

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

May 3, 2016

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

Members present: Mayor Mary Sessom, Mayor Pro Tem George Gastil, Councilmember Jerry Jones, Councilmember Jennifer Mendoza, and Councilmember Racquel Vasquez.

Members absent: None.

City Staff present: Lydia Romero, City Manager, David DeVries, Development Services Director; Daryn Drum, Division Fire Chief; James P. Lough, City Attorney; Mike James, Public Works Director; Lt. May, Sheriff's Department; Gilbert Rojas, Interim Finance Director; Tim Gabrielson, Interim City Engineer; and Laureen Ryan Ojeda, Administrative Analyst.

Presentations

Arun Prem, Executive Director, Facilitating Access to Coordinated Transportation (FACT) provided a presentation of their operation and services they provide.

Public Comment

Jeff Lettow, representing the First Baptist Church of Lemon Grove, thanked the City Council and City Staff for working to remove the medical marijuana dispensaries and also for the Joint Use Agreement with the LG School District

Angela Nelson thanked the Council for putting their funds and effort toward removing the medical marijuana dispensaries and asked that the Joint Use Agreement with the school district be renewed.

1. Consent Calendar

A. Approval of City Council Minutes

April 19, 2016 Regular Meeting

B. Ratification of Payment Demands

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

D. Acceptance of the Safe Routes to School Non-Infrastructure Grant

Action: Motion by Councilmember Jones, seconded by Councilmember Mendoza, to approve the Consent Calendar passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2016-3410: Resolution of the Lemon Grove [City Council] Accepting the Safe Routes to School Non-Infrastructure Project (Contract No. 2011-14) as Complete

2. Amendment to the Agreement for City Engineer Services

Mike James in October 2015, the City Council approved an agreement with Rick Engineering Company (Rick Engineering) to serve as the interim city engineer and provide general engineering services.

Current Scope of Work is as follows:

Interim City Engineer: Provides 8-10 hours per week working in City Hall. Under general direction of the Development Services Director (now Public Works Director), plan, organize, and direct the design and construction, of the City's street, drainage, and sanitation infrastructure, various engineering programs, subdivision map and improvement plans examination, traffic and transportation program.

Capital Projects and Land Development Services: These services focus on various tasks or projects that may occur during the contract term as directed by the City Manager, Development Services Director or Public Works Director. Example of those duties include engineering review and approval of tentative maps, tentative parcel, final maps, parcel maps, record of survey, grading plans, building permits and improvement plans for conformance with applicable city design standards, the California Subdivision Map Act, Regional Water Quality Control Board permit requirements, and the Lemon Grove Municipal Code requirements.

Bid and Construction Support Services: With specific and separate authorization by the City, Rick Engineering would provide contract administration during the course of construction of city capital improvement projects to include construction observation to assure compliance with contract documents, review and approval of contractor request for payment, and issuance of certification of completion. Also review and respond/approve all construction submittals, RFIs and construction issues that may arise.

Lemon Grove Avenue Realignment Project Management: With specific direction from the Public Works Director, Rick Engineering assists the City by managing all tasks associated with moving forward with the Lemon Grove Avenue Realignment Project that may include: Overseeing NV5 design progress, coordinate all utility coordination meetings, and facilitate all permits necessary to begin construction.

Other Services As Needed: Other services as listed that are not included in the original cost estimate that may be performed by Rick Engineering include:

Urban design and planning, GIS services, Assessment engineering, Flood control studies, Landscape architecture, Survey and mapping, Other studies, investigations, and reports, as directed, Traffic engineering, and Civil design services.

Amended Scope of Work:

Beginning in March 2016, Rick Engineering and City staff met to discuss the existing scope of services and how it should be modified to better serve the city's needs through the next fiscal year. The proposed scope is very similar to the current scope and is summarized below.

1. *City Engineer:* Plan, organize and direct the design and construction of the City's street, drainage and sanitation infrastructure, various engineering programs, subdivision map and improvement plans examination, transportation program and participate as a part of the City's management team.
2. *Attend City Council Meetings (As-needed):* Attend City Council meetings and in support of city projects, policies, programs and city engineer duties and responsibilities. This is may equal up to 30 meetings at three hours per meeting.

3. *Capital Projects and Land Development Services*: Continuing under the same model as the last five months, this area of work can be utilized by various tasks or projects that may occur during the project period. Elements of consultant services will be developed as the needs are identified by city staff. Possible areas of work may include engineering review, approval of tentative maps, tentative parcel, final maps, parcel maps, record of survey, grading plans, building permits, and improvement plans for conformance with applicable city design standards, California Subdivision Map Act, Regional Water Quality Control Board Permit requirements, and the Lemon Grove Municipal Code Requirements. Additional work items may include work on the capital improvement program, transportation/traffic engineering services, and public utility coordination.
4. *Bid and Construction Support Services*: Provide contract administration during the course of construction of City capital improvement projects to include construction observation to assure compliance with contract documents, review and approval of contractor requests for payment, and issuance of certificates of completion, review and respond/approve all construction submittals, RFIs and construction issues that may arise, and assist in bid process including bid opening, review of bids, and recommendation for contract award.
5. *Lemon Grove Avenue Realignment Project Management*: Continue to systematically move the project from design and advertisement to contractor selection, award and construction of the realignment and underground utility district. Rick Engineering is playing the vital role in total project coordination with city staff, utility companies, MTS and Caltrans.
6. *Metro Wastewater Commission/JPA Project Management Services (As-needed)*: An ancillary duty of the former City Engineer and interim City Engineer was to attend the Metro Technical Advisory Committee and Joint Powers Authority meetings. This added service will recommend a wastewater experienced engineer from Rick Engineering to serve (as-needed) in the City's role and to support the City Council's appointee on the Metropolitan Wastewater Joint Powers Authority.
7. *Other Services As Needed*: Other services as listed that are not included in the original cost estimate that may be performed by Rick Engineering include:

Urban design and planning, GIS services, Assessment engineering, Flood control studies, Landscape architecture, Survey and mapping, Other studies, investigations, and reports, as directed, and Traffic engineering.

The total agreement cost estimate is proposed not to exceed \$330,000. The agreement is based on multiple types of work anticipated to be performed during the term of the agreement. Each type of work and the respective cost estimate shown are based on a time and material basis in accordance with the current schedule of hourly rates. Any printing and miscellaneous processing fees are extra and not a part of this agreement.

This proposed funding plan is consistent with the how the full time City Engineer position was funded when it was an internal employee. The plan is consistent with the current and anticipated scope of work that Rick Engineering will provide during the term of the amended agreement.

Staff is proposing an contract term to June 30, 2017, with the option to extend the agreement for an additional 12-months based on need to complete any outstanding priority projects listed in the City's Five Year Capital Improvement Program

Public Speaker(s)

There were no requests from the public to speak.

Action: Motion by Mayor Pro Tem Gastil, seconded by Councilmember Jones, to adopt the resolution passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Resolution No. 2016-3411: Resolution of the City Council of the City of Lemon Grove, California Amending the Agreement with Rick Engineering Company for City Engineering Services

3. Ordinance No. 27 – Maintaining the Current Wastewater Rates for Fiscal Year 2016-2017

Mike James explained that the established 2011 wastewater rate case study will end June 30, 2016. Staff advertised a request for qualifications for a current wastewater rate case study on September 24, 2015 and the Board awarded the contract to NBS Government Finance Group (NBS) on December 1, 2015. After reviewing the District's revenues and expenditures and working with staff, NBS determined that the current rate should be maintained through FY 2016-17 for the following reasons:

The District is not anticipating any increases in expenditures, and

The District Board has adequately built its reserve funds to anticipate any unforeseen incident that may increase Metro Wastewater charges to the District for transportation and treatment of flow, and

The current rates and reserve levels are sufficient to meet the projected funding requirements.

Public Speaker(s)

There were no requests from the public to speak.

Action: Motion by Councilmember Jones, seconded by Mayor Pro Tem Gastil, to introduce Ordinance 27 and conduct first reading by title passed, by the following vote:

Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez

Ordinance No. 27: An Ordinance Amending Ordinance No. 26 of the Lemon Grove Sanitation District Describing Methods for Calculating Sewer Use Charges

4. Amendment to the Agreement for Sanitation Rate Case Study

Mike James reported that every four to five years, the Lemon Grove Sanitation District evaluates the Sanitation District rates paid by Lemon Grove Sanitation District users. The rates charged per equivalent dwelling unit (EDU) fund expenditures related to the transfer and treatment of wastewater through the District's sanitary sewer system to the City of San Diego, the cost associated with the annual capital improvement program, and the expense to maintain mandatory reserve funds.

In order to ensure an accurate method of calculation is used, staff recommends that periodically the District perform a financial modeling plan. The plan will continue to evaluate current sewer rates relative to the anticipated capital, operational, and maintenance obligations in future years.

NBS does not anticipate any revenue shortfall based on the current amount of expenditures during the next fiscal year. However, when NBS reviewed the District's connection fee it brought to staff's attention that this fee may not be fully capturing the appropriate amounts to

fund the District. This item will require an additional amount of analysis to determine if there should be an amendment to the amount of the connection fee. Should the agreement be extended this item will be evaluated.

The District currently has two reserve funds: Operational Reserves (40% of the total annual operational costs in the District) and Rate Stabilization Reserves (equivalent to one year of Metro Wastewater transportation and treatment costs).

NBS satisfactorily reviewed and recommended a rate structure for a five year period as was originally requested by the District Board. However, there are a number of new components that staff now feels should be further analyzed in order to recommend the best methodology to calculate rates, review and assess if sufficient funds for the construction of capital projects is addressed, and recommend the proper level of reserves to fund all District projects while also avoiding any rate spikes to district users. For these reasons, staff believes there is merit to continue working with NBS and create a second phase of work that will provide this analysis

The existing scope of work with NBS lasts until January 5, 2017 with the total fees not to exceed \$43,235. Due to the reduced scope of work that NBS is anticipated to perform in FY 2015-16, the total fee is anticipated fee will not to exceed \$16,500, which is \$26,735 less than originally budgeted. Moving forward to FY 2016-17, staff anticipates NBS will perform additional analysis that will not exceed \$51,000. The total two year proposal of \$67,500 is \$24,265 more than the original agreement amount.

If the extension is approved, NBS will continue to work closely with District staff during the fiscal year to refine its final five year report based on the changes discussed in this report. The five-year analysis and presentation will return to the District Board in March or April 2017 for discussion and final consideration.

After the discussion, staff was directed to continue to work with NBS and bring this matter back to the Sanitation District Board.

5. Potential Funding Measure- SANDAG

SANDAG is considering a potential funding measure for the November 2016 ballot. This item is to provide the City Council an opportunity to discuss this draft measure and give direction to the appointed SANDAG representatives

After discussion the consensus of the City Council was that the SANDAG representatives to votes yes to place a measure on the ballot.

City Council Oral Comments and Reports on Meetings Attended at the Expense of the City. (GC 53232.3 (d))

Councilmember Jones reported on recent meetings at SANDAG and the East County Chamber.

Councilmember Mendoza participated in the Lemon Grove Clean-up event and attended American Cancer Action Network Society breakfast. She added the Rely for Life event will be on May 14 and recognized Lemon Grove employee Stephanie Boyce.

Councilmember Vasquez attended meetings with City County Reinvestment Task Force, Heartland Fire Training Authority Commission Meeting, and a Local Agency Formation Committee.

Mayor Pro Tem Gastil participated in the Lemon Grove Clean-up event, 100th birthday party for Betty Hunter, and an ECEDC meeting.

Mayor Sessom reported on recent Airport Authority and SANDAG meetings

City Manager and Department Director Reports

Tim Gabrielson reported on a pre-bid meeting for Lemon Grove Avenue Realignment construction project.

Lt. May noted that the Sheriff Department participated on April 30th for National Drug Take Back Day.

Closed Session

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

Closed Session Report: No reportable action was taken.

Adjournment

There being no further business to come before the City Council, Housing Authority, Sanitation District Board, Lemon Grove Roadway Lighting District Board, and the Lemon Grove Successor Agency the meeting was adjourned at 9:15 p.m.

Susan Garcia

Susan Garcia, City Clerk