____ VPH</p> | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <p><u>OR</u>, There are two or more minor street approach lanes at the track crossing - During the highest traffic volume hour during which rail traffic uses the crossing, the plotted point falls above the applicable curve in Figure 4C-10.</p> <p>Major Street - Total of both approaches : _____ VPH Minor Street - Crosses the track (one direction only, approaching the intersection): _____ VPH X AF (Use Tables 4C-2, 3, & 4 below to calculate AF) = _____ VPH</p> | Yes <input type="checkbox"/> No <input type="checkbox"/> |

The minor street approach volume may be multiplied by up to three following adjustment factors (AF) as described in Section 4C.10.

- 1- Number of Rail Traffic per Day _____ Adjustment factor from table 4C-2 _____
- 2- Percentage of High-Occupancy Buses on Minor Street Approach _____ Adjustment factor from table 4C-3 _____
- 3- Percentage of Tractor-Trailer Trucks on Minor Street Approach _____ Adjustment factor from table 4C-4 _____

NOTE: If no data is available or known, then use AF = 1 (no adjustment)

Figure 4C-1. Warrant 2, Four-Hour Vehicular Volume

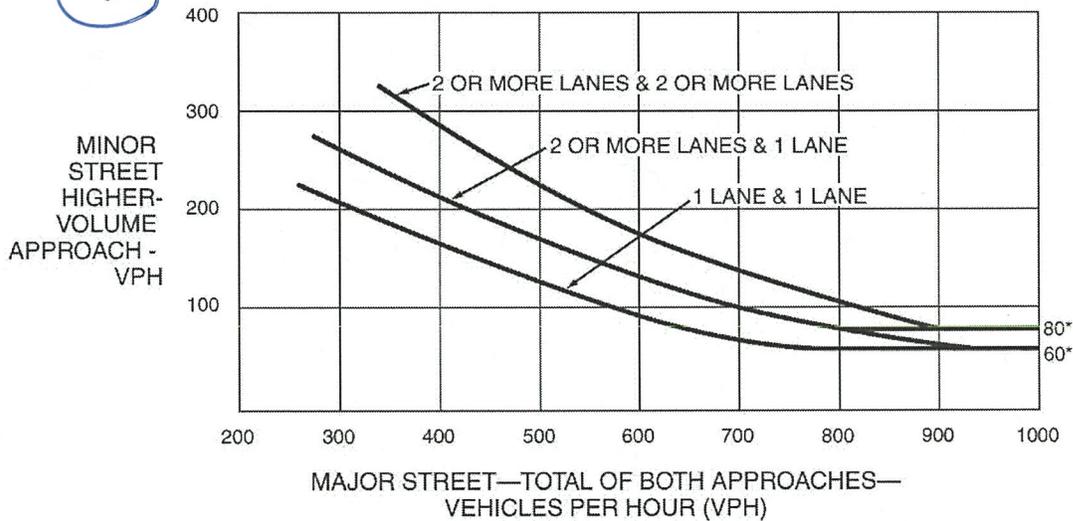


*Note: 115 vph applies as the lower threshold volume for a minor-street approach with two or more lanes and 80 vph applies as the lower threshold volume for a minor-street approach with one lane.

Figure 4C-2. Warrant 2, Four-Hour Vehicular Volume (70% Factor)

N/A

(COMMUNITY LESS THAN 10,000 POPULATION OR ABOVE 40 MPH ON MAJOR STREET)



*Note: 80 vph applies as the lower threshold volume for a minor-street approach with two or more lanes and 60 vph applies as the lower threshold volume for a minor-street approach with one lane.

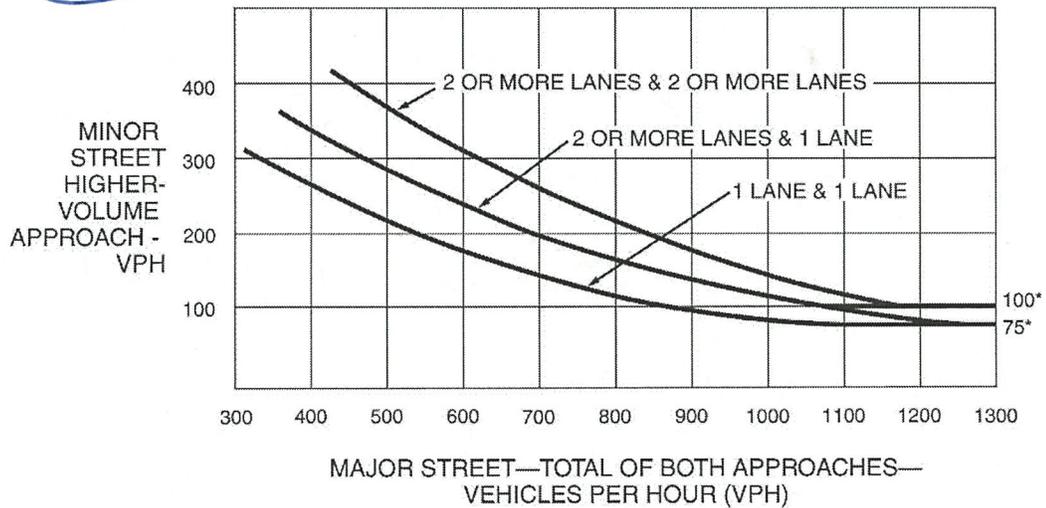
Figure 4C-3. Warrant 3, Peak Hour



*Note: 150 vph applies as the lower threshold volume for a minor-street approach with two or more lanes and 100 vph applies as the lower threshold volume for a minor-street approach with one lane.

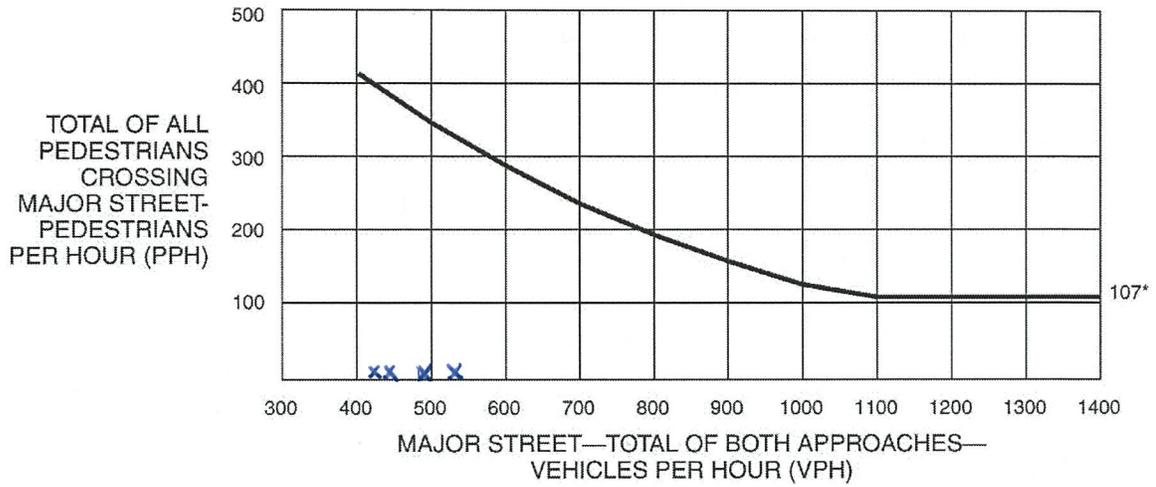
N/A

Figure 4C-4. Warrant 3, Peak Hour (70% Factor)
 (COMMUNITY LESS THAN 10,000 POPULATION OR ABOVE 40 MPH ON MAJOR STREET)



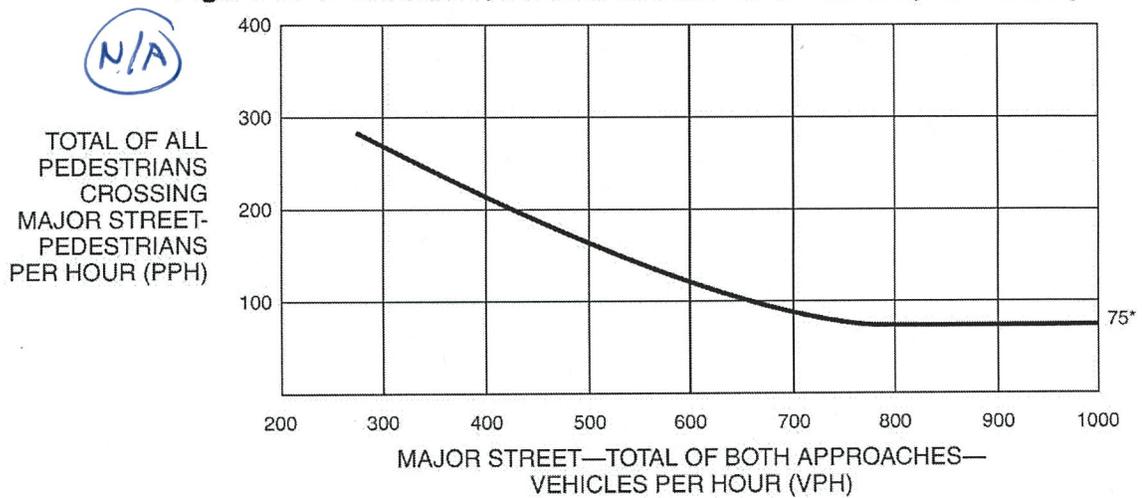
*Note: 100 vph applies as the lower threshold volume for a minor-street approach with two or more lanes and 75 vph applies as the lower threshold volume for a minor-street approach with one lane.

Figure 4C-5. Warrant 4, Pedestrian Four-Hour Volume



*Note: 107 pph applies as the lower threshold volume.

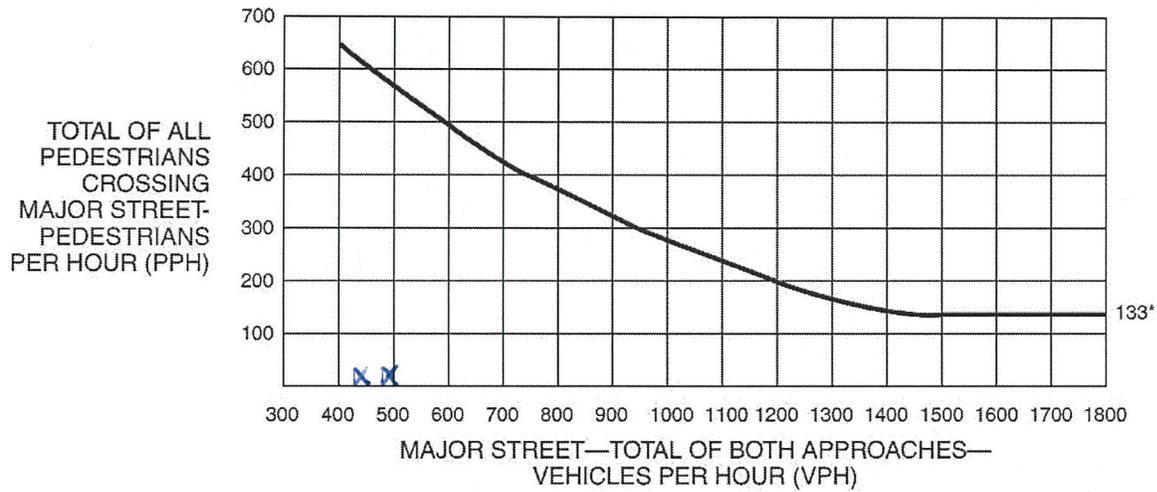
Figure 4C-6. Warrant 4, Pedestrian Four-Hour Volume (70% Factor)



*Note: 75 pph applies as the lower threshold volume.

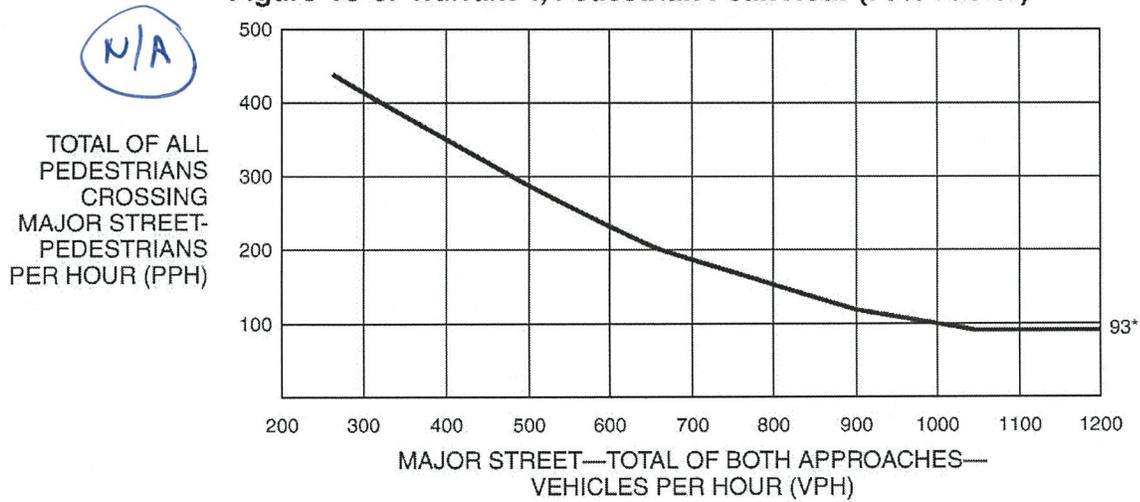
JC 2/15/2022

Figure 4C-7. Warrant 4, Pedestrian Peak Hour



*Note: 133 pph applies as the lower threshold volume.

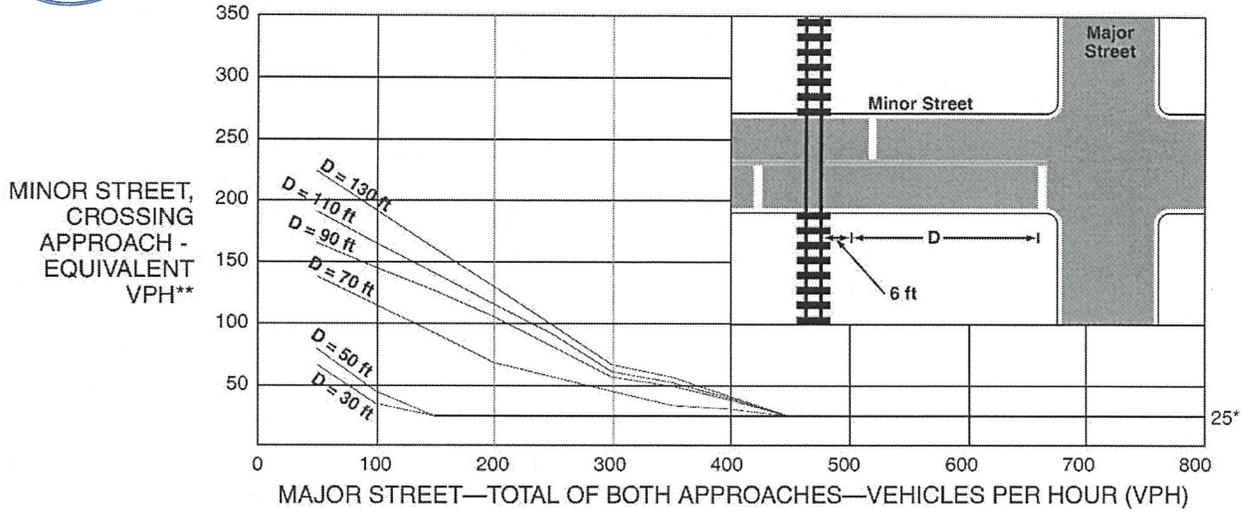
Figure 4C-8. Warrant 4, Pedestrian Peak Hour (70% Factor)



*Note: 93 pph applies as the lower threshold volume.

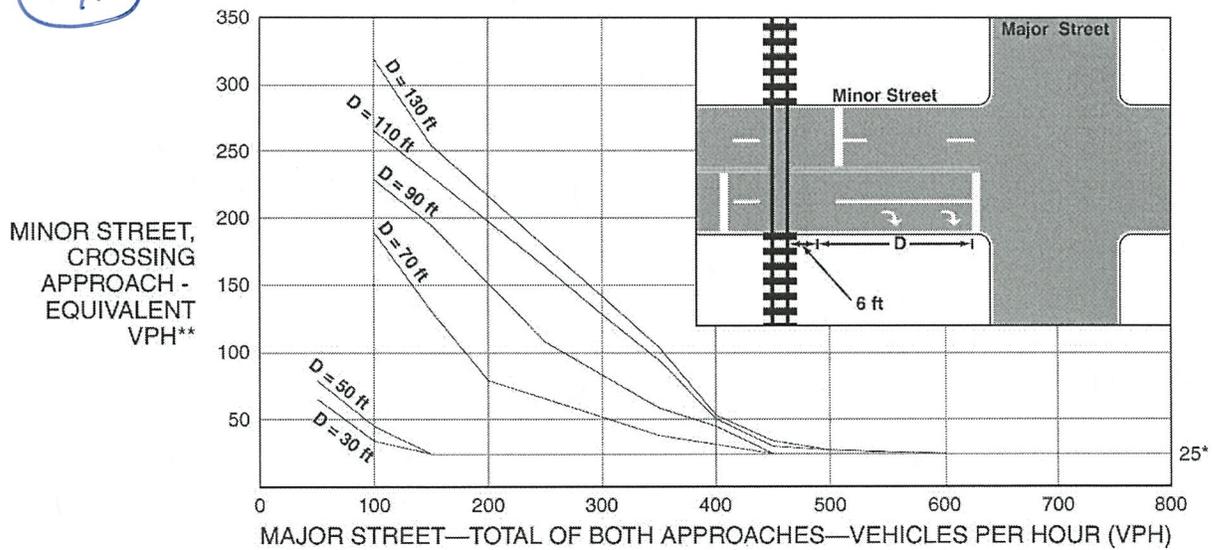
N/A

**Figure 4C-9. Warrant 9, Intersection Near a Grade Crossing
 (One Approach Lane at the Track Crossing)**



N/A

**Figure 4C-10. Warrant 9, Intersection Near a Grade Crossing
 (Two or More Approach Lanes at the Track Crossing)**





CITY OF LEMON GROVE

CITY COUNCIL STAFF REPORT

Item No. 3.
Meeting Date: May 3, 2022
Submitted to: Honorable Mayor and Members of the City Council
Department: Finance
Staff Contact: Joseph Ware, Finance Manager
jware@lemongrove.ca.gov
Item Title: Agreement for Professional Financial Auditing Services

Recommended Action: That the City Council adopt a resolution (**Attachment A**) awarding the Professional Auditing Services contract to Badawi & Associates, CPA.

Summary: On March 9, 2022, the City closed a Request for Proposal (RFP) for Audit Services (Contract Number 2022-01), as the current Audit Services contract had reached its termination date. A RFP was issued in accordance with the Lemon Grove Municipal Code, Chapter 3.24 Purchasing, paragraph 3.24.050 Methods of Purchasing, which requires the purchasing officer to issue a RFP for any services anticipated to exceed fifteen thousand dollars. The RFP asked firms to provide an affirmative statement that the firm is independent of the City, a statement of qualifications and experience, an explanation of approach and tentative schedule for the audit, and a minimum of five (5) references. Additionally, the RFP required a separate itemized maximum fee schedule.

Four (4) firms (in alphabetical order) responded with a proposal:

1. Badawi & Associates, CPA
2. DavisFarr, CPA
3. Harshwal & Company, LLC, CPA
4. Van Lant & Frankhanel, LLP

Discussion: Finance staff reviewed each proposal independently and rated each firm in four (4) specified categories with items 1 through 4 equaling a combined 60% weighted value (15% per category) and Item 5 equaling 40% weighted value. Categories of evaluation are:

1. Qualifications and Experience
2. California Government Client Experience
3. Audit Approach
4. Understanding of Objectives and Scope
5. Fee Schedule

Additionally, staff contacted references of the top scoring three (3) firms, based on the panel scoring. The references were provided by each firm in their RFP response packet.

Based on the review panel scoring and responses from the reference check, staff recommends that the City Council consider the appointment of Badawi & Associates, CPA and adopt the attached resolution (**Attachment A**) authorizing the execution of an agreement between the City and Badawi & Associates, CPA.

Included with the resolution is the City's Professional Services Agreement with a term of five (5) years, through fiscal year 2026, with optional single year extension for the 2027 and 2028 fiscal years. The agreement provides flexibility to terminate the Agreement at any time with a 30 day written notice. This provision provides flexibility in deciding whether to continue with the same audit firm for the duration of the Agreement's five-year term or issue a new RFP before the end of the term. Additionally, this agreement provides for liquidated damages for unjustifiable deliverable delays from the audit firm.

Staff Recommendation: That the City Council adopt a resolution (**Attachment A**) awarding the Professional Auditing Services contract to Badawi & Associates, CPA.

Environmental Review:

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

Fiscal Impact: Fiscal impact will negligible, as increase in the cost of service is under \$5,000 and the audit is required by Federal and State regulations.

Public Notification: None

Attachments:

Attachment A – Resolution and Agreement for Professional Financial Auditing Services

Attachment B – Proposal for Audit Services from Badawi & Associates, CPA

RESOLUTION NO. 2022-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE
CALIFORNIA, AWARDING AN AGREEMENT WITH BADAWI &
ASSOCIATES, CPA TO PROVIDE PROFESSIONAL FINANCIAL AUDITING
SERVICES**

WHEREAS, on March 19, 2022, the City closed the Request for Proposals (RFP) for Professional Financial Audit Services; and

WHEREAS, four (4) firms responded to the Request for Proposals (RFP) and the responses were evaluated using criteria identified in the RFP; and

WHEREAS, after evaluating the firms qualified based on the RFP criteria and reference checks, it is in the best interest of the City Council to select Badawi & Associates, CPA to provide professional financial audit services; and

WHEREAS, an agreement for professional financial auditing services has been prepared to commence audit services for Fiscal Year 2021-22; and

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

1. Awards an Agreement for Professional Services (**Exhibit 1**) to Badawi & Associates, CPA to provide professional financial audit services; and
2. Authorizes the City Manager to execute said agreement.

PASSED AND ADOPTED on May 3, 2022, the City Council of the City of Lemon Grove, California, adopted Resolution No. 2022-_____, passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Racquel Vasquez, Mayor

Attest:

Audrey Malone, City Clerk

Approved as to Form:

Kristen Steinke, City Attorney

CITY OF LEMON GROVE
AGREEMENT FOR PROFESSIONAL FINANCIAL AUDITING SERVICES

This agreement is entered into on the third day of May, 2022, by and between the City of Lemon Grove ("CITY") and Badawi & Associates ("AUDITOR");

Section 1. RECITALS.

CITY desires to employ an audit firm to provide professional audit services. CITY has determined that AUDITOR is qualified by experience and ability to perform the desired services and that AUDITOR is willing to perform those services.

Section 2. ENGAGEMENT OF CONTRACTOR.

CITY agrees to engage AUDITOR to perform and AUDITOR agrees to perform the services outlined in "AUDITOR'S proposal" dated March 09, 2022, and Exhibit C (City of Lemon Grove Request for Proposals for Audit Services). AUDITOR represents that all professional services will be performed directly by AUDITOR or under AUDITOR's direct supervision.

Section 3. PROJECT COORDINATION AND SUPERVISION.

The Finance Manager is the Project Coordinator for the CITY and will monitor the progress and execution of this agreement.

Section 4. SCOPE OF SERVICES.

Any professional services performed by AUDITOR before AUDITOR receives written authorization to proceed will be treated as having been done at AUDITOR's own risk and on a volunteer basis.

AUDITOR will, in a professional manner, furnish all labor and all personnel; all supplies, materials, equipment, printing, vehicles, transportation, office space, and facilities; all testing, analyses, and calculations; and all other means, except as otherwise expressly specified to be furnished by the CITY, that are necessary or proper to complete the work and provide the required professional services.

AUDITOR will meet the deadlines imposed by the Project Coordinator, as outlined in Request for Proposal issued by City. When a delay occurs, AUDITOR must immediately notify the Project Coordinator in writing of the cause and the extent of the delay. The Project Coordinator will ascertain the facts and the extent of the delay and, when justified by the circumstances, may grant an extension of time for the completion of the professional services. A delay caused by circumstances beyond AUDITOR's control will be reason for granting an extension of time for completing services. When delays are not sufficiently justified, in the Project Coordinator's sole discretion, liquidated damages of one hundred dollars (\$100) per late report per day will be levied.

Section 5. TOTAL COST AND PAYMENT.

The total cost for all work and deliverables (including the optional reports) specified in the Auditor's Proposal is not to exceed Thirty Four Thousand Dollars Nine Hundred Eighty Five (\$34,950) for the Fiscal Year ending June 30, 2022. AUDITOR will submit to CITY detailed invoices, describing work performed and the associated costs. CITY will pay AUDITOR for undisputed invoiced amounts within thirty (30) days of receiving an invoice.

Section 6. LENGTH OF AGREEMENT.

This agreement is effective as of the date noted above. The agreement will terminate when all work is complete for fiscal years ending June 30, 2022, 2023, 2024, 2025, and 2026, with the option of extensions to fiscal years ending June 30, 2027 and 2028 (after acceptable cost proposals for each year), unless terminated earlier under Section 10 of this agreement.

Section 7. CHANGES.

CITY may change the requested services within the general scope of this agreement. Changes may consist of additions, deletions, or other revisions; and the contract sum and the contract time will be adjusted accordingly. All changes must be authorized in writing and executed by AUDITOR and CITY.

Section 8. OWNERSHIP OF MATERIALS.

All documents, data, reports, work papers, and other materials including any electronic files prepared by AUDITOR under this agreement are the property of CITY.

Section 9. STANDARD PROVISIONS.

AUDITOR will not discriminate against, harass, or allow the harassment of an employee or applicant for employment because of race, color, religion, sex, or national origin. AUDITOR also will not discriminate against, harass, or allow the harassment of any qualified individual with a disability. AUDITOR will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, sex, age, marital status, or national origin and will make reasonable accommodation to qualified individuals with disabilities. Affirmative action includes, but is not limited to, the following: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. AUDITOR will post in conspicuous places accessible to employees and applicants for employment all notices provided by CITY that describe the provisions of this non-discrimination clause.

Section 10. TERMINATION.

Either party may terminate this agreement at any time, by giving the other party at least fifteen (15) days written notice and specifying the effective date of the termination.

AUDITOR must provide the originals of all finished and unfinished documents, data, studies, reports, or other materials prepared under this agreement to CITY by the effective date of termination. AUDITOR is entitled to equitable compensation for any work completed, up to the effective date of notice of termination. Compensation may not exceed the total costs authorized in Section 5.

Section 11. INTEREST OF CONTRACTOR.

AUDITOR (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of AUDITOR's services hereunder. AUDITOR further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this agreement.

AUDITOR is not a designated employee within the meaning of the Political Reform Act because AUDITOR:

- a. will conduct research and arrive at conclusions with respect to his/her rendition of information, advice, recommendation or counsel independent of the control and direction of the CITY or of any CITY official, other than normal agreement monitoring; and
- b. possesses no authority with respect to any CITY decision beyond rendition of information, advice, recommendation or counsel. (FPPC Reg. 18700(a)(2).)

Section 12. ASSIGNABILITY.

This agreement may not be assigned by either party without the prior written approval of the other.

Section 13. INDEPENDENT CONTRACTOR.

AUDITOR and any subcontractors employed by AUDITOR are independent contractors and not employees of CITY. Under any provision in this agreement that may appear to give CITY the right to direct AUDITOR or subcontractors regarding the details of the work or to exercise a measure of control over the work, AUDITOR will follow CITY's direction only regarding the end results of the work.

Section 14. NO AGENCY.

AUDITOR is not an agent of CITY's and may not make any contracts or commitments for or on behalf of CITY without CITY's prior written consent.

Section 15. AUDIT OF RECORDS.

At any time during normal business hours and as often as necessary, AUDITOR must make available to CITY all records pertinent to this agreement and must permit CITY to audit, examine, and reproduce those records. AUDITOR will retain financial and program service records for at least five (5) years after termination of or final payment under this agreement.

Section 16. INSURANCE/WORKER'S COMPENSATION.

AUDITOR will maintain worker's compensation insurance for all work performed under this agreement. The insurance must meet levels required by the State of California and comply with requirements for CITY employees. Additionally, AUDITOR will maintain other insurances as outlined in Attachment B, Section V.

Section 17. DISPUTE RESOLUTION.

Claims or disputes that arise out of this agreement and cannot be settled through negotiation may be submitted to mediation, upon written agreement by both parties. CITY and AUDITOR agree to cooperate in good faith to promptly select a mediator, to schedule a mediation session, and to attempt to settle the claim or dispute.

Section 18. NOTICES.

All communication to a particular party is deemed made when received by that party at the following name and address:

| | |
|-----------------------|----------------------------------|
| Joseph Ware | Ahmed Badawi, CPA |
| Finance Manager | Partner |
| City of Lemon Grove | Badawi & Associates |
| 3232 Main Street | 2855 Telegraph Avenue, Suite 312 |
| Lemon Grove, CA 91945 | Berkley, CA 94705 |

Written communication is conclusively deemed to have been received by the addressee five (5) days after it is deposited in the United States Mail, postage prepaid and properly addressed.

Section 19. TIME IS OF THE ESSENCE.

Time is of the essence for every provision of this agreement that states a time for performance and for every deadline imposed by the Project Coordinator.

Section 20. HOLD HARMLESS.

To the fullest extent permitted by law, AUDITOR shall defend (with legal counsel reasonably acceptable to the CITY), indemnify and hold harmless CITY and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees), from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of AUDITOR or its Subcontractors), expense and liability of every kind, nature and description (including, without limitation, incidental and consequential damages, court costs, attorneys' fees, litigation expenses and fees of expert contractors or expert witnesses incurred in connection therewith and costs of investigation) that arise out of, pertain to, or relate to, directly or indirectly, in whole or in part, the negligence, recklessness, or willful misconduct of AUDITOR, any Subcontractor, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of such Indemnitee.

To the extent there is an obligation to indemnify under this Section 20, AUDITOR shall be responsible for incidental and consequential damages resulting directly or indirectly, in whole or in part, from AUDITOR's negligence, recklessness, or willful misconduct.

Section 21. SEVERABILITY.

If a portion of this agreement is determined to be invalid or unenforceable, the rest of the agreement is not affected and remains valid and enforceable.

Section 22. BINDING.

This agreement is binding upon and inures to the benefit of each party's heirs and successors.

Section 23. GOVERNING LAW.

This agreement is governed by and will be construed in accordance with the laws of the State of California. Any action brought to enforce or interpret any portion of this agreement must be brought in San Diego County, California.

Section 24. ENTIRE AGREEMENT.

This document sets forth the entire understanding of the parties regarding the rendering of professional services. All other agreements and understandings are superseded by this document and do not affect this document in any way.

CITY OF LEMON GROVE

Badawi & Associates

Lydia Romero, City Manager

Ahmed Badawi, Partner

Date

Date

City of Lemon Grove

TECHNICAL PROPOSAL

For Professional Auditing Services for the City of Lemon Grove

For fiscal years ending June 30, 2022 through 2026,
with the option of extending the contract for each of
the two (2) subsequent fiscal years.

March 9, 2022

Contact Person:

Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Phone: (510) 768-8244
Fax: (510) 768-8249
E-mail: abadawi@b-acpa.com



City of Lemon Grove

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March 9, 2022

Mr. Rodney Greek
Interim Administrative Services Director
City of Lemon Grove
3232 Main Street
Lemon Grove, CA 91945

Dear Mr. Greek:

Badawi & Associates (B&A), Certified Public Accountants (the "Firm") is pleased to have the opportunity to respond to your request for a proposal to provide external audit services and to submit its qualifications to perform an independent audit of the financial statements of the City of Lemon Grove (the "City") for the fiscal years ending June 30, 2022 through 2026, with the option of extending the contract for each of the two (2) subsequent fiscal years. The objective of our audits is to issue opinions regarding the fairness of presentation of the financial position of the City in accordance with generally accepted accounting principles. These audits are to be performed in accordance with generally accepted auditing standards, the standards set forth for financial audits in the Government Accountability Office's (GAO) Government Auditing Standards, the provisions of the federal Single Audit Act of 1984, as amended in 1996, and the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations, Uniform Administrative Requirements, as well as any other applicable federal, state, local or programmatic audit requirements.

We will also perform the following as part of our engagement:

- Single Audit (if required)
- GANN Limit Agreed-upon Procedures
- Lemon Grove Sanitation Audit
- Lemon Grove Roadway Lighting District Audit
- City's State Controller's Reports
- Sanitation District's State Controller's Reports
- Lighting District's State Controller's Reports
- Annual Street Report

We will also apply limited audit procedures to Management's Discussion and Analysis (MD&A) and required supplementary information. In addition, we will prepare the management letter containing comments and recommendations regarding our review and evaluation of the systems of internal control and accounting procedures.

This proposal will highlight the background of the partners and staff assigned to the engagement, summarize our experience in the governmental area, and describe our approach to auditing the City.

This proposal demonstrates our ability to render the quality examination and to perform the necessary accounting and auditing services requested by the City on a timely basis.

As a partner of the Firm, I will be the primary contact for negotiation of the contract. Additionally, I have been authorized to legally bind the Firm. You may contact me at the following address and phone number:

Mr. Ahmed Badawi, CPA
Badawi & Associates
Certified Public Accountants
2855 Telegraph Avenue, Suite 312
Berkeley, CA 94705
Telephone: (510)768-8244
E-mail: abadawi@b-acpa.com

Mr. Rodney Greek
Interim Administrative Services Director
City of Lemon Grove
Page 2

We are committed to performing the required work, completing the audit, and issuing the necessary auditors' reports.

We believe we are the best qualified to perform the audit because our audit staff includes individuals well versed in municipal auditing and reporting requirements. We have performed auditing and consulting engagements for numerous cities throughout California. We will be responsive to the needs of the City, we understand the City's operational environment, and pledge to you our complete commitment to providing a quality product that meets the City's requirements.

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the City's office operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of City operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and City Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies and disruptions are kept to a minimum. In addition, we perform almost half of the audit tasks during the interim phase to minimize any unforeseen delays during the year-end phase and to ensure a smooth and timely audit process.

The Firm maintains liability insurance coverage for professional liability, Workers' Compensation, Comprehensive General Liability and Auto as part of our comprehensive insurance policy.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

This proposal is a firm and irrevocable offer for 180 days.

We are confident that you will find our organization offers the required expertise, technical knowledge, and business understanding to perform an audit of the City. Our past experience provides us with a thorough understanding of the needs and requirements of the City, as well as the technical knowledge to perform such services in accordance with the accounting and auditing guidelines as published by the various authoritative entities.

We welcome your inquiries and look forward to further discussions with you.

Sincerely,



Ahmed Badawi
Partner
Badawi & Associates
Certified Public Accountants

Firm Independence

Qualifications and Experience

The Firm is independent of the City of Lemon Grove as defined by the GAO's Standards for Audit of Governmental Organizations, Programs, Activities and Functions, and the AICPA and California State Society of Certified Public Accountants as promulgated in various auditing and professional standards.

Insurance

The Firm maintains professional liability insurance and other coverage as part of our comprehensive insurance policy. Upon selection as the City's independent auditor, the Firm and our insurance provider will provide a certificate of insurance to the City which shows the minimum requirements identified by City have been met.

License to Practice in California

The Firm and all key professional staff assigned to the City's audit are properly licensed to practice as Certified Public Accountants in the State of California and comply with GAO *Government Auditing Standards*.

The Firm is registered with the California State Board of Accountancy. Its State number is COR6823.

The Firm has met all required State and local laws, rules, and regulations.

Firm Qualifications

Badawi & Associates was founded by Mr. Ahmed Badawi. Mr. Badawi has over 20 years of experience working with state and local government with a special focus on cities. Prior to founding B&A, Mr. Badawi was a partner with several local and national firms, where he headed their government practice in Northern California. Mr. Badawi founded Badawi & Associates to serve the fast-paced needs of California's local governments. The goal is to build a proactive, client-focused culture from the ground up and to eliminate the entrenched bureaucratic culture and intrinsic limitations of the big audit firms.

Located in Berkeley, CA, the Firm serves a variety of cities and towns throughout California as well as conducting financial related services for numerous special districts and authorities. Names and phone numbers of several of our current and past clients and other references are provided for your inquiries. We encourage you to contact these individuals to obtain information on the quality of the audit and the ability of the audit staff.

Our Berkeley office will be the Engagement Office assigned to the City.

In addition to specific City financial statements, the Firm members have also audited numerous redevelopment agencies, public financing authorities, hospitals, housing authorities, transportation authorities, special districts, water districts, OCJP grants, self-insurance pools, joint power authorities and has also performed numerous compliance audits in accordance with the Single Audit Act, childcare regulations, TOT regulations, AQMD regulations, franchise requirements.

The Engagement Partner assigned to the City will be Mr. Ahmed Badawi. Mr. Badawi has over 20 years of government audit experience. He is a member of various governmental committees, has actively participated in the development of accounting and audit guidelines for the governmental sector, and is an instructor for the California Society of Municipal Finance Officers.

The professional staffs assigned to the Engagement are qualified and experienced. Each individual of the Engagement Team has several years of experience and has conducted or participated in numerous municipal audits of various sizes. Their understanding of governmental operations and the various authoritative guidelines will provide the where-with-all to perform the audit in an efficient and effective manner with minimal disruption to the City's finance department.

Technical Approach

The approach to the audit has been designed to meet the audit requirements of the various authorities with the least disruption to the City's operations. The foundation of the audit approach is based on communication coupled with a strong knowledge of City operations and detailed planning at the initial stages of the audit. Open communication lines with all parties of the Engagement Team and City Management and staff throughout the engagement eliminate "surprises". Initial planning and proper assignment of duties to experienced personnel provide for an effective and efficient audit process. Consequently, inefficiencies, disruptions, and lack of understanding are kept to a minimum.

The audit approach will consist of four phases:

1) **Initial Planning Meeting:**

The Engagement Partner and Manager will meet with City Management to discuss the audit approach, identify specific needs of City Management, and familiarize themselves with City policies and practices.

2) **Interim:**

The Engagement Team members including the Engagement Team Partner will perform the internal control reviews, test transactions, evaluate compliance with Single Audit Act requirements, identify potential audit issues that need to be addressed, perform limited confirmation procedures, and develop a clear understanding between the Engagement Team and City Management of the year-end audit responsibilities and assignments. **In addition, we strive to complete many of the year-end audit tasks during the interim phase to ensure a smoother audit process. We will work with the City on providing a list of those tasks that we will target to complete during interim and work with the City on how to complete them to minimize the amount of effort and time needed at year-end which in turn will assist the City in meeting its goal of issuing the Annual Comprehensive Financial Report.**

3) **Year-end:**

The Engagement Team members including the Engagement Team Partner will conduct validation procedures on general ledger account balances, complete confirmation procedures, perform analytical procedures on revenue and expenditures, perform search for unrecorded liabilities, complete compliance work on Federal Assistance, and wrap up audit field work.

4) **Reporting:**

Auditor's reports for all City reporting entities and compliance requirements will be finalized along with Single Audit Reports and Management Letter comments. The Partner and Manager will be available to make presentations to the City Council and/or designated bodies.

Firm Experience

The Firm is located in Berkeley and provides a full range of accounting services to governmental agencies throughout California, including audit, tax and accounting. The Firm's professional staff members provide the financial background and specific experience to meet the City's operational needs. Additionally, this situation provides the City with an auditing firm that has depth in capabilities to address any financial issue the City may need assistance with, and the quality audit approach that you expect.

Our Berkeley office will be the Engagement Office assigned to the City.

Firm policy requires that the Engagement Partner, during the first year of the engagement, be actively involved in the daily fieldwork. This means to the City that Mr. Badawi will actually be on-site during the audit coordinating the audit process, supervising the audit staff, gaining a hands-on understanding of City processes, and benefiting the City with his broad municipal experience. We have found that this effort benefits the City and the Firm through developing a thorough knowledge of the City's practices and issues and establishing a close working relationship with the City's Management. Additionally, continuity of audit personnel is assured because of the hands on involvement of the Partner.

We are committed to providing appropriate and related experience, personal involvement, and a broad business perspective to produce a quality end product within the time frames required.

The Firm provides financial and compliance auditing services to governmental agencies throughout California. We are a governmental agency auditing firm and our professional staff members have been performing these services for many years. As a result, we have performed financial and compliance audits on most, if not all, types of governmental agencies and operations including:

- Cities
- Redevelopment Agencies
- Financing Authorities
- Housing Authorities
- Special Districts
- Water Districts
- Waste Management Authorities and Operations
- Pension Plans
- Child Care Operations
- Joint Power Authorities
- Investment Activities
- Landfills
- Enterprise Funds
- Airports
- Transportation Operations
- Federal and State Grants

Additional Activities

We offer a full range of accounting and finance services to the governmental sector. These services include:

- Financial audits
- Compliance audits
- Tax advice
- Development of financial and accounting policies and procedures
- Investment review and compliance evaluation
- Operational reviews
- Technical guidance on existing and upcoming accounting issues
- Training seminars
- Pension/profit-sharing plans
- Performance audits
- Business consulting

Consequently, Firm personnel are well qualified to perform the services expected by the City.

Client Training Seminar

The Firm hosts an annual update on recent technical accounting and finance issues affecting the governmental area. This all day session reviews new and anticipated pronouncements from GASB, discusses future issues under consideration by GASB, reviews accounting treatment of various transactions where issues may arise, and provides a general overview of state and federal compliance issues. All of our clients are invited to attend, free of charge. The one day session qualifies for CPE under the rules of the State Board of Accountancy and is held in the Bay Area.

GASB 68 Firm Developed Tools and Assistance

The Firm has developed tools to assist our clients with preparation of GASB 68 journal entries for the CalPERS' Cost Sharing Plans (for which individualized actuarial valuations are no longer prepared) and the CalPERS' Agent Multiple Employer Plans. In addition to providing our clients with these tools and instructions on how to use them, we are available to answer any questions on how to prepare and complete the GASB 68 journal entries.

Flowcharting Documentation

As part of our risk assessment procedures, we prepare flowcharts for documenting our understanding of the City's significant accounting and financial processes. Flowcharts are updated annually for any changes in the City's processes and copies can be provided upon request for the City's internal use. Flowcharted processes may include:

- Financial Reporting, Closing, and Manual Journal Entries
- Cash Receipts, Billing, and Accounts Receivable/Revenues
- Cash Disbursements, Purchasing, and Accounts Payable/Expenditures
- Payroll and Human Resources

Quality Control Review

According to Government Auditing Standards, firms who perform audits under the Yellow Book are required to have a peer review once every three years. We received a report with a rating of pass with no deficiencies which we attached for your review.



Report on the Firm's System of Quality Control

Badawi & Associates

Oakland, California;
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Badawi & Associates (the firm) in effect for the year ended February 28, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

CPAs ■ Advisors

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gyl@gylcpa.com
www.gylcpa.com



Peer Review Report
Page 2 of 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Badawi & Associates in effect for the year ended February 28, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Badawi & Associates has received a peer review rating of *pass*.

GYL LLP

Ontario, California
May 31, 2019



The Firm has policies and procedures to ensure it hires only qualified people, that it properly supervises them and provides professional training, that it advances them to responsibilities they are capable of handling, and that it provides them with necessary technical resources. All members of the Firm are very familiar with the stringent quality control standards established by the AICPA.

The Firm is a member of the AICPA Government Audit Quality Center.

The Firm is a member of the AICPA Private Companies Practice Section.

Federal or State Desk Reviews

The Firm has had no negative federal or state reviews in the past three (3) years.

Disciplinary Action

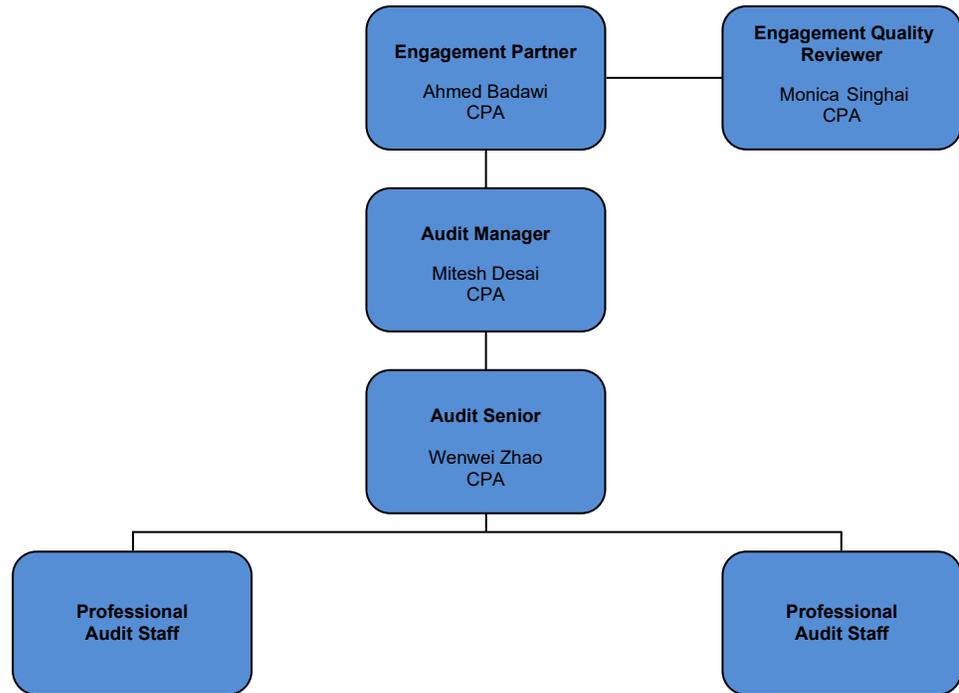
There has not been any state or federal disciplinary actions taken or pending against the Firm nor any findings to report.

Litigations

The Firm has not experienced any lawsuits or legal actions that have been resolved or are currently pending in the prior five years.

**Partner,
Supervisory,
and Staff
Qualifications
and Experiences**

The Engagement Team will normally consist of six individuals who provide a broad business perspective and significant experience in governmental auditing. This team will provide access to a wide range of technical capabilities which will provide the City with not only the technical support necessary to perform the audit, but also the broad business background to interpret findings and observations to offer effective solutions to issues, and the personal involvement of the Engagement and Compliance Partners of the Firm.



The Engagement Team will be led by Ahmed Badawi, CPA. Mr. Badawi’s background includes over twenty years of municipal auditing experience with a special focus on cities. He is the instructor of the CSMFO “Introduction to Governmental Accounting” training classes. Mr. Badawi is a member of the Government Accounting and Auditing Committee of the California Society of Certified Public Accountants. He has participated in the audits of numerous City, county and special district governments, as well as non-profit entities. His diversified background offers the technical qualities required of the governmental and non-profit areas and the necessary wherewithal to properly evaluate the entire accounting process, develop opportunities to improve the accounting process, and to offer practical business recommendations

The second member of the Engagement Team will be Mitesh Desai, CPA. Mr. Desai’s background includes thirteen years of experience in municipal auditing. Mr. Desai has participated in the audits of numerous governmental agencies, assisted in their efforts to publish their Annual Comprehensive Financial Reports in compliance with GASB 34, and a volunteer member of the GFOA Special Review Committee. Mr. Desai has also achieved the Advanced Single Audit Certificate offered by the AICPA. He will serve as the Audit Manager.

The third member of the Engagement Team will be Wenwei Zhao, CPA. Ms. Zhao’s background includes five years of accounting and auditing experience. She has participated in the audits of numerous governmental entities and assisted in their efforts to publish their financial statements in compliance with various regulations, and is a volunteer member of the GFOA Special Review Committee. Ms. Zhao will be the Audit Senior of this engagement.

The fourth member of the Engagement Team will be Monica Singhai, CPA. Mrs. Singhai's background includes over seventeen years of experience in municipal auditing. She has participated in the audits of numerous governmental agencies and assisted in their efforts to publish their financial statements in compliance with various regulations. Mrs. Singhai will be the Engagement Quality Reviewer of this engagement.

Each member of the Engagement Team participates in continuing education programs offered by the AICPA and California State Society of Certified Public Accountants, and each has met the continuing education requirements for municipalities. In addition, the firm offers at least 60 hours of in-house CPE annually focused mainly on municipal audits.

Professional Development:

The Firm maintains a comprehensive training program targeted at appropriate professional staff levels. It utilizes in-house developed educational programs, AICPA and California CPA Foundation educational programs, and on-the-job training.

The Firm's annual training schedule which officially begins in April for all professional staff and administrative staff includes comprehensive in-house training sessions on such topics as:

- Review of principles of accounting and financial reporting for state and local governments
- Review of governmental fund types and account groups
- Review of newly issued generally accepted auditing standards and GAO auditing standards
- Review of Internal Control evaluation approaches including COSO principles
- Updates on recent governmental accounting and reporting guidelines
- Review of Single Audit requirements and approaches
- Review of financial audit approaches
- Overview of audit and internal control work paper techniques
- Review of GASB reporting requirements
- Review of current issues facing the governmental community

During the year, professional staff members are sent to various educational sessions sponsored by the AICPA and California State Society of CPAs, as considered appropriate for the level and need of the individual. These classes include, among others:

- Governmental Financial Reporting Standards and Practices
- Yellow Book: Government Auditing Standards
- Financial Accounting Standards: Comprehensive Review
- Single Audit
- Governmental Auditing & Accounting Update
- Governmental Accounting Principles
- Comprehensive Review of Generally Accepted Auditing Standards

The result of the Firm's training program is the production of a highly educated and competent municipal audit group capable of performing an efficient and effective audit for the City.

The Engagement Team members will continue their professional development efforts.

Staff Retention and Continuity:

The Firm's policy on providing service to our clients includes a commitment to maintaining continuity of audit personnel. We cannot guarantee that our staff will remain with the Firm. However, to encourage our staff to remain with us, we pay competitive wage rates; offer promotional opportunities; provide state-of-the-art equipment and excellent working conditions; and offer various benefits, such as retirement plans, medical plans, profit sharing programs, educational benefits, and other such benefits. We can also guarantee that the partner will be involved in future years. Continuity of audit staff is of prime concern to us and because of the hands-on involvement of the partner; we can assure you that future years' audits will be conducted in an efficient and effective manner with qualified and experienced professionals.

The Firm is an Equal Opportunity employer and complies with all Federal and State hiring requirements. The Firm also supports Affirmative Action philosophies and works hard to provide disadvantaged groups with opportunities for self enhancement.

Resumes of each member of the Engagement Team follow.

Ahmed Badawi, Certified Public Accountant – Engagement Partner

Length of Career

- Twenty years’ experience in municipal auditing and accounting with a special focus on cities
- Certified Public Accountant for the State of California

Professional Experience

- Partial listing of clients served:

| | Services Provided | | | | | |
|---------------------------------|-------------------|--------------|-----------|-----------|-----------------|-------|
| | Financial Audit | Single Audit | RDA Audit | PFA Audit | Enterprise Fund | Other |
| Cities: | | | | | | |
| Albany | X | X | X | | | X |
| Antioch | X | X | | X | X | X |
| Atwater | X | | X | | | X |
| Azusa | X | X | | | X | X |
| Berkeley | X | X | X | | X | X |
| Buena Park | X | X | X | | X | X |
| Burlingame | X | | | | X | X |
| Cotati | X | | | | X | X |
| Dublin | X | X | | | | X |
| East Palo Alto | X | X | | | X | X |
| El Cerrito | X | X | X | | X | X |
| Folsom | X | X | | | X | X |
| Foster City | X | X | X | | X | X |
| Fremont | X | X | X | | | X |
| Guadalupe | X | X | X | | X | X |
| Lafayette | X | | X | | X | X |
| Larkspur | X | X | | | X | X |
| Lindsay | X | | | | X | X |
| Menlo Park | X | X | X | | X | X |
| Newark | X | X | X | | | X |
| Oakdale | X | X | X | | X | X |
| Ontario | X | X | | | X | X |
| Petaluma | X | | | | | X |
| Pinole | X | | X | | X | X |
| Pleasanton | X | X | | X | | X |
| Richmond | X | X | X | X | X | X |
| San Bruno | X | X | X | | X | X |
| San Leandro | X | X | X | | | X |
| San Luis Obispo | X | | | | X | X |
| San Mateo | X | X | X | | X | X |
| Scotts Valley | X | | X | | X | X |
| Solvang | X | | | | | X |
| Susanville | X | | | | | X |
| Turlock | X | X | X | X | X | X |
| Union City | X | X | X | | X | X |
| Vacaville | X | X | X | X | | X |
| Walnut Creek | X | X | X | | X | X |
| Counties: | | | | | | |
| Santa Cruz County | X | X | X | X | X | X |
| Contra Costa County | X | X | X | X | X | X |
| Special Districts and Other: | | | | | | |
| Alameda County Water District | X | | | | X | X |
| East Bay Regional Park District | X | X | | | | X |

- Has performed numerous financial audits, Single Audits, Transportation Development Act audits, housing audits, electrical utility audits, RDA audits, PFA audits, and Trust Fund audits, and has prepared numerous Annual Comprehensive Financial Reports

Education

- BS Degree in Accounting from the University of Alexandria, Egypt

Professional Activities

- Instructor, CSMFO’s “Introduction to Governmental Accounting” training class
- Member, CALCPA Government Accounting and Auditing Committee
- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Member, Government Finance Officers Association
- Member, California Society of Municipal Finance Officers

Continuing Education

- Has met the current CPE educational requirements to perform audits on governmental agencies

Mitesh Desai, Certified Public Accountant – Professional Audit Manager

Length of Career

- Thirteen years’ experience in municipal auditing with a special focus on cities
- Certified Public Accountant for the State of California

Professional Experience

- Has performed numerous financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

| | Services Provided | | | | | |
|---|-------------------|--------------|-----------|-----------|-----------------|-------|
| | Financial Audit | Single Audit | RDA Audit | PFA Audit | Enterprise Fund | Other |
| Cities: | | | | | | |
| Albany | X | | | | | |
| Antioch | X | | | | X | X |
| Azusa | X | X | | | X | X |
| Berkeley | X | X | X | | X | X |
| Buena Park | X | X | | | X | X |
| Calimesa | X | | X | | | X |
| Crescent City | X | X | X | | X | X |
| Dublin | X | X | | | | X |
| East Palo Alto | X | X | | | X | X |
| El Cerrito | X | X | X | | X | X |
| Foster City | X | X | X | | X | X |
| Fremont | X | X | X | | X | X |
| Lemon Grove | X | | | | X | |
| Lindsay | X | | | | X | X |
| Menlo Park | X | | | | X | X |
| Millbrae | X | | X | | X | X |
| Newark | X | X | X | | | X |
| Oakdale | X | X | | | X | X |
| Pittsburg | X | X | X | | X | X |
| Placerville | X | X | | | X | X |
| Rio Vista | X | | X | | X | X |
| San Mateo | X | X | X | | X | X |
| Sebastopol | X | | X | | X | X |
| Solvang | X | | | | | X |
| Susanville | X | | | | | |
| Turlock | X | | | | X | X |
| Union City | X | | | | X | X |
| Vacaville | X | X | X | X | | X |
| Waterford | X | | X | | X | X |
| Yountville | X | | | | X | X |
| Yuba City | X | X | | | X | X |
| Child Care Programs: | | | | | | |
| Menlo Park Child Care | X | | | | | X |
| Stanislaus County Childcare | X | | | | | X |
| Non-profits: | | | | | | |
| Housing Endowment and Regional Trust | X | | | | | |
| Special Districts and Other: | | | | | | |
| Castro Valley Sanitary District | X | | | | | |
| Cosumnes Community Services District | X | | | | | |
| Marin Municipal Water District | X | | | | | |
| West County Wastewater District | X | | | | | X |
| Contra Costa Child Development Programs | X | | | | | X |

Education

- BS Degree in Business Economics with an emphasis in Accounting from University of California, Santa Barbara

Professional Activities

- Member, American Institute of Certified Public Accountants
- Member, California Society of Certified Public Accountants
- Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Municipal Accounting
 - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

Wenwei Zhao, Certified Public Accountant – Professional Audit Senior

Length of Career

- Five years' experience in auditing
- Certified Public Accountant for the State of California

Professional Experience

- Has performed numerous financial audits, Single Audits, RDA audits, PFA audits, Transportation Development Act audits, and housing audits

| | Services Provided | | | | | |
|---|-------------------|--------------|-----------|-----------|-----------------|-------|
| | Financial Audit | Single Audit | RDA Audit | PFA Audit | Enterprise Fund | Other |
| Cities: | | | | | | |
| Barstow | X | | | | | |
| Berkeley | X | | | | X | X |
| Crescent City | X | X | | | X | X |
| East Palo Alto | X | X | | | X | |
| El Cerrito | X | | | | X | |
| Folsom | X | | | | | X |
| Lafayette | X | | X | | X | X |
| Larkspur | X | | | | | |
| Menlo Park | X | | | | X | X |
| Millbrae | X | | | | | |
| Newark | X | X | X | | | X |
| Oakdale | X | | | | X | X |
| Pinole | X | | | | X | |
| Redwood City | X | | | | | |
| Richmond | X | X | X | | X | X |
| San Luis Obispo | X | | | | X | X |
| San Mateo | X | | | | X | |
| Susanville | X | | | | X | |
| Town of Los Gatos | X | | | | | |
| Town of Yountville | X | | | | X | |
| Union City | X | X | | | X | X |
| Waterford | X | | | | | |
| Yuba City | X | X | | | X | X |
| Towns: | | | | | | |
| Los Gatos | X | | | | | |
| Child Care Programs: | | | | | | |
| Contra Costa County Child Care | X | | | | | X |
| Special Districts: | | | | | | |
| Alameda County Single Audit | | X | | | | |
| Cosumnes Services District | X | | | | | |
| Elk Grove Water District | X | | | | | |
| Hayward Area Recreation and Park District | X | | | | | |
| Marin Municipal Water District | X | | | | | |
| Resource Conservation District of Santa Cruz County | X | | | | | |
| San Mateo County Mosquito and Vector Control District | X | | | | | |
| Santa Cruz Regional 9-1-1 | X | | | | | |

Education

- Master of Accounting from University of Pittsburgh, PA

Professional Activities

- Volunteer Member, GFOA Special Review Committee

Continuing Education

- Various municipal accounting courses offered by the California Society of CPAs and local universities including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Municipal Accounting
 - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies

Monica Singhai, Certified Public Accountant – Engagement Quality Reviewer

Length of Career

- Seventeen years’ of experience in auditing with special focus on municipalities.
- Certified Public Accountant for the State of California.

Professional Experience

- Has performed numerous financial audits, Single Audits, RDA audits and PFA audits

| | Services Provided | | | | | |
|---|-------------------|--------------|-----------|-----------|-----------------|-------|
| | Financial Audit | Single Audit | RDA Audit | PFA Audit | Enterprise Fund | Other |
| Cities: | | | | | | |
| Berkeley | X | X | | | X | |
| East Palo Alto | X | | | | X | |
| Menlo Park | X | X | | | X | |
| Redwood City | X | X | | | X | |
| Special District: | | | | | | |
| Alameda County Fire District | X | | | | | |
| Alameda County Law Library | X | | | | | |
| Burbank Sanitary District | X | | | | X | |
| Lions Gate Community Service District | X | | | | | |
| Los Medanos Community Health Care District | X | | | | | |
| Oakland-Alameda County Coliseum Authority | X | | | | | |
| School District: | | | | | | |
| Bayshore Elementary School District | X | | | | | |
| Belmont-Redwood Shores School District | X | X | | X | | |
| Brisbane School District | X | | | | | |
| Jefferson Elementary School District | X | X | | | | |
| La Honda-Pescadero Unified School District | X | X | | X | | |
| Pacifica School District | X | X | | | | |
| Ravenswood City School District | X | X | | | X | |
| Redwood City School District | X | X | | | | |
| San Mateo-Foster City School District | X | X | | | X | |
| Charter schools: | | | | | | |
| Oakland Military Institute College Preparatory Academy | X | X | | | | |
| Sacramento Valley Charter School | X | | | | | |
| West Sacramento College Prep Charter School | X | | | | | |
| First 5: | | | | | | |
| First 5 Alameda County | X | X | | | | |
| First 5 Inyo County | X | | | | | |
| First 5 Marin County | X | | | | | |
| First 5 Monterey County | X | | | | | |
| First 5 Santa Cruz County | X | | | | | |
| Others: | | | | | | |
| Alameda County Housing Community Development Agency | X | X | | | X | |
| Alameda County Redevelopment Agency | X | | X | | | |
| Alameda County Successor Agency | X | | | | | |
| City of Oakland - Measure C | X | | | | | |
| City of Oakland - Measure Y | X | | | | | |
| City of Oakland - Child Care and Development Program | X | | | | | |
| City of Oakland - Wildfire Prevention Assessment District | X | | | | | |

Education

- Bachelor of Science in Accounting from Jabalpur University, India.

Professional Activities

- Member, California Society of Certified Public Accountants.
- Member, Institute of Chartered Accountants of India.

Continuing Education

- Various local governments and not for profit accounting courses offered by the California Society of CPAs and AICPA including:
 - Governmental Financial Reporting Standards and Practices
 - Yellow Book: Government Auditing Standards
 - Single Audit
- Has met the current CPE educational requirements to perform audits on governmental agencies.

Similar Engagements with Other Governmental Entities

The tables below and on the following page are a partial listing of our clients similar to the City, and illustrates the many different types of components involved in each audit engagement that present very difficult and complex auditing and accounting challenges (in order of audit hours).

* Indicates cities with population over 50,000

** Indicates cities with governmental revenues over \$100 million and population over 50,000

| City | Client Since | Hours | Engagement Partner | Principal Contact | Annual Comprehensive Financial Report | GFOA Award | RDA/Successor Agency | Single Audit | TDA | Water Fund | Sewer Fund | Child Care Audit | Housing Authority | Enterprise Funds | Pension Trust Fund |
|-------------------|--------------|-------|--------------------|--|---------------------------------------|------------|----------------------|--------------|-----|------------|------------|------------------|-------------------|------------------|--------------------|
| ** Richmond | 2020 | 3,160 | Ahmed Badawi | Ms. Delmy Cuellar Finance Manager (510)620-6790 Delmy_Cuellar@ci.richmond.ca.us | X | | X | X | X | X | | | X | X | X |
| ** Berkeley | 2008 | 1,850 | Mitesh Desai | Mr. Henry Oyekanmi Finance Director (510)981-7300 hoyekanmi@ci.berkeley.ca.us | X | X | X | X | X | | X | | | X | X |
| ** Ontario | 2021 | 1,012 | Ahmed Badawi | Ms. Michelle D. Honis Accounting Manager (909)395-2049 MHonis@ontarioca.gov | X | X | | X | | X | X | | | X | X |
| * Union City | 2006 | 850 | Mitesh Desai | Ms. Jackie Acosta Finance Director (510)675-5345 jackiea@unioncity.org | X | X | X | X | X | | | | | | X |
| ** Folsom | 2019 | 807 | Ahmed Badawi | Ms. Stacey Tamagni Finance Director (916)461-6712 stamagni@folsom.ca.us | X | X | | X | | X | X | | | | X |
| * Petaluma | 2019 | 691 | Ahmed Badawi | Ms. Corey Garberolio Finance Director (707)778-4357 cgarbero@cityofpetaluma.org | X | X | | | X | X | X | X | | | |
| * San Luis Obispo | 2019 | 638 | Ahmed Badawi | Ms. Brigitte Elke Finance Director (805)781-7125 belke@slocity.org | X | X | | | X | X | X | | | | |
| * Antioch | 2005 | 586 | Mitesh Desai | Ms. Dawn Merchant Finance Director (925)779-6135 dmerchant@ci.antioch.ca.us | X | X | X | X | X | X | X | | | | X |
| Lafayette | 2020 | 586 | Ahmed Badawi | Ms. Tracy Robinson Administrative Services Director (925)299-3227 trobinson@lovelafayette.org | X | X | X | | | | | | | | X |
| East Palo Alto | 2014 | 560 | Mitesh Desai | Mr. Tomohito Oku Finance Director (650)853-3122 toku@cityofepa.org | X | X | X | X | | X | | | | | X |
| El Cerrito | 2018 | 547 | Ahmed Badawi | Ms. Lucy Xie Senior Accountant (510)215-4310 lxie@ci.el-cerrito.ca.us | X | X | X | X | X | | | | | | X |

| | City | Client Since | Hours | Engagement Partner | Principal Contact | Annual Comprehensive Financial Report | GFOA Award | RDA/Successor Agency | Single Audit | TDA | Water Fund | Sewer Fund | Child Care Audit | Housing Authority | Enterprise Funds | Pension Trust Fund |
|----|-----------|--------------|-------|--------------------|--|---------------------------------------|------------|----------------------|--------------|-----|------------|------------|------------------|-------------------|------------------|--------------------|
| ** | Dublin | 2018 | 546 | Ahmed Badawi | Ms. Lisa Hisatomi Director of Finance & Admin. Services (925)833-6640 Lisa.Hisatomi@dublin.ca.gov | X | X | | X | X | | | | | | |
| | Azusa | 2017 | 540 | Ahmed Badawi | Ms. Talika Johnson Administrative Services Director (626)812-5202 tjohnson@AzusaCa.Gov | X | X | X | X | | X | X | | | | X |
| | Millbrae | 2015 | 524 | Ahmed Badawi | Mr. Mike Sung Finance Director (650)259-2433 msung@ci.millbrae.ca.us | X | X | X | | | X | X | | | | X |
| * | Yuba City | 2017 | 450 | Ahmed Badawi | Mr. Spencer Morrison Finance Director (530)822-4615 smorrison@yubacity.net | X | X | X | X | | X | X | | | | X |
| | Wasco | 2021 | 428 | Ahmed Badawi | Mr. Isarel Perez-Hernandez Finance Director (661)758-7230 isperez@cityofwasco.org | | | | X | | X | X | | | | |
| | Pinole | 2018 | 419 | Ahmed Badawi | Ms. Markisha Guillory Finance Director (510)724-9823 MGuillory@ci.pinole.ca.us | X | X | X | | | | X | | | | X |
| | Larkspur | 2019 | 382 | Ahmed Badawi | Ms. Cathy Orme Administrative Services Director (415) 927-5019 Finance@cityoflarkspur.org | | | | X | | | | | X | X | |
| | Atwater | 2021 | 380 | Ahmed Badawi | Ms. Kellie Jacobs-Hunter Finance Director (209)357-6347 kjacobshunter@atwater.org | | | | X | | X | X | | X | | |
| | Los Gatos | 2017 | 366 | Ahmed Badawi | Mr. Stephen Conway Finance and Admin. Services Director (408)354-6828 sconway@losgatosca.gov | X | X | | | | | | | | | X |
| | Lindsay | 2017 | 366 | Ahmed Badawi | Ms. Juana Espinoza Finance Director (559)562-7102 ext. 8025 jespinoza@lindsay.ca.us | | | | | | X | X | | | | X |
| | Waterford | 2018 | 311 | Ahmed Badawi | Mrs. Tina Envia Finance Manager (209)874-2328 Ext: 104 tenvia@cityofwaterford.org | | | | X | | X | X | | | | X |
| | Solvang | 2019 | 308 | Ahmed Badawi | Ms. Xenia Bradford City Manager (805)688-5575 xeniab@cityofsolvang.com | X | X | | | | X | X | | | | |

| City | Client Since | Hours | Engagement Partner | Principal Contact | Annual Comprehensive Financial Report | GFOA Award | RDA/Successor Agency | Single Audit | TDA | Water Fund | Sewer Fund | Child Care Audit | Housing Authority | Enterprise Funds | Pension Trust Fund |
|---------------|--------------|-------|--------------------|--|---------------------------------------|------------|----------------------|--------------|-----|------------|------------|------------------|-------------------|------------------|--------------------|
| Oakdale | 2016 | 306 | Ahmed Badawi | Mr. Albert Avila Finance Director (209)845-3584 aavila@ci.oakdale.ca.us | | | X | X | X | X | X | | | X | |
| Guadalupe | 2017 | 303 | Ahmed Badawi | Ms. Lorena Zarate Finance Director (805)356-3895 ccooper@ci.guadalupe.ca.us | | | X | X | | X | X | | | X | |
| Sebastopol | 2017 | 275 | Mitesh Desai | Mrs. Ana Kw ong Finance Director (707)824-4879 akw ong@cityofsebastopol.org | X | X | X | | | X | X | | | X | |
| Cotati | 2020 | 265 | Ahmed Badawi | Ms. Angela Courter Director of Administrative Services 707-665-4236 acourter@cotaticity.org | X | X | | | | X | X | | | X | |
| Crescent City | 2014 | 227 | Mitesh Desai | Ms. Linda Leaver Finance Director (707)464-7483 x224 lleaver@crescentcity.org | | | X | X | | X | X | | X | X | |
| Scotts Valley | 2019 | 202 | Ahmed Badawi | Ms. Casey Estorga Administrative Services Director (831) 440-5615 cestorga@scottsvally.org | X | X | X | | | | | | | X | |
| Calimesa | 2013 | 193 | Mitesh Desai | Ms. Bonnie Johnson City Manager (909)795-9801 ext 231 bjohnson@cityofcalimesa.net | | | X | | | | | | | | |

The table below lists all special district engagements (in order of audit hours):

| Special District | Client Since | Hours | Engagement Partner | Principal Contact | Annual Comprehensive Financial Report | GFOA Award | Single Audit | Enterprise Funds |
|--|--------------|-------|--------------------|--|---------------------------------------|------------|--------------|------------------|
| County of Contra Costa Community Services Bureau Child Development Program | 2013 | 450 | Mitesh Desai | Ms. Nancy Benavides Fiscal Officer (925)681-4268 nbenavidas@ehsd.cccounty.us | No | N/A | | |
| Florin Resource Conservation District/ Elk Grove Water District | 2015 | 350 | Mitesh Desai | Mr. Patrick Lee Finance Manager / Treasurer (916)685-3556 plee@egwd.org | Yes | Yes | | X |
| Hayward Area Recreation and Park District | 2017 | 350 | Ahmed Badawi | Ms. Anne Maze Interim Finance Manager (925)451-5318 maza@haywardrec.org | No | N/A | | |
| Amador County Transportation Commission | 2019 | 260 | Ahmed Badawi | Mr. John Gedney Executive Director (209)267-2282 john@actc-amador.org | No | N/A | | |
| Solano County Water Agency | 2020 | 243 | Ahmed Badawi | Mr. Roland Sanford General Manager (707) 455-1103 rsanford@scwa2.com | No | N/A | | |
| San Mateo Mosquito and Vector Control District | 2018 | 228 | Ahmed Badawi | Mr. Richard Arrow Finance Director (650)344-8592 rarrow@smcmvcd.org | Yes | Yes | | |
| Monterey Bay Unified Air Pollution Control District | 2016 | 200 | Mitesh Desai | Ms. Rosa Rosales Administrative Services Manager (831)718-8019 rrosales@mbard.org | No | N/A | | |
| Southern Marin Fire Protection District | 2020 | 160 | Ahmed Badawi | Ms. Alyssa Schiffmann Finance Manager (415)388-8182 aschiffmann@smdf.org | No | N/A | | |
| Alameda County Waste Management Authority (StopWaste) | 2018 | 154 | Ahmed Badawi | Mrs. Jennifer Luong Finance Services Manager (510)891-6500 jluong@stopwaste.org | No | N/A | | |
| Aptos La Selva Fire District | 2016 | 150 | Mitesh Desai | Ms. Nancy Dannhauser Finance Director (831)685-6690 nancyd@centralfpd.com | No | N/A | | |
| Central County Fire Department | 2012 | 150 | Mitesh Desai | Ms. Jan Cooke Finance Director (650)375-7408 jcooke@hillsborough.net | Yes | Yes | | |
| Zayante Fire Protection District | 2017 | 150 | Mitesh Desai | Mr. John Stipes Fire Chief (831) 335-5100 chief2401@cwncast.net | No | N/A | | |
| Santa Cruz Regional 9 - 1 - 1 | 2016 | 150 | Mitesh Desai | Mr. Dennis Kidd General Manager (831)471-1038 dennis.kidd@scr911.org | No | N/A | | |
| Resource Conservation District of Santa Cruz County | 2017 | 150 | Mitesh Desai | Ms. Sharon Corkrean Director of Finance scorkrean@rcdsantacruz.org | No | N/A | X | |
| Port of San Luis Harbor District | 2017 | 150 | Ahmed Badawi | Ms. Kristen Stout Business Manager (805)595-5413 kristens@portsanluis.com | Yes | Yes | | X |
| Central Fire Protection District of Santa Cruz County | 2018 | 150 | Mitesh Desai | Mrs. Nancy Dannhauser Finance Director (831)479-6842 nancyd@centralfpd.com | No | N/A | | |

Understanding of Services to be Provided

The City desires an audit of the financial records for the City and an expression of an opinion in accordance with generally accepted accounting principles on the fairness of presentation of financial statements for the fiscal years ending June 30, 2022 through 2026, with the option of extending the contract for each of the two (2) subsequent fiscal years.

The Firm will:

- Express an opinion on the fair presentation of its basic financial statements which includes but is not limited to the financial statements of governmental activities, the business-type activities, each major fund and all aggregate remaining fund information in conformity with generally accepted accounting principles in the United States of America.
- Express an in-relation-to opinion on the fair presentation of its combining and individual non-major and fiduciary fund financial statements and schedules in conformity with generally accepted accounting principles. The Firm will provide an “in-relation-to” report on the supporting schedules contained in the Annual Comprehensive Financial Report based on the auditing procedures applied during the audit of the basic financial statements and schedules.
- Provide an “in-relation-to” report on the schedule of expenditures of federal awards based on the auditing procedures applied during the audit of the financial statements (if required).
- Perform the audit in accordance with generally accepted auditing standards accepted in the United States of America, applicable to the financial audit contained in the Government Auditing Standards issued by the Comptroller General of the United States and the provisions of the Uniform Guidance, Audits of States, Local Governments and Non-Profit Organizations.
- Perform limited procedures on supplementary information required by the Government Accounting Standards Board.
- Issue the following reports, following the completion of the audit of the fiscal year’s financial statements:
 - Independent Auditor’s Report on Financial Statements and Schedule of Expenditure of Federal Awards
 - Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
 - Independent Auditor’s Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with the Uniform Guidance (if required)
 - Schedule of Findings and Questioned Costs (if required)
 - Auditor’s Communication with Those Charged with Governance
 - Annual Comprehensive Financial Report following the requirements and guidelines of the GFOA award program
 - GANN Limit Agreed-upon Procedures
 - Lemon Grove Sanitation Report
 - Lemon Grove Roadway Lighting District Report
 - City’s State Controller’s Reports
 - Sanitation District’s State Controller’s Reports
 - Lighting District’s State Controller’s Reports
 - Annual Street Report
- Provide special assistance to the City as needed.
- Retain all working papers and reports at the audit firm’s expense for a minimum of 7 years. In addition, make working papers available to the City and/or any government agency as appropriate.

Should any conditions be discovered requiring corrective action, the Firm will provide a detailed description of the findings and recommended actions as to their resolution.

The Firm will submit a report to the City's Council and management detailing auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting statements, significant audit adjustments, other information in documents containing audited financial statements, disagreements with management, management consultations with other accountants, major issues discussed with management prior to retention, difficulties encountered during the audit, and any significant deficiencies or material weaknesses found during the audit. Non-material instances of noncompliance will be reported in a separate management letter, if appropriate, along with any other observations or recommendations determined to be informative to City Management.

The Firm will be available to provide advice and counsel regarding significant matters during the year.

The Firm's Partner and Staff welcome the opportunity to make presentations to the City Council and will be ready to respond to questions from the Council and citizens of the City.

Specific Audit Objectives of Our Services

Approach

The basic objective of our audit of the City is to conduct an examination of the financial statements in accordance with generally accepted auditing standards and to express our opinion on the fairness of presentation of such financial statements in conformity with generally accepted accounting principles.

Additionally, we believe that another real value of our audit lies in meeting other objectives at no additional cost. The following are other objectives of our services that have important benefits to the City:

- To offer substantive observations and recommendations relating to accounting and operating control policies and procedures.
- To identify opportunities for operating efficiencies and isolate candidate activities for cost reduction opportunities.
- To perform a professional audit in an efficient and effective way to minimize disruption to the office operations.
- To offer ongoing advisory services to assist in the running of the operation and implementation of improved operating procedures.

The engagement will be conducted within the framework of the Firm's quality control program which includes the use of audit programs, careful planning, use of computerized audit software and internal control evaluation and documentation software, and objective review procedures. On-site staff will use Firm supplied portable computers and printers.

Audit Approach

The specific audit approach has been designed to efficiently and effectively address the audit requirements of the City, to perform the audit of the City's financial records in a timely manner with minimal disruptions to office operations, and to meet the City's timeline.

The audit will be conducted in accordance with:

- 1) Generally accepted auditing standards established by the AICPA
- 2) The standards contained in Government Auditing Standards issued by the GAO
- 3) Provisions of the Single Audit Act and the Uniform Guidance
- 4) Requirements issued by the California State Controller's office
- 5) Other requirements as required

We will conduct the necessary audit steps to perform:

- Planning of the engagement
- Evaluation of the existing internal control environment to determine degree of risk of material misstatement
- Determination of degree of compliance with laws, regulations, grant provisions, and City approved policies
- Assessment of potential fraudulent issues
- Validation of account balances
- Verification of reasonableness of management estimates

Technical Approach

We use an industry specific audit approach tailored to governmental entities. Our governmental audit approach addresses the special risks and circumstances of local governments. As a result, the audit is conducted efficiently and effectively with minimal disruption to your staff.

The core of our governmental technical audit approach can be summarized as follows:

1. Planning, Understanding and Communication:

Based on our previous audit experience, using the budget, organizational charts, manuals and other financial information systems and our knowledge of how governments work, we will obtain an insight to the specific concerns and sensitivities of the City. Our understanding is updated continuously through our year-round contact and communication efforts. We will agree on common audit objectives and expectations with management before audit work begins and, throughout the audit, will meet regularly with management to discuss audit issues and to gather feedback.

2. In-Depth Review of Systems and Controls:

We have developed diagnostic reviews which enable us to evaluate your systems and controls, and to provide management with constructive feedback. Combined with our knowledge of the City and understanding and experience with the City's accounting software, our control review will form the basis of our audit risk assessment. We will utilize the COSO approach in our evaluation of the City's internal processes to identify potential control deficiencies. In future years, we will update our understanding through similar procedures.

3. Risk-Based Customized Testing Program:

Our audit approach is tailored to governmental applications. We will use audit programs specifically designed to address the operational environment of governmental entities. Our approach will identify potential control risks and the opportunities for risk of material misstatements and fraud. We will evaluate the various risk assessments and identify the potential risks relating to the:

- Balance Sheets / Statement of Net Position
- Statement of Revenues and Expenditures / Statement of Activities
- Presentation
- Disclosure

Our audit procedures will then be developed to address these risk areas.

4. Expanded Interim Fieldwork:

Timeliness and audit efficiency is enhanced by performing extensive interim work. Partners, managers and senior staff work with City staff to identify and resolve potential audit issues early. Accordingly, the amount of audit work to perform at year end is minimized. Because our audit staff is familiar with the operations before year-end fieldwork begins, disruption of accounting staff is minimized.

5. Smooth Transition:

Our testing program focuses on audit risks identified by our understanding of the City's operations. We will work with the accounting staff to identify the most effective ways to address our objectives. Communication between the members of the audit engagement team and City staff will be fluid and continuous.

6. Sample Size and Sampling Techniques:

Our audit approach will include sampling activities. Population size and the level of assurance to be derived from a particular test will dictate the sample size. We use sampling in our audit approach to compliment skilled judgment and knowledge of the particular situation. Our sample size will range normally from 25 to 60 items.

7. Automated Systems:

We will evaluate controls over the IT functions to assess control risk. We intend to test controls for purposes of reliance. Our review procedures will evaluate controls over:

- Security Management
- Logical and Physical Access
- Configuration Management
- Segregation of Duties
- Contingency Planning

In addition, we will review controls over:

- Input, processing, output, master data
- Application interface
- Data management system interface

8. Analytical Procedures:

We use analytical procedures in several aspects of our audit. Extensive knowledge and industry background are required for effective analytics, and our staff possesses the appropriate experience and knowledge for the City to benefit from these procedures.

9. Approach to be Taken in Determining Laws and Regulations Subject to Audit Test Work:

We continuously refer to specific regulations, compliance supplements, state guidelines and contracts currently in force. We perform the procedures required related to laws and regulations, using inquiries, observations and sampling techniques. Some of the laws and regulations that we believe may be applicable to the City are the requirements of the California Public Utilities Commission, Single Audit Act and other applicable laws and regulations, including the California Government Code, provisions of applicable Grant guidelines, California Constitution GANN Limit requirements, requirements of local measures, Child Care Program compliance requirements, etc.

10. Report Format:

We will meet with City Management to review report formats. Any report format changes will be made in conjunction with approval from the City Management.

11. Work Plans:

The detailed work plans will be designed to efficiently and effectively address the audit requirements of the City in accordance with generally accepted auditing standards, to perform the audit of the City's financial records in a timely manner with minimal disruptions to office operations, and to meet the City's timeline.

12. Adjusting Journal Entries:

We will discuss and explain proposed audit adjusting entries with the City's designated Finance Department personnel prior to recording. Audit adjusting entries will be provided in a format showing the lowest level of posting detail needed for data entry on the City's general ledger system.

13. Listing of Schedules and Tables (anticipated to be prepared by the City):

Based on preliminary inquiries made with management and City staff and review of documents, we will tailor a list of schedules, tables, and other reconciliations required for the audit. We will take into account as much as possible reconciliations already prepared by the City for day to day operations and reporting, as well as any reports that are system generated to limit the need for additional City staff hours.

The following is a listing of some of the significant reconciliations and schedules that we would normally expect the City to provide to us in assisting us in conducting our fieldwork.

- Trial Balance
- Annual Comprehensive Financial Report Account Mapping and Fund Roll Up Schedules
- Budget to Actual Reports
- Bank Reconciliations
- Listing of manually prepared journal entries posted
- Summary of Investments held by the City
- Capital Asset Schedules
- Long Term Debt Schedules
- Debt amortization schedules & Calculations of deferred amounts
- Calculations of any debt covenants amounts or percentages
- Schedule of Leases
- Schedule of Expenditures of Federal Awards
- Analysis of Deferred Inflows of Resources an Deferred Outflows of Resources
- Reconciliation of Receivables to subsidiary ledgers
- Calculations for estimate of allowance for uncollectible accounts
- Loans Receivable Schedules
- Reconciliation of Significant Revenue Accounts
- Utility billing Registers and Fee schedules
- Compensated Absences Schedules and Copies of Related Policies
- Claims Payable Schedules
- Pension and OPEB Roll Forward & Supporting Schedules
- GASB 54 Fund Balance Roll Forward Schedule
- Interfund Transaction Schedules

Use of Technology in the Audit

The Firm maintains a variety of specialized software packages during the audit that enable us to perform an efficient, thorough, and timely audit and keeping time demands on City staff to a minimum.

Trial Balance Management and Financial Statement Preparation

ProSystem Fx Engagement allows us to import and manage multiple years of trial balance data including budgetary information, create multiple account groupings, generate reports, post journal entries proposed during the audit (including GASB 34 conversion entries), and link information directly to the financial statements. This gives us the ability to:

- Generate immediate trend and other comparative analysis of trial balance and budget data prior to the start of the audit. This allows us to identify potential issues and make inquiries early in the audit
- Link the financial statements and footnotes prior to the start of the audit allowing us to have majority of the financial statements (including budgetary comparison schedules and other supplementary information) prepared at the time the trial balance is uploaded
- Audit adjustments or City adjustments provided during the audit are automatically reflected in the financial statements

Audit Request Management and Document Exchange

CCH Engagement Organizer (“Organizer”) is a virtual “Prepared by Client (PBC) List” that streamlines the process of requesting, receiving, and keeping track of documents. The Organizer is an integrated cloud-based request list that helps to facilitate the engagement through more seamless collaboration between the Firm and our clients. By utilizing the Organizer, the City can do all of the following in one secure virtual environment:

- Attach files of any type to document requests
- Easily track the status of document requests that are either pending, completed by the City, accepted by us, or rejected by us
- Access templates and documents from us that require completion
- Have multiple City staff get involved and assist in the audit process
- Participate in a dialog with us for questions and notes

Especially with having to perform a large part of the audit remotely in 2020, and anticipated for the upcoming year, we have found that the use of the Organizer has helped our clients be always informed as to the status of their audit, and not be surprised with new requests or follow up on outstanding requests previously provided.

Computer Aided Audit Tools (CAATs)

The Firm’s data analytics software enables our Engagement Team to perform more than 150 Computer Aided Audit Tools (or “CAATs”). CCH Teammate Analytics gives us the ability to perform advanced data analysis and increase efficiency. By utilizing this software, we can:

- Immediately visualize and analyze 100% of account populations with graphs, charts and statistics to identify anomalies
- Make fewer sample selections that are targeted to problematic areas
- Quickly analyze transactional data for:
 - Duplicate records
 - Missing transactions
 - Transaction sequence
 - Unusual items
- Compare excel worksheets for changes or differences
- Generate immediate testing samples
- Perform regression analysis
- Filter and extract data from City reports

Audit Planning, Risk Assessment, and Audit Programs

Our firm utilizes CCH Knowledge Coach, which is an expert system that adapts and customizes our audit approach specifically based on the City's structure, operating environment, specific transactions, and identified risks or matters to be addressed in the audit. The software is frequently updated for new industry trends and audit requirements. Included in the software is a continuous diagnosis of audit forms that identifies missing information, procedures, or any conflicts that need to be addressed prior to issuance of the audit report. We have found that this audit tool greatly benefits our audit clients in the following ways:

- Removal of standardized audit steps and procedures that do not add value to the audit
- Targeted audit procedures focusing on risks and accounts specific to the City's operations
- Audit is always performed in accordance with audit standards especially the risk assessment standards
- Maximizing audit efficiency having less City staff time dedicated to gathering information or responding to inquiries by focusing on material issues
- Automatic self-diagnostics ensure no audit steps are missed, guaranteeing a quality audit

Research Tools

We maintain multiple research software packages that are always kept up to date to ensure compliance with accounting and auditing standards, and are also a resources for us to provide guidance to our clients. In addition to accounting and audit literature, we have access to interactive disclosure checklists that include sample footnote disclosures and financial statements.

Audit Schedule

| 2022 Period | Audit Tasks |
|----------------|---|
| May | <p>- Planning and Administration</p> <ul style="list-style-type: none"> ▶ Review and obtain copies of key work papers of prior audit firm. ▶ The entrance conference shall be held with City staff. The purpose of this meeting will be to discuss prior audits and the interim work to be performed. This meeting will also be used to establish overall liaison for the audits and to make arrangements for work space and other needs ▶ Review and evaluate the City's accounting and financial reporting. Prepare an overall memo of recommendations, potential issues, and suggestions for improvements ▶ Prepare overall memo to the City confirming audit procedures, timing, and assistance ▶ Prepare detailed audit work plan and audit programs, audit budget and staffing schedule, and list of schedules to be prepared by the City staff ▶ Send the Organizer to the City that will include all request items considered to be necessary for the audit |
| May - June | <p>- Internal Control Evaluation</p> <ul style="list-style-type: none"> ▶ Meeting with City Manager and Department Heads of other departments with large operating budgets or which have significant federal grant expenditures ▶ Attending City Council meetings ▶ Meeting with off-site locations ▶ Meeting with key Finance Department personnel ▶ Obtain and document understanding of key internal control systems through walk-throughs, interviews of staff, and review of supporting documentation <ul style="list-style-type: none"> ○ General ledger system ○ Budgeting system ○ Revenue, utility billing, accounts receivable, and cash collections ○ Purchasing, expenditures, accounts payable, and cash disbursements ○ Payroll ○ Federal Financial Assistance ○ Other systems ▶ Identify control risks ▶ Evaluate IT control environment ▶ Perform testing of the internal control system and evaluate the effectiveness of the City's systems. Select large dollar and random samples of transactions in key operating systems. Sample size to meet required level for determined degree of risk. Review supporting documentation of selected transactions, evaluate adequacy of support and approvals, and conclude on degree of adherence to accuracy and compliance with City policies ▶ Conduct fraud assessment procedures ▶ Assess degree of risk for material misstatement ▶ Provide to the City's management a memo concerning management letter points and identify issues, if any |

| 2022 Period | Audit Tasks |
|------------------------|--|
| May - June | <p data-bbox="625 310 824 338">- Other Tasks</p> <ul style="list-style-type: none"> <li data-bbox="673 373 1507 401">▶ Review minutes of City Council meetings and other key committees <li data-bbox="673 405 1507 674">▶ Perform preliminary substantive procedures, which would include tests of: <ul style="list-style-type: none"> <li data-bbox="764 468 1198 495">○ Vendor and contractor payments <li data-bbox="764 499 1003 527">○ Payroll expense <li data-bbox="764 531 954 558">○ Utility billing <li data-bbox="764 562 1127 590">○ Pension and OPEB testing <li data-bbox="764 594 1114 621">○ Capital asset acquisitions <li data-bbox="764 625 987 653">○ Journal entries <li data-bbox="764 657 1344 684">○ Retrospective review of accounting estimates <li data-bbox="673 688 1507 737">▶ Financial statement database management and other setup, in addition to drafting of all necessary report templates <li data-bbox="673 741 1349 768">▶ Preliminary Single Audit and other compliance testing <li data-bbox="673 772 1507 1100">▶ Coordinate with City staff and prepare of all appropriate confirmation requests including: <ul style="list-style-type: none"> <li data-bbox="764 831 987 858">○ Bank accounts <li data-bbox="764 863 1114 890">○ Investment pool accounts <li data-bbox="764 894 1052 921">○ Accounts receivable <li data-bbox="764 926 987 953">○ Federal grants <li data-bbox="764 957 1263 984">○ Revenue from governmental agencies <li data-bbox="764 989 1068 1016">○ Bond and other debts <li data-bbox="764 1020 971 1047">○ Pension plan <li data-bbox="764 1052 992 1079">○ Attorney letters <li data-bbox="764 1083 1040 1110">○ Others, as required <li data-bbox="673 1115 1507 1163">▶ Update the Organizer with any additional requests that will be needed for the City's audit <li data-bbox="673 1167 1507 1194">▶ Provide the City with audit plan and list of year-end audit schedules <li data-bbox="673 1199 1295 1226">▶ Hold progress conference with City Management <li data-bbox="673 1230 1230 1257">▶ Hold exit conference with City Management |
| September - October | <p data-bbox="625 1287 873 1314">- Final Field work</p> <ul style="list-style-type: none"> <li data-bbox="673 1350 1235 1377">▶ Entrance conference with City Management <li data-bbox="673 1381 1214 1409">▶ Follow-up on all outstanding confirmations <li data-bbox="673 1413 1507 1493">▶ Verify and validate account balances by reviewing supporting documentation including invoices, vouchers, council resolutions, minutes, and other documents, as required <li data-bbox="673 1497 1507 1556">▶ Perform analytical review of revenue and expenditures. Determine reason for material differences between budget and actual <li data-bbox="673 1560 1507 1640">▶ Perform a search for unrecorded liabilities by reviewing disbursements subsequent to June 30, testing terms of contractual obligations, and interviewing City staff <li data-bbox="673 1644 1507 1728">▶ Perform review of subsequent events by discussions with City Management and update all minutes of City Council and key committees |

| 2022 Period | Audit Tasks |
|----------------|-------------|
|----------------|-------------|

- **Single Audit Compliance (if required)**
 - ▶ Entrance conference with City Management
 - ▶ Obtain Federal Financial Assistance Schedule
 - ▶ Determine grants to be considered as major programs including clusters
 - ▶ Perform audit tests of major grant programs and compliance with Federal Law and Regulations
 - ▶ Review grant documents, select sufficient number of transactions to test for compliance of Federal Requirements
 - ▶ Coordinate Single Audit efforts with the Financial Audit efforts
 - ▶ Communicate findings to City Management
 - ▶ Other Compliance

- October - November - **Audit Reports**
 - ▶ Complete drafts of City’s Annual Comprehensive Financial Report
 - ▶ Prepare draft of Single Audit Reports concerning internal control structure, compliance with laws and regulations, and administering of federal financial assistance programs
 - ▶ Prepare other reports as required
 - ▶ Provide revised final drafts of all required reports to the City for approval

- November - **Final City Audit Reports, Financial Statements, and other reports delivered.**

- December - **Audit Presentation to Council**

- January 2023 - **State Controller’s Reports delivered and submitted**
- **Single Audit Reports delivered by no later than January 16th.**

Estimated Hours by Audit Phase

| Position | Planning | Interim Fieldwork | Year End Fieldwork | Reporting | Total |
|--------------------------|-----------|----------------------|-----------------------|-----------|------------|
| Partner | 7 | 17 | 12 | 3 | 39 |
| Audit Manager | 6 | 27 | 29 | 4 | 66 |
| Audit Senior | 12 | 42 | 45 | 6 | 105 |
| Professional Audit Staff | - | 73 | 67 | 9 | 149 |
| Administrative Assistant | 4 | 7 | - | 7 | 18 |
| Total | 29 | 166 | 153 | 29 | 377 |

Discussion of Identification of Anticipated Potential Audit Problems

Relevant Accounting Issues

We do not anticipate that there will be any audit problems at the City. However, the following are some areas that we will carefully investigate and monitor during our audit procedures:

- Financial Reporting:
 - Review and evaluate that the City's Annual Financial Reports are in compliance with current reporting and disclosures requirements issued by the GASB and GFOA.
 - Review Annual Financial Reports for financial reporting conformance awards issued by CSMFO and GFOA.
 - Review and evaluate degree of compliance with the various GASBs in effect.
 - Review degree of compliance with infrastructure obligations and regulatory provisions.
- Internal Control Structure:
 - Review and evaluate the City's internal control functions and ascertain compliance with proper internal control philosophies.
 - Review computer system processes and controls and evaluate adequacy of the control environment.

Several new GASB pronouncements will become effective over the time period of this proposal. As such, specific attention will be provided to determine the proper implementation of these new pronouncements. A list of known new pronouncements with implementation dates that fall within this proposal period are as follows:

2022

- Statement 87 – Leases
- Statement 89 – Construction-period Interest
- Statement 92 – Omnibus (multiple effective date)
- Statement 93 – LIBOR Removal and Lease Modifications
- Statement 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

2023

- Statement 91 – Conduit Debt
- Statement 94 – Public-private Partnerships
- Statement 96 – Subscription-Based Information Technology Arrangements

**Comprehensive Schedule of Professional Fees
Cost Bid**

| Service | 2022 Hours | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 Optional Year | 2028 Optional Year |
|--|------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|--------------------|
| City Financial and compliance audit, including management report and Annual Comprehensive Financial Report | 202 | \$ 18,645 | \$ 18,770 | \$ 19,185 | \$ 19,295 | \$ 19,255 | \$ 19,255 | \$ 19,255 |
| GANN Limit Agreed-upon Procedures | 7 | 665 | 735 | 775 | 825 | 880 | 880 | 880 |
| Lemon Grove Sanitation District Audit | 40 | 3,695 | 3,775 | 3,910 | 4,160 | 4,420 | 4,420 | 4,420 |
| Lemon Grove Roadway Lighting District Audit | 40 | 3,695 | 3,775 | 3,910 | 4,160 | 4,420 | 4,420 | 4,420 |
| Annual Street Report | 7 | 665 | 735 | 775 | 825 | 880 | 880 | 880 |
| Single Audit (if required) | 28 | 2,615 | 2,710 | 2,730 | 2,745 | 2,925 | 2,925 | 2,925 |
| City's State Controller's Reports | 21 | 1,950 | 2,155 | 2,285 | 2,435 | 2,585 | 2,585 | 2,585 |
| Sanitation District's State Controller's Reports | 16 | 1,510 | 1,665 | 1,760 | 1,870 | 1,980 | 1,980 | 1,980 |
| Lighting District's State Controller's Reports | 16 | 1,510 | 1,665 | 1,760 | 1,870 | 1,980 | 1,980 | 1,980 |
| Total | 377 | \$34,950 | \$35,985 | \$37,090 | \$38,185 | \$39,325 | \$39,325 | \$39,325 |

| Position | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | 2027 | | 2028 | |
|--------------------------|------------------|--------|------------------|--------|------------------|--------|------------------|--------|------------------|--------|------------------|--------|------------------|--------|
| | Hours | Rates |
| Partner | 39 | \$ 150 | 37 | \$ 160 | 37 | \$ 160 | 35 | \$ 160 | 34 | \$ 165 | 34 | \$ 165 | 34 | \$ 165 |
| Audit Manager | 66 | 120 | 61 | 130 | 59 | 135 | 57 | 145 | 55 | 145 | 55 | 145 | 55 | 145 |
| Audit Senior | 105 | 85 | 97 | 95 | 94 | 105 | 92 | 110 | 89 | 120 | 89 | 120 | 89 | 120 |
| Professional Audit Staff | 149 | 75 | 139 | 85 | 134 | 90 | 130 | 100 | 126 | 110 | 126 | 110 | 126 | 110 |
| Administrative Assistant | 18 | 60 | 17 | 65 | 17 | 75 | 16 | 75 | 16 | 75 | 16 | 75 | 16 | 75 |
| Total Hours | 377 | | 351 | | 341 | | 330 | | 320 | | 320 | | 320 | |
| Total Cost | \$ 34,950 | | \$ 35,985 | | \$ 37,090 | | \$ 38,185 | | \$ 39,325 | | \$ 39,325 | | \$ 39,325 | |

Manner of Payment:

Each Engagement Team member maintains detailed time sheets describing work performed, date of work, and amount of time spent on each task for the Engagement. The Firm will bill the City after completion of each phase of the audit and bill the City up to a maximum of 90%. The remaining 10% of the proposal amount will not be due until all final reports are delivered and accepted by the City. The City can anticipate three billings as follows:

| Work Performed | % of Proposal Amount |
|---|-----------------------------|
| For interim work | 45% |
| For year-end work | 45% |
| At presentation and acceptance of final reports | 10% |
| Total | 100% |

Rates for Additional Professional Services:

Any services outside the scope of our engagement will be promptly identified before the services are rendered. Upon mutual agreement, the out-of-scope services will be separately billed at our standard hourly rates. While it can be difficult to simply state hourly rates, as often times the needs of the client and the specific tasks directly impact the billing rates for our services, we want to provide the following information regarding our published billing rates:

| Position | Hourly Rate |
|-----------------|--------------------|
| Partner | \$ 200 |
| EQR | 200 |
| Manager | 150 |
| Senior | 125 |
| Staff | 100 |
| Admin. | 75 |

Our Standard Hourly Rates are adjusted annually by 3% for Cost of Living and Inflation Adjustments

Conclusion A client relationship with the City will be of great value to our Firm and we welcome the opportunity to develop a long-term relationship with the City. We are committed to:

- Rendering the highest standard of service
- Developing a long-term working relationship dedicated to meeting the needs of the City
- Assisting the City in operational issues
- Producing a quality end-product

We have the technical qualifications and experience to provide the level of service desired and expected by the City and stand ready to provide our knowledge and experience for the benefit of your organization.

We would like to express our appreciation to the City and to its Staff for allowing us the opportunity to submit a proposal to perform professional auditing services. We are available, at your convenience, to discuss any aspects of our proposal.

Thank you for allowing us to present our Firm to you.

Appendix A References

- 1) City of Berkeley
 - Scope of Work: Annual Comprehensive Financial Report, Gann Limit, SAS114, Measure B (Alameda County), Vehicle Registration Fee Audit (Alameda County), Due Diligence Reviews for the RDA Successor Agency
 - Engagement Partner: Ahmed Badawi (2008 – 2019), Mitesh Desai (2020- Present)
 - Address: 2180 Milvia Street, Berkeley, CA 94704
 - Principal Contact:
Mr. Henry Oyekanmi
Finance Director
(510)981-7332
hoyekanmi@ci.berkeley.ca.us
- 2) City of Antioch
 - Scope of Work: Annual Comprehensive Financial Report, SAS 114, GANN Limit, Single Audit, Antioch Public Financing Authority, Antioch Area Public Facilities Financing Agency
 - Engagement Partner: Ahmed Badawi (2005 – 2019), Mitesh Desai (2020- Present)
 - Address: 200 H Street, Antioch, CA 94509
 - Principal Contact:
Ms. Dawn Merchant
Finance Director
(925)779-6135
dmerchant@ci.antioch.ca.us
- 3) City of Azusa
 - Scope of Work: Annual Comprehensive Financial Report, SAS 114, GANN Limit, Single Audit, Public Financing Authority, Community Facility Districts, Azusa RMC-JPA, Public Safety CFD
 - Engagement Partner: Ahmed Badawi (2017 – Present)
 - Address: 213 E. Foothill Blvd, Azusa, CA 91702
 - Principal Contact:
Ms. Talika Johnson
Administrative Services Director
(626)812-5202
tjohnson@AzusaCa.Gov
- 4) City of Petaluma
 - Scope of Work: Annual Comprehensive Financial Report, Transportation Development Act Fund, SAS 114
 - Engagement Partner: Ahmed Badawi (2019 – Present)
 - Address: 11 English St, Petaluma, CA 94952
 - Principal Contact:
Ms. Corey Garberolio
Finance Director
(707)778-4357
cgarbero@cityofpetaluma.org
- 5) City of Lafayette
 - Scope of Work: Annual Comprehensive Financial Report, Single Audit, Gann Limit, TDA, Lamorinda Fee and Finance Authority Report, Lamorinda School Bus Transportation Agency Report
 - Engagement Partner: Ahmed Badawi (2020 – Present)
 - Address: 3675 Mount Diablo Blvd., #210, Lafayette, CA 94549
 - Principal Contact:
Ms. Tracy Robinson
Administrative Services Director
(925)299-3227
trobinson@lovelafayette.org

Appendix B Exceptions to the Contract

With regard to the Sample Professional Services Agreement, we would like the following items to be edited:

RFP attachment, Sample Professional Services Agreement, 6. Disposition and Ownership of Documents, we would like to edit the paragraph as follows:

6. **DISPOSITION AND OWNERSHIP OF DOCUMENTS.** Unless such property is proprietary in nature, 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.

Lemon Grove Regular City Council Meeting

PLEASE MUTE ALL DEVICES

Meeting is recorded for the purpose of drafting meeting minutes.

Audio of the meeting is uploaded to the City website within 72 hours following meeting.



CALL TO ORDER



PLEDGE OF ALLEGIANCE



CHANGES TO THE AGENDA



PRESENTATION:

Regional Decarbonization Framework: A Collaborative Effort to Lower the Region's Carbon Footprint

Presented by: Murtaza H. Baxamusa, PhD, AICP, Program
Manager for Regional Sustainability at the County of San Diego's
Land Use and Environment Group



PUBLIC COMMENT

- Please fill out and submit a speaker slip to the City Clerk **BEFORE** the item on the agenda has been heard at the City Council Meeting to address the Council.
- Speaker Slips are located at the entrance of the Chambers.



ALL SPEAKERS RELATING TO PUBLIC COMMENT WILL HAVE 3 MINUTES TO ADDRESS COUNCIL

1. CONSENT CALENDAR



2. REPORT(S) TO COUNCIL

Installation of an All Way Stop Intersection at Palm Street and Washington Street

Presented by: Ed Walton, Contracted City Engineer





Nornel Ln

STOP

Palm St

Palm St

STOP

RECOMMENDATION:

That the City Council adopt a resolution approving the installation of an all way stop intersection at Palm Street and Washington Street.



3. REPORT(S) TO COUNCIL

Agreement for Professional Financial Auditing Services

Presented by: Joseph Ware, Finance Manager



Summary

- Request for Proposal
 - Issued in accordance with:
 - Lemon Grove Municipal Code
 - Chapter 3.24 Purchasing
 - Chapter 3.24.050 Methods of Purchasing

Request Criteria

1. Affirmative Statement that the firm is independent of the City
2. Statement of Qualifications and Experience
3. Explanation of Approach
4. Tentative Schedule for the Audit
5. Minimum of five (5) references
6. Separate Fee Schedule

Evaluation

- Reviewed independently by Finance Staff
- Rated on the five (5) areas independently
- Weighted Scoring
 - 15% (or 15 points maximum):
 - Qualifications and Experience
 - California Government Client Experience
 - Audit Approach
 - Understanding of Objectives and Scope
 - 40% (or 40 points maximum) For Fees Schedule
- Reference Checks

Term of Contract

- Five Years beginning FY 2022 Audit
- Expires After Audit in FY 2027 Audit
- Extension Option for Two Additional Years
- Termination Clause with 30 Days Written Notice
- Liquidated Damages Clause for Late Deliverables

Staff Recommendation

- Based on the panel scoring and Reference Checks of the top three Firms:
 - Adopt Resolution 2022-XXX awarding the Financial Auditing Services Contract to Badawi & Associates, CPA

Questions

- This Concludes the Staff Report
- Staff is Available for Questions

RECOMMENDATION:

That the City Council award an agreement for Professional Financial Auditing Services to Badawi & Associates, CPA for Professional Financial Auditing Services.



CITY COUNCIL REPORTS ON MEETINGS ATTENDED AT THE EXPENSE OF THE CITY



CITY MANAGER REPORT



ADJOURNMENT



March 2022

San Diego Regional Decarbonization Framework

Summary for Policy Makers

DRAFT – NOT FOR CITATION



Project Team

Project Director

Gordon C. McCord

Director, SDG Policy Initiative

School of Global Policy and Strategy, University of California San Diego (UC San Diego)

Project Manager

Elise Hanson, UC San Diego

San Diego County Representatives

Sarah Aghassi, Deputy Chief Administrative Officer, Land Use and Environment Group (LUEG)

Murtaza Baxamusa, Program Manager for Regional Sustainability, LUEG

Rebeca Appel, Program Coordinator, LUEG

Nicole Boghossian Ambrose, Group Program Manager, LUEG

RDF Technical Analysis Chapter Authors:

Study Approach

Ryan Jones, Evolved Energy Research

Geospatial Analysis of Renewable Energy Production

Emily Leslie, Montara Mountain Energy

Joseph Bettles, UC San Diego

Accelerating Deep Decarbonization in the Transportation Sector

Katy Cole, Fehr & Peers

Chelsea Richer, Fehr & Peers

Eleanor Hunts, Fehr & Peers

Decarbonization of Buildings

Asa Hopkins, Synapse Energy Economics

Philip Eash-Gates, Synapse Energy Economics

Jason Frost, Synapse Energy Economics

Shelley Kwok, Synapse Energy Economics

Jackie Litynski, Synapse Energy Economics

Kenji Takahashi, Synapse Energy Economics

Natural Climate Solutions and other Land Use Considerations

Elise Hanson, UC San Diego

Emily Leslie, Montara Mountain Energy

Employment Impacts through Decarbonization in the San Diego Region

Robert Pollin, PERI, University of Massachusetts Amherst

Jeannette Wicks-Lim, PERI, University of Massachusetts Amherst

Shouvik Chakraborty, PERI, University of Massachusetts Amherst

Gregor Semieniuk, PERI, University of Massachusetts Amherst

Key Policy Considerations for the San Diego Region

Joseph Bettles, UC San Diego

Gordon C. McCord, UC San Diego

David G. Victor, UC San Diego

Emily Carlton, UC San Diego

Local Policy Opportunity Analysis

Scott Anders, Energy Policy Initiatives Center, University of San Diego

Nilmini Silva Send, Energy Policy Initiatives Center, University of San Diego

Joseph Kaatz, Energy Policy Initiatives Center, University of San Diego

Yichao Gu, Energy Policy Initiatives Center, University of San Diego

Marc Steele, Energy Policy Initiatives Center, University of San Diego

The San Diego Region as a Model

Elena Crete, UN Sustainable Development Solutions Network (SDSN)

Julie Topf, UN Sustainable Development Solutions Network (SDSN)

Appendix A: Summary of Statewide Energy System Modeling

Ryan Jones, Evolved Energy

Appendix B: Review of Authority for Local Jurisdictions and Agencies to Influence and Regulate GHG Emissions

Joseph Kaatz, Energy Policy Initiatives Center, University of San Diego

Acknowledgements: The RDF team thanks David Victor for his advisory role across the project, as well as Joseph Bettles, Tyler Spencer, Emily Carlton, and Elissa Bozhkov for research and editorial support.

Summary for Policy Makers

The global scientific consensus is unequivocal: the world is in the midst of a climate crisis and our window to meaningfully reduce greenhouse gas emissions (GHGs) is closing.ⁱ Human activities and influence have warmed the atmosphere, ocean, and land through rapid accumulations of GHGs in the atmosphere and the ocean, causing rapid and alarming changes. Global agreements, like the Paris Climate Agreement, and California executive orders recognize the immediacy of decarbonization required across industries. Where past diplomatic efforts have failed to achieve enough progress on climate change, regional models of problem-solving that account for both global commitments and local needs can emerge as a more effective approach.

The San Diego Regional Decarbonization Framework (RDF) Technical Analysis provides technical and policy pathways to decarbonization in the medium-term to inform near-term policy-making in regional, county, and city governments. The report models science-based pathways to net zero carbon emissions for the region by 2045, which is consistent with the Paris Climate Agreement and with State mandates. The pathways can provide a shared vision for the San Diego region towards collectively reducing net GHG emissions such that they align with State goals for net zero. This report is a technical analysis of how different sectors in the energy system can contribute to decarbonization, but it does not identify the “right” pathway and instead shows multiple ways forward to highlight tradeoffs, co-benefits, decision points, risks, and synergies. This analysis is meant to be constantly updated as technologies evolve or as uncertainties are resolved or clarified, and the report explores policy processes that will help jurisdictions in the region learn about uncertainties and adjust strategies in light of new information.

Study Framework and Key Policy Considerations

This report looks at ways to reduce carbon emissions in San Diego’s regional energy system, which is defined as the total production and consumption of energy in the electric power, transportation, and buildings sectors, to align with State and national pathways to reach net zero. By “net zero,” this report means that human-caused carbon dioxide (CO₂) emissions from the energy system equal human-caused CO₂ removal and storage and therefore do not

ⁱ Intergovernmental Panel on Climate Change (IPCC), “Climate Change 2022: Impacts, Adaptation, and Vulnerability. Summary for Policymakers.” WGII Sixth Assessment Report, February 2022. Available at: https://report.ipcc.ch/ar6wg2/pdf/IPCC_AR6_WGII_FinalDraft_FullReport.pdf

contribute net emissions to the atmosphere.ⁱⁱ The RDF Technical Analysis does not rely on offsets outside the San Diego region to reach net zero targets. It is important to note that there are emissions from other sectors, such as waste, that were not included in this analysis.

The RDF Technical Analysis’s decarbonization pathways were modeled from larger national and State deep decarbonization scenarios to ensure that the San Diego regional pathways are aligned with Statewide pathways to decarbonization. Evolved Energy Research (EER) developed these regional models under five model cases (sometimes referred to as scenarios).ⁱⁱⁱ The models of deep decarbonization, which is the process of drastically reducing carbon dioxide and other greenhouse gas emissions throughout the economy, allow for quantitative comparative analyses of regional policy options and decarbonization outcomes in different sectors. An example of EER’s modeling outputs for the energy sector show how the different model cases will affect Statewide decarbonization in both the total installed electricity capacity required (Figure 1) and the energy and industry CO₂ emissions that occur through 2050 (Figure 2). Using these downscaled models is also important because local energy and transportation systems are interconnected with other regions and states, so regional jurisdictions should move in unison with other regional and state jurisdictions as they decarbonize.

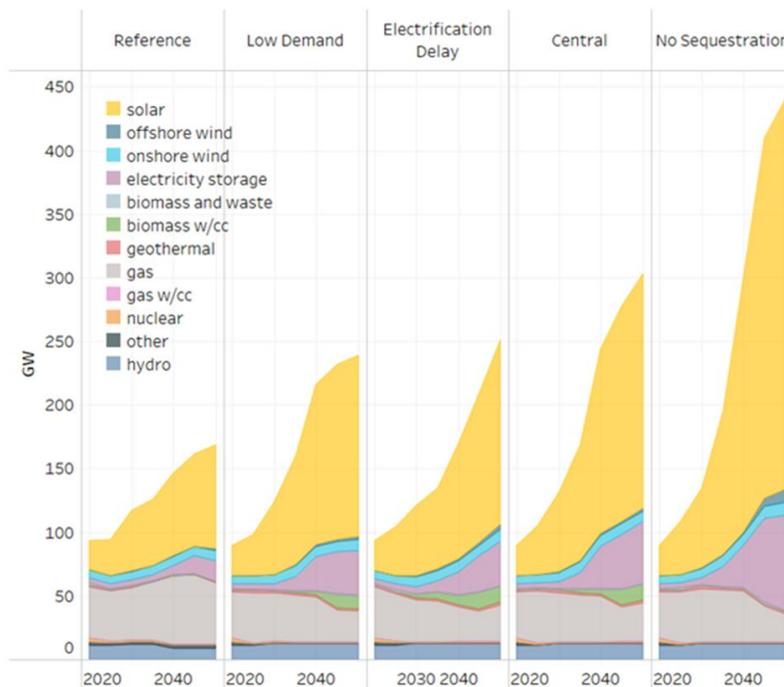


Figure 1. Results for the total installed electricity capacity required in California to reach net zero Statewide emissions by 2050 under five different model scenarios in the EER model. More information about the EER model, downscaling, and model cases is available in Appendix A.

ⁱⁱ Note that the energy system modeling only considers CO₂ emissions, where the natural climate solutions and Climate Action Plan analyses consider other greenhouse gases as well, including methane, nitrous oxides, ozone, etc. These GHGs are converted to their “carbon dioxide equivalent” (CO₂e) for easier comparison.

ⁱⁱⁱ More details on the model cases can be found in Chapter 1 and Appendix A.



Figure 2. Results for CO₂ emissions from energy and industrial processes in California from the EER model. Colors above the x-axis represent positive emissions, and colors below represent offsetting negative emissions. The black line indicates net CO₂ emissions. “Product and bunkered CO₂” is either CO₂ that ends up sequestered in materials (e.g., asphalt sequesters CO₂ during its production) or CO₂ reductions not counted in current inventories (e.g., interstate aviation emissions reductions are not included in a single state’s emissions accounting, but intrastate aviation is).

Experts in renewable energy production, transportation, and buildings modeled technically feasible decarbonization pathways for the region to create a science-based roadmap of regional decarbonization to net zero emissions by mid-century. These models focused on proven, scalable technologies for decarbonizing the region’s largest GHG emitters (Figure 3) that are within the jurisdiction of local governments and agencies. Thus, technologies that are still in experimental or early phases were not included because they cannot immediately be deployed at scale by regional authorities. Similarly, resource deployments in State and federal waters were not included except to give context to the resource availability in the San Diego region.

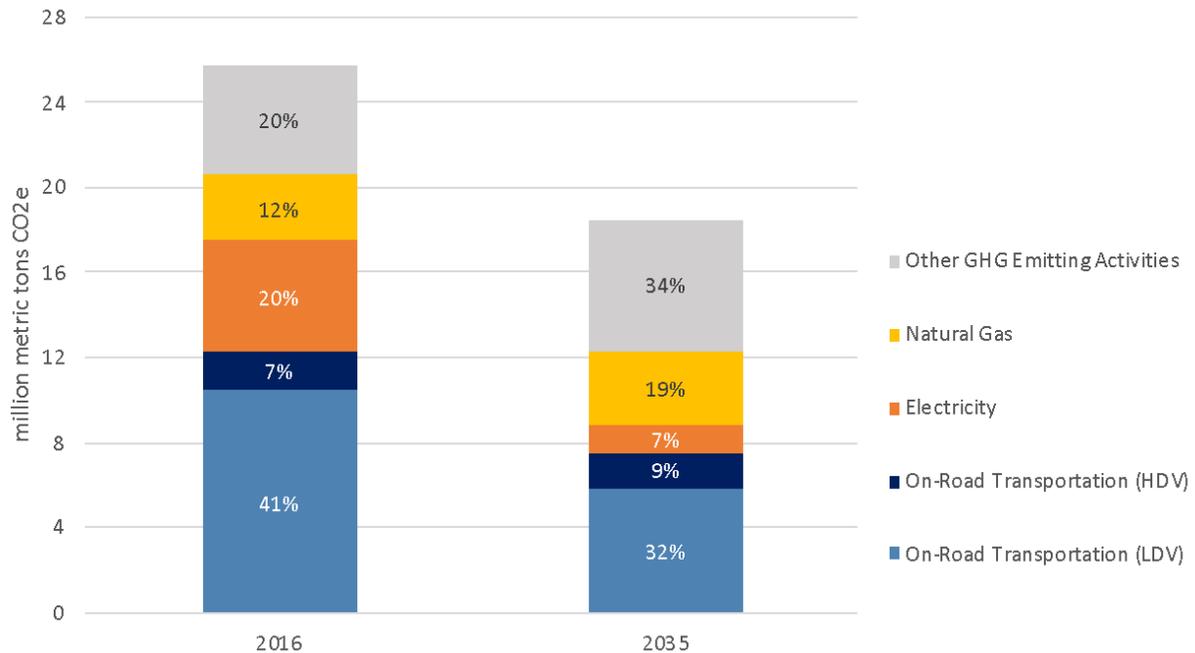


Figure 3. Region-wide estimates of the emissions of carbon dioxide equivalent (CO₂e) measured in million metric tons. The “other” category includes emissions from industrial sources, off-road transportation, waste, aviation, water, etc., which were not considered in the RDF Technical Analysis. Note that 2035 values account for the impacts of certain State and federal actions. Source: the SANDAG 2021 Regional Plan’s Appendix X, available here: https://sdforward.com/docs/default-source/2021-regional-plan/appendix-x---2016-greenhouse-gas-emissions-inventory-and-projections-for-the-san-diego-region.pdf?sfvrsn=8444fd65_2

Additionally, the RDF Technical Analysis highlights uncertainties in the decarbonization process and the need for ongoing planning processes that can adapt as the technology and policy landscapes evolve. For example, increased renewable energy availability from Imperial County or Mexico may affect the San Diego region’s renewable energy mix, which could avoid the need to build higher-cost renewable energy infrastructure locally. Similarly, State and/or Federal development of offshore wind could reduce the need for land-based renewable infrastructure development in the San Diego region. Therefore, the decision-making systems developed from the RDF Technical Analysis’s findings should allow for continuous updating as technology and policy landscapes change.

Key Policy Considerations

Successful decarbonization will require technical solutions as well as policy strategies that can adapt with scientific advances as well as local political and economic conditions. The RDF technical analysis provides the best assessment of least cost and most effective near-term solutions for reducing emissions in each sector. These “low-regrets” actions will be robust decarbonization actions in the near-term regardless of how uncertainty is resolved, but whether they are the best pathways over the long term is still unknown. Effective learning and policy adjustment requires that local actors – both leaders and people on the front-line – first

implement solutions and then engage in systematic and continuous review of results to drive meaningful learning about what works and what doesn't. The "best" solutions and pathways can and should evolve over time as science and technology advance and as local actors learn what is effective in the San Diego context.

The RDF Technical Analysis proposes region-wide institutional governance that can facilitate continued collaboration and learning across jurisdictions.^{iv} Organized into a Regional Steering Committee, Sector Working Groups, and Front-Line Advisors, this structure would bring together knowledgeable government officials, planning bodies, regulators, industry stakeholders, experts, and front-line workers in each sector from across the region to test, evaluate, and adjust solutions and goals. Such a structure is necessary because achieving the big changes and rapid learning needed to address climate change is a collective action problem. Individually, local jurisdictions and agencies in the San Diego region have a limited degree of direct authority over the full suite of actions needed to decarbonize (though some may have more indirect influence). Region-wide cooperation can increase their effectiveness through clear, credible, and consistent policy signals, joint problem-solving and pooling of experience about what does and does not work, and increased leverage and capacity from combined resources. As discussed in Chapters 7 and 8, examples of regional cooperation could include setting county-wide incentives to motivate action, collecting and tracking data, conducting analyses, providing support to develop and implement policies, and convening stakeholders and working groups to develop regional strategies and monitor progress. A formal mechanism, such as a Regional Climate Action JPA, could facilitate such cooperation and, in doing so, help scale strategic thinking and decision-making around decarbonization. Figure 4 outlines an institutional process through which regional governance, informed by the technical solutions proposed in the RDF and ongoing engagement with stakeholders, can drive meaningful learning in each sector.

Within this institutional process, the RDF Technical Analysis also proposes two strategies for engaging with actors and agencies outside the region to maximize impact within the region. First, regional decarbonization leaders will need to engage continually with outside agencies, especially at the state level, to influence policies that affect local efforts (e.g., renewable energy regulations). Second, local leaders should take advantage of the county's technology-focused private sector and multiple university communities to establish the San Diego region as a test bed for pilot and demonstration projects. While regional-scale investments in innovation alone are not likely to have dramatic impacts on technological readiness across all sectors, local testing and deployment of technologies developed outside the county can contribute to the global effort to push the frontier of science on climate solutions. In addition to driving local

^{iv} More information on collaboration and learning across jurisdictions is available in Chapter 7.

emissions reductions, external engagement is an opportunity to bring outside resources and attention from State and federal policymakers to the region, with potential positive effects on the local economy.

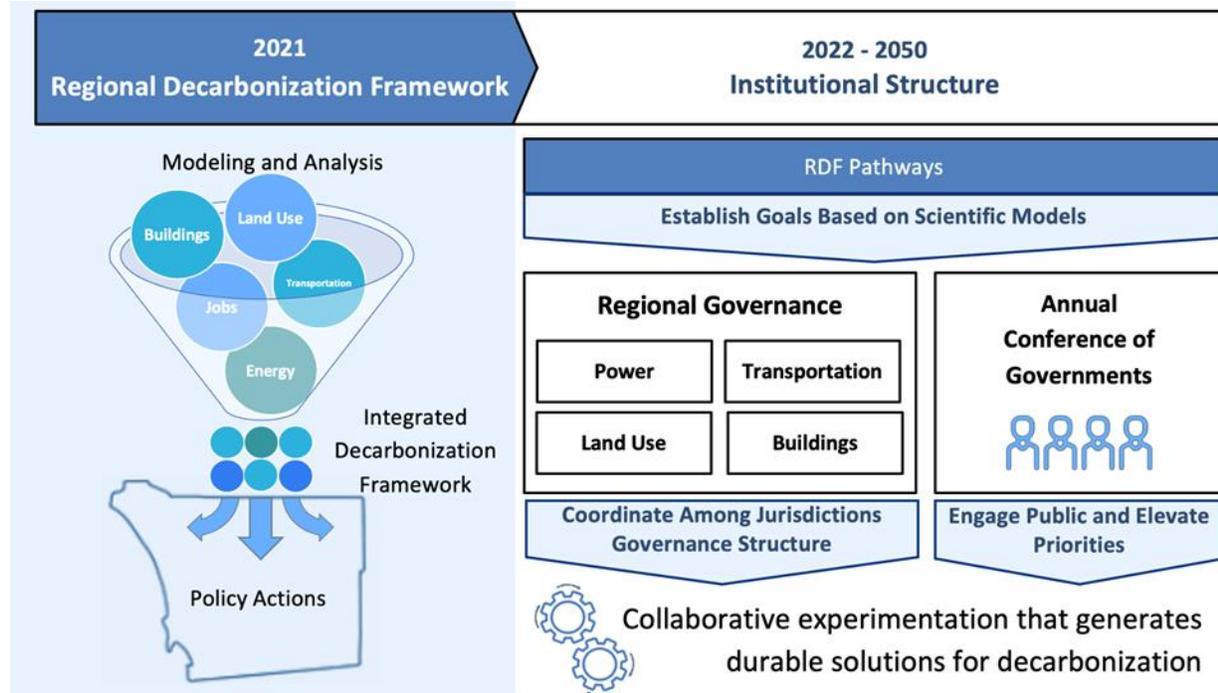


Figure 4. RDF Technical Analysis as part of an Integrated Decarbonization Framework and an institutional structure. This structure could include regional governance bodies for the San Diego region and a conference of governments, for example.

In sum, the RDF proposes institutionalizing a highly transparent, cooperative process for eliciting new information about "what works" with deep decarbonization, comparing best practices within the county, and engaging outside the region with policymakers, industry stakeholders, and other experts contributing to the evolution of the national strategy. This is important not just to maximize local emissions reductions, but also for San Diego to influence State and federal climate policy and become an effective leader for other jurisdictions. Given that the San Diego region makes up just 0.08% of global emissions, generating followership is vital for the region to truly make an impact on mitigating climate change.

Decarbonizing Electricity

The RDF Technical Analysis identifies low-impact, high-quality, and technically feasible areas for renewable energy infrastructure development in the San Diego region and neighboring Imperial County. Electricity emissions accounted for approximately 20% of the 2016 Regional Greenhouse Gas Emissions Inventory for the San Diego region and are the second largest emissions source in the region (Figure 3). Decarbonizing electricity production will require substantial deployment of new renewable resources. Siting renewable energy infrastructure and facilities can have significant impacts on the environment and will require new and upgraded transmission infrastructure.

The San Diego region has sufficient available land area for wind and solar generation to approach a fully decarbonized energy system in line with the California-wide system model under the least-cost scenario. However, meeting standards for reliability will require significant, but uncertain, investments in a suite of additional resources, including excess intermittent and flexible generation, storage, and demand-side management. The region can produce the projected 2050 energy demand with local utility-scale onshore wind and solar development. However, demand for energy may be higher or lower than the renewable energy supply at a given time (for example at night or on cloudy days), so investments in additional energy storage infrastructure are necessary to supply reliable renewable energy to the region. However, the costs of these additional resources, such as batteries and pumped storage hydropower, are highly uncertain.

The RDF Technical Analysis creates multiple site-selection scenarios for renewable energy infrastructure to inform decision-making. These scenarios include least-cost scenarios, scenarios that include Imperial County (including its geothermal potential), scenarios with different mixes of wind and solar resources (both distributed and utility scale), and brownfield sites. The primary scenarios selected utility-scale renewable energy sites from lowest to highest cost, while additional scenarios prioritize different policy goals such avoiding high conservation value lands, lands with high monetary value, lands with high carbon sequestration potential, and lands that were not already deemed developable. All scenarios include infrastructure costs expressed as the levelized cost of energy (LCOE), which is a way to compare costs across energy projects. The analysis includes the following renewable energy development scenarios:^v

1. Least-cost, high local capacity (San Diego county only) (Figure 5);
2. Least-cost, high transmission deliverability (San Diego and Imperial counties) (Figure 6);

^v See sections 2.4.5 and 2.4.6 for descriptions of the data and methods for site and candidate project area selection. See sections 2.5.1 and 2.5.2 for scenario results, discussion, and maps.

3. Minimized environmental impact (avoids areas of high conservation value) (Figure 7);
4. Minimized loss of land that has high monetary value (avoids high monetary value land) (see Chapter 2, Section 2.5.2 for figure);
5. Minimized loss of lands that naturally sequester high levels of carbon (avoids land with natural carbon sequestration potential) (see Chapter 2, Section 2.5.2 for figure);
6. Maximized development of areas that are developable (includes lands that are vacant or slated for redevelopment) (see Chapter 2, Section 2.5.2 for figure); and
7. Midrange scenario (includes a combination of developable areas in the region and nearby areas with transmission upgrades, nearby geothermal, rooftop solar, and brownfield solar and brownfield wind) (Figure 8).

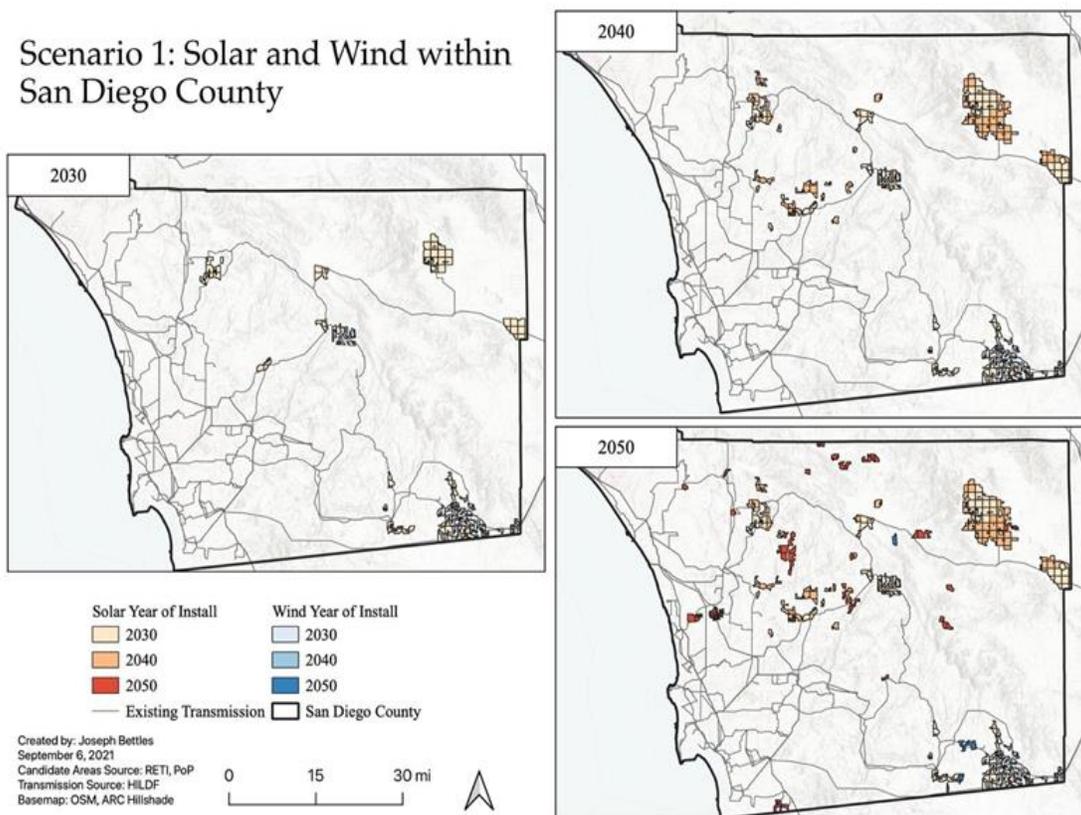


Figure 5. CPA Scenario 1: San Diego region only. This analysis selects utility-scale solar and onshore wind resources from lowest to highest cost to meet projected energy demand. The three panels show the build out required by each year that would allow the region to approach full energy decarbonization by 2050. Lighter colors represent Candidate Project Areas (CPAs) that would be built earlier because they are less expensive. Blue colors are wind resources and orange/red colors are solar resources. This scenario has an average LCOE of \$40.65 per megawatt hour (MWh).

Scenario 2: Solar, Wind and Geothermal within San Diego and Imperial Counties

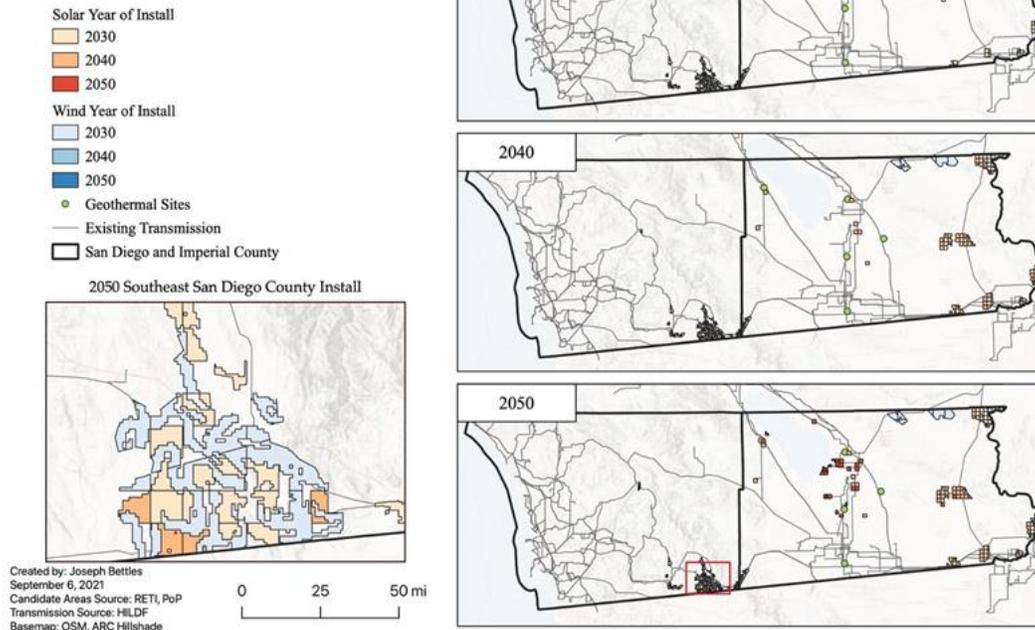


Figure 6. CPA Scenario 2: San Diego and Imperial counties. This analysis selects solar, onshore wind, and geothermal resources from lowest to highest cost to meet projected energy demand. These maps show build out over three time periods where colors represent build out year (lighter colors are earlier) and resources (red/orange for solar, blue for wind, and green for geothermal). The inset shows the Jacumba Hot Springs area site selection by 2050 and the area that includes the proposed/planned Jacumba Valley Ranch (JVR) sites. This scenario has an average LCOE of \$42.04 per megawatt hour (MWh).

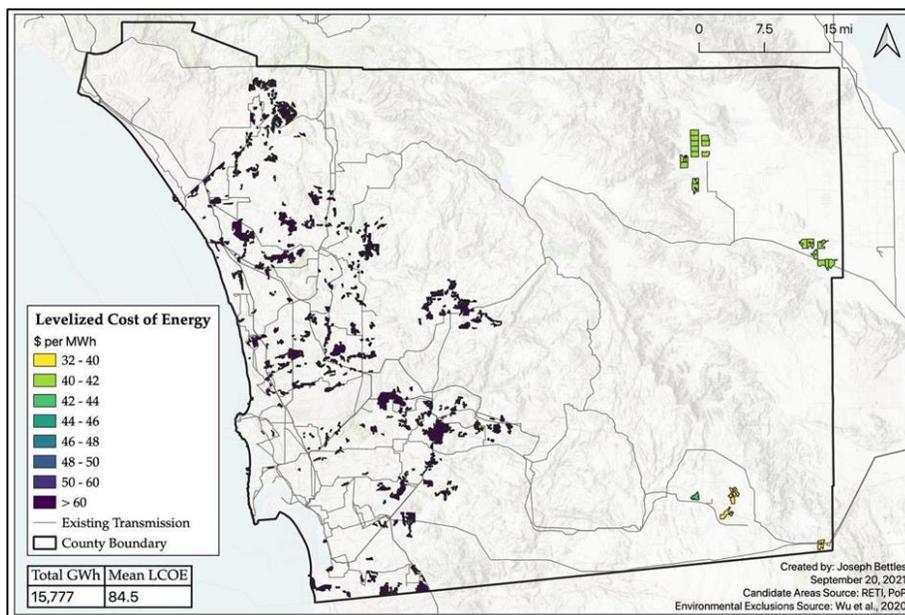


Figure 7. CPA Scenario 3: Restrict land with high conservation value. This scenario minimizes impacts to areas of high conservation value and other areas that are environmentally sensitive or important. It does not meet regional energy demand and is relatively more expensive (with an average LCOE of \$84.5 per MWh).

The midrange scenario utilizes a mix of proven, scalable technologies that are within the jurisdictions of San Diego county, Imperial county, or regional entities to build in order to meet regional demand both in the near-term (2025) and by mid-century (shown in Figure 8). The technologies include brownfield infrastructure development (solar and wind infrastructure built on currently or formerly contaminated sites); utility-scale solar and wind in both San Diego and Imperial counties; rooftop and infill solar (where “infill solar” is defined as solar projects built in dense, urban settings); and geothermal (which is a clean, firm power source).

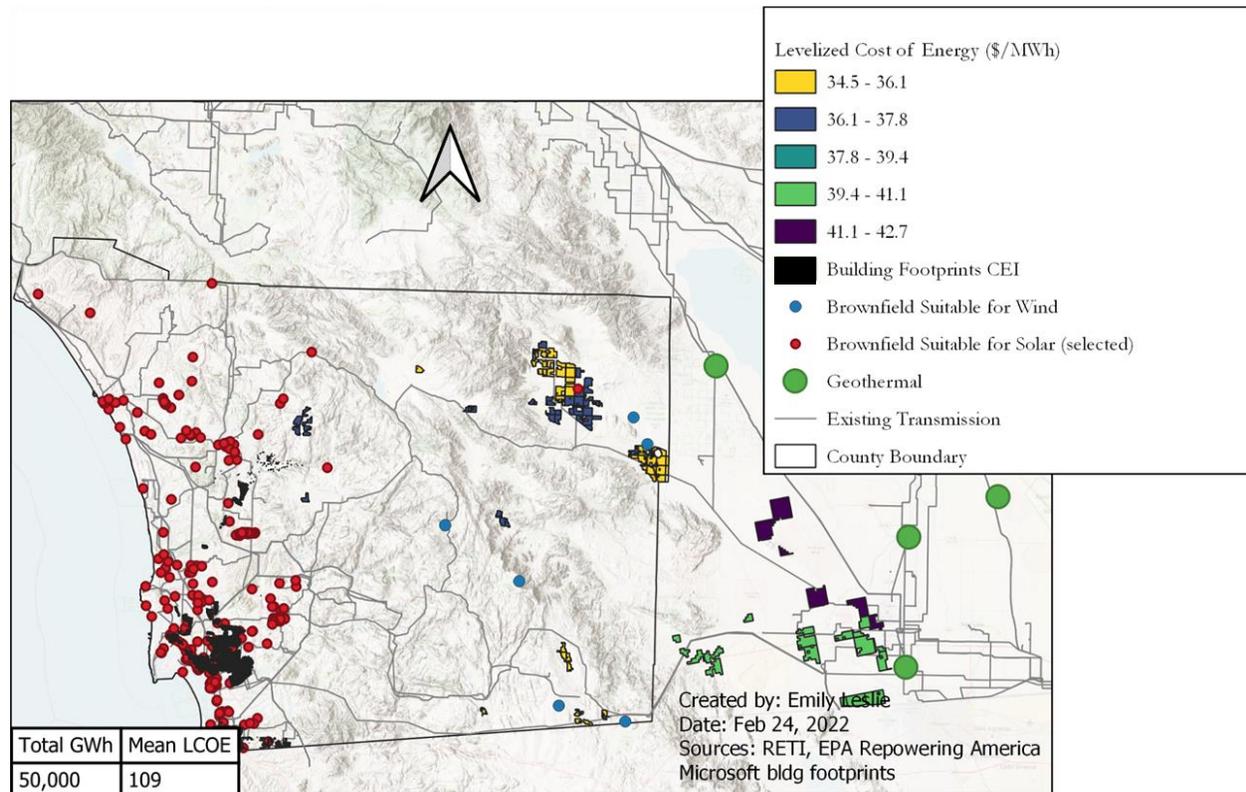


Figure 8. CPA Scenario 7: Mid-range Scenario 2050. This figure shows sites selected to meet the 2050 electricity demand under the mid-range scenario. In this scenario, the 2050 annual generation from new renewable sources is as follows: 12% rooftop solar, 23% brownfield solar, 0.1% brownfield wind, 6% utility scale solar on developable land in San Diego county, 0.4% utility scale wind on developable land in San Diego, 38% Imperial solar, 21% Imperial geothermal. The addition of rooftop solar and brownfield resources together results in 35% reduction in land area impacts. It meets regional energy demand but has a high average cost (average LCOE of \$109/MWh) partly because of the high costs of rooftop and brownfield development.

There are some commonalities across scenarios in the results, suggesting that these might be “low-regret” renewable energy infrastructure options. These geospatial analyses have demonstrated that rooftop and infill solar can bring co-benefits to communities, and, along with brownfield development, these are low-regret strategies. Despite their relatively high costs compared to utility-scale development, they have low impacts on the environment, agriculture, and rural communities, and they have high job training opportunities near homes and urban centers. Given the high commercial interest and the relative location near planned or

existing renewable sites, the models selected the JVR renewable area in most scenarios. This area is favored by Statewide planning proceedings, including those by the California Independent Systems Operator (CAISO) (which is California’s grid operator) and the California Public Utilities Commission (CPUC) and may represent a low-regret scenario for utility-scale build-out. All scenarios require careful consideration of environmental justice issues and a deeper understanding of the effects that these energy developments will have on communities of concern, low-income communities, and/or disadvantaged communities.

Significant solar and geothermal availability in Imperial County is a large potential resource for San Diego that may require upgrades to the transmission network. As renewable energy infrastructure is developed in neighboring areas - such as Imperial County, Mexico, or State waters - the site selection scenarios will change in iterative energy supply and demand analyses. Similarly, as new technologies and permitting make additional renewable energy resources available (e.g., offshore wind, wave energy, etc.), the scenarios will need to be updated to account for the energy supply from those novel resources. This framework is flexible enough to account for additional renewable energy demand as it becomes available.

The region should coordinate with State agencies to ensure the reliability of the system. The San Diego region is a part of a larger energy system network, so coordination across agencies will be crucial to decision-making, planning, and implementation of renewable energy infrastructure into the future. For example, there is a State-level Integrated Resource Plan (IRP) proceeding at the CPUC. Load Serving Entities (LSEs) throughout the State are Parties to this proceeding, and local LSEs, such as San Diego Gas and Electric (SDG&E) and Community Choice Aggregators (CCAs), are required to submit their procurement plans on an annual basis. These submittals help the State anticipate potential reliability issues, and they help the CAISO plan transmission upgrades which may be needed to accommodate LSE plans and to meet climate goals. To the extent that LSE plans include local distributed generation, rooftop solar, community solar, equity-eligible contractor projects, or other specifications, this information should be indicated in LSE submissions to the CPUC. Additionally, City Council members and other government officials often serve on CCA boards and participate in procurement planning and target setting. Board members can help ensure that LSE plans are implemented for consistency with regional GHG reduction targets, as well as with State targets. This is especially important where local targets are more ambitious than State targets. Beyond the IRP, there are additional State agency proceedings which could benefit from input from local players (e.g., the CPUC Resource Adequacy proceeding, CAISO Transmission Planning Process, and the CAISO Local Capacity Requirements proceeding). In the Resource Adequacy proceeding, CPUC staff conduct analyses to ensure the reliability of the electric power grid. In the Transmission Planning Process, the CAISO conducts analyses to ensure reliability, policy compliance, and cost-effectiveness of the planned transmission system upgrades. In the Local Capacity

Requirements proceeding, the CAISO takes a more local approach to reliability analysis than other proceedings. For example, Section 3.3.10 of the CAISO 2022 Local Capacity Technical Study is devoted to the San Diego-Imperial Valley region. Load Serving Entities such as SDG&E and SDCP and CEA should coordinate on procurement, resource adequacy and other issues addressed in these proceedings.

The State requires a fully decarbonized electricity system by 2045 and has requirements for rooftop solar on certain new buildings. Nevertheless, there are additional opportunity areas to decarbonize beyond the State goals. Electricity decarbonization is the most common CAP measure analyzed and on average contributes more GHG reductions than any other measure. Most CAPs include a measure to form or join a CCA program, but there are opportunities to increase CCA participation and for CCAs to commit to 100% carbon-free energy prior to the State 2045 deadline. Additionally, there are local opportunities to enhance or complement State rooftop solar requirements by adopting reach codes (or local codes that go beyond State requirements) and evaluating mandates or incentives for energy storage systems paired with rooftop solar to decrease marginal emissions during the electric system’s peak GHG emission and to increase reliability.

Additional work would be needed to make carbon-free electricity supply more accessible. Historically, rooftop solar has been installed in higher-income neighborhoods and/or in areas with higher levels of homeownership. Numerous options exist to address the inequitable distribution of solar installations, including targeted incentives and financing. Additionally, CCA programs can maximize participation in the Disadvantaged Communities Green Tariff Program, subsidize customers in income-qualified discount programs to opt-up to 100% carbon-free electricity service options, and support inclusive financing for energy upgrades.

Legal authority to regulate energy production:^{vi} Jurisdictions in the San Diego region have the authority to require levels of carbon-free electricity supply through CAPs and to procure carbon-free electricity supplies through a CCA and can therefore supply more carbon-free energy than required by State agencies. However, State and/or federal agencies or entities still regulate local energy supplies for reliability, which complicates fully decarbonizing the electricity supply with renewable energy. Additionally, local jurisdictions are also authorized to support alternatively fueled thermal power plants and related infrastructure that can provide low- or zero-emission electricity to meet reliability and air quality requirements (e.g., green hydrogen production and/or power plants). Local jurisdictions are also authorized to increase distributed generation through CCAs and reach codes, and to streamline permitting. Further

^{vi} See Chapter 8, section 8.7 “Decarbonize the Electricity Supply” and Appendix B for further discussion of legal authority.

regulating most fossil-fueled thermal power plants emissions is limited given current State regulation and uncertainty over federal preemption.

Decarbonizing Transportation

The transportation sector is the largest contributor to regional GHG emissions. In 2016, on-road transportation emitted almost half of regional emissions. In 2035, emissions from on-road transportation are projected to account for about 41% of the total projected emissions (Figure 3).^{vii} Statewide legislation, executive orders, and agency targets have set goals for GHG reductions in the transportation sector and the San Diego region has implemented several measures to reduce regional transportation GHG emissions, which have included a variety of vehicle miles traveled (VMT) reduction strategies and vehicle electrification strategies.

The region has a strong policy foundation for reducing emissions related to transportation. However, current commitments through CAPs and other policies are inconsistent with the levels of reductions required by State executive orders for carbon neutrality. Even the best CAP commitments to reduce on-road transportation emissions through VMT reduction, EV adoption, and fuel efficiency strategies, if applied to the whole region, are not projected to achieve the State’s zero emissions goals.

Opportunity areas exist to accelerate EV adoption and VMT reduction based on existing regional policies and patterns of vehicle ownership, travel behavior, and land use development. These opportunity areas include CAP measures to reduce VMT and to reduce vehicle emissions. Current policies and consumer, driver, and developer behaviors are already increasing EV adoption and reducing VMT. However, there are additional opportunity areas to accelerate regional transportation decarbonization. To reduce VMT, jurisdictions can enhance transit and active transportation (biking and walking), and encourage smart growth, urban connectivity, and density by changing zoning to promote mixed-use developments, and disincentivizing parking.^{viii} To reduce emissions, jurisdictions can identify areas for traffic calming measures, establish anti-idling requirements (especially around schools), and provide driver behavior incentives. Further, local jurisdictions have the opportunity to affect vehicle retirement, which can be prioritized in communities of concern to rapidly reduce the air pollution burden in those communities. Finally, local governments can increase use of alternative, low-carbon fuels and EVs, particularly for medium-and heavy-duty vehicles, in

^{vii} See Chapter 8, section 8.5 for a detailed analysis of CAP commitments as they relate to transportation. Note that this value includes projected EV sales changes but does not include CAP measures.

^{viii} Opportunities to increase density in in-fill areas have been identified in Chapter 3. More details on how to reduce VMT are in Chapter 8.

existing and future fleets. Figure 9 shows a menu of policy opportunities to increase EV adoption, illustrating policy options that range in both effectiveness (i.e., how good the policy is at increasing EV adoption) and breadth (i.e., how many people it can reach).

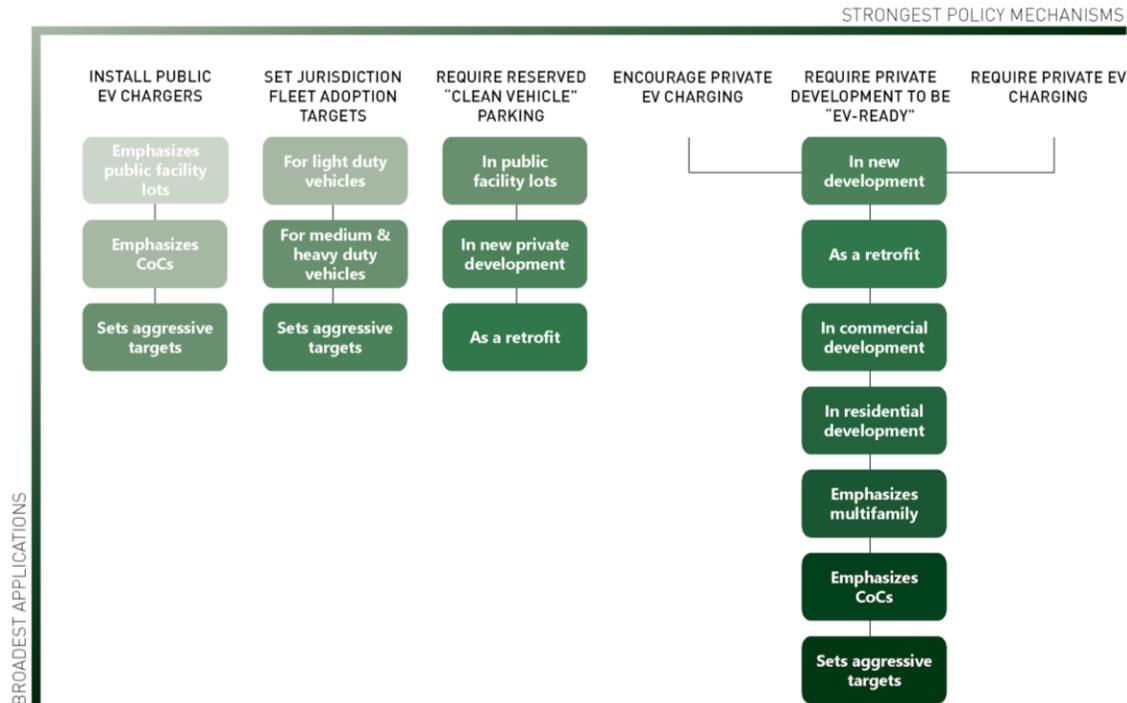


Figure 9. A spectrum of policy options to accelerate EV adoption. Policies are likely to be more effective moving right and are likely to have a broader application moving down. Thus, the bottom right is predicted to be the most effective and to have the broadest application of the policy measure shown where the top left is predicted to be the least effective and to have the narrowest application of the policy measures shown.

Multiple opportunities for regional collaboration and coordination exist. The nature of on-road transportation and of existing institutional frameworks that coordinate transportation decisions suggests that regional collaboration on transportation decarbonization will be more effective than individual CAP measures. CCAs provide an example of a local mechanism, usually through Joint Powers Agreements (JPAs), that can support transportation electrification by developing programs to locally incentivize EV uptake beyond State and federal programs. Similarly, other regional transportation decarbonization may be identified which can promote local funds for transportation decarbonization. Additionally, local jurisdictions can collaborate to assess the equity impacts of EV use versus increasing use of mass transit in various communities, and to align regional transportation equity analyses (e.g., SANDAG’s equity analyses) with CAP equity analyses (e.g., the City of San Diego’s equity analyses).

Legal authority to regulate transportation decarbonization:^{ix} Local jurisdictions and agencies in the San Diego region have broad authority over transportation, based both on locally derived land use authority over planning and development and delegated authority from the State and the federal governments. These authorities can be limited or preempted by State or federal laws, as is the case with regulating fuels and tailpipe emissions. Additionally, local jurisdictions can establish climate change policies and regulations to reduce GHGs from transportation in general plans (GPs), CAPs, zoning, or transit-oriented development regulations. Further, they can require infrastructure for fuel switching in buildings (e.g., EV charging equipment), build supporting infrastructure in public right-of-ways or on public land, and support alternative fuel production and infrastructure, such as hydrogen. Local jurisdictions can regulate their own fleets through purchasing, maintaining, or changing their fleets. They also have the authority to regulate indirect transportation emissions to keep local emissions in line with federal and State air quality standards. State statutes and regulations create an opportunity to align local action that decreases costs for implementation by bringing State funded projects to the region, particularly in communities of concern, and deploying technology developed by State or federal funding. Finally, jurisdictions appear to have more legal authority through land use, transportation infrastructure siting, delegated authority, and taxation powers to reduce transportation GHGs, than represented by commitments in CAPs. Additional work by local jurisdictions would be needed to assess the limits of their authority to increase on-road transportation GHG reductions.

Decarbonizing Buildings

The RDF Technical Analysis studies the building mix and associated emissions from the region’s infrastructure and building sector. Direct emissions from buildings come from on-site fossil fuel combustion and contribute to regional GHG emissions, so this chapter focuses on decarbonizing buildings by eliminating their fossil fuel-based emissions by 2045. The analysis focuses on electrifying systems that are responsible for end-use emissions, like space and water heating, and using lower-carbon fuels, like biomethane and hydrogen, where electrification is not yet feasible. The analysis considers three modeled pathways to reach a carbon-free building sector by 2050: a pathway that emphasizes high electrification of fossil-fuel systems, a pathway where heat pumps are highly efficient when electrified, and a pathway where low-carbon fuels are used to reduce emissions while a slower adoption of electrification occurs.^x

^{ix}See Chapter 8, section 8.5 “Decarbonize Transportation” and Appendix B for further discussion of legal authority.

^x More details on the modeled pathways are available in Chapter 4, section 4.4 and elsewhere in the chapter.

Replacing fossil fuel-based space heating and water heating systems with electric systems should be a primary policy focus for building emission reductions. Space heating and water heating represent large shares of emissions from buildings in the San Diego region because they tend to rely on natural gas (Figure 10), so replacing these systems, as well as other fossil fuel-based systems like ovens and dryers, with electric versions will have large impacts on building decarbonization. Space and water heating are especially conducive to electrification because heat pump technologies available for both uses are more efficient than natural gas systems, providing more heating per unit of energy input. For building temperature regulation, electric heat pumps offer both heating and cooling from the same unit, making them ideal for homes that do not yet have air conditioning. Water heaters produce the most emissions in buildings, so replacing them with electrified versions will have outsized emissions reductions for the costs. Finally, this analysis finds that costs do not differ substantially between new construction and the addition of electric units and retrofitting old appliances. Thus, regional policies should support increasing adoption of efficient heat pump-based space and water heating systems in both new and existing buildings.

Additionally, policies aimed at replacing fossil-fuel based space and water heating systems should focus on increasing uptake among low-income residents and rental building owners through assistance. Such policies would address some historic inequities in housing quality, environmental injustice, health disparities due to indoor air pollution, and/or utility costs and would ensure that low-income residents and renters are not excluded from building decarbonization goals and that they are not left paying increasingly higher gas rates.

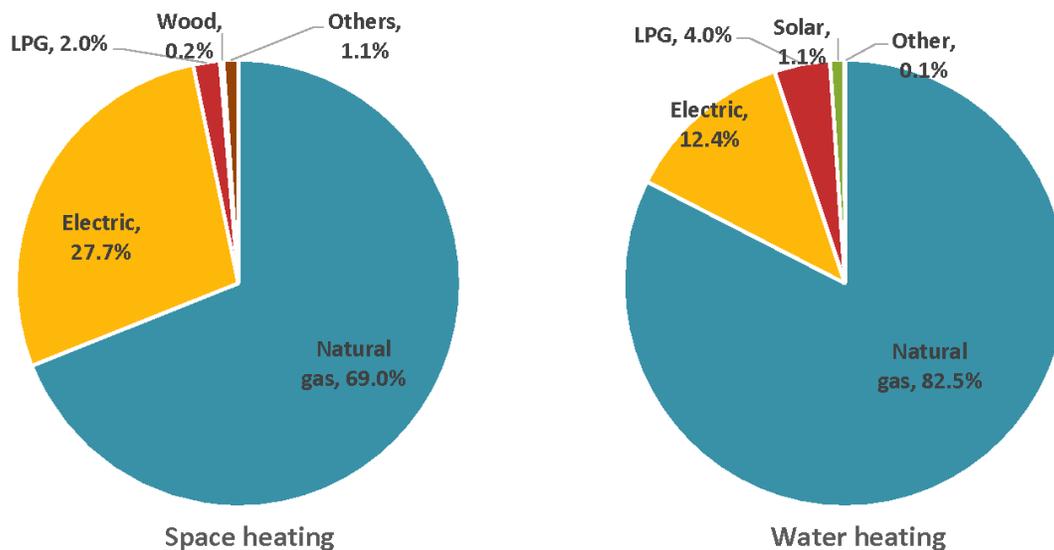


Figure 10. Residential space and water heating energy use by fuel type (% of customer accounts) in the San Diego region. Source: DNV GL Energy Insights. 2021. 2019 California Residential Appliance Saturation Study (RASS).

There are several near-term actions that are low-regret for building decarbonization. First, setting “electrification-ready” or “all-electric” standards for new construction and major renovations through building energy codes will reduce costs associated with transitioning away from fossil fuels. Second, some existing fossil fuel equipment systems will only turn over once by 2050. Replacing end-of-life fossil fuel heating systems with electrified systems is low-hanging fruit. This is a near-term priority. Third, improved data gathering is a low-cost, foundational action for future policy development. More data on building emissions and decarbonization will better inform decision makers as they craft policies to address the building sector’s contributions to a net zero region.

Low-carbon gaseous fuels can be used for hard-to-electrify end uses, though research and piloting are required. Some building systems are hard to electrify, so one way to reduce GHG emissions from those systems is to use fuels that do not emit net GHGs into the atmosphere. Similarly, such fuels can be used for these or other systems prior to electrifying them. Low-carbon gaseous fuels could include biomethane and/or hydrogen. However, each of these alternate fuels have cost and efficiency trade-offs as well as uncertainties, so more research and piloting will be necessary before implementation.

The gas utility’s risk of not recovering its investment in assets (that is, its stranded cost risk) can be mitigated by minimizing unnecessary extensions or replacements of the gas pipeline system and by accelerating depreciation of existing utility assets. Phasing out end-use natural gas consumption in buildings can lead to stranded natural gas assets, defined as infrastructure such as a natural gas pipeline that has stopped being used before reaching the end of its useful life. For companies like SDG&E, stranded assets represent potential financial losses because of the high capital costs of creating or replacing gas infrastructure. Mitigating these stranded assets will be an important policy consideration. One tool is to minimize unnecessary extension or replacement of gas pipeline infrastructure. SDG&E invests in natural gas assets when it extends pipes to serve new customers and when it replaces old or damaged pipes and other assets. Policies like requiring all new construction to be fully electric would mitigate stranded asset losses for new pipe investments going to new customers, but this would not mitigate losses from investing in replacing aging infrastructure. Exploring and piloting non-pipeline alternatives to both new and replacement infrastructure, including electrifying end uses instead of replacing infrastructure, could identify opportunities to mitigate risk.

CAPs have relatively few measures to electrify buildings and the GHG impact of the measures is relatively low, despite their importance to regional decarbonization. Only six CAPs include measures related to building electrification and the GHG reductions in CAPs associated with efficiency and electrification are relatively low. Compared to the level of electrification needed

in both new and existing buildings as outlined in Chapter 4, the CAP measures fall short of the level of building decarbonization in the RDF Technical Analysis pathways.

Policies for decarbonizing new and existing buildings are crucial. 80% of the buildings that will exist in 2050 already exist, so decarbonizing these buildings will be critical to decarbonizing the building sector. While State building codes regulate alterations and additions to certain existing buildings, local policies could further encourage or require energy efficiency and electrification in many other existing buildings.^{xi} Decarbonizing municipal buildings may be a low-regret policy because implementing cost effective measures and electrifying those buildings may help reduce operating costs and modeling these actions may encourage owners of homes and businesses to act.

There is an opportunity and a need to assess social equity considerations of building decarbonization policies. In the context of building decarbonization, there are several aspects of equity to consider, including the high proportion of renters in communities of concern, the relative lack of data and analysis related to equity and building-related policies, and potential cost implications of building decarbonization policies, particularly electrification. Additional work would be needed to develop the capacity and tools to understand and address the equity implications of building and other decarbonization policies in the San Diego region.

Legal authority to regulate building decarbonization:^{xii} Local jurisdictions have the authority to regulate GHG emissions from building end-use of fossil fuels and other energy sources, which is the primary means of decarbonizing buildings. Local jurisdictions also act with delegated authority over the built environment to require more stringent energy codes, directly regulate air pollution emissions from buildings, and procure alternate energy supplies in public buildings. Additional authority may come from the California Environmental Quality Act (CEQA) by setting a more stringent threshold to determine environmental impact. Local governments are preempted from establishing energy efficiency appliance standards, regulating natural gas supply, transmission, and storage, and high global warming potential refrigerants (e.g., HFCs).

^{xi} See Chapter 8, section 8.6, for more details on examples of local authorities decarbonizing existing buildings. Also see Chapter 7 section 7.3.1 for a local example.

^{xii} See Chapter 8, section 8.6 “Decarbonize Buildings” and Appendix B for further discussion of legal authority.

Natural Climate Solutions

The RDF Technical Analysis investigates the natural climate solutions (NCSs) available in the San Diego region and their potential to naturally sequester and store CO₂ and other GHGs. NCSs are processes that protect or enhance natural and working lands’ (NWLs) ability to capture and store GHGs from the atmosphere through plants and soils. “Working lands” include agricultural lands like orchards, vineyards, pastures, etc. “Sequestration” is an annual measure of how many GHGs are removed from the atmosphere and “storage” is the total amount of GHGs that have been sequestered. Carbon storage in the region (Figure 11) is important because there are ways to prevent stored carbon from being released into the atmosphere, as occurs when land use changes from NWLs to urban areas, for example. By understanding a landscape’s carbon storage and sequestration potential, areas with high levels of stored carbon can be prevented from emitting their carbon into the atmosphere and areas with high sequestration potential can be protected.

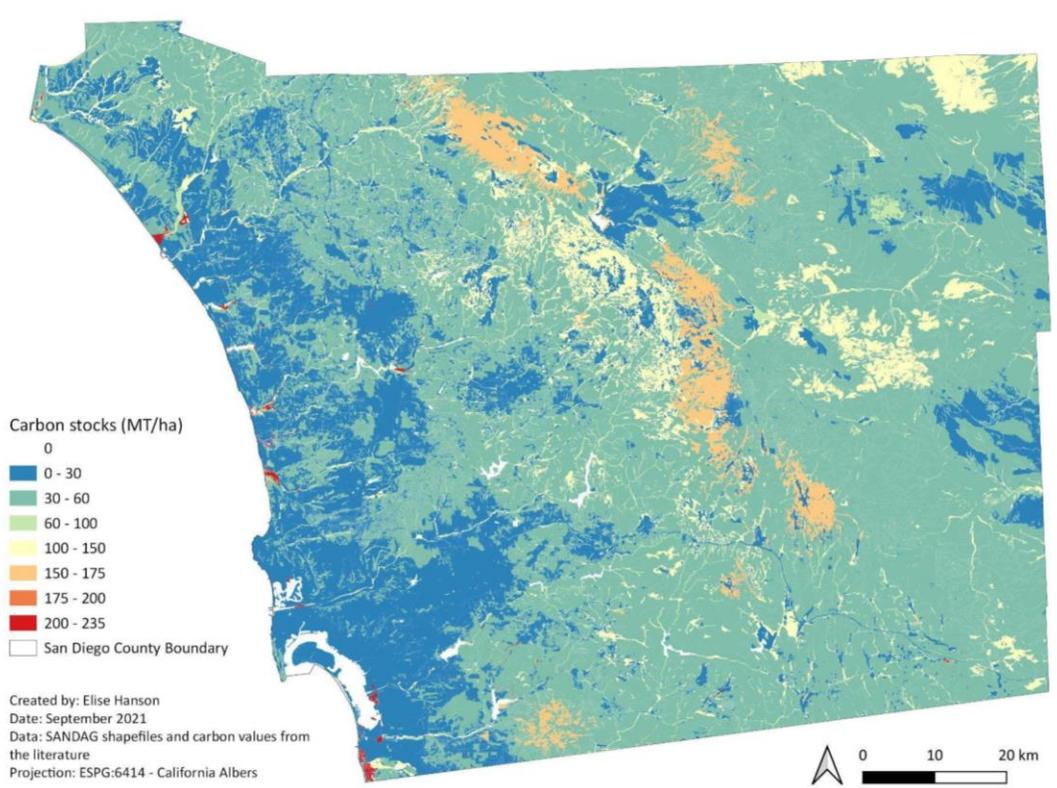


Figure 11. Total stored carbon (measure in metric tons of carbon dioxide equivalent per hectare, or MT CO₂e ha⁻¹) estimates for the San Diego region. Warmer colors represent larger carbon stock estimates, cooler colors represent lower stock estimates, and white represents no carbon stock.

Regional NWLs sequester and store large amounts of carbon dioxide, but they do not sequester enough to account for human-caused emissions. NWLs can act as stronger *net* sinks than they currently do, though this will require investments in bolstering NCSs and minimizing carbon emissions from land and land use activities. To accurately account for net carbon land use emissions, local data need to be collected and integrated into regional carbon calculations. The region can expand annual carbon sequestration and long-term carbon storage through investing in NCSs that both increase natural sequestration and that reduce emissions from the land, such as investing in “carbon farming,” restoring and expanding “blue carbon” habitats, planting trees and other plants in urban areas, preventing wildfires, and planting trees in NWLs. Local data can improve NCS policies and management techniques and thus increase regional sequestration.

The most effective and inexpensive NCS in the San Diego region is to avoid land use change by protecting natural and working lands, except where land use change is required for other decarbonization actions, like siting renewable energy infrastructure. Existing natural and working lands are natural carbon sinks, so preventing these lands from changing into urban or built-up areas will allow for 1) continued annual sequestration and 2) prevention of one-time emissions from vegetation removal, soil disturbance, etc. This report estimates that natural annual sequestration in NWLs may be up 2 million metric tons (MMT) of CO₂ under ideal circumstances and that there may be 58 MMT of CO₂ stored in vegetation, woody debris, leaf litter, and soils, some of which would be released with land use change. The annual sequestration in NWLs is important to continue to build natural CO₂ storage. Natural sequestration was not included in the RDF technical analysis of emissions given the focus on the energy system. Land use change will be necessary to install utility-scale renewable energy infrastructure, which will support decarbonization, and to allow housing development. It will be important to minimize land use change in the areas with the largest natural carbon stores and with the highest sequestration potential and to protect areas with high co-benefits (such as areas that provide air and water quality improvements, biodiversity protection, and public health outcome improvements).

Other important regional NCSs considered by the RDF Technical Analysis may be less effective and/or more expensive for carbon sequestration, although they yield important co-benefits. These include carbon farming (farming practices that increase carbon sequestration and storage and minimize GHG emissions on agricultural lands), wetland protection and expansion/restoration, and urban forestry. Large-scale habitat restoration and reforestation, which were not considered in this report, are expensive and may not be effective. Wildfire prevention will also be important for emissions and numerous other economic and social reasons. Other NCS options require significant capital investments and are likely to have smaller short-term sequestration returns than preservation.

NCSs offer quantifiable co-benefits beyond decarbonization. Each of the analyzed NCSs offer numerous quantifiable co-benefits. These co-benefits include, but are not limited to, improved air and water quality, improved public health outcomes, biodiversity protection, ecosystem functioning protection, increased shading in urban areas, decreased water and fertilizer requirements on farms and rangelands, improved aesthetics in urban areas, and the potential to increase environmental justice. These co-benefits should be considered when crafting and implementing policies in order to build ecological, economic, and social resilience.

Equity must be a central consideration for all NCS decisions. NCSs should be viewed through the lens of both decarbonization and equity. Whenever possible, communities of concern should be prioritized for urban greening, tree planting, climate farming, and habitat restoration because these NCSs have outsized co-benefits of improving air and water quality as well as human health. Historically, these communities have received less investment and have borne disproportionate levels of environmental harm. All efforts should be made to actively address these historic inequities.

The only quantified CAP measure relevant to this pathway is urban tree planting, but there are opportunities to implement additional NCSs in a collaborative way. Additional measures are possible under local land use authority. Tree planting measures contribute on average just over 1% of local GHG reductions in CAPs. These can be enhanced through jurisdictional collaboration. Additional NCS CAP measures are possible under existing authority and can contribute to land conservation, preservation, and restoration on natural and working lands. Private landowners and tribal governments can also preserve land, test and fund pilot projects for carbon removal and storage and collaborate with public agencies. Collectively, there is an opportunity to expand protections for natural and working lands to fulfill the new SB 27 (2021) mandate that calls for the creation of natural and working land carbon removal and storage projects.

There are also opportunities to include local data in land management and planning as well as in CAPs. For instance, CAPs can utilize the California Air Resource Board’s (CARB’s) carbon accounting methodology in natural and working lands and universities’ data to create stronger goals and measures. Additionally, the region can implement regular carbon accounting and track changes in carbon in natural and working lands over time to understand how carbon stocks are being preserved and whether net emissions occurred due to changes in land use.

Legal authority to regulate negative emissions from natural climate solutions and land use.^{xiii}

It is unclear if local jurisdictions’ ability to use their authority over land use, zoning, land preservation, and agricultural easements extends to activities on private natural and working

^{xiii} See Chapter 8, section 8.8 “Natural Climate Solutions” and Appendix B for further discussion of legal authority.

land beyond land use designation that would affect GHG emissions or sequestration. The region’s land use jurisdiction is further complicated because it is composed of federal, State, tribal, and privately held land, submerged land, and waters. Various statutes and agencies regulate the different land types, with none focused on GHG emissions or sequestration as it relates to land use. State land use and regulating agencies also operate with a wide range of statutory mandates, which apply to lands under multiple jurisdictions and impact GHG emissions and accounting. California's statutes and executive orders require State land use agencies to account for GHG emissions from natural and working lands. Additionally, these State agencies are beginning to assess and regulate carbon removal and storage on these lands with significant targets in 2030. An opportunity exists for local jurisdictions to work with landowners and managers to achieve State, regional, and local goals related to natural and working lands.

Employment Impacts of Decarbonization for the San Diego Region

The RDF Technical Analysis calculates the net change in jobs in the energy sector in response to the central case of the modeled decarbonization pathways from the EER model. The analysis focuses on employment changes from 2021-2030, following California’s Jobs and Climate Action Plan for 2030, to inform workforce development strategies. Additionally, this report analyzes overall average annual job creation from 2020-2050, based on the full timeline in the EER model. For phasing out fossil fuels and modeling associated job losses, the analysis focuses on the 2021-2030 period, where the central case of the EER model estimates modest reductions in fossil fuel-based activities. This is primarily due to the model’s estimates of steady natural gas consumption and a 20% decrease in oil consumption by 2030, relative to current consumption levels. The RDF Technical Analysis focuses on the quantitative impacts to employment as a result of deep decarbonization efforts in the energy, building, and transportation sectors and informs a report by Inclusive Economics^{xiv} on workforce development strategies.

Between 2021 – 2030, the regional decarbonization pathways would generate an average of nearly 27,000 jobs per year in the San Diego region. Through the creation of direct, indirect, and induced jobs, the RDF Technical Analysis estimates that the decarbonization pathways will create 27,000 jobs per year for the region.^{xv} Table 1 shows that expenditures on *energy*

^{xiv} To access the Inclusive Economics report titled “Putting San Diego County on the High Road: Climate Workforce Recommendations for 2030 and 2050,” please visit the County of San Diego’s engagement platform and select the report for download or for commenting at <https://engage.sandiegocounty.gov/rdf>.

^{xv} For a more detailed accounting of these jobs, please refer to Chapter 6, section 6.3.

demand will create approximately 13,500 jobs between 2021 and 2030. Table 2 shows that expenditures on *energy supply* will create approximately 13,500 jobs between 2021 and 2030.

The RDF Technical Analysis estimates that no workers in the region’s fossil fuel-based industries will have to experience job displacement before 2030, even with contractions in fossil fuel demand. The energy supply mix in the EER model suggests that there will be small to no changes in the consumption of fossil fuels before 2030.^{xvi} This suggests that there will not be job losses in the oil and gas sectors in the San Diego region prior to 2030.

San Diego County and local governments should begin now to develop a viable set of just transition policies for the workers in the community who will experience job displacement between 2031 – 2050. After 2030, the EER model’s central case estimates large contractions in both oil and gas. The model predicts 95% contraction rates in oil and 75% in gas by 2050. It is important for regional governments to begin to develop policies for a just transition for these workers now so that they can transition into jobs of equivalent or better quality in the clean energy economy or elsewhere.

The costs of a just transition will be much lower if the transition is able to proceed steadily rather than through a series of episodes. Under a steady transition, the proportion of workers who will retire voluntarily in any given year will be predictable, which will avoid the need to provide support for a much larger share of workers at any given time. The rate of the transition from fossil fuel to renewable energy-based jobs will impact the equity and fairness of the transition. Sudden changes and contractions would potentially result in sudden job losses, where steady changes and contractions would potentially result in fewer job losses as employees could transition to new jobs or could voluntarily retire.

Geothermal production of the five sites identified in Imperial County would generate 1,900 jobs per year over a 10-year period. Chapter 2 identifies five areas for geothermal energy production in Imperial County. This chapter’s analysis finds that there will be 1,900 jobs created per year in the Southern California region over a 10-year period for the development and operation of these five geothermal power plants. Some of these jobs may be created in the San Diego region.

^{xvi} Details on the EER model’s Central Case, which was used here, can be found in Appendix A.

Table 1 Average number of jobs created in the San Diego region annually through energy demand expenditures from 2021-2030, by subsectors and technology. *Figures assume 1 percent average annual productivity growth.*

| Investment Area | Average Annual Expenditure | Direct Jobs | Indirect Jobs | Direct Jobs + Indirect Jobs | Induced Jobs | Direct Jobs + Indirect Jobs + Induced Jobs |
|----------------------------------|----------------------------|-------------|---------------|-----------------------------|--------------|--|
| Vehicles | \$7.7 billion | 3,427 | 1,427 | 4,854 | 1,508 | 6,362 |
| HVAC | \$897.0 million | 1,345 | 699 | 2,044 | 764 | 2,808 |
| Refrigeration | \$761.9 million | 1,315 | 491 | 1,806 | 711 | 2,517 |
| Appliances | \$188.6 million | 143 | 77 | 220 | 78 | 298 |
| Construction | \$113.4 million | 263 | 149 | 412 | 146 | 558 |
| Lighting | \$106.6 million | 177 | 95 | 272 | 100 | 372 |
| Manufacturing | \$45.7 million | 40 | 32 | 72 | 27 | 99 |
| Other commercial and residential | \$38.9 million | 59 | 30 | 89 | 33 | 122 |
| Agriculture | \$17.2 million | 144 | 21 | 165 | 45 | 210 |
| Mining | \$2.4 million | 1 | 1 | 2 | 1 | 3 |
| TOTAL | \$9.9 billion | 6,914 | 3,022 | 9,936 | 3,413 | 13,349 |

Source: IMPLAN 3.1

Table 2 Average number of jobs created in the San Diego region annually through energy supply expenditures from 2021-2030, by subsectors and technology. *Figures assume 1 percent average annual productivity growth.*

| Investment Area | Average Annual Expenditure | Direct Jobs | Indirect Jobs | Direct Jobs + Indirect Jobs | Induced Jobs | Direct Jobs + Indirect Jobs + Induced Jobs |
|--------------------------------|----------------------------|-------------|---------------|-----------------------------|--------------|--|
| Fossil fuels | \$4.4 billion | 2,538 | 3,777 | 6,315 | 3,805 | 10,120 |
| Clean renewables | \$629.5 million | 1,488 | 601 | 2,089 | 848 | 2,937 |
| Transmission and storage | \$45.9 million | 34 | 17 | 51 | 31 | 82 |
| Additional supply technologies | \$45.1 million | 118 | 35 | 153 | 57 | 210 |
| Other investments | \$4.5 million | 10 | 3 | 13 | 6 | 19 |
| TOTAL | \$5.1 billion | 4,188 | 4,433 | 8,621 | 4,747 | 13,368 |

Source: IMPLAN 3.1

Local Policy Opportunity^{xvii}

The RDF Technical Analysis assesses current GHG reduction commitments in Climate Action Plans (CAPs) to determine if additional activity would be needed to put the region on a trajectory to meet decarbonization goals. Additionally, it identifies opportunities for local jurisdictions in the region to take further action to support the decarbonization pathways for energy production, transportation, buildings, and natural climate solutions.

To do this, several novel analyses were conducted. First, it analyzes the authority of local governments and agencies to influence and regulate GHG emissions and summarizes the authority of key federal, State, and local agencies, and key legislation and regulation at the federal and State levels to help to clarify the ability of local governments to act to reduce GHG emissions.^{xviii} Second, it reviews all CAPs in the region to determine how often a given measure was included in CAPs, the relative GHG impacts of CAP commitments, and the integration of social equity considerations.^{xix} Third, it does a scenario analysis to estimate the total regional GHG reductions that would result from all adopted and pending CAPs' commitments. It then estimates the potential GHG impact of a scenario that applies the best CAP commitments to all jurisdictions.^{xx} This scenario analysis takes the CAP commitment for a given CAP policy category – say goals for planting trees in urban or rural areas – that will produce the single greatest relative GHG reductions and then applies that commitment to every jurisdiction in the San Diego region, regardless of current or planned commitments in that category. This may be considered the upper limit of potential GHG reductions from current CAP commitments. Finally, this chapter uses the results from these analyses, in addition to results from other research and analyses, to identify opportunities for further local action and regional collaboration in each of the four decarbonization pathways.^{xxi}

Local jurisdictions have the authority to influence and regulate GHG emissions. Local governments can influence and regulate GHG emissions by accelerating State statutory targets and policies, adopting ordinances to go beyond State law, and using unique authority to adopt and implement policies. Local authority comes from both constitutionally derived power, which is a broad authority to promote public health, safety, or the general welfare of the community,

^{xvii} See Chapter 8 for more details.

^{xviii} See Appendix B for more details.

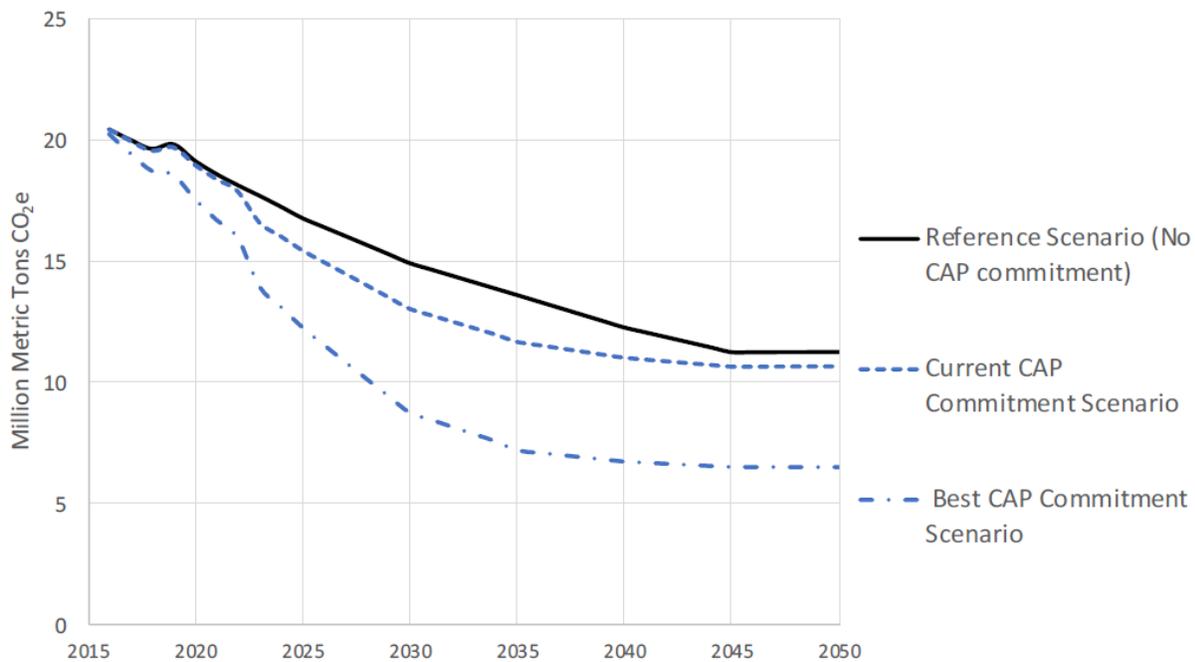
^{xix} See Chapter 8, section 8.3 for an overview and sections 8.5-8.8 for sector specific findings. These are also used to illustrate the gap between the deep decarbonization goals in Chapters 2 through 5 and the regional CAP commitments.

^{xx} See section 8.4.

^{xxi} These opportunities were included in each relevant section for this Executive Summary, but they are included in the sector specific section in Chapter 8.

and delegated authority from State statutes. The full extent of a local jurisdiction’s power to regulate GHG emissions is unknown.^{xxii}

Current CAP commitments are insufficient to reach decarbonization goals. Current local CAP GHG reduction commitments for transportation, electricity, and buildings contribute a relatively small portion of the total reductions needed to reach net zero GHG emissions in 2045 (Figure 12). Even if the most aggressive CAP measures are applied to all jurisdictions in the region, significant emissions would remain, mostly from natural gas building end-uses and on-road transportation (Figure 12).



This chart does not include all GHG emitting activities in San Diego Region, or potential new local, state, and federal actions that could be adopted in the future.
Energy Policy Initiatives Center, 2022

Figure 12. This graph shows the projected GHG emissions in the San Diego region from electricity, natural gas, and on-road transportation in each of the scenarios analyzed. The reference scenario, where there are no CAP commitments, only shows reductions based on State and federal laws, mandates, actions, and goals. The Current CAP Commitments scenario shows the remaining GHG emissions from a subset of total emissions if all current CAPs were applied in full as written. The Best CAP Commitment Scenario shows the remaining GHG emissions if the best CAP commitment from each policy category is applied to every jurisdiction in the region, regardless of current CAP commitments. This graph shows that no analyzed scenario will allow the region to reach net zero emissions by 2050. Note that these analyses assume no new State and federal laws, mandates, actions, and goals, and that current ones do not change at any point in this period. Further, these analyses do not include all GHG emissions for the region.

^{xxii} See section 8.2 and Appendix B for a more detailed discussion of authority.

Opportunities exist for more jurisdictions to adopt additional CAP measures and strengthen existing measures. Based on the comparative analysis of CAPs, there is an opportunity for more jurisdictions to adopt CAP measures that are already adopted by some jurisdictions in the region. Similarly, based on the scenario analysis of the combined GHG impacts of CAP measures, there is an opportunity for most jurisdictions to strengthen their existing CAP measures, especially in the transportation and building sectors. These sectors produce large GHG emissions (Figure 13, right), but on average represent disproportionately low emissions reductions in CAPs in 2035 (Figure 13, left).

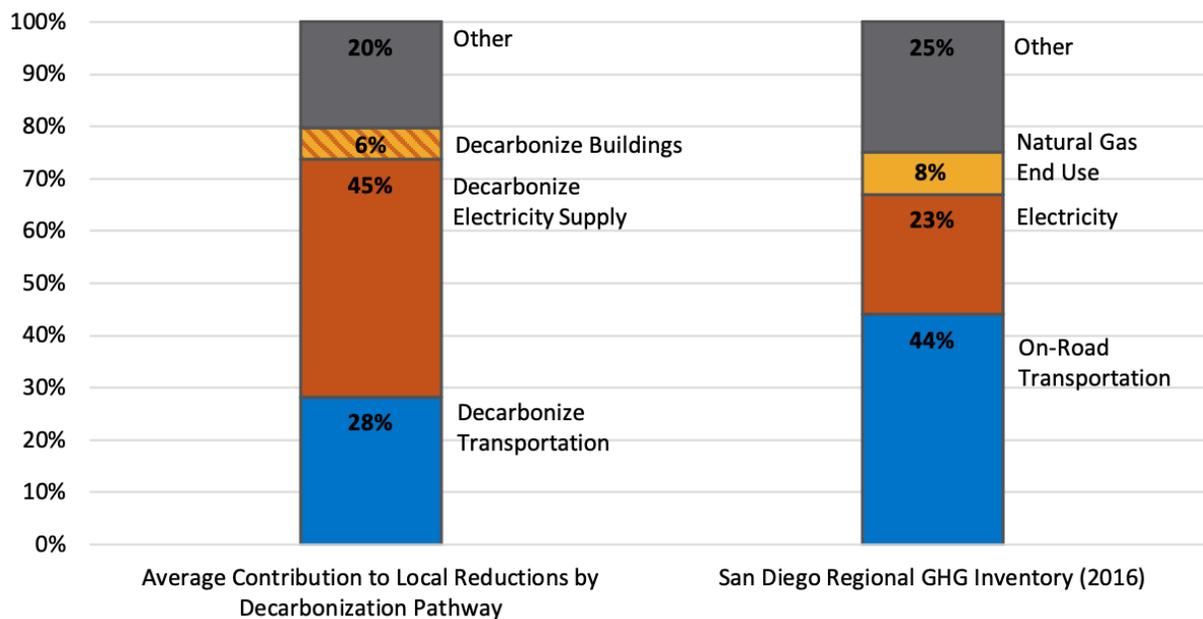


Figure 13. This graph shows the average contribution of each decarbonization pathway to the total GHG reduction from local CAP measures in 2035 (left) and the distribution of 2016 regional emissions by emission source (right). It shows that emissions from transportation (blue, right side) account for nearly half of regional emissions, but on average corresponding reductions from CAP commitments only represent slightly more than a quarter of local GHG reductions in CAPs (blue, left side). Similarly, electricity accounts for about a quarter of regional emissions (dark orange, right side) but associated reductions contribute on average just under half of GHG reductions from CAP commitments. Note that because emissions associated with buildings come from both onsite natural gas combustion and electricity production, the building decarbonization portion of the bar is shaded to show both light and dark orange to correspond with both natural gas buildings (light orange) and the electricity supply (dark orange).

Additional work would be needed to integrate social equity into climate planning. Based on a preliminary review, the integration of social equity in adopted and pending CAPs is limited, inconsistent, and lacks specificity. Additional work would be needed to develop the capacity and tools to understand and address the equity implications of all decarbonization policies in the San Diego region, including data collection and analysis; regional guidance documents; and regional working groups to coordinate, advise, track, and monitor how equity is being addressed in climate planning.

The San Diego Region as a Model

Although the San Diego region only accounts for 0.08% of global emissions, the decarbonization efforts undertaken by the region can have a measurable impact on global emissions by generating followership among others and sharing durable innovations that can be expanded and replicated. San Diego should actively seek to make its efforts visible and communicate lessons learned in national and international fora. The creation of the San Diego Regional Decarbonization Framework can serve as a case study for other jurisdictions across the U.S. and globally to learn from and adapt in their own long-term decarbonization planning endeavors. In addition to showcasing this effort alongside various national and international fora,^{xxiii} the UN Sustainable Development Solutions Network (SDSN) is producing a Guidebook that will serve as a toolkit for other municipalities, universities, and communities to follow the process undertaken by the County of San Diego in their own decarbonization processes.

SDSN is working to share the RDF within three horizontal levels across its networks. SDSN will share the RDF and its key findings in national meetings and fora in the United States, international groups and consortiums, and the United Nations. For example, the project was presented during the Innovate4Cities Conference in October 2021 and the inputs of this event will serve to inform the 2022 IPCC Sixth Assessment Report on impact, adaptation, and vulnerability to global climate change. These global consortiums provide an opportunity to showcase the results of this project and San Diego as a model to the world. With access to these audiences, the RDF can help inform global roadmaps and pathways to net zero.

A Guidebook for Regional Decarbonization is being prepared for use by local jurisdictions to aid in creating unique decarbonization frameworks. This Guidebook will provide background information as well as specific steps and advice on logistics, methodology, stakeholder engagement, long-term planning, and more. Although the resources within this Guidebook are relevant and applicable to decarbonization framework project teams beyond the US, frameworks being created in the context of emerging economies will likely use different approaches, perspectives, and strategies in climate action planning. This Guidebook will be free and available online at UC San Diego’s SDG Policy Initiative’s website (<http://sdgpolicyinitiative.org/guidebook/>) as a way to facilitate the creation of regional decarbonization frameworks and provide a practical roadmap for jurisdictions to work toward net-zero goals.

^{xxiii} Chapter 9 and Appendix C present extensive lists of US and global consortiums that San Diego County and other jurisdictions with decarbonization frameworks can connect with, attend, and join the networks of in order to disseminate their findings across different scales.