

City of Lemon Grove  
City Council Regular Meeting Agenda  
Tuesday, November 15, 2016, 6:00 p.m.  
Lemon Grove Community Center  
3146 School Lane, Lemon Grove, CA

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

Call to Order

Pledge of Allegiance

Changes to the Agenda

Presentations

Introduction of New Heartland Fire and Rescue, Chief Stowell

Recognition of San Diego County Sheriff's Deputy Ruby

Introduction of Mike Viglione, Assistant Planner

Public Comment

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

1. Consent Calendar

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

A. Approval of Meeting Minutes

November 1, 2016 – Regular Meeting

Members present: Sessom, Gastil, Jones, Mendoza, and Vasquez

B. City of Lemon Grove Payment Demands

Reference: Gilbert Rojas, Interim Finance Director

Recommendation: Ratify Demands

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

Reference: Jim P. Lough, City Attorney

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

D. Amendment No. 1 of the Professional Services Agreement with Dudek for the Preparation of a Program Environmental Impact Report for the General Plan Update

*The City Council will consider approval of Amendment No. 1 with Dudek that will extend the existing agreement to December 31, 2017 for preparation of a Program Environmental Impact Report for the General Plan Update.*

Reference: David De Vries, Development Services Director and

Malik Tamimi, Management Analyst

Recommendation: Adopt Resolution

- E. Amendment No. 1 to the Transnet Local Street Improvement Program of Projects for FY 2017-21

*The City Council will consider a resolution approving an amendment to the Transnet Local Street Improvement Program of Projects for Fiscal Years 2017 through 2021.*

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

Recommendation: Adopt Resolution

- F. Determination of Disability for Disability Retirement

*The City Council will consider a resolution that certifies a determination of disability for the purpose of a non-industrial disability retirement.*

Reference: Corinne Russell, HR Manager

Recommendation: Adopt Resolution

2. Wastewater Rate Case Study and Request for District Board Direction to Notice Public Hearings for Future Sanitation District Board Meetings

*The Lemon Grove Sanitation District will consider Amendment No. 2 to the agreement with NBS Consultants to manage public hearings due to the City of San Diego's approved contracts that support an accelerated San Diego Pure Water Program increasing capital improvement project expenditures in the next four years. These new costs will result in an anticipated increase of \$3,728,012 increase to the District during the next four years.*

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

Recommendation: Discuss and Provide Direction to Staff

3. Ordinance No. 441 - Zoning Amendment ZA1-600-0002, Amending the Buildings and Construction Regulations (Title 15 of the Lemon Grove Municipal Code)

*The City Council will consider the second reading and adopting changes to Lemon Grove Municipal Code Title 15, Buildings and Constructions, to meet state-mandated 2016 updates. The City is required to utilize the newest version of the codes for building permit review and inspections.*

Reference: David De Vries, Development Services Director

Recommendation: Conduct Second Reading and Adopt Ordinance

4. Ordinance No. 442: Amending Title II (Administration and Personnel), Chapter 2.04 (City Manager) Reorganizing Authority of City Officers

*The City Council will consider an ordinance for management under the Council-Manager form of government applicable in the City of Lemon Grove and assigns management responsibilities of the Treasurer and City Clerk to the City Manager with clarification of the City Manager's role in intergovernmental arrangements.*

Reference: James Lough, City Attorney

Recommendation: Conduct Second Reading and Adopt Ordinance

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

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

Department Director Reports (Non-Action Items)

Closed Session

Pursuant to Government Code Section 54957: Public Employee Performance Evaluation

Title: City Manager

Adjournment

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

**November 1, 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*

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**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:

City Staff present: Lydia Romero, City Manager, David DeVries, Development Services Director; Daryn Drum, Division Fire Chief; Arron Goodman, Building Official; Mike James, Assistant City Manager/Public Works Director; Chris Jenson, Fire Marshall; James P. Lough, City Attorney; and Lt. May, Sheriff's Department.

**Public Comment**

Teresa Tablas, Senator Anderson's office, provided an invitation to the Holiday Legislative Open House on December 7, 2016.

Teresa Rosiak-Proffit commented on the homeless population living in Lemon Grove and urged the City Council to assist with this issue.

John L. Wood commented on the Trolley's arrival intervals along with below grade tracks, and overall Trolley impacts to Lemon Grove.

Stephen Browne expressed concerns related construction of the realignment project and the proposed traffic signals at that intersection.

**1. Consent Calendar**

**A. Approval of City Council Minutes**

October 18, 2016 Regular Meeting

**B. Ratification of Payment Demands**

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

**D. Annual Local Appointments List Update**

**Action: Motion by Councilmember Jones, seconded by Mayor Pro Tem Gastil, to approve the Consent Calendar passed, by the following vote:**

Councilmember Mendoza asked for clarification regarding the Traffic Advisory Committee community representative appointment that is vacant.

Lydia Romero reported that Traffic Advisory Committee hasn't met in years, but there are plans to revitalize the committee in the near future.

**Ayes: Sessom, Gastil, Jones, Mendoza**  
**Abstain: Vasquez**

**2. Public Hearing to Consider Ordinance No. 441 - Zoning Amendment ZA1-600-0002, Amending the Buildings and Construction Regulations (Title 15 of the Lemon Grove Municipal Code)**

Eric Craig explained that the California Government Code (CBSC) is generally updated every three years and adopted by the State of California Building Standards Commission. Local jurisdictions are subsequently required to adopt and implement the Building Standards Code as the minimum standards for construction. The City is required to utilize the newest version of the codes for building permit review and inspections. The City may modify the construction codes based upon local climatic, geologic, or topographic conditions provided the modifications are more restrictive, however, local amendments to administrative procedures do not require a justification. If a City does not adopt the revised CBSC with local amendments, the revised CBSC goes into effect regardless and local amendments cannot be considered until adopted by the City Council. The 2016 CBSC effective date is January 1, 2017. Title 15 of the Municipal Code was last updated in 2013 to reflect the updated 2013 CBSC. No significant changes were a part of the 2016 CBSC update.

Amendments to the Municipal Code require adoption of an ordinance by the City Council and require a 1<sup>st</sup> and 2<sup>nd</sup> reading and are effective 30 days after the date of the second reading. Since the State does not allow local jurisdictions to utilize the 2016 CBSC until January 1, 2017, the effective date proposed in the ordinance will also be January 1, 2017.

The draft ordinance amends various chapters within Title 15 (Building and Construction) of the Lemon Grove Municipal Code (LGMC) to incorporate by reference the latest (2016) edition of the CBSC. Moreover, it includes the City's local amendments.

The proposed Title 15 amendments of the LGMC change the order in which the chapters of Title 15 are listed to reflect the order in which the associated codes appear in Title 24. The Housing Code is being deleted from Title 15 because the Housing Code was deleted for the 2016 edition of Title 24. Likewise, two new chapters are being added to Title 15, which correspond to new codes in Title 24 (the Existing Building Code and the Historic Building Code). These sections govern building permits involving existing structures. The California Historical Building Code provides regulations and standards for the rehabilitation, preservation, restoration or relocation of historical buildings. The standards are intended to allow the restoration or change of occupancy so as to preserve the historical building's original or restored elements and features. A historically designated building would be exempt from some building code requirements, and/or may be able to meet code requirements using alternative means and methods. Historic buildings as referenced would include those listed in the City's General Plan or other historic registry.

In addition to the required Title 24 requirements, the attached ordinance proposes changes not mandated by Title 24. Specifically, the proposed local amendments include local administrative procedures as they exist, the deletion of existing regulations for swimming pools that are already addressed in the building code, and diverting enforcement authority to the development services director for the abatement of dangerous buildings. These local amendments are further described below. The findings required to make these local amendments are also described.

Currently, LGMC Title 15 incorporates the 1997 version of the Uniform Administrative Code with local amendments. The proposed revisions include replacing the 1997 Uniform Administrative Code with the 2016 California Administrative Code, which is part of Title 24. The proposed revisions also include relocating the local administrative procedural amendments from LGMC Chapter 15.06 (Administration) to LGMC Chapter 15.08 (Building Code).

Unlike local amendments to the technical codes (Building Code, Fire Code, etc.), local amendments to administrative procedures do not need to be justified or based upon geologic, climatic, and topographic conditions. Lemon Grove's proposed local administrative amendments generally include the following which are consistent with existing provisions:

- Authorizes the City Engineer to delay issuance of a building permit until grading work and required public improvements are completed.

- Authorizes the City Engineer to deny issuance of a building permit based upon unsafe geologic conditions or upon a project's location within a flood prone area.

- Authorizes the Building Official to deny a permit based upon the presence of unsafe or substandard conditions at the project site.

- Establishes a time limit for the completion of work associated with a permit and allows for expiration of a permit not diligently pursued to completion.

- Generally exempts government agencies and school districts from permit fees.

- Establishes authority to charge additional fees for major changes to plans during plan check.

- Authorizes the Building Official to determine the valuation of construction work for the purpose of assessing building permit fees. Standard valuation methods will be used to estimate the valuation of building projects and applicants can still submit valuations for consideration.

- Authorizes the Building Official to refund permit fees that were erroneously collected.

- Designates unpermitted construction as a public nuisance.

The City may amend the technical and construction requirements of Title 24 as long as those amendments are more restrictive than Title 24 and are based upon local climatic, geologic, or topographic conditions.

Mr. Craig noted that the draft ordinance includes detailed findings or justifications for the proposed local amendments of the technical codes. In general, those findings reflect the fact that Lemon Grove is located in the seismically active Southern California Region where earthquakes can cause severe destruction on a regional scale (a geologic condition). Moreover, in Lemon Grove the dry hot climate, the seasonal Santa Ana winds, the hilly terrain, and the extremely fire-prone local vegetation combine to create the potential for catastrophic wildfires (climatic and topographic conditions). After the fires, rains can create landslides on the slopes stripped bare of vegetation by the wildfires.

The LGMC currently includes adoption of the 1997 Uniform Code for the Abatement of Dangerous Buildings. The only existing local amendments to that code are the deletion of Chapter 1 (Title and Scope), and Chapter 2 (Enforcement). The attached ordinance retains the 1997 Uniform Code for the Abatement of Dangerous Buildings, but also includes more specific local amendments which are mostly procedural in nature.

In conjunction with other sections of the LGMC, the abatement code provides a method to abate dangerous structures which threaten public health and safety, or disturb the public peace, or are contradictory to public morals. The proposed local amendments in the draft ordinance generally accomplish the following:

- Authorizes the development services director (Director) to enforce the abatement code provisions;

- Authorizes the Director or a representative to enter a premises in order to inspect or enforce the provisions of the abatement code;

- Establishes procedures for the issuance of notices and orders to repair, vacate, or demolish dangerous structures;

- Establishes procedures for the timing and consideration of appeals;

- Establishes procedures for the issuance, timing, and payment of fines; and

- Establishes procedures for cost recovery.

### *Chapter 15.40, Swimming Pools*

Currently, LGMC Chapter 15.40, Swimming Pools, contains regulations for public pools and makes references to outdated State regulations. For the 2016 Title 24 update, regulations for public pools are contained in the California Building Code. Since Chapter 15.40 refers to an outdated permit process and the regulations are contained within the updated codes to be adopted, staff recommends deleting this Chapter.

### *Findings to Amend the Lemon Grove Municipal Code*

In order to amend the LGMC, Council must find that the proposed amendments are consistent with the General Plan and that they preserve public health, safety, and general welfare. The Lemon Grove General Plan Safety Element acknowledges the applicability of the codes contained within Title 24 as reflected in LGMC Title 15. Furthermore, it acknowledges their intended purpose to reduce the risk of injuries, death, and property damage. Since the primary purpose of Title 24 is to promote public health and safety through the application of minimum construction standards, Council can make findings in support of the proposed LGMC amendments.

Chris Jensen, Fire Marshall, reported that their recommendation does not exceed minimum requirements, however, they are requesting amendments that are related to road widths.

Mayor Sessom asked for clarification regarding the fire sprinklers requirements.

Chris Jensen, Fire Marshall, explained in order to address the fire sprinkler issue there is a review process, regarding if the alteration is 50 percent or greater of a proposed building alteration and fire hydrant distance, will determine whether or not fire sprinklers will be required.

Mayor Sessom recommended consistency regarding with the auxiliary and accessory dwelling to the definitions.

Mayor Sessom opened the public hearing.

### Public Speaker(s)

There were no requests from the public to speak.

**Action: Motion by Mayor Pro Tem Gastil, seconded by Councilmember Jones, to close the public hearing and introduce Ordinance No. 441 for first reading, with amendment to “accessory” instead of “auxiliary in the Fire Code passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones, Mendoza, Vasquez**

**Ordinance No. 441:** An Ordinance of the City Council of the City of Lemon Grove, California Rescinding Chapters 15.04, 15.06, 15.08, 15.10, 15.12, 15.20, 15.24, 15.28, 15.32, 15.34, 15.36, 15.38, and 15.40 of Title 15 of the Lemon Grove Municipal Code, Entitled “Buildings and Construction”, in their Entirety, and Adopting New Chapters 15.04, 15.06, 15.08, 15.10, 15.14, 15.18, 15.20, 15.22, 15.24, 15.26, 15.28, 15.30, 15.32, and 15.38 Adopting the 2016 California Building Standards Code, Including the 2016 California Administrative Code, the 2016 California Building Code, the 2016 California Residential Code, the 2016 California Electrical Code, the 2016 California Mechanical Code, the 2016 California Plumbing Code, the 2016 California Energy Code, the 2016 California Historical Building Code, the 2016 California Existing Building Code, the 2016 California Green Building Code and the 2016 California Reference Standards Code, and Local Amendments and Related Findings and Adopting the 1997 Uniform Code for the Abatement of Dangerous Buildings and Local Amendments

**3. Ordinance No. 442: Amending Title II (Administration and Personnel), Chapter 2.04 (City Manager) Reorganizing Authority of City Officer**

James Lough stated that the purpose of this both reorganize and clarify duties. The City of Lemon Grove uses the most common form of city government (Council-Manager). It has a City Manager to manage the day-to-day operations of the City under the direction and control of the City Council. Under the Council-Manager form of government, the City Council gives direction to the City Manager who, in turn, has the responsibility of managing the city workforce in a manner consistent with Council direction. He noted that City Council has not conducted personnel evaluations for the Treasurer and City Clerk positions.

Over the years, the titles and responsibilities of various city officers has changed and the current chapter governing roles and responsibilities has not changed to reflect these shifts. One example is the assumption of the duties of Treasurer by the Finance Manager

Under Lemon Grove Municipal Code ("LGMC") Section 2.04.060(C) (Power of Appointment and Removal) and Section 2.04.070(B) (Internal Relations and Coordination of Intergovernmental Services), there are three officers that are not subject to the direction and control of the City Manager. The City Treasurer, City Clerk and City Attorney are under the supervisory control of the City Council. Except for the City Attorney who is governed by a contract with a law firm, the other two offices are city employees. The attached ordinance places control of these employee positions under the city manager's authority in a manner consistent with the council-manager form of governance applicable to all other employees. The City Council, as part-time body using the Council-Manager Form of Government, does not manage the day-to-day operations of the City. This amendment is consistent with the method of city management of all other city employees.

A second change under the Ordinance reflects the increase in intergovernmental involvement in the day-to-day operations of the City. Under LGMC Section 2.04.060(L) and 2.04.070(C), there is a recognition in the role of the city manager in managing contracts with other governments. Section 2.04.070(C) addresses the various types of cooperative agreements (*i.e.* Heartland Fire and Rescue) and the City Manager role in managing these agreements. This subsection recognizes how the City Manager manages the Sheriff's contract and the Lemon Grove portion of Heartland Fire and Rescue. This subsection states as follows:

C. Subject to the direction and control of the City Council, the city manager, or designee, shall manage all intergovernmental contracts, grant agreements and joint powers agreements on behalf of the City of Lemon Grove, or its subsidiary agencies, with other governmental agencies. The city manager, or designee, shall manage contracts with agencies including, but not limited to, the State of California, County of San Diego, Heartland Communications Authority, Heartland Fire and Rescue, San Diego County Sheriff's Department, San Diego Metropolitan Wastewater Authority, and the San Diego Association of Governments. For the purposes of providing public safety services to the citizens of Lemon Grove, the city manager shall supervise the appointed Fire Chief of Heartland Fire and Rescue as to all matters involving the City of Lemon Grove. The city manager shall work with the commanding officer of the Lemon Grove substation of the county of San Diego Sheriff's department in the implementation of the contract providing police services to the City of Lemon Grove. All references to "police" services in this Municipal Code shall mean the services provided by the San Diego Sheriff's department to the City of Lemon Grove. The City Manager, or designee, shall also provide support and assistance to Council-appointed members of



Joint Powers Authorities and Intergovernmental Agencies in the performance of their duties.

The changes to 2.04.070(C) also reflect the governance roles of councilmembers who sit on various intergovernmental entities. These are referenced to make clear that the city manager role in managing local contracts or grants with other agencies are different than the respective governance roles held by city councilmembers appointed to regional bodies. The Ordinance adds this subsection to recognize the changing role played by the city manager and the evolving role of local government that includes significant participation in intergovernmental arrangements.

2.04.070(C) clarifies inconsistencies in the Lemon Grove Municipal Code it identifies law enforcement as "police" or "sheriff". This subsection clarifies that the references all apply to the contracted services from the San Diego County Sheriff's Department.

Overall, the changes clear up management inconsistencies to reinforce the Council-Manager Form of Government. Further, new reliance on regional governmental partnerships is consistent with the Council - Manager management model.

Councilmember Mendoza commented on research she conducted regarding other cities Code and did not find similar language. She asked if this changes current operation.

James Lough stated that this does not change what the City is currently doing and this was literally tailored to Lemon Grove.

Councilmember Mendoza noted that the Finance Director serves as the Treasurer and recommended that under definitions the City Clerk should be part of the City management team. She suggested that is perhaps not the right time related to exposure and personnel and noting the only thing this changes is appointment and removal of the City Clerk.

Councilmember Vasquez commented on the City of San Diego's structure with the City Clerk position and agreed with Councilmember Mendoza that this matter should be revisited at another time.

Mayor Sessom stated that the City Council has not managed the City Clerk position as stated under the municipal code.

Councilmember Jones added that the City Council has not conducted an evaluation of the City Clerk in 23 years.

Lydia Romero stated that she does not evaluate the City Clerk.

Councilmember Vasquez recommended that the new City Council be given an opportunity to make this decision.

Mayor Pro Tem Gastil stated that he supports the City Attorney's recommendations that would limit exposure and protect the City.

#### Public Speaker(s)

There were no requests from the public to speak.

**Action: Motion by Mayor Pro Tem Gastil, seconded by Councilmember Jones, to introduce Ordinance No. 442 for first reading passed, by the following vote:**

**Ayes: Sessom, Gastil, Jones**

**Noes: Mendoza, Vazquez**

**Ordinance No. 442:** An Ordinance of the City Council of the City of Lemon Grove, California Amending Sections 2.04.060 (Power of Appointment and Removal) and 2.04.070 (Internal Relations and Coordination of Intergovernmental Services) of the Lemon Grove Municipal Code

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

Councilmember Jones reported on recent on meetings related to wastewater along with a meeting representatives from the City San Diego Mayor's office.

Councilmember Mendoza attended the Grossmont/Cuyamaca Community College Chancellor's breakfast, participated in the City clean-up, attended Lemon Grove Soroptimist Annual Chili Cook-Off fund raising event, and commented on Assemblywoman Weber's Youth Advisory Council.

Mayor Pro Tem Gastil attended a Facilitated Access to Coordinated Transportation meeting where he was nominated as secretary, a San Diego Housing Federation workshop, and the Lemon Grove Soroptimist Annual Chili Cook-Off fund raising event.

In addition, Mayor Pro Tem Gastil noted that Councilmember Jones attended a MTS meeting.

Councilmember Vasquez attended the Girl Scout Journey Badge event, a Taekwondo competition, the Mt. Vernon School Fall Festival, the Lemon Grove Soroptimist Annual Chili Cook-Off fund raising event, and she was presented with the Community Excellence Award by Fidelity Lodge No. 10.

Mayor Sessom reported on SANDAG and Airport Authority meetings, along with the City clean-up event. She expressed appreciation to the City's new Park Ranger.

**City Manager and Department Director Reports**

Lt May reported on a recent San Diego County Sheriff's Department collaborative law enforcement event in Lemon Grove.

**Continued Public Comment**

Veronica Franco expressed concerns regarding safety in Lemon Grove.

**Closed Session**

Pursuant to Government Code Section 54957: Public Employee Performance Evaluation  
Title: City Manager

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 8:25 p.m.

*Susan Garcia*  
Susan Garcia, City Clerk

# City of Lemon Grove Demands Summary

Approved as Submitted:

Gilbert Rojas, Interim Finance Director

For Council Meeting: 11/15/16

ACH/AP Checks 10/24/16-11/02/16

813,578.03

Payroll - 10/25/16

116,057.14

Total Demands

929,635.17

| Check No | Vendor No                                                                             | Vendor Name                                | Check Date | Vendor Name                                                                                                                                                                                  | Check Amount                                            |              |
|----------|---------------------------------------------------------------------------------------|--------------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------|
| CHECK NO | INVOICE NO                                                                            | VENDOR NAME                                | CHECK DATE | Description                                                                                                                                                                                  | INVOICE AMOUNT                                          | CHECK AMOUNT |
| ACH      | Refill 10/20/16                                                                       | Pitney Bowes Global Financial Services LLC | 10/24/2016 | Postage Usage 10/20/16                                                                                                                                                                       | 250.00                                                  | 250.00       |
| ACH      | Oct13 16<br>Oct27 16                                                                  | Southern CA Firefighters Benefit Trust     | 10/26/2016 | LG Firefighters Benefit Trust 10/13/16<br>LG Firefighters Benefit Trust 10/27/16                                                                                                             | 876.85<br>876.85                                        | 1,753.70     |
| ACH      | Sep16                                                                                 | San Diego County Sheriff's Department      | 10/26/2016 | Law Enforcement Services - Sep'16                                                                                                                                                            | 433,599.90                                              | 433,599.90   |
| ACH      | Oct25 16                                                                              | Employment Development Department          | 10/27/2016 | State Taxes 10/25/16                                                                                                                                                                         | 6,196.88                                                | 6,196.88     |
| ACH      | 47217833                                                                              | WEX Wright Express Fleet Services          | 10/28/2016 | Fuel - Fire Dept - Sep'16                                                                                                                                                                    | 828.63                                                  | 828.63       |
| ACH      | Oct25 16                                                                              | US Treasury                                | 10/31/2016 | Federal Taxes 10/25/16                                                                                                                                                                       | 27,647.95                                               | 27,647.95    |
| ACH      | Dec16                                                                                 | Aflac                                      | 10/31/2016 | AFLAC Insurance Dec'16                                                                                                                                                                       | 656.50                                                  | 656.50       |
| ACH      | Oct12-Oct25                                                                           | Calpers Supplemental Income 457 Plan       | 11/01/2016 | 457 Plan 10/12/16-10/25/16                                                                                                                                                                   | 4,067.34                                                | 4,067.34     |
| ACH      | Oct16                                                                                 | Power Pay Biz/Evo                          | 11/01/2016 | Online Credit Card Processing - Oct'16                                                                                                                                                       | 62.19                                                   | 62.19        |
| ACH      | Nov16                                                                                 | Pers Health                                | 11/02/2016 | Pers Health Insurance - Nov'16                                                                                                                                                               | 41,713.30                                               | 41,713.30    |
| ACH      | Sep14-Oct11                                                                           | California Public Empl Retirement System   | 11/02/2016 | Pers Retirement 9/14/16-10/11/16                                                                                                                                                             | 65,254.90                                               | 65,254.90    |
| ACH      | Oct16                                                                                 | Dharma Merchant Services                   | 11/02/2016 | Merchant Fees - Oct'16                                                                                                                                                                       | 374.01                                                  | 374.01       |
| ACH      | Oct16                                                                                 | Authorize Net                              | 11/02/2016 | Merchant Fees In-Store & Online - Oct'16                                                                                                                                                     | 40.40                                                   | 40.40        |
| 6587     | C1914                                                                                 | A-Pot Rentals                              | 10/26/2016 | Portable Restroom Rental 10/9/16-11/8/16                                                                                                                                                     | 132.20                                                  | 132.20       |
| 6588     | 694262045<br>694269614<br>694269615                                                   | Cintas Corporation #694                    | 10/26/2016 | Janitorial Supplies - 9/29/16<br>Janitorial Supplies - 10/20/16<br>Janitorial Supplies - 10/20/16                                                                                            | 834.32<br>381.86<br>149.01                              | 1,365.19     |
| 6589     | 7002                                                                                  | City of Imperial Beach                     | 10/26/2016 | SD Bay WQIP Implementation- FY 16/17                                                                                                                                                         | 10,358.00                                               | 10,358.00    |
| 6590     | 2962<br>2963<br>2964                                                                  | County of San Diego- Registrar of Voters   | 10/26/2016 | Nov 8, '16 Presidential Gen'l Election Advance Deposit/CLG Mayor<br>Nov 8, '16 Gen'l Election Advance Deposit/2 CLG Council Seats<br>Nov 8, '16 Gen'l Election Advance Deposit/CLG Measure V | 6,803.00<br>11,412.00<br>11,103.00                      | 29,318.00    |
| 6591     | 10/7/2016                                                                             | Cox Communications                         | 10/26/2016 | B/U Phone/Fire /7853 Central- 10/7/16-11/6/16                                                                                                                                                | 31.48                                                   | 31.48        |
| 6592     | 0916 04 9158                                                                          | Dexter Wilson Engineering, Inc             | 10/26/2016 | Sanitary Sewer Master Plan - Sep '16                                                                                                                                                         | 14,847.50                                               | 14,847.50    |
| 6593     | 10/17-20/16                                                                           | Esgil Corporation                          | 10/26/2016 | 75% Building Fees- 10/17/16-10/20/16                                                                                                                                                         | 4,208.16                                                | 4,208.16     |
| 6594     | Forsythe                                                                              | Forsythe, Sam                              | 10/26/2016 | Refund/Forsythe, Sam/Deposit/Rec Ctr- 10/15/16                                                                                                                                               | 100.00                                                  | 100.00       |
| 6595     | 100316                                                                                | Franchise Tax Board                        | 10/26/2016 | Earnings Withholding - #550086760                                                                                                                                                            | 800.00                                                  | 800.00       |
| 6596     | INV1011085                                                                            | George Hills Company                       | 10/26/2016 | Ponce Claim - Sep'16                                                                                                                                                                         | 166.00                                                  | 166.00       |
| 6597     | George                                                                                | George, Shauna                             | 10/26/2016 | Refund/George, Shauna/Deposit- Rec Ctr-10/16/16                                                                                                                                              | 200.00                                                  | 200.00       |
| 6598     | 9339                                                                                  | Infrastructure Engineering Corporation     | 10/26/2016 | Prof Svc: LGA Realignment - 8/27/16-9/30/16                                                                                                                                                  | 11,153.25                                               | 11,153.25    |
| 6599     | 202116<br>202117<br>202118                                                            | Ninyo & Moore                              | 10/26/2016 | Grove Lofts Inspection thru 9/30/16<br>Hilltop Condo Project Inspection Svcs thru 9/30/16<br>Lincoln Homes Inspection Svcs thru 9/30/16                                                      | 411.50<br>1,552.50<br>1,943.50                          | 3,907.50     |
| 6600     | CP-WO-26237-1<br>CP-WO-29305-1-1<br>PP-1045<br>SO-29374-1<br>WO-30432-1<br>WO-31849-1 | Office Advantage, Inc                      | 10/26/2016 | Office Supplies/Credit- City Hall<br>Office Supplies/Credit - Finance<br>Office Supplies Credit - Fire<br>Office Supplies- City Hall<br>Office Supplies - Fire<br>Office Supplies - Fire     | -93.47<br>-73.31<br>-28.46<br>359.53<br>18.35<br>186.46 | 369.10       |
| 6601     | Rivera                                                                                | Rivera, Jocabed                            | 10/26/2016 | Refund/Rivera, Jocabed/Deposit- Rec Ctr- 10/15/16                                                                                                                                            | 200.00                                                  | 200.00       |
| 6602     | 10/20/16                                                                              | Romero, Paolo                              | 10/26/2016 | Mileage & Lunch/Code Enforcement Training/Romero- 8/1-5/16                                                                                                                                   | 383.39                                                  | 383.39       |
| 6603     | 0283224<br>0288082                                                                    | SCS Engineers                              | 10/26/2016 | Env Consulting Svc: LGA Realignment 7/1/16-7/31/16<br>Env Consulting Svc: LGA Realignment 9/1/16-9/30/16                                                                                     | 3,227.00<br>6,506.00                                    | 9,733.00     |

|      |                                                          |                                                |            |                                                                                                                                                                                                                                                                                          |                                                                             |           |
|------|----------------------------------------------------------|------------------------------------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------|
| 6604 | Sep 16                                                   | SDG&E                                          | 10/26/2016 | Gas & Electric 8/20/16-9/19/16                                                                                                                                                                                                                                                           | 621.36                                                                      | 621.36    |
| 6605 | 46161                                                    | The East County Californian                    | 10/26/2016 | Ordinance No 440- Vista Azul - 10/13/16                                                                                                                                                                                                                                                  | 59.50                                                                       | 59.50     |
| 6606 | Oct25 16                                                 | Vantage Point Transfer Agents-457              | 10/26/2016 | ICMA Deferred Compensation Pay Period Ending 10/25/16                                                                                                                                                                                                                                    | 580.77                                                                      | 580.77    |
| 6607 | 9773588338<br>9773588956                                 | Verizon Wireless                               | 10/26/2016 | City Phone Charges- 9/13/16-10/12/16<br>Mobile Broadband Access- 10/13/16-11/12/16                                                                                                                                                                                                       | 368.96<br>76.02                                                             | 444.98    |
| 6608 | 0036<br>0190<br>0648                                     | A Aaron Lock & Key                             | 11/02/2016 | Keys<br>Keys<br>Keys                                                                                                                                                                                                                                                                     | 30.68<br>96.88<br>13.27                                                     | 140.83    |
| 6609 | 11166                                                    | AAA imaging                                    | 11/02/2016 | Business Cards                                                                                                                                                                                                                                                                           | 275.40                                                                      | 275.40    |
| 6610 | 730668-9<br>732095-9                                     | BJ's Rentals                                   | 11/02/2016 | Propane<br>Equip Rental - Stump Grinder - Washington LG Park                                                                                                                                                                                                                             | 27.59<br>144.00                                                             | 171.59    |
| 6611 | Chinnapong                                               | Chinnapong, Suwannee                           | 11/02/2016 | Refund/Chinnapong, Suwannee/Business License                                                                                                                                                                                                                                             | 74.25                                                                       | 74.25     |
| 6612 | 694272150<br>694272151                                   | Cintas Corporation #694                        | 11/02/2016 | Janitorial Supplies - 10/27/16<br>Janitorial Supplies - 10/27/16                                                                                                                                                                                                                         | 865.07<br>496.69                                                            | 1,361.76  |
| 6613 | 10/19/2016                                               | Cox Communications                             | 11/02/2016 | Phone/PW Yard/2873 Skyline- 10/19/16-11/18/16                                                                                                                                                                                                                                            | 211.99                                                                      | 211.99    |
| 6614 | 3321                                                     | D- Max Engineering Inc.                        | 11/02/2016 | 2065 69th Street SWQMP 4th Review- thru 10/21/16                                                                                                                                                                                                                                         | 390.00                                                                      | 390.00    |
| 6615 | 1021162305                                               | Domestic Linen- California Inc.                | 11/02/2016 | Shop Towels & Safety Mats 10/21/16                                                                                                                                                                                                                                                       | 96.40                                                                       | 96.40     |
| 6616 | 10/24-27/16                                              | Esgil Corporation                              | 11/02/2016 | 75% Building Fees- 10/24/16-10/27/16                                                                                                                                                                                                                                                     | 3,032.99                                                                    | 3,032.99  |
| 6617 | Reimb 102416                                             | Evans, Miranda                                 | 11/02/2016 | Travel Reimb: Amer. Planning Assn (APA) Conf/Evans-10/22-24                                                                                                                                                                                                                              | 598.62                                                                      | 598.62    |
| 6618 | 24875                                                    | Excell Security, Inc                           | 11/02/2016 | Senior Center Security Guard - 10/22/16                                                                                                                                                                                                                                                  | 234.00                                                                      | 234.00    |
| 6619 | FW103217                                                 | FirstWatch Solutions, Inc                      | 11/02/2016 | Annual Records Support & Maintenance- Fire 12/15/16-12/14/17                                                                                                                                                                                                                             | 132.00                                                                      | 132.00    |
| 6620 | 1608060                                                  | Great Western Recreation                       | 11/02/2016 | Dog Park Improvement Project                                                                                                                                                                                                                                                             | 38,393.56                                                                   | 38,393.56 |
| 6621 | AR008188<br>AR008194                                     | Grossmont Union High School District           | 11/02/2016 | Fire Prevention 2016 Open House Flyers<br>Business Cards- Richardson                                                                                                                                                                                                                     | 190.28<br>74.00                                                             | 264.28    |
| 6622 | 39763<br>39786<br>39819<br>39846                         | Hudson Safe-T- Lite Rentals                    | 11/02/2016 | Post Caps<br>Short Arm Tool, Button Head Bolts<br>No Ped Crossing Signs<br>Speed Limit Signs, Radar Enforced Signs                                                                                                                                                                       | 52.08<br>110.16<br>186.62<br>320.08                                         | 668.94    |
| 6623 | 86599                                                    | International Association of Fire Chiefs, Inc. | 11/02/2016 | IAFC Membership - Drum                                                                                                                                                                                                                                                                   | 304.00                                                                      | 304.00    |
| 6624 | 3111171                                                  | International Code Council. Inc.               | 11/02/2016 | ICC Membership - A Goodman                                                                                                                                                                                                                                                               | 135.00                                                                      | 135.00    |
| 6625 | 143                                                      | Janazz, LLC SD                                 | 11/02/2016 | Computer Maintenance - Oct 16                                                                                                                                                                                                                                                            | 2,689.00                                                                    | 2,689.00  |
| 6626 | 117798                                                   | Knott's Pest Control, Inc                      | 11/02/2016 | Interior Crawling Insect Control - Rec Ctr- 10/12/16                                                                                                                                                                                                                                     | 150.00                                                                      | 150.00    |
| 6627 | 28827                                                    | KTU + A Planning + Landscape Architecture      | 11/02/2016 | Prof Serv: Main St Promenade Phase 2 - Sep 1-30, 2016                                                                                                                                                                                                                                    | 4,784.20                                                                    | 4,784.20  |
| 6628 | 2545 Crestline                                           | Law Offices of Chance C Hawkins                | 11/02/2016 | Professional Svcs/Legal Advice/2545 Crestline Dr Permit Denial                                                                                                                                                                                                                           | 1,471.00                                                                    | 1,471.00  |
| 6629 | Sep 16<br>Sep 16<br>Sep 16<br>Sep 16<br>Sep 16<br>Sep 16 | Lounsberry Ferguson Altona & Peak LLP          | 11/02/2016 | General 01163-00002 - Sep '16<br>Code Enforcement 01163-00003 - Sep '16<br>Cost-Share Agreement 00023 - Sep '16<br>7741 Broadway 01163-00028 - Sep '16<br>Guillen v Valencia 01163-00026 - Sep '16<br>1440 San Altos Pl 01163-00033 - Sep '16<br>Johnson Citations 01163-00031 - Sep '16 | 6,772.80<br>2,070.70<br>6,673.28<br>8,889.26<br>66.40<br>2,191.20<br>166.00 | 26,829.64 |
| 6630 | 4164860                                                  | Mallory Safety and Supply, LLC                 | 11/02/2016 | Nitrile Gloves/Drivers Gloves                                                                                                                                                                                                                                                            | 347.12                                                                      | 347.12    |
| 6631 | 102116<br>102416-01<br>102416-02                         | MJC Construction                               | 11/02/2016 | Storm Drain Improvements-7936 Lester Ave Driveway Rplcmnt<br>Storm Drain Improvements-Catch Basin Repair-Citronella/Longdale<br>Storm Drain Improvements-Sidewalk Drain Repair-Miller Toyota                                                                                             | 12,240.00<br>1,800.00<br>2,100.00                                           | 30,703.00 |

|      |                                              |                                         |            |                                                                      |                                      |            |
|------|----------------------------------------------|-----------------------------------------|------------|----------------------------------------------------------------------|--------------------------------------|------------|
|      | 102416-03                                    |                                         |            | Emergency Sewer Manhole Repair - Taft St                             | 8,183.00                             |            |
|      | 102416-04                                    |                                         |            | Remove & Replace Curb & Gutter - 8247 Broadway St                    | 6,380.00                             |            |
| 6632 | 3792                                         | Modern Septic Service Inc.              | 11/02/2016 | Clean Out Pump Station 9/1/16                                        | 420.00                               | 420.00     |
| 6633 | 916000484                                    | NBS                                     | 11/02/2016 | Sanitation District Rate Study - thru Oct 31, 2016                   | 415.00                               | 415.00     |
| 6634 | W0-30431-1<br>W0-32006-1                     | Office Advantage, Inc.                  | 11/02/2016 | Office Supplies- Fire<br>Copy Paper                                  | 208.18<br>215.72                     | 423.90     |
| 6635 | 123017                                       | Orange Commercial Credit- Best Tire Buy | 11/02/2016 | Flat Tire Repair - Ranger 10/24/16                                   | 75.94                                | 75.94      |
| 6636 | 2127                                         | Pacific IP                              | 11/02/2016 | Phone Maintenance- x3813 and x3807                                   | 201.84                               | 201.84     |
| 6637 | Nov2016                                      | PLIC- SBD Grand Island                  | 11/02/2016 | Dental Insurance - Nov16                                             | 4,528.21                             | 4,528.21   |
| 6638 | 16-0927-146124                               | Quality Towing & Recovery               | 11/02/2016 | Towing Service - LGPW32 - 9/27/16                                    | 525.00                               | 525.00     |
| 6639 | 9096                                         | RapidScale Inc.                         | 11/02/2016 | Virtual Hosting 10/31/16                                             | 2,189.07                             | 2,189.07   |
| 6640 | Romero                                       | Romero-Serna, Gisselle                  | 11/02/2016 | Refund/Romero-Serna, Gisselle/Partial Deposit/LBH-10/22/16           | 150.00                               | 150.00     |
| 6641 | 10/21/2016<br>10/21/2016                     | SDG&E                                   | 11/02/2016 | 3225 Olive- 9/19/16-10/19/16<br>3500 1/2 Main- 9/19/16-10/19/16      | 171.74<br>183.47                     | 355.21     |
| 6642 | 6684                                         | Smart Cover Systems Inc.                | 11/02/2016 | Purchase of Two Flow Meters & Eight Discounted Relocations           | 13,764.20                            | 13,764.20  |
| 6643 | Nov-16                                       | Standard Insurance Company              | 11/02/2016 | Long Term Disability Insurance - Nov16                               | 1,749.91                             | 1,749.91   |
| 6644 | Nov 16<br>Oct 16                             | Sun Life Financial                      | 11/02/2016 | Life Insurance Premium - Nov '16<br>Life Insurance Premium - Oct '16 | 126.27<br>126.27                     | 252.54     |
| 6645 | 46439                                        | The East County Californian             | 11/02/2016 | Title 15 Noticing - 10/20/16                                         | 168.00                               | 168.00     |
| 6646 | SD038201610                                  | The Epoch Times in San Diego            | 11/02/2016 | Election Notice 10/7/16                                              | 120.00                               | 120.00     |
| 6647 | 1020160383                                   | Underground Service Alert               | 11/02/2016 | 45 New Ticket Charges - Oct '16                                      | 67.50                                | 67.50      |
| 6648 | 0128556-IN                                   | Vavrinek, Trine, Day & Co , LLP         | 11/02/2016 | Grant Accounting Services- Sep 16                                    | 2,080.00                             | 2,080.00   |
| 6649 | 10/12/2016                                   | Verizon Wireless                        | 11/02/2016 | PW Tablets- 9/13/16-10/12/16/1 New Tablet Purchase                   | 418.12                               | 418.12     |
| 6650 | 92469                                        | Vinyard Doors, Inc.                     | 11/02/2016 | Door #1 Repair - Fire Stn                                            | 145.00                               | 145.00     |
| 6651 | 71268130<br>71272807<br>71272808<br>71277885 | Vulcan Materials                        | 11/02/2016 | Asphalt<br>Asphalt<br>Asphalt<br>Asphalt                             | 105.17<br>143.64<br>143.64<br>251.49 | 643.94     |
|      |                                              |                                         |            |                                                                      | 813,578.03                           | 813,578.03 |

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.D  
**Mtg. Date** November 15, 2016  
**Dept.** Development Services

**Item Title:** **Amendment No. 1 of the Professional Services Agreement with Dudek for the Preparation of a Program Environmental Impact Report for the General Plan Update**

**Staff Contact:** David De Vries, Director of Development Services  
Malik Tamimi, Management Analyst

**Recommendation:**

Adopt a resolution (**Attachment A**) approving Amendment No. 1 of a Professional Services Agreement with Dudek for the preparation of a Program Environmental Impact Report for the General Plan update. :

**Item Summary:**

On April 19, 2016, the City Council of the City of Lemon Grove authorized the City Manager to execute a professional services agreement with Dudek to prepare a Program Environmental Impact Report for the General Plan update for an amount not to exceed \$142,290.00. The professional services agreement with Dudek is set to expire on November 30, 2016 unless an extension is otherwise mutually agreed upon and approved. The City Council has consented to extend the date of the General Plan update to late 2017. In line with the recent deadline extension of the General Plan update, City Staff is recommending approval of Amendment No. 1 (**Attachment A**) to extend the existing professional services agreement to December 31, 2017.

**Fiscal Impact:**

No additional Fiscal Impact

**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 |

**Public Information:**

- |                                                              |                                               |                                                                   |
|--------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |                                                                   |

**Attachments:**

A. Resolution

# Attachment A

## RESOLUTION NO. 2016 -

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE APPROVING AMENDMENT NO. 1 OF THE PROFESSIONAL SERVICES AGREEMENT WITH DUDEK FOR THE PREPARATION OF A PROGRAM ENVIRONMENTAL IMPACT REPORT FOR THE GENERAL PLAN UPDATE

---

**WHEREAS**, on April 19, 2016, the City Council of the City of Lemon Grove (City Council) approved entering into a professional services agreement with Dudek for the preparation of a Program Environmental Impact Report for the General Plan Update; and

**WHEREAS**, on May 26, 2016, the City Manager of the City of Lemon Grove executed a Professional Services Agreement with Dudek for the preparation of a Program Environmental Impact Report for the General Plan Update; and

**WHEREAS**, on August 2, 2016, City Council accepted an extension of the General Plan Update timeline; and

**WHEREAS**, on November 30, 2016, the professional services agreement with Dudek is set to expire unless an extension is mutually agreed upon and approved; and

**WHEREAS**, City Staff recommends extending the professional services agreement with Dudek to coincide with the time line extension for the General Plan Update; and

**WHEREAS**, City Staff recommends extending the existing agreement with Dudek to December 31, 2017; and

**WHEREAS**, the City Council finds it in the public interest that Amendment No. 1 to the contract with Dudek is approved; and

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

1. Approves Amendment No. 1 (**Exhibit A**) of the Professional Services Agreement with Dudek for the preparation of a Program Environmental Impact Report for the General Plan update that extends the existing agreement through December 31, 2017; and
2. Authorizes the City Manager or her designee to execute the Agreement Amendment No. 1 (**Exhibit A**) and manage all project documentation.

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# Attachment A

## Exhibit A

### FIRST AMENDMENT TO AGREEMENT

This First Amendment to the Agreement ("**First Amendment**") is entered into by and between THE CITY OF LEMON a municipal corporation (the "CITY"), and Dudek, a professional environmental firm (the "CONTRACTOR").

#### RECITALS:

A. The City and the Contractor entered into a Professional Services Agreement on May 26, 2016 for the preparation of a Program Environmental Impact Report for the General Plan Update. The Professional Services Agreement is set to expire on November 30, 2016; however, the Professional Services Agreement allows for a mutually agreed upon extension of the agreement expiration date.

B. The City and the Contractor desire to amend the May 26, 2016 Professional Services Agreement as set forth herein. All initially capitalized terms not otherwise defined herein shall have the same meanings as set forth in the May 26, 2016 Professional Services Agreement.

#### AGREEMENT:

1. Length of Agreement. Section 5 of the May 26, 2016 Professional Service Agreement is deleted in its entirety and replaced as follows:

"5. Length of Agreement. The duration of this agreement will be until December 31, 2017 unless an extension is otherwise mutually agreed upon and approved."

2. Counterparts. This First Amendment may be signed in multiple counterparts with the same force and effect as if all original signatures appeared on one copy; and in the event this First Amendment is signed in counterparts, each counterpart shall be deemed an original and all of the counterparts shall be deemed to be one First Amendment.

3. Effect of First Amendment. Except as amended hereby, the May 26, 2016 Professional Services Agreement remains in full force and effect.



## Attachment A

IN WITNESS WHEREOF, The City and the Contractor have executed this First Amendment as of the date set forth above.

**THE CITY:**

THE CITY OF LEMON GROVE.,

By: \_\_\_\_\_

Name: Lydia Romero

Its: City Manager

Approved as to legal form:

By \_\_\_\_\_  
James P. Lough, City Attorney

**THE CONTRACTOR:**

DUDEK,

By: \_\_\_\_\_

Name: Frank Dudek

Its: President

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.E  
**Mtg. Date** November 15, 2016  
**Dept.** Public Works

**Item Title:** **Amendment to the Transnet Local Street Improvement Program of Projects for FY 2017-21**

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

**Recommendation:**

Adopt a resolution (**Attachment B**) approving an amendment to the Transnet Local Street Improvement Program of Projects for Fiscal Years 2017 through 2021.

**Item Summary:**

On November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (TransNet Extension Ordinance). The TransNet Extension Ordinance provides that SANDAG shall approve on a biennial basis a multi-year program of projects submitted by local jurisdictions, identifying those transportation projects eligible to use transportation sales tax (TransNet) funds.

On May 17, 2016, the City Council approved the last five year TransNet Local Street Improvement Program of Projects for Fiscal years 2017 through 2021. Since that time staff has reviewed the existing expenditure plan and now recommends allocating the carry over balance to current program in Fiscal Year 2016-2017 (FY 2016-17). The staff report (**Attachment A**) details the specific amounts and projects that will receive additional funding if approved by the City Council.

If the City Council adopts the resolution (**Attachment B**), the changes listed in **Attachment B – Exhibit 1** will be forwarded to the SANDAG Board of Directors for approval as a part of Amendment No. 1 (16-01) of the SANDAG TransNet Local Street Improvement Program of Projects for Fiscal Years 2017 through 2021.

**Fiscal Impact:**

None at this time; if the resolution is approved by the City Council and SANDAG Board of Directors the amounts will be updated by the Finance Department in the FY 2016-17 budget.

**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 |

**Public Information:**

- |                                                              |                                               |                                                                   |
|--------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |                                                                   |

**Attachments:**

- A. Staff Report
- B. Resolution

## LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 1.E

Mtg. Date November 15, 2016

Item Title: **Amendment to the Transnet Local Street Improvement Program of Projects for FY 2017-21**

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

### Background:

On November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (TransNet Extension Ordinance). The TransNet Extension Ordinance provides that SANDAG shall approve, on a biennial basis, a multi-year program of projects submitted by local jurisdictions that identifies those transportation projects eligible to use transportation sales tax (TransNet) funds.

The Public Works Department and Engineering Division utilize TransNet funds to support the Capital Improvement Program (CIP) and on-going maintenance projects throughout the City. TransNet funds are programmed to congestion relief or maintenance related projects that impact city streets, city storm drain or traffic projects. The bi-annual adoption of the Local Street Improvement Program of Projects reconciles the City's prior budget year with the amount of TransNet funds anticipated to be received the following year.

Per TransNet Ordinance (Section 6), each entity that receives and programs TransNet funds must hold a public hearing for the TransNet Program of Project for the 2016 adoption. The resolution (**Attachment B**) is a standard SANDAG template that is required to be adopted to meet the public hearing process in order to submit the final resolution to SANDAG before June 2, 2016. The amendment will be presented to the SANDAG Transportation Committee on July 15, 2016. The City's program is shown in **Attachment B – Exhibit 1**. The details of the projects are further explained in the remaining portion of this report.

### Discussion:

As of November 2016 the City has \$833,000 in TransNet - Local Street Improvements Carry Over funds available for programming. In keeping with the direction that the City Council provided staff on May 17, 2015, when the RTIP was last approved, this amendment focuses on completing the Lemon Grove Avenue Realignment project as well as provides as much funding as possible to citywide street improvements.

Staff continued a funding plan that supports the realignment with over \$1,000,000 and an additional \$688,000 was added to the street rehabilitation program. Additionally, over \$100,000 was programmed to provide supplemental assistance to the other maintenance and rehabilitation projects during the remainder of this fiscal year. Table 1 was created to show what was budgeted in FY 2016-17 and what the new budgeted amount will equal if the amendment is approved by both the City Council and the SANDAG District Board.

As a budgetary procedural step, if both governing bodies approve the amendment, staff requests that the City Council authorize the City Manager or her designee to make the budget adjustments to the FY 2016-17 budget document.

# Attachment A

| MPO ID                                | Proposed          |                   |
|---------------------------------------|-------------------|-------------------|
|                                       | FY 2016-17 Budget | FY 2016-17 Budget |
| LG 13 – LGA Realignment Project       | \$1,000,000       | \$1,000,000       |
| LG 14 – Traffic Improvements (PM)     | \$120,000         | \$145,000         |
| LG 15 – Storm Drain Improvements (PM) | \$88,000          | \$88,000          |
| LG 16 – Storm Drain Improvements (CR) | \$39,000          | \$99,000          |
| LG 17 – Street Improvements (PM)      | \$50,000          | \$60,000          |
| LG 18 – Traffic Improvements (CR)     | \$20,000          | \$70,000          |
| LG 20 – Street Improvements (CR)      | \$397,000         | \$1,085,687       |
| Total                                 | \$1,714,000       | \$2,547,000       |

With the significant increase in street improvement (congestion relief) funding beginning in FY 2016/17 staff will focus on treating streets that are listed in the City's pavement management program from FY 2014-15 through FY 2016-17. Staff will also rehabilitate streets that are not in the pavement management program but were identified by city staff for treatment based on staff's observations and prior claim activity. Once the enhanced street rehabilitation project is advertised and a contractor is identified, using the City's purchasing ordinance, staff will return to the City Council with the list of streets to be treated.

If the City Council adopts the resolution (**Attachment B**), the plan as outlined in **Attachment B – Exhibit 1** will be forwarded to the SANDAG Board of Directors for approval as a part of Amendment No. 1 to the TransNet Local Street Improvement Program of Projects for Fiscal Years 2017 through 2021.

## Conclusion:

Staff recommends that the City Council:

1. Adopts the resolution (**Attachment B**) approving an amendment to the Transnet Local Street Improvement Program of Projects for Fiscal Years 2017 through 2021, and
2. Directs the City Manager or her designee to amend the City Budget for Fiscal Year 2016-2017, if approved by the SANDAG Board of Directors, to reflect TransNet budget adjustments reflected in Amendment No. 1.

### RESOLUTION NO. 2016 -

#### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING AN AMENDMENT TO THE TRANSNET LOCAL STREET IMPROVEMENT PROGRAM OF PROJECTS FOR FISCAL YEARS 2017 THROUGH 2021

---

**WHEREAS**, on November 4, 2004, the voters of San Diego County approved the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (*TransNet* Extension Ordinance); and

**WHEREAS**, the *TransNet* Extension Ordinance provides that SANDAG, acting as the Regional Transportation Commission, shall approve on a biennial basis a multi-year program of projects submitted by local jurisdictions identifying those transportation projects eligible to use transportation sales tax (*TransNet*) funds; and

**WHEREAS**, the City of Lemon Grove was provided with an estimate of annual *TransNet* local street improvement revenues for fiscal years 2017 through 2021; and

**WHEREAS**, the City of Lemon Grove approved its 2016 *TransNet* Local Street Improvement Program of Project (POP) on May 17, 2016 and the City of Lemon Grove desires to make adjustments to its Program of Projects; and

**WHEREAS**, the City of Lemon Grove has held a noticed public meeting with an agenda item that clearly identified the proposed amendment prior to approval of the projects by its authorized legislative body in accordance with Section 5(A) of the *TransNet* Extension Ordinance and Rule 7 of SANDAG Board Policy No. 31.

#### **NOW THEREFORE,**

**BE IT RESOLVED** that the City of Lemon Grove requests that SANDAG make the following changes to its 2016 POP (the Amendment"); and

**BE IT FURTHER RESOLVED** that pursuant to Section 2(C)(1) of the *TransNet* Extension Ordinance, the City of Lemon Grove certifies that no more than 30 percent of its annual revenues shall be spent on local street and road maintenance-related projects as a result of the Amendment.

**BE IT FURTHER RESOLVED** that pursuant to Section 4(E)(3) of the *TransNet* Extension Ordinance, the City of Lemon Grove certifies that all new or changed projects, or major reconstruction projects included in the Amendment and funded by *TransNet* revenues shall accommodate travel by pedestrians and bicyclists, and that any exception to this requirement permitted under the Ordinance and proposed was clearly noticed as part of the City of Lemon Grove's public meeting process for the Amendment.

## Attachment B

**BE IT FURTHER RESOLVED** that the City of Lemon Grove does hereby certify that all applicable provision of the TransNet Extension Ordinance and SANDAG Board Policy No. 31 have been met.

**BE IT FURTHER RESOLVED** that the City of Lemon Grove continues to agree to indemnify, hold harmless, and defend SANDAG, the San Diego County Regional Transportation Commission, and all officers and employees thereof against all causes of action or claims related to City of Lemon Grove's TransNet funded projects.

**PASSED AND ADOPTED** by the City of Lemon Grove on the 15<sup>th</sup> day of November, 2016.

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# Attachment B – Exhibit 1

**Table 1**  
**2016 Regional Transportation Improvement Program**  
**Amendment No. 1**  
**San Diego Region (in \$000s)**

Lemon Grove, City of

MPO ID: LG14

RTIP #: 16-01

Project Title:

Traffic Improvements (Preventive Maintenance)

TransNet - LSI: Maint

Project Description:

Citywide - traffic related projects scheduled throughout each fiscal year: traffic loop replacements, traffic signal upgrades, speed survey, street striping improvements, traffic calming studies, and the repair or replacement of street signs; these projects are part of the annual maintenance program established within the City to maintain the operational readiness of the street system

Change Reason:

Increase funding

Capacity Status:

NCI

Exempt Category:

Safety - Non signalization traffic control and operating

Est Total Cost

\$1,269

|                           | TOTAL   | PRIOR | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | PE  | RW | CON     |
|---------------------------|---------|-------|-------|-------|-------|-------|-------|-----|----|---------|
| TransNet - LSI            | \$845   | \$245 | \$120 | \$120 | \$120 | \$120 | \$120 |     |    | \$845   |
| TransNet - LSI Carry Over | \$424   | \$399 | \$25  |       |       |       |       | \$1 |    | \$423   |
| TOTAL                     | \$1,269 | \$644 | \$145 | \$120 | \$120 | \$120 | \$120 | \$1 |    | \$1,268 |

PROJECT LAST AMENDED 16-00

|                           | TOTAL   | PRIOR | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | PE  | RW | CON     |
|---------------------------|---------|-------|-------|-------|-------|-------|-------|-----|----|---------|
| TransNet - LSI            | \$831   | \$231 | \$120 | \$120 | \$120 | \$120 | \$120 |     |    | \$831   |
| TransNet - LSI Carry Over | \$399   | \$399 |       |       |       |       |       | \$1 |    | \$398   |
| TOTAL                     | \$1,230 | \$630 | \$120 | \$120 | \$120 | \$120 | \$120 | \$1 |    | \$1,229 |

MPO ID: LG16

RTIP #: 16-01

Project Title:

Storm Drain Rehabilitation (Congestion Relief)

TransNet - LSI: CR

Project Description:

Citywide - evaluate, prioritize, and implement improvements to the city's storm drain system by identifying deteriorated or problematic portions of the storm drain system, perform risk assessments to prioritize need, and perform the necessary construction repairs or replacements to avoid roadway flooding

Change Reason:

Increase funding

Capacity Status:

NCI

Exempt Category:

Safety - Hazard elimination program

Est Total Cost

\$1,280

|                           | TOTAL   | PRIOR | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | PE | RW | CON     |
|---------------------------|---------|-------|-------|-------|-------|-------|-------|----|----|---------|
| TransNet - LSI            | \$940   | \$450 | \$39  | \$67  | \$96  | \$127 | \$158 |    |    | \$940   |
| TransNet - LSI (Cash)     | \$142   | \$142 |       |       |       |       |       |    |    | \$142   |
| TransNet - LSI Carry Over | \$198   | \$138 | \$60  |       |       |       |       |    |    | \$198   |
| TOTAL                     | \$1,280 | \$730 | \$99  | \$67  | \$96  | \$127 | \$158 |    |    | \$1,280 |

PROJECT LAST AMENDED 16-00

|                           | TOTAL   | PRIOR | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | PE | RW | CON     |
|---------------------------|---------|-------|-------|-------|-------|-------|-------|----|----|---------|
| TransNet - LSI            | \$975   | \$485 | \$39  | \$67  | \$96  | \$127 | \$158 |    |    | \$975   |
| TransNet - LSI (Cash)     | \$142   | \$142 |       |       |       |       |       |    |    | \$142   |
| TransNet - LSI Carry Over | \$62    | \$62  |       |       |       |       |       |    |    | \$62    |
| TOTAL                     | \$1,179 | \$689 | \$39  | \$67  | \$96  | \$127 | \$158 |    |    | \$1,179 |

\*\* Pending final SANDAG approval

# Attachment B – Exhibit 1

## 2016 Regional Transportation Improvement Program Amendment No. 1 San Diego Region (in \$000s)

|                            |                                                                                                                 |                                                                      |       |       |       |       |                       |               |    |       |
|----------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------|-------|-------|-------|-----------------------|---------------|----|-------|
| Lemon Grove, City of       |                                                                                                                 |                                                                      |       |       |       |       |                       |               |    |       |
| MPO ID: LG17               |                                                                                                                 |                                                                      |       |       |       |       |                       | RTIP #: 16-01 |    |       |
| Project Title              | Street Improvements (Preventive Maintenance)                                                                    |                                                                      |       |       |       |       | TransNet - LSI: Maint |               |    |       |
| Project Description:       | Citywide - maintain city streets and fund costs to survey all streets as part of the pavement management system |                                                                      |       |       |       |       |                       |               |    |       |
| Change Reason:             | Increase funding                                                                                                |                                                                      |       |       |       |       |                       |               |    |       |
|                            | Capacity Status NCI                                                                                             | Exempt Category: Safety - Pavement resurfacing and/or rehabilitation |       |       |       |       |                       |               |    |       |
| Est Total Cost: \$663      |                                                                                                                 |                                                                      |       |       |       |       |                       |               |    |       |
|                            | TOTAL                                                                                                           | PRIOR                                                                | 16/17 | 17/18 | 18/19 | 19/20 | 20/21                 | PE            | RW | CON   |
| TransNet - LSI             | \$612                                                                                                           | \$362                                                                | \$50  | \$50  | \$50  | \$50  | \$50                  | \$15          |    | \$597 |
| TransNet - LSI Carry Over  | \$51                                                                                                            | \$41                                                                 | \$10  |       |       |       |                       |               |    | \$51  |
| TOTAL                      | \$663                                                                                                           | \$403                                                                | \$60  | \$50  | \$50  | \$50  | \$50                  | \$15          |    | \$648 |
| PROJECT LAST AMENDED 16-00 |                                                                                                                 |                                                                      |       |       |       |       |                       |               |    |       |
|                            | TOTAL                                                                                                           | PRIOR                                                                | 16/17 | 17/18 | 18/19 | 19/20 | 20/21                 | PE            | RW | CON   |
| TransNet - LSI             | \$774                                                                                                           | \$524                                                                | \$50  | \$50  | \$50  | \$50  | \$50                  | \$15          |    | \$759 |
| TransNet - LSI Carry Over  | \$156                                                                                                           | \$156                                                                |       |       |       |       |                       | \$25          |    | \$131 |
| TOTAL                      | \$930                                                                                                           | \$680                                                                | \$50  | \$50  | \$50  | \$50  | \$50                  | \$40          |    | \$890 |

MPO ID: LG18

RTIP #: 16-01

Project Title: Traffic Improvements (Congestion Relief)

TransNet - LSI: CR

Project Description: Citywide - median installation for safety improvement or left turn movement, new traffic signals, passive permissive left turn installation, signal removal for congestion relief reasons, traffic signal upgrades, intersection lighting, traffic signal coordination, and traffic signal interconnection/optimization

Change Reason: Increase funding

Capacity Status NCI

Exempt Category Other - Intersection signalization projects

Est Total Cost: \$302

|                           | TOTAL | PRIOR | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | PE  | RW | CON   |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-----|----|-------|
| TransNet - LSI            | \$252 | \$152 | \$20  | \$20  | \$20  | \$20  | \$20  | \$4 |    | \$248 |
| TransNet - LSI Carry Over | \$50  |       | \$50  |       |       |       |       |     |    | \$50  |
| TOTAL                     | \$302 | \$152 | \$70  | \$20  | \$20  | \$20  | \$20  | \$4 |    | \$298 |

PROJECT LAST AMENDED 16-00

|                | TOTAL | PRIOR | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | PE  | RW | CON   |
|----------------|-------|-------|-------|-------|-------|-------|-------|-----|----|-------|
| TransNet - LSI | \$254 | \$155 | \$20  | \$20  | \$20  | \$20  | \$20  | \$4 |    | \$250 |
| TOTAL          | \$254 | \$155 | \$20  | \$20  | \$20  | \$20  | \$20  | \$4 |    | \$250 |

\*\* Pending final SANDAG approval



# Attachment B – Exhibit 1

## 2016 Regional Transportation Improvement Program Amendment No. 1 San Diego Region (in \$000s)

Lemon Grove, City of

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                |              |              |              |              |             |                           |                |  |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------|--------------|--------------|--------------|--------------|-------------|---------------------------|----------------|--|
| <b>MPO ID: LG20</b>               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>RTIP #: 16-01</b> |                |              |              |              |              |             |                           |                |  |
| <b>Project Title:</b>             | Street Improvements (Congestion Relief - Non CI)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |                |              |              |              |              |             | <b>TransNet - LSI: CR</b> |                |  |
| <b>Project Description:</b>       | Citywide - this project involves roadway rehabilitation (grinding and overlay, new structural pavement, or new overlay 1-inch thick or greater) of several streets within the city. Streets were prioritized for work based on levels of deterioration identified in the Pavement Management System; Sidewalk Rehabilitation: this annual project adds sidewalks, widens sidewalks, removes and/or replaces various sidewalk locations and installs Americans with Disabilities Act (ADA) compliant curb ramps throughout the city; Safe Routes to School match: these projects will improve the City's sidewalk system, eliminate several potential pedestrian hazards, install in-pavement lighted markings, and create a safety zone for school children and family members to walk and bike to and from school; Street Improvements: this as needed project would widen or install curb/gutter, sidewalk, curb ramps |                      |                |              |              |              |              |             |                           |                |  |
| <b>Change Reason:</b>             | Increase funding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                      |                |              |              |              |              |             |                           |                |  |
|                                   | Capacity Status: NCI Exempt Category: Safety - Pavement resurfacing and/or rehabilitation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                |              |              |              |              |             |                           |                |  |
| <b>Est Total Cost</b>             | <b>\$4,193</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                      |                |              |              |              |              |             |                           |                |  |
|                                   | <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>PRIOR</b>         | <b>16/17</b>   | <b>17/18</b> | <b>18/19</b> | <b>19/20</b> | <b>20/21</b> | <b>PE</b>   | <b>RW</b>                 | <b>CON</b>     |  |
| TransNet - LSI                    | \$2,211                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$228                | \$397          | \$397        | \$397        | \$397        | \$397        |             |                           | \$2,211        |  |
| TransNet - LSI (Cash)             | \$147                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$147                |                |              |              |              |              |             |                           | \$147          |  |
| TransNet - LSI Carry Over         | \$1,835                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$1,147              | \$688          |              |              |              |              | \$61        |                           | \$1,774        |  |
| <b>TOTAL</b>                      | <b>\$4,193</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>\$1,522</b>       | <b>\$1,085</b> | <b>\$397</b> | <b>\$397</b> | <b>\$397</b> | <b>\$397</b> | <b>\$61</b> |                           | <b>\$4,132</b> |  |
| <b>PROJECT LAST AMENDED 16-00</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                |              |              |              |              |             |                           |                |  |
|                                   | <b>TOTAL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>PRIOR</b>         | <b>16/17</b>   | <b>17/18</b> | <b>18/19</b> | <b>19/20</b> | <b>20/21</b> | <b>PE</b>   | <b>RW</b>                 | <b>CON</b>     |  |
| TransNet - LSI                    | \$2,582                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$599                | \$397          | \$397        | \$397        | \$397        | \$397        |             |                           | \$2,582        |  |
| TransNet - LSI (Cash)             | \$147                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$147                |                |              |              |              |              |             |                           | \$147          |  |
| TransNet - LSI Carry Over         | \$754                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | \$753                |                |              |              |              |              | \$61        |                           | \$693          |  |
| <b>TOTAL</b>                      | <b>\$3,483</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>\$1,499</b>       | <b>\$397</b>   | <b>\$397</b> | <b>\$397</b> | <b>\$397</b> | <b>\$397</b> | <b>\$61</b> |                           | <b>\$3,422</b> |  |

\*\* Pending final SANDAG approval

# Attachment B – Exhibit 1

## 2016 Regional Transportation Improvement Program Amendment No. 1 San Diego Region (in \$000s)

### RTIP Fund Types

|                         |                                                                                         |
|-------------------------|-----------------------------------------------------------------------------------------|
| HES                     | Hazard Elimination System (administered by Caltrans)                                    |
| IRI                     | Intercity Rail Improvement (State Prop. 1B)                                             |
| <b>Local Funding</b>    |                                                                                         |
| TransNet-LSI            | Prop. A Extension Local Transportation Sales Tax - Local System Improvements            |
| TransNet-LSI Carry Over | TransNet - LSI funds previously programmed but not requested/paid in year of allocation |
| TransNet-LSI (Cash)     | TransNet - LSI funds which agencies have received payment, but have not spent           |

\*\* Pending final SANDAG approval

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 1.F  
**Mtg. Date** November 15, 2016  
**Dept.** City Manager's Office

**Item Title:** **Determination of Disability for Disability Retirement**

**Staff Contact:** Corinne Russell, Human Resources Manager

**Recommendation:**

Adopt a resolution (**Attachment A**) certifying a determination of disability for the purpose of a non-industrial disability retirement.

**Item Summary:**

Executive Assistant Marjorie Cappiello will be retiring December 31, 2016. She filed for a service retirement pending disability retirement. In order for the California Public Employee's Retirement System (CalPERS) to process her retirement as a non-industrial disability, a determination that Ms. Cappiello is substantially incapacitated from the performance of her job duties must be made by the City Council and submitted to CalPERS.

A resolution (**Attachment A**) presented for City Council consideration, is in the form prescribed by CalPERS.

Staff recommends that the resolution be adopted.

**Fiscal Impact:**

None.

**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 |

**Public Information:**

- |                                                              |                                               |                                                                   |
|--------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------|
| <input checked="" type="checkbox"/> None                     | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |                                                                   |

**Attachments:**

A. Resolution

# Attachment A

## RESOLUTION NO. 2016-

### RESOLUTION OF THE LEMON GROVE CITY COUNCIL CERTIFYING ITS DETERMINATION OF INCAPACITY TO THE BOARD OF ADMINISTRATION OF THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 21166

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**WHEREAS**, the City of Lemon Grove (hereinafter referred to as "Agency") is a contracting agency of the California Public Employees' Retirement System (CalPERS); and

**WHEREAS**, the Public Employees' Retirement Law, California Government Code section 21166 et seq. (hereinafter referred to as the "Law") requires that a contracting agency determine whether an employee of such agency in employment in which she is classified as a miscellaneous member is disabled for purposes of the Law; and

**WHEREAS**, an application for disability retirement of Marjorie Cappiello, employed by the Agency in the position of Executive Assistant, has been filed with CalPERS; and

**WHEREAS**, the City Council of the City of Lemon Grove has reviewed the medical and other relevant information regarding Marjorie Cappiello's medical condition and history. |

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

1. finds and determines that Marjorie Cappiello is substantially incapacitated from the performance of the usual duties of her position of Executive Assistant within the meaning of the Law; and
2. certifies that Marjorie Cappiello's last day on payroll will be December 30, 2016, and that she will be voluntarily separated from her employment pursuant to her application for service retirement pending disability retirement, and that no dispute as to the effective date of retirement is pending; and
3. determines that Marjorie Cappiello's retirement is to be identified as a disability retirement; and
4. authorizes the City Manager to approve and respond to any CalPERS correspondence to complete this process;
5. certifies that there is not a possibility of third party liability; and
6. certifies that the primary disabling condition is autoimmune in nature; and
7. certifies that advanced disability pension payments will not be made. |

/////  
/////

**LEMON GROVE SANITATION DISTRICT  
AGENDA ITEM SUMMARY**

**Item No.** 2  
**Mtg. Date** November 15, 2016  
**Dept.** Public Works

**Item Title:** **Wastewater Rate Case Study and Request for District Board Direction to Notice Public Hearings for Sanitation District Board Meetings**

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

**Recommendation:**

Accept the wastewater rate case study (**Attachment A**) and proceed with public notification in accordance with Proposition 218.

**Item Summary:**

On May 3, 2015, the Sanitation District Board (Board) elected to maintain the wastewater rates through Fiscal Year 2016-2017. This decision was based on information that staff presented to the Board that accounted for all District and City of San Diego capital improvement projects that were anticipated during the next one year period. In addition, staff projected the District and City of San Diego capital expenditures for the next four years based on existing CIP program allocations provided by City of San Diego staff. However, in October 2016, the City of San Diego's City Council approved two engineering design contracts that support an accelerated San Diego Pure Water Program (Pure Water) schedule that will increase capital improvement project expenditures in the next four years. These new costs will result in an anticipated increase of \$3,728,012 increase to the District during the next four years. As such, an updated wastewater rate analysis was performed to account for the Pure Water program costs.

The staff report (**Attachment A**) details the background of District events related to the Sanitation District, recent decisions made by the City of San Diego and the impacts to the District, and lastly, staff's recommendation moving forward.

**Fiscal Impact:**

If approved, Amendment No. 2 to the agreement with NBS Consultants will add \$18,000.00 to the existing contractual total of \$25,630.27. The new agreement total will not exceed \$43,630.27.

**Environmental Review:**

☒ Not subject to review

☐ Negative Declaration

☐ Categorical Exemption, Section

☐ Mitigated Negative Declaration

**Public Information:**

☒ None

☐ Newsletter article

☐ Notice to property owners within 300 ft.

☐ Notice published in local newspaper

☐ Neighborhood meeting

**Attachments:**

A. Staff Report

C. Draft Notice of Public Hearing

B. Wastewater Rate Case Study

# Attachment A

## LEMON GROVE SANITATION DISTRICT STAFF REPORT

Item No. 2

Mtg. Date November 15, 2016

Item Title: **Wastewater Rate Case Study and Request for District Board Direction to Notice Public Hearings for Future Sanitation District Board Meetings**

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

### Background:

On May 3, 2015, the Sanitation District Board (Board) adopted a resolution maintaining the equivalent dwelling unit rate at \$553.17 through Fiscal Year 2016-2017 (FY 2016-17). That decision was based on cost estimates provided by the City of San Diego which included an estimated 20-year timeline to design and construct a San Diego Pure Water Program (Pure Water) program that would yield at least 83 million gallons of potable water by December 31, 2035.

However, in October 2016, the City of San Diego's City Council approved an accelerated Pure Water design and construction schedule that increased capital expenditures impacting the current four year wastewater rate study that is being finalized by NBS Government Finance Group (NBS). Table 1 highlights the difference between what District staff was provided by the City of San Diego staff to budget and what was recently provided to the District, in September 2016.

Table 1: Pure Water Cost Estimate for All Metro Commission/JPA Participating Agencies (PA)

|                            | FY 2017-18    | FY 2018-19     | FY 2019-20     | FY 2020-21     | Total           |
|----------------------------|---------------|----------------|----------------|----------------|-----------------|
| <b>Budgeted</b>            | \$70,000,000  | \$75,000,000   | \$77,300,000   | \$80,000,000   | \$302,300,000   |
| <b>New Estimate</b>        | \$77,980,977  | \$86,957,811   | \$127,936,608  | \$112,980,490  | \$405,855,886   |
| <b>Difference</b>          | (\$7,980,977) | (\$11,957,811) | (\$50,636,608) | (\$32,980,490) | (\$103,555,886) |
| <b>Lemon Grove's Share</b> | (\$287,315)   | (\$430,481)    | (\$1,822,918)  | (\$1,187,298)  | (\$3,728,012)   |

These unanticipated costs shown above are the portion allocated to the participating agencies in Metro Wastewater Commission/Joint Powers Authority. The District makes up approximately 3.6% of the participating agencies portion of 33.5%. While these costs provided in September were for preliminary planning purposes only, in October 2016, the City of San Diego's City Council approved two engineering design contracts that support an accelerated Pure Water schedule that will advance expenditures into the next four years. These unanticipated costs equal \$3,728,012 and staff recommends that the costs are accounted for in the District's wastewater rate study.

### Discussion:

On August 16, 2016, the Board directed staff to continue to work with NBS to complete the five year wastewater rate study (through FY 2020-21) to include a connection fee analysis. The wastewater rate study is complete (**Attachment B**). Staff will continue to work with NBS to prepare and finalize the connection fee analysis and will be available for final review later this fiscal year.

When the Board approved the wastewater rates for FY 2015-16 a chief benefit of approving only one year at that time was the ability to adjust rates, if needed, during the remaining four year

# Attachment A

period. At that time, the Board expressed a concern that the Pure Water program costs were unknown and the City of San Diego still did not receive approval of its modified permit application. While the modified permit application still has not been approved, the updated Pure Water program costs were provided to District staff. In turn, those expenditures were provided to NBS to include in the study. In looking at the study, the following key areas are important to highlight:

- *Rate Increase* - The Pure Water program costs accelerated the anticipated rate increase. An increase is now recommended to take effect in FY 2017-18 rather than FY 2018-19.

Table 2: Change in Recommended Rate Structure

|                                | FY 2017-18    | FY 2018-19    | FY 2019-20    | FY 2020-21    |
|--------------------------------|---------------|---------------|---------------|---------------|
| <b>Prior 4 Year Estimate</b>   | 0% (\$553.17) | 3% (\$569.77) | 3% (\$586.86) | 3% (\$604.46) |
| <b>Revised 4 Year Estimate</b> | 3% (\$569.77) | 3% (\$586.86) | 3% (\$604.46) | 3% (\$622.60) |

- *Operation and Maintenance Costs* – Costs that are not affiliated with the City of San Diego transportation or treatment are not anticipated to increase beyond standard cost of living increases.
- *New Reserve Target Amount and New Reserve Fund* – The study recommends two changes. First, that the operating reserve requirement established by the Board is increased from 40% to 55%. The increase is recommended because the District experiences high peaks and valleys in its cash position throughout the year due to semi-annual revenue collection. Second, creating a capital rehabilitation and replacement reserve. This will serve as a starting point for addressing long-term capital system replacement needs by saving 3 percent of the net depreciable capital assets to assist in a 33-year replacement cycle for capital assets.
- *Connection Fee Fund* – Establish a separate fund to maintain connection fee revenue pursuant to California Government Code §66013(6)(C). As a reminder, the connection fee analysis is currently being performed by NBS and will be presented later this fiscal year. Those fees will be deposited into this separate fund.
- *Reserves Balance* – Due to limited number of capital improvement projects completed by the District the reserve balance is greater than the two established safeguards in place. The reserve fund is proposed to be utilized to minimize the amount and duration of rate increases to the District. Beginning in FY 2016-17 the reserve balance is estimated at \$16,507,541. At the conclusion of FY 2020-21 the reserve balance will decrease to \$9,455,605. The discussion of new reserve funds does not restrict the use of reserve funds. The Board still has the ability move funds between reserve accounts, if needed.
- *Pay As You Go* – With the current cash balance in the District's reserve fund there is not a need to seek any financing to support future District capital improvement program projects. By paying cash for project the District avoids any interest costs and/or fees associated with funding mechanisms that could be utilized for capital projects.

A critical expenditure that still remains outstanding from the current rate study is the requirement that secondary treatment construction costs may still be required in the future, even if the modified permit is approved for the next five year period. While those costs will fall outside of the next four year rate study, the total impact to the District may be significant. The last cost estimate provided by the City of San Diego for secondary treatment totaled approximately \$3.6 billion. The PA's portion equals 33.5% (or \$1.2 billion) of which the District would be responsible for funding 1.2% (or \$43.4 million).

# Attachment A

Staff will continue to work with the other participating agencies to reduce the costs for future secondary treatment by searching for better ways to integrate the Pure Water Program into the existing wastewater program. But if the District and PA's are unsuccessful, and the City of San Diego continues to act unilaterally, the future cost of \$3.6 billion for secondary treatment could become a reality.

## Timeline Moving Forward

If the Board accepts the study as presented, staff recommends that the Board authorize staff to follow the timeline, shown below, to comply with Proposition 218 requirements. In order to adopt the recommended rate structure the Board must first hold two public hearings that are noticed at least 45 days prior to the public hearing (**Attachment D**). Following the hearings, the Board may proceed to adopt the recommended rates for implementation with the FY 2017-18 tax rolls.

- November 15, 2016 Board Meeting – Wastewater rate study presentation
- March 4, 2017 No later than date to provide notices to all District members
- April 18, 2017 Board Meeting – Public hearing to introduce ordinance
- May 2, 2017 Board Meeting – Second reading and adoption of ordinance
- July 1, 2017 No sooner than July 1<sup>st</sup> the new rates will take effect

As in years past, staff will continuously monitor the cost assumptions provided by the City of San Diego in addition to District expenditures. Should any assumption or District expenditures significantly increase or decrease, staff will return to the Board to re-evaluate the recommended rate structure.

As noted in the timeline above, it is recommended that the Board implement a rate increase one year before it would have been necessary. As such, staff requests that the Board approve an amendment with NBS to provide all noticing requirements to satisfy Proposition 218 as it relates to the proposed wastewater rate increases. At the time this report was finalized the proposal was not available for print, however staff confirmed with NBS that the anticipated work will not exceed \$18,000.00. The amendment, which will be Amendment No. 2 to the current agreement, will increase the total agreement cost by \$18,000.00. The new total contract amount payable to NBS will not exceed \$43,630.27. Table 3 highlights the costs and scope of work changes to the agreement with NBS.

Table 3: NBS Government Finance Group Agreement Summary

|                                       | Cost Change   | Agreement Cost | Scope of Work                                                              |
|---------------------------------------|---------------|----------------|----------------------------------------------------------------------------|
| <b>Original Agreement</b>             | \$0.00        | \$43,235.00    | Calculate minimum EDU based on all anticipated expenditures for five years |
| <b>Amendment No. 1</b>                | (\$17,604.73) | \$25,630.27    | Include connection fee analysis and remove the additional analysis.        |
| <b>Amendment No. 2<br/>(Proposed)</b> | \$18,000.00   | \$43,630.27    | Include tasks associated with Prop. 218 noticing and meeting attendance.   |

Staff recommends that the duration of the NBS agreement is extended from January 5, 2017 through June 30, 2017. This additional time will allow NBS and District staff to finalize the connection fees analysis as well as satisfy the noticing requirements that will also include two public hearings that NBS staff will present.



# Attachment A

## **Conclusion:**

Staff recommends that the District Board accepts the wastewater rate case study (**Attachment B**) and approves Amendment No. 2 to the existing agreement with NBS Consultants to notice (**Attachment D**) and manage the public hearings for the future Sanitation District Board Public Hearings.



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## TECHNICAL MEMORANDUM

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**TO:** MIKE JAMES, ASSISTANT CITY MANAGER / PUBLIC WORKS DIRECTOR  
CITY OF LEMON GROVE

**FROM:** KIM BOEHLER, ASSOCIATE DIRECTOR  
GREG HENRY, UTILITY RATE ANALYST

**SUBJECT:** SUMMARY OF SEWER RATE STUDY RESULTS FOR SANITATION DISTRICT

**DATE:** NOVEMBER 10, 2016

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### PURPOSE

Lemon Grove Sanitation District (District) retained NBS in December 2015 to conduct a sewer rate study for several reasons, including meeting long-term revenue requirements, ensuring the utility will maintain adequate reserves in the long-term, providing adequate funding for capital improvements.

Since our previous update in April of this year, the District Board (Board) decided to maintain the current rate structure and existing EDU assignments to each parcel; therefore, the rate adjustments presented in this memo are based on the overall percentage increase in rate revenue needed to meet the revenue requirements through FY 2020/21.

The financial forecast presented in this study generates sufficient revenue to meet projected funding requirements, including funding approximately \$7.5 million<sup>1</sup> in capital rehabilitation and improvement projects during FY 2016/17 through FY 2020/21. The primary reason the proposed rate increases are needed, is due to the changing cost of treatment by San Diego Metropolitan Sewerage System (Metro). Metro's costs are expected to change significantly due to the construction of the Pure Water San Diego Program water reuse project.

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<sup>1</sup> The annual planned capital improvement costs are listed in Figure 2 and includes projected annual construction cost inflation.



# Attachment B

## KEY STUDY ASSUMPTIONS

**Inflation and Growth Projections:** To develop a 10-year financial plan for the District, the following projected inflation and customer growth assumptions were used:

- According to City projections, customer growth per year from FY 2017/18 through FY 2020/21 is approximately: 0.27 percent, 0.27 percent, 3.17 percent, and 0 percent, respectively
- General costs are inflated at 3 percent annually
- Labor costs and retirement benefit costs are inflated at 3 percent annually
- Health benefits costs are inflated at 4 percent annually
- Natural gas costs are inflated by 4 percent annually
- Electricity costs are inflated by 4.4 percent annually
- Metro costs are expected to vary greatly through FY 2021/22 as the Pure Water Program is constructed. Annual changes are as follows and are based upon the *high range* projected annual cost for Lemon Grove Sanitation District provided by Metro at the October 6<sup>th</sup> meeting of the Metro Wastewater JPA:
  - ✓ \$2,776,455 in FY 2016/17
  - ✓ \$2,968,482 in FY 2017/18
  - ✓ \$3,327,176 in FY 2018/19
  - ✓ \$4,993,534 in FY 2019/20
  - ✓ \$4,473,368 in FY 2020/21
  - ✓ \$3,217,449 in FY 2021/22
  - ✓ Annual costs are assumed to increase at 3 percent annual inflation thereafter
- Sewage Transportation costs are inflated at 1.6 percent annually

The following sections provide an overview of the financial forecast

## DISTRICT REVENUE REQUIREMENTS

It is important for municipal utilities to maintain reasonable reserves in order to handle minor emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. Rate increases are governed by the need to meet operating and capital costs, and maintain sufficient reserve funds. The current condition of the District, with regard to these objectives, is as follows:

- **Meeting Net Revenue Requirements:** The Sanitation District currently collects sufficient revenue to fund all operating expenses. However, due to the expected changes to Metro's treatment costs, current revenue will soon be insufficient to cover operating costs. Because these costs are expected to spike and then return to a lower (but still higher than current) level, reserves should be used to bridge the District through peak expenditure years. Rate increases are needed to reach the new "normal" Metro treatment costs. For FY 2016/17 through 2020/21, the projected net revenue requirement<sup>2</sup> ranges from approximately \$5.2 million to \$7.7 million.

Additionally, non-operating expenses (namely, capital projects) are expected to draw on reserves, slowly depleting them over time. Once reserves have settled at minimum target levels, rate revenue will be required to fund capital projects.

- **Building and Maintaining Reserve Funds:** The District should maintain sufficient reserves for the utility. NBS recommends that the District consider increasing its *minimum* reserve fund targets to the metrics described below.

---

<sup>2</sup> Net Revenue Requirements calculated as: total annual expenses plus rate-funded capital costs, less non-rate revenues

- ✓ **Operating Reserve** – should equal 180 days of the District's budgeted annual operating expenses, which is equal to a 6-month (or 50 percent) cash reserve for normal operations. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures, such as those caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (for example, volumetric charges), and—particularly in periods of economic distress—changes or trends in age of receivables. NBS recommends increasing the operating reserve above the existing target of 40 percent.

The Government Finance Officers Association (GFOA) recommends that an enterprise fund begin with an operating reserve target of 90 days and adjust based upon "the particular characteristics"<sup>3</sup> of that fund.

The following are the primary characteristics of the District that lead to NBS' recommendation of a higher (180-day) operating reserve:

- **Cash cycles** – The District experiences high peaks and valleys in its cash position throughout the year due to semi-annual revenue collection
  - **Control over expenses** – The District has limited control<sup>4</sup>, of Metro's costs, which are 40 to 55 percent of the District's total expenditures
- ✓ **Rate Stabilization Reserve** – is currently maintained and equal to 1 year of Metro costs, per existing District practice. NBS recommends that the District maintain this reserve as a hedge against the need for unexpected future increases in Metro's costs.
  - ✓ **Establishing a Capital Rehabilitation & Replacement Reserve** – a capital reserve should typically be equal to a *minimum* of 3 percent of net depreciable capital assets, which equates to a 33-year replacement cycle for capital assets. This target serves simply as a starting point for addressing long-term capital system replacement needs. Total net depreciable capital assets valuation used to establish this reserve target should include 1 31 percent of Metro's net depreciable capital assets. The 1 31 percent represents the District's expected share of Metro's of FY 2016/17 Capital Improvement Costs.
  - ✓ **Establishing a Connection Fee Fund:** NBS recommends that the District create a separate fund to maintain connection fee revenue pursuant to California Government Code §66013(6)(c), which states:

*"A local agency receiving payment of a charge as specified in paragraph (3) of subdivision (b) [the connection fee] shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid any commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected. Any interest income earned from the investment of moneys in the capital facilities fund shall be deposited in that fund."*

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<sup>3</sup> *Determining the Appropriate Levels of Working Capital in Enterprise Funds*, <http://www.gfoa.org/determining-appropriate-levels-working-capital-enterprise-funds>

<sup>4</sup> Through the Metro Wastewater Joint Powers Authority (JPA)

# Attachment B

**Figure 1** summarizes the sources and uses of funds, net revenue requirements, and recommended annual percent increases in total rate revenue for the next 5 years. As this figure shows, NBS assumes the District will forego a rate increase for FY 2016/17 but implement 3 percent increases, annually in the following four years. The District should expect surpluses until Metro treatment costs spike in FY 2019/20 and 2020/21. These surpluses are used to maintain reserves at recommended levels, offset the anticipated spike in treatment costs and to fund the District's capital improvement program, allowing for a slower, incremental increase to rates.

**Figure 1. Summary of Revenue Requirements**

| Summary of Sources and Uses of Funds and Net Revenue Requirements | Budget              | Projected           |                     |                       |                       |
|-------------------------------------------------------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|
|                                                                   | FY 2016/17          | FY 2017/18          | FY 2018/19          | FY 2019/20            | FY 2020/21            |
| <b>Sources of Sewer Funds</b>                                     |                     |                     |                     |                       |                       |
| Rate Revenue Under Prevailing Rates                               | \$ 5,903,000        | \$ 5,919,053        | \$ 5,935,106        | \$ 6,123,159          | \$ 6,123,159          |
| Other Operating Revenue                                           | 3,000               | 3,008               | 3,016               | 3,112                 | 3,112                 |
| Interest Earnings (in Operating & Capital Reserves)               | 27,814              | 13,080              | 20,618              | 29,670                | 47,988                |
| <b>Total Sources of Funds</b>                                     | <b>\$ 5,933,814</b> | <b>\$ 5,935,141</b> | <b>\$ 5,958,740</b> | <b>\$ 6,155,940</b>   | <b>\$ 6,174,258</b>   |
| <b>Uses of Sewer Funds</b>                                        |                     |                     |                     |                       |                       |
| Metro Annual Capacity & Treatment (\$)                            | \$ 2,776,455        | \$ 2,968,482        | \$ 3,327,176        | \$ 4,993,534          | \$ 4,473,368          |
| Other Operating Expenses                                          | \$ 2,455,635        | \$ 2,529,886        | \$ 2,606,411        | \$ 2,685,279          | \$ 2,766,563          |
| Rate-Funded Capital Expenses                                      | -                   | -                   | -                   | -                     | -                     |
| <b>Total Use of Funds</b>                                         | <b>\$ 5,232,090</b> | <b>\$ 5,498,368</b> | <b>\$ 5,933,587</b> | <b>\$ 7,678,813</b>   | <b>\$ 7,239,931</b>   |
| <b>Surplus (Deficiency) before Rate Increase</b>                  | <b>\$ 701,724</b>   | <b>\$ 436,773</b>   | <b>\$ 25,153</b>    | <b>\$ (1,522,873)</b> | <b>\$ (1,065,673)</b> |
| Additional Revenue from Rate Increases                            | -                   | 177,572             | 361,448             | 567,782               | 768,510               |
| <b>Surplus (Deficiency) after Rate Increase</b>                   | <b>\$ 701,724</b>   | <b>\$ 614,344</b>   | <b>\$ 386,601</b>   | <b>\$ (955,091)</b>   | <b>\$ (297,163)</b>   |
| <b>Projected Annual Rate Increase</b>                             | <b>0.00%</b>        | <b>2.00%</b>        | <b>3.00%</b>        | <b>3.00%</b>          | <b>3.00%</b>          |
| <b>Cumulative Rate Increases</b>                                  | <b>0.00%</b>        | <b>3.00%</b>        | <b>6.09%</b>        | <b>9.27%</b>          | <b>12.55%</b>         |
| <b>Net Revenue Requirement</b>                                    | <b>\$ 5,201,276</b> | <b>\$ 5,482,280</b> | <b>\$ 5,909,953</b> | <b>\$ 7,646,031</b>   | <b>\$ 7,188,831</b>   |

**Figure 2** summarizes the sources of funding that will be used to fund the District's Capital Improvement Program. As this figure shows, the District will be able to fully fund the planned capital expenditures with funds held in reserves.

**Figure 2. Capital Funding Summary**

| Capital Funding Summary                          | Budget              | Projected           |                     |                     |                     |
|--------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                  | FY 2016/17          | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21          |
| <b>Sources of Capital Funding</b>                |                     |                     |                     |                     |                     |
| Capital Rehabilitation & Replacement Reserve     | \$ 1,493,500        | \$ 1,432,215        | \$ 1,475,181        | \$ 1,519,437        | \$ 1,565,020        |
| Rate Revenue                                     | -                   | -                   | -                   | -                   | -                   |
| <b>Total: Sources of Capital Funding</b>         | <b>\$ 1,493,500</b> | <b>\$ 1,432,215</b> | <b>\$ 1,475,181</b> | <b>\$ 1,519,437</b> | <b>\$ 1,565,020</b> |
| <b>Planned Capital Expenditures</b>              |                     |                     |                     |                     |                     |
| Federal Blvd Sewer Rehab (Design)                | \$ 82,400           | \$ -                | \$ -                | \$ -                | \$ -                |
| Federal Blvd Sewer Rehab (Construction)          | \$ 618,000          | \$ 1,060,900        | \$ -                | \$ -                | \$ -                |
| Sanitary Sewer Master Plan Update                | \$ 103,000          | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Maintenance Project (Construction)    | \$ 257,500          | \$ 265,225          | \$ 273,192          | \$ 281,377          | \$ 289,819          |
| Sewer Main Rehabilitation (Design)               | \$ 20,600           | \$ 106,090          | \$ 109,273          | \$ 112,551          | \$ 115,927          |
| Sewer Main Rehabilitation Project (Construction) | \$ 412,000          | \$ -                | \$ 1,092,727        | \$ 1,125,508        | \$ 1,159,274        |
| <b>Total: Planned Capital Expenditures</b>       | <b>\$ 1,493,500</b> | <b>\$ 1,432,215</b> | <b>\$ 1,475,181</b> | <b>\$ 1,519,437</b> | <b>\$ 1,565,020</b> |

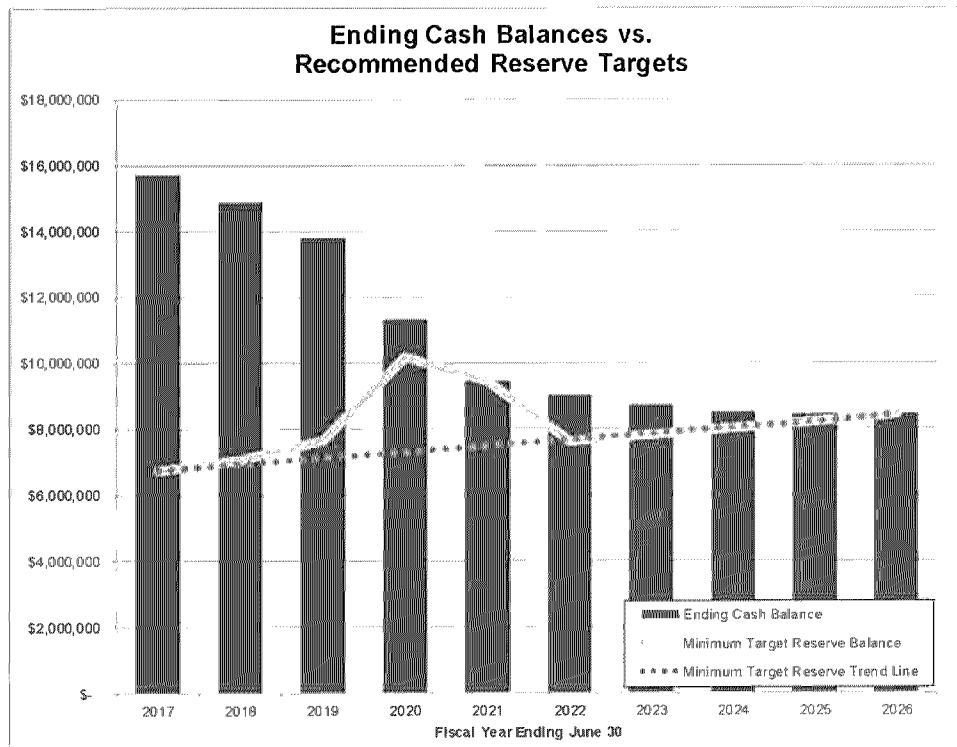
**Figure 3** summarizes the projected reserve fund balances and reserve targets through the end of FY 2020/21. The impact of the reserve funded capital projects can be seen, drawing down the Capital Rehabilitation & Replacement Reserve more than 55 percent by FY 2020/21. Figure 3 also shows the volatility in the Rate Stabilization Reserve, as Metro costs vary significantly over the next five years. At the end of the five-year period, the balance in the reserve is significantly below the recommended FY 2020/21 target; however, in total the District would meet the overall reserve target.

Figure 3. Summary of Reserve Funds

| Beginning Reserve Fund Balances and Recommended Reserve Targets | Budget               | Projected            |                      |                      |                     |
|-----------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
|                                                                 | FY 2016/17           | FY 2017/18           | FY 2018/19           | FY 2019/20           | FY 2020/21          |
| <b>Operating Reserve</b>                                        |                      |                      |                      |                      |                     |
| Ending Balance                                                  | \$ 2,616,000         | \$ 2,749,000         | \$ 2,967,000         | \$ 3,839,000         | \$ 3,620,000        |
| Recommended Minimum Target                                      | 2,616,000            | 2,749,000            | 2,967,000            | 3,839,000            | 3,620,000           |
| <b>Capital Rehabilitation &amp; Replacement Reserve</b>         |                      |                      |                      |                      |                     |
| Ending Balance                                                  | \$ 10,306,311        | \$ 9,163,413         | \$ 7,686,232         | \$ 6,168,795         | \$ 4,603,775        |
| Recommended Minimum Target                                      | 1,357,300            | 1,358,300            | 1,360,400            | 1,363,800            | 1,368,500           |
| <b>Rate Stabilization Reserve</b>                               |                      |                      |                      |                      |                     |
| Ending Balance                                                  | \$ 2,776,455         | \$ 2,968,482         | \$ 3,137,083         | \$ 1,309,993         | \$ 1,231,830        |
| Recommended Minimum Target                                      | 2,776,455            | 2,968,482            | 3,327,176            | 4,993,534            | 4,473,368           |
| <b>Total Ending Balance</b>                                     | <b>\$ 15,698,766</b> | <b>\$ 14,880,895</b> | <b>\$ 13,790,315</b> | <b>\$ 11,317,787</b> | <b>\$ 9,455,605</b> |
| <b>Total Recommended Minimum Target</b>                         | <b>\$ 6,749,755</b>  | <b>\$ 7,075,782</b>  | <b>\$ 7,654,576</b>  | <b>\$ 10,196,334</b> | <b>\$ 9,461,868</b> |

Figure 4 shows the ten-year projection of reserve fund balances compared to target reserves for the District. This figure demonstrates that existing reserve funds will be spent down over the next 5 years on capital improvement projects, and by the end of the ten-year period, reserves will be very close to the minimum reserve targets. Because of the volatility in the Rate Stabilization reserve, the Minimum Target Reserve Trend Line has been included to show a smoothed target which follows the more general trend and acts as a better long term target.

Figure 4. Ten Year Reserve Fund Projection



# Attachment B

Figure 5 provides of a comparison of current and proposed rates per EDU as the recommended rate increases are applied to the existing rate structure.

**Figure 5. Proposed Annual Sewer Use Charge per EDU**

| Annual Sewer Use Charges | Current Rates (1) | Proposed Sewer Rates |            |            |            |            |
|--------------------------|-------------------|----------------------|------------|------------|------------|------------|
|                          |                   | FY 2016/17           | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 |
|                          |                   | 0.00%                | 3.00%      | 3.00%      | 3.00%      | 3.00%      |
| Rate Per EDU (240 gpd)   | \$553.17          | \$553.17             | \$569.77   | \$586.86   | \$604.46   | \$622.60   |

1 Ordinance No.26.pdf

## CONSULTANT RECOMMENDATION

NBS recommends Lemon Grove Sanitation District take the following actions.

- **Accept this Study Report:** NBS recommends the Board of Directors formally accept this report and adopt its recommendations, and proceed with the next steps to implement the proposed rates. This will provide documentation of the rate study analyses and the basis for analyzing potential changes to future rates
- **Implement Levels of Rate Increases and Proposed Rates:** The financial plan presented in this technical memorandum demonstrates that the District will need to begin increasing rates in the next fiscal year to meet its annual revenue requirements and maintain healthy reserves. Assuming the District completes a successful Proposition 218 process, NBS recommends that the Board of Directors approve the annual rate increases identified in this technical memorandum, as shown in Figure 5
- **Adopt Reserve Fund Targets:** NBS recommends the Board of Directors adopt the recommended reserve fund targets described in this memorandum for the Sanitation District. The District should periodically evaluate reserve fund levels and attempt to maintain the reserve levels recommended for the Operating, Capital Rehabilitation and Replacement, and Rate Stabilization Reserves
- **Evaluate EDU Assignments and Charges:** NBS recommends that the District review the existing EDU assignments to each parcel and the charge per EDU as part of a future rate analysis

*Note: The attached Technical Appendix provides more detailed information on the analysis of the revenue requirements that have been summarized in this report*

## NBS' PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this memorandum and the opinions and recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters that may occur in the future. This information and assumptions, including Lemon Grove Sanitation District's budgets, capital improvement costs, and information from District staff were provided by sources we believe to be reliable, although NBS has not independently verified this data.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein and may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.



# Attachment B

## TECHNICAL APPENDIX



**CITY OF LEMON GROVE  
SEWER RATE STUDY  
Financial Plan and Reserve Projections**

*Financial Plan & Reserve Summary*

**TABLE 1  
FINANCIAL PLAN AND SUMMARY OF REVENUE REQUIREMENTS**

| RATE REVENUE REQUIREMENTS SUMMARY                   | Budget       | Projected    |              |              |              |              |              |              |              |              |
|-----------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                     | FY 2016/17   | FY 2017/18   | FY 2018/19   | FY 2019/20   | FY 2020/21   | FY 2021/22   | FY 2022/23   | FY 2023/24   | FY 2024/25   | FY 2025/26   |
| <b>Sources of Sewer Funds</b>                       |              |              |              |              |              |              |              |              |              |              |
| Rate Revenue Under Current Rates (1, 2)             | \$ 5,903,000 | \$ 5,919,053 | \$ 5,935,106 | \$ 6,123,159 | \$ 6,123,159 | \$ 6,123,159 | \$ 6,123,159 | \$ 6,123,159 | \$ 6,187,371 | \$ 6,236,870 |
| Other Operating Revenue                             | 3,000        | 3,008        | 3,016        | 3,112        | 3,112        | 3,112        | 3,112        | 3,112        | 3,145        | 3,170        |
| Interest Earnings (in Operating Reserve) (3)        | 27,814       | 13,080       | 20,618       | 29,670       | 47,988       | 54,300       | 53,095       | 62,500       | 64,400       | 66,340       |
| Total Sources of Funds                              | \$ 5,933,814 | \$ 5,935,141 | \$ 5,958,740 | \$ 6,155,940 | \$ 6,174,258 | \$ 6,180,570 | \$ 6,179,365 | \$ 6,188,770 | \$ 6,254,916 | \$ 6,306,380 |
| <b>Uses of Sewer Funds</b>                          |              |              |              |              |              |              |              |              |              |              |
| Operating Expenses (4):                             |              |              |              |              |              |              |              |              |              |              |
| Salaries                                            | \$ 795,000   | \$ 818,850   | \$ 843,416   | \$ 868,718   | \$ 894,780   | \$ 921,623   | \$ 949,272   | \$ 977,760   | \$ 1,007,082 | \$ 1,037,295 |
| Benefits                                            | 246,895      | 255,651      | 264,723      | 274,124      | 283,865      | 293,959      | 304,419      | 315,259      | 326,492      | 338,133      |
| Other Operating Expenses                            | 3,325,195    | 3,532,918    | 3,907,770    | 5,590,762    | 5,087,721    | 3,849,432    | 3,964,106    | 4,082,213    | 4,203,854    | 4,329,136    |
| Transfers                                           | 865,000      | 890,950      | 917,679      | 945,209      | 973,565      | 1,002,772    | 1,032,855    | 1,063,841    | 1,095,756    | 1,128,629    |
| Subtotal: Operating Expenses                        | \$ 5,232,090 | \$ 5,498,368 | \$ 5,933,587 | \$ 7,678,813 | \$ 7,239,931 | \$ 6,067,787 | \$ 6,250,653 | \$ 6,439,062 | \$ 6,633,184 | \$ 6,833,192 |
| Other Expenditures:                                 |              |              |              |              |              |              |              |              |              |              |
| Prepayment PERS                                     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| Existing Debt Service                               | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Future Debt Service                                 | -            | -            | -            | -            | -            | -            | -            | -            | -            | -            |
| Rate-Funded Capital Expenses                        | -            | -            | -            | -            | -            | -            | -            | 752,758      | 1,242,285    | 1,585,554    |
| Subtotal: Other Expenditures                        | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ 752,758   | \$ 1,242,285 | \$ 1,585,554 |
| Total Uses of Sewer Funds                           | \$ 5,232,090 | \$ 5,498,368 | \$ 5,933,587 | \$ 7,678,813 | \$ 7,239,931 | \$ 6,067,787 | \$ 6,250,653 | \$ 7,191,820 | \$ 7,875,469 | \$ 8,418,746 |
| Plus: Revenue from Rate Increases                   | -            | 177,572      | 361,448      | 567,782      | 788,510      | 1,044,177    | 1,330,871    | 1,629,032    | 1,959,455    | 2,303,610    |
| Annual Surplus/(Deficit)                            | \$ 701,724   | \$ 614,344   | \$ 388,601   | \$ (955,090) | \$ (287,163) | \$ 1,156,961 | \$ 1,259,583 | \$ 625,982   | \$ 338,901   | \$ 191,244   |
| Net Revenue Req. (Total Uses less Non-Rate Revenue) | \$ 5,201,276 | \$ 5,482,280 | \$ 5,909,953 | \$ 7,646,031 | \$ 7,158,891 | \$ 6,010,975 | \$ 6,194,446 | \$ 7,126,708 | \$ 7,807,025 | \$ 8,219,226 |
| Total Rate Revenue After Rate Increases             | \$ 5,903,000 | \$ 6,096,625 | \$ 6,296,554 | \$ 6,690,941 | \$ 6,891,669 | \$ 7,167,336 | \$ 7,454,029 | \$ 7,752,190 | \$ 8,146,826 | \$ 8,540,481 |
| Projected Annual Rate Revenue Increase              | 0.00%        | 3.00%        | 3.00%        | 3.00%        | 3.00%        | 4.00%        | 4.00%        | 4.00%        | 4.00%        | 4.00%        |
| Cumulative Increase from Annual Revenue Increases   | 0.00%        | 3.00%        | 6.30%        | 9.27%        | 12.30%       | 17.50%       | 21.74%       | 26.82%       | 31.87%       | 37.04%       |
| Cumulative Increase from Rate Increases             | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          | N/A          |

1. Rates used in FY 2016/17 are from the District's Budget & updated via staff email. Source files: Sanitation Budgets.xlsx, budgetEmail 4.13.16.pdf

2. Customer growth rates for each year per City of Lemon Grove estimates, and are shown in Table 7 of Exhibit 1.

3. Interest earnings are per the City's Summary Budget in FY 2016/17, and calculated in the Financial Plan for all future years.

4. Revenues for FY 2016/17 are from the District's Budget & updated via staff email. Source files: Sanitation Budgets.xlsx, budgetEmail 4.13.16.pdf.  
Inflationary factors are applied to these expenses to project costs in 2016/17 and beyond.

# Attachment B

## CITY OF LEMON GROVE SEWER RATE STUDY Financial Plan and Reserve Projections

## Financial Plan & Reserve Summary

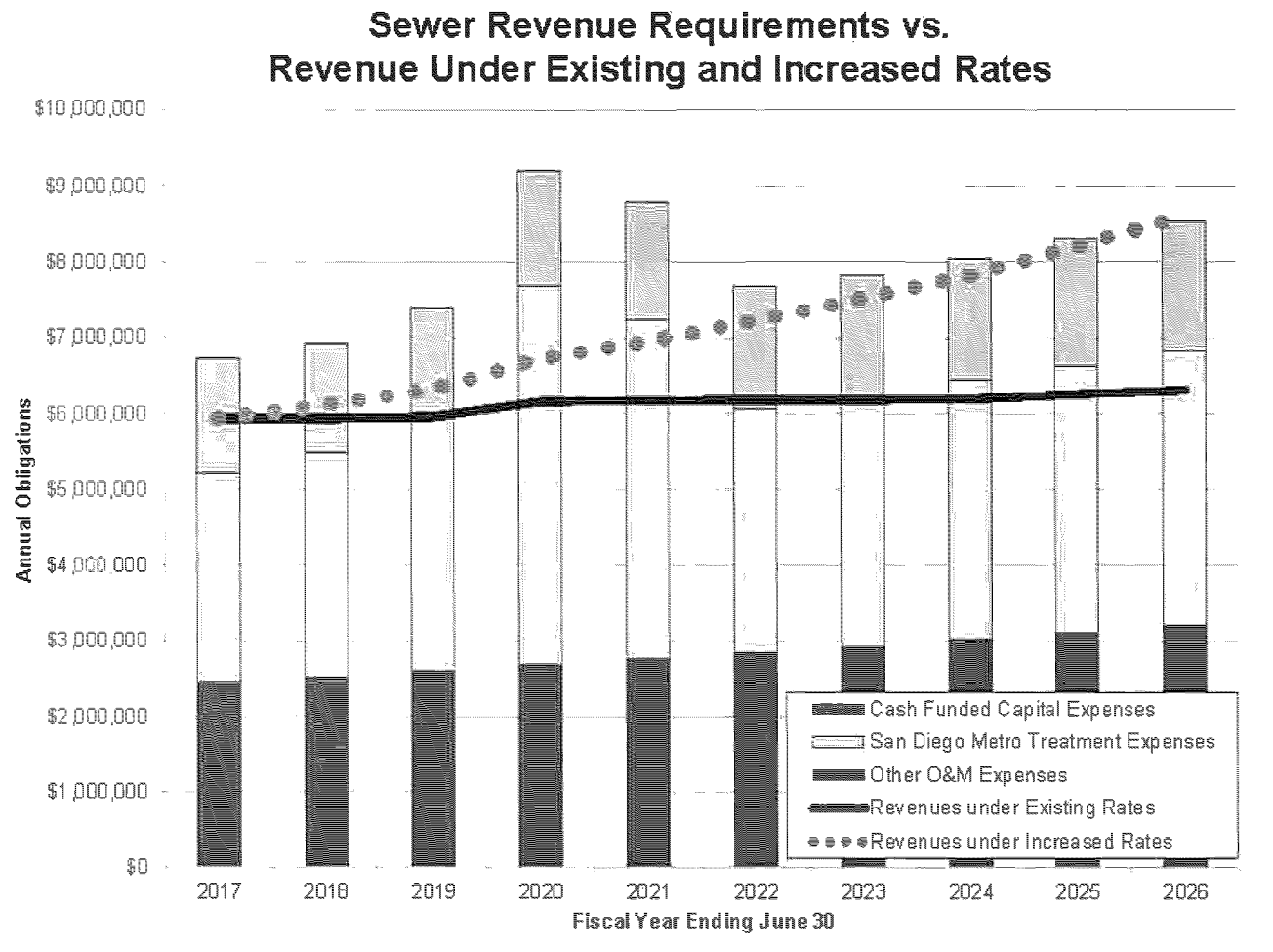
TABLE 2  
RESERVE FUND SUMMARY

| SUMMARY OF CASH ACTIVITY                                      | Budget               | Projected            |                      |                      |                     |                     |                     |                     |                     |                     |
|---------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                               | FY 2016/17           | FY 2017/18           | FY 2018/19           | FY 2019/20           | FY 2020/21          | FY 2021/22          | FY 2022/23          | FY 2023/24          | FY 2024/25          | FY 2025/26          |
| <b>Total Beginning Cash</b>                                   | <b>\$ 16,507,541</b> |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| <b>Operating Reserve</b>                                      |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Beginning Reserve Balance (1)                                 | \$ 11,125,622        | \$ 2,816,000         | \$ 2,748,000         | \$ 2,967,000         | \$ 3,639,000        | \$ 3,628,000        | \$ 3,034,000        | \$ 3,125,000        | \$ 3,220,000        | \$ 3,317,000        |
| Plus: Net Cash Flow (After Rate Increases)                    | 701,724              | 614,344              | 386,601              | (955,080)            | (287,163)           | 1,156,961           | 1,258,583           | 625,982             | 338,901             | 191,244             |
| Net: Transfer From / (To) Rate Stabilization Reserve          | (465,855)            | (182,027)            | (168,601)            | 1,827,090            | 78,163              | (1,742,981)         | (339,181)           | (99,418)            | (102,402)           | (91,244)            |
| Less: Transfer Out to Capital Replacement Reserve             | (8,745,491)          | (289,317)            | -                    | -                    | -                   | -                   | (829,402)           | (431,563)           | (139,500)           | -                   |
| Adjustment to 2015/16 Year End Actuals                        | -                    | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Ending Operating Reserve Balance</b>                       | <b>\$ 2,616,000</b>  | <b>\$ 2,749,000</b>  | <b>\$ 2,967,000</b>  | <b>\$ 3,839,000</b>  | <b>\$ 3,628,000</b> | <b>\$ 3,034,000</b> | <b>\$ 3,125,000</b> | <b>\$ 3,220,000</b> | <b>\$ 3,317,000</b> | <b>\$ 3,417,000</b> |
| <b>Target Ending Balance (50% of O&amp;M) (2)</b>             | <b>\$ 2,616,000</b>  | <b>\$ 2,749,000</b>  | <b>\$ 2,967,000</b>  | <b>\$ 3,839,000</b>  | <b>\$ 3,628,000</b> | <b>\$ 3,034,000</b> | <b>\$ 3,125,000</b> | <b>\$ 3,220,000</b> | <b>\$ 3,317,000</b> | <b>\$ 3,417,000</b> |
| <b>Capital Rehabilitation &amp; Replacement Reserve</b>       |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Beginning Reserve Balance (3)                                 | \$ 3,054,318         | \$ 10,306,311        | \$ 9,163,413         | \$ 7,688,232         | \$ 6,168,795        | \$ 4,603,775        | \$ 2,991,803        | \$ 2,250,041        | \$ 1,816,063        | \$ 1,531,000        |
| Plus: Grant Proceeds                                          | -                    | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                   | -                   |
| Plus: Transfer of Operating Reserve Surpluses                 | 8,745,491            | 289,317              | -                    | -                    | -                   | -                   | 829,402             | 431,563             | 139,500             | -                   |
| Less: Use of Reserves for Capital Projects                    | (1,493,500)          | (1,432,215)          | (1,475,181)          | (1,518,437)          | (1,565,020)         | (1,611,972)         | (1,571,164)         | (865,641)           | (424,563)           | (131,300)           |
| Adjustment to 2015/16 Year End Actuals                        | -                    | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Ending Capital Rehab &amp; Replacement Reserve Balance</b> | <b>\$ 10,306,311</b> | <b>\$ 9,163,413</b>  | <b>\$ 7,688,232</b>  | <b>\$ 6,168,795</b>  | <b>\$ 4,603,775</b> | <b>\$ 2,991,803</b> | <b>\$ 2,250,041</b> | <b>\$ 1,816,063</b> | <b>\$ 1,531,000</b> | <b>\$ 1,399,700</b> |
| <b>Target Ending Balance (3% net assets) (4)</b>              | <b>\$ 1,357,300</b>  | <b>\$ 1,358,300</b>  | <b>\$ 1,360,400</b>  | <b>\$ 1,363,800</b>  | <b>\$ 1,368,500</b> | <b>\$ 1,374,300</b> | <b>\$ 1,378,600</b> | <b>\$ 1,384,500</b> | <b>\$ 1,391,500</b> | <b>\$ 1,399,700</b> |
| <b>Rate Stabilization Reserve</b>                             |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Beginning Reserve Balance (5)                                 | \$ 2,310,600         | \$ 2,776,455         | \$ 2,968,482         | \$ 3,137,083         | \$ 1,309,993        | \$ 1,231,830        | \$ 2,974,791        | \$ 3,313,972        | \$ 3,413,392        | \$ 3,515,793        |
| Net: Transfer From / (To) Operating Reserve                   | 465,855              | 182,027              | 168,601              | (1,827,090)          | (78,163)            | 1,742,981           | 339,181             | 99,418              | 102,402             | 91,244              |
| <b>Ending Rate Stabilization Reserve Balance</b>              | <b>\$ 2,776,455</b>  | <b>\$ 2,968,482</b>  | <b>\$ 3,137,083</b>  | <b>\$ 1,309,993</b>  | <b>\$ 1,231,830</b> | <b>\$ 2,974,791</b> | <b>\$ 3,313,972</b> | <b>\$ 3,413,392</b> | <b>\$ 3,515,793</b> | <b>\$ 3,607,036</b> |
| <b>Target Ending Balance (1 year Metro Costs) (6)</b>         | <b>\$ 2,776,455</b>  | <b>\$ 2,968,482</b>  | <b>\$ 3,137,178</b>  | <b>\$ 4,993,534</b>  | <b>\$ 4,473,368</b> | <b>\$ 3,217,449</b> | <b>\$ 3,313,972</b> | <b>\$ 3,413,392</b> | <b>\$ 3,515,793</b> | <b>\$ 3,621,267</b> |
| <b>Ending Balance - Excl. Restricted Reserves</b>             | <b>\$ 15,688,766</b> | <b>\$ 14,889,895</b> | <b>\$ 13,792,315</b> | <b>\$ 11,317,787</b> | <b>\$ 9,435,605</b> | <b>\$ 9,000,594</b> | <b>\$ 8,688,013</b> | <b>\$ 8,449,454</b> | <b>\$ 8,363,793</b> | <b>\$ 8,423,738</b> |
| <b>Min. Target Ending Balance - Excl. Restricted Reserves</b> | <b>\$ 6,749,755</b>  | <b>\$ 7,075,782</b>  | <b>\$ 7,654,578</b>  | <b>\$ 10,198,334</b> | <b>\$ 9,481,888</b> | <b>\$ 7,625,748</b> | <b>\$ 7,817,772</b> | <b>\$ 8,017,892</b> | <b>\$ 8,224,294</b> | <b>\$ 8,437,967</b> |
| <b>Ending Surplus/(Deficit) Compared to Reserve Targets</b>   | <b>\$ 8,949,011</b>  | <b>\$ 7,805,113</b>  | <b>\$ 6,137,739</b>  | <b>\$ 1,121,453</b>  | <b>\$ (6,263)</b>   | <b>\$ 1,374,845</b> | <b>\$ 871,241</b>   | <b>\$ 431,563</b>   | <b>\$ 159,500</b>   | <b>\$ (14,228)</b>  |
| <b>Restricted Reserves:</b>                                   |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| <b>Connection Fee Reserve</b>                                 |                      |                      |                      |                      |                     |                     |                     |                     |                     |                     |
| Beginning Reserve Balance                                     | \$ 17,000            | \$ 34,043            | \$ 51,213            | \$ 68,597            | \$ 86,283           | \$ 104,361          | \$ 122,927          | \$ 142,078          | \$ 161,920          | \$ 182,158          |
| Plus: Interest Earnings                                       | 43                   | 170                  | 364                  | 686                  | 1,079               | 1,585               | 2,151               | 2,842               | 3,238               | 3,643               |
| Plus: Connection Fee Revenue                                  | 17,000               | 17,000               | 17,000               | 17,000               | 17,000              | 17,000              | 17,000              | 17,000              | 17,000              | 17,000              |
| Less: Use of Reserves for Capital Projects                    | -                    | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Ending Connection Fee Fund Balance</b>                     | <b>\$ 34,043</b>     | <b>\$ 51,213</b>     | <b>\$ 68,597</b>     | <b>\$ 86,283</b>     | <b>\$ 104,361</b>   | <b>\$ 122,927</b>   | <b>\$ 142,078</b>   | <b>\$ 161,920</b>   | <b>\$ 182,158</b>   | <b>\$ 202,801</b>   |
| <b>Ending Balance - Excl. Restricted Reserves</b>             | <b>\$ 15,688,766</b> | <b>\$ 14,889,895</b> | <b>\$ 13,792,315</b> | <b>\$ 11,317,787</b> | <b>\$ 9,435,605</b> | <b>\$ 9,000,594</b> | <b>\$ 8,688,013</b> | <b>\$ 8,449,454</b> | <b>\$ 8,363,793</b> | <b>\$ 8,423,738</b> |

- Beginning Cash balance is from the City's General Ledger Balance Sheet (see page 15 of the 2015/16 Financial Plan).
- The operating reserve target ending balance is recommended to be 50% of O&M expenses.
- Beginning cash balance is from the City's General Ledger Balance Sheet (Cash for 18-00-00-1000 for FY 2015/16 - 2016/17. Source files: Detailed Trial Balance Fund 18 2016.pdf & Summary Trial Balance Fund 18).
- The City will only incur capital improvement Reserve & Rate Stabilization Reserve.
- The City of LA Audit calculation includes Lemon Grove's FY 2016/17 net fund allocation of 1.31% of San Diego Metro Net Capital Assets, and Lemon Grove owned assets.
- The Rate Stabilization Reserve target ending balance remains equal one year of Metro costs matching the previous study from March 2011 (page 2).
- Historical interest earning rates were referenced on the California Treasurer's Office website for funds invested in LAIF.
- Future years earnings were conservatively estimated through 2024 and phased into the historical 10 year average interest earnings rate.

**CITY OF LEMON GROVE  
SEWER RATE STUDY  
Rate Adjustment Charts and Report Tables**

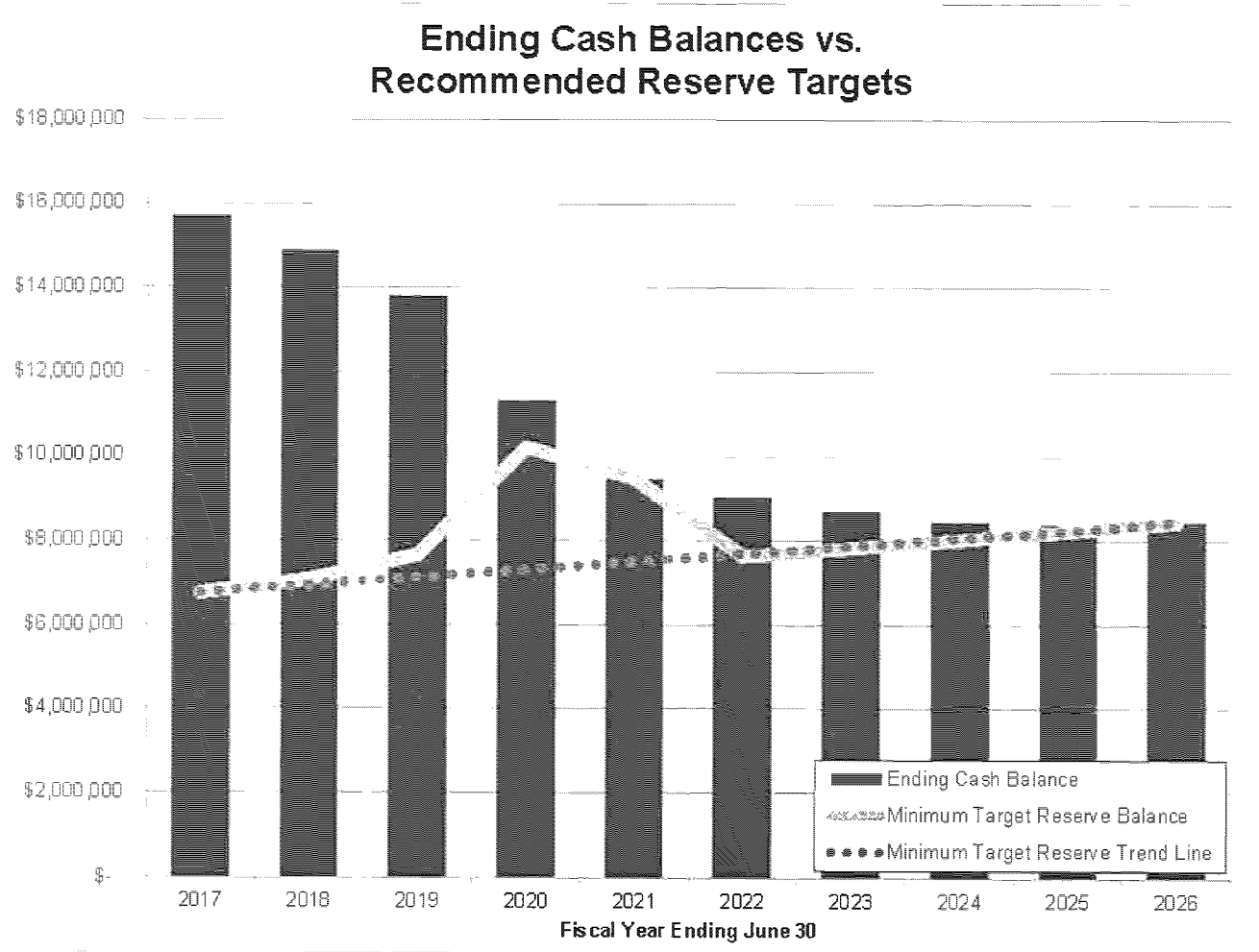
**CHART 1**



# Attachment B

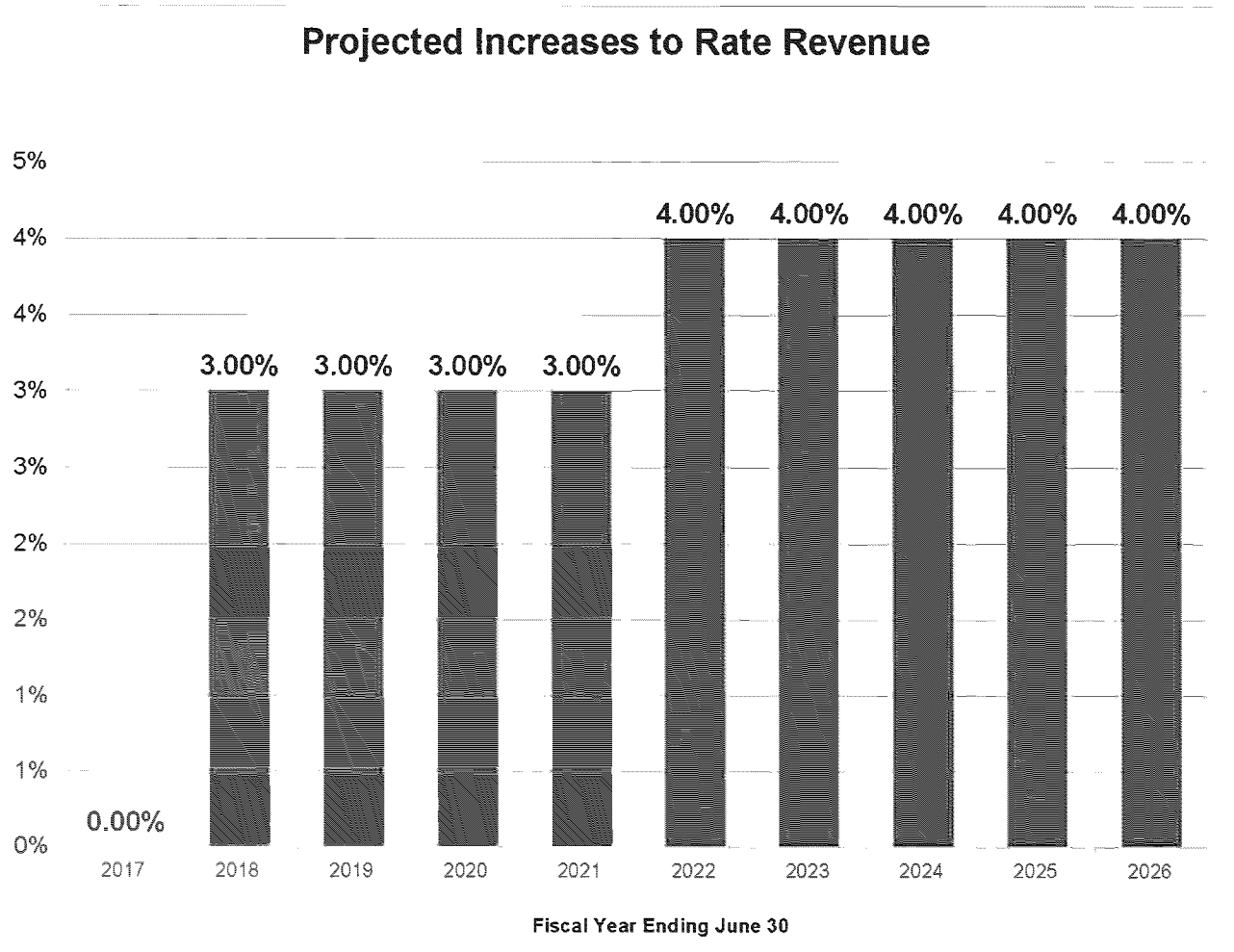
## CITY OF LEMON GROVE SEWER RATE STUDY Rate Adjustment Charts and Report Tables

CHART 2



CITY OF LEMON GROVE  
SEWER RATE STUDY  
Rate Adjustment Charts and Report Tables

CHART 3



# Attachment B

## CITY OF LEMON GROVE SEWER RATE STUDY Operating Revenue and Expenses

EXHIBIT 1

TABLE 3  
REVENUE FORECAST (1)

| SOURCES OF REVENUE                   | Basis  | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                |
|--------------------------------------|--------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| R11 Miscellaneous Revenue            |        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 4370 Other Revenue (2)               | 1      | \$ 3,000            | \$ 3,008            | \$ 3,016            | \$ 3,112            | \$ 3,112            | \$ 3,112            | \$ 3,112            | \$ 3,112            | \$ 3,145            | \$ 3,170            |
| R14 Interest & Investment Income     |        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 4420 Interest (3)                    | See FP | \$ 21,800           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 4430 Interest - Property Tax         | See FP | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| R16 Grant Revenue                    |        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 4430 Cost Recovery                   | 1      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| R17 All Other Revenue                |        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 4685 Sewer Capacity Fee              | 9      | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           |
| 4600 Sewer Service Fee               | 1      | \$ 5,853,000        | \$ 5,868,917        | \$ 5,884,834        | \$ 6,071,294        | \$ 6,071,294        | \$ 6,071,294        | \$ 6,071,294        | \$ 6,071,294        | \$ 6,134,963        | \$ 6,184,042        |
| 4605 Sewer Service - LGSD La Mesa SD | 1      | \$ 50,000           | \$ 50,136           | \$ 50,272           | \$ 51,865           | \$ 51,865           | \$ 51,865           | \$ 51,865           | \$ 51,865           | \$ 52,409           | \$ 52,828           |
| <b>TOTAL: REVENUE</b>                |        | <b>\$ 5,944,800</b> | <b>\$ 5,939,061</b> | <b>\$ 5,955,123</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,207,516</b> | <b>\$ 6,257,040</b> |

TABLE 4

| REVENUE SUMMARY                           | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                |
|-------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Sewer Operations - 15:                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Sewer Rate Revenue                        | \$ 5,903,000        | \$ 5,919,053        | \$ 5,935,106        | \$ 6,123,159        | \$ 6,123,159        | \$ 6,123,159        | \$ 6,123,159        | \$ 6,123,159        | \$ 6,187,371        | \$ 6,236,870        |
| Other Operating Revenue                   | \$ 3,000            | \$ 3,008            | \$ 3,016            | \$ 3,112            | \$ 3,112            | \$ 3,112            | \$ 3,112            | \$ 3,112            | \$ 3,145            | \$ 3,170            |
| Interest Earnings                         | \$ 21,800           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Capacity Fee                        | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           | \$ 17,000           |
| <b>Subtotal: Sewer Operations Revenue</b> | <b>\$ 5,944,800</b> | <b>\$ 5,939,061</b> | <b>\$ 5,955,123</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,143,270</b> | <b>\$ 6,207,516</b> | <b>\$ 6,257,040</b> |

CITY OF LEMON GROVE  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

TABLE 5  
OPERATING EXPENSE FORECAST (4):

| Sewer Fund Operations                             | Basis | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                |
|---------------------------------------------------|-------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>E05 Salaries</b>                               |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 5000 Salaries                                     | 3     | \$ 765,800          | \$ 788,774          | \$ 812,437          | \$ 836,810          | \$ 861,915          | \$ 887,772          | \$ 914,405          | \$ 941,837          | \$ 970,093          | \$ 999,195          |
| 5040 Overtime                                     | 3     | \$ 14,200           | \$ 14,626           | \$ 15,065           | \$ 15,517           | \$ 15,982           | \$ 16,462           | \$ 16,956           | \$ 17,464           | \$ 17,988           | \$ 18,528           |
| 5050 Extra Help                                   | 3     | \$ 15,000           | \$ 15,450           | \$ 15,914           | \$ 16,391           | \$ 16,883           | \$ 17,389           | \$ 17,911           | \$ 18,448           | \$ 19,002           | \$ 19,572           |
| <b>Subtotal: E05 Salaries</b>                     |       | <b>\$ 795,000</b>   | <b>\$ 818,850</b>   | <b>\$ 843,416</b>   | <b>\$ 868,718</b>   | <b>\$ 894,780</b>   | <b>\$ 921,623</b>   | <b>\$ 949,272</b>   | <b>\$ 977,750</b>   | <b>\$ 1,007,082</b> | <b>\$ 1,037,295</b> |
| <b>E10 Benefits</b>                               |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 5060 Health Benefits                              | 4     | \$ 98,700           | \$ 102,648          | \$ 106,754          | \$ 111,024          | \$ 115,465          | \$ 120,084          | \$ 124,887          | \$ 129,882          | \$ 135,078          | \$ 140,481          |
| 5070 Health Benefits - Retirees                   | 4     | \$ 15,500           | \$ 16,120           | \$ 16,765           | \$ 17,435           | \$ 18,133           | \$ 18,858           | \$ 19,612           | \$ 20,397           | \$ 21,213           | \$ 22,061           |
| 5080 Deferred Comp                                | 3     | \$ 1,700            | \$ 1,751            | \$ 1,804            | \$ 1,858            | \$ 1,913            | \$ 1,971            | \$ 2,030            | \$ 2,091            | \$ 2,154            | \$ 2,218            |
| 509 Employee Assistance Program                   | 4     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 5150 Workers Comp Insurance                       | 3     | \$ 30,000           | \$ 30,900           | \$ 31,827           | \$ 32,782           | \$ 33,765           | \$ 34,778           | \$ 35,822           | \$ 36,896           | \$ 38,003           | \$ 39,143           |
| 5160 Medicare Insurance                           | 4     | \$ 13,500           | \$ 14,040           | \$ 14,602           | \$ 15,186           | \$ 15,793           | \$ 16,425           | \$ 17,082           | \$ 17,765           | \$ 18,476           | \$ 19,215           |
| 5170 Life Insurance                               | 4     | \$ 1,200            | \$ 1,248            | \$ 1,298            | \$ 1,350            | \$ 1,404            | \$ 1,460            | \$ 1,518            | \$ 1,579            | \$ 1,642            | \$ 1,708            |
| 5180 Long Term Disability                         | 4     | \$ 6,000            | \$ 6,240            | \$ 6,490            | \$ 6,749            | \$ 7,019            | \$ 7,300            | \$ 7,592            | \$ 7,896            | \$ 8,211            | \$ 8,540            |
| 5190 Retirement                                   | 5     | \$ 80,295           | \$ 82,704           | \$ 85,185           | \$ 87,741           | \$ 90,373           | \$ 93,084           | \$ 95,876           | \$ 98,753           | \$ 101,715          | \$ 104,767          |
| 5200 Unemployment                                 | 4     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Subtotal: E10 Benefits</b>                     |       | <b>\$ 246,895</b>   | <b>\$ 255,651</b>   | <b>\$ 264,723</b>   | <b>\$ 274,124</b>   | <b>\$ 283,865</b>   | <b>\$ 293,959</b>   | <b>\$ 304,419</b>   | <b>\$ 315,259</b>   | <b>\$ 326,492</b>   | <b>\$ 338,133</b>   |
| <b>E15 Benefits - Retirement</b>                  |       |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 5141 PERS UAL Payments                            | 3     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| 5501 Transfer To PERS Unfunded Liab               | 3     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Subtotal: E05 Benefits - Retirement</b>        |       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Subtotal: Sewer Fund 15 - Sewer Operations</b> |       | <b>\$ 1,041,895</b> | <b>\$ 1,074,501</b> | <b>\$ 1,108,139</b> | <b>\$ 1,142,842</b> | <b>\$ 1,178,645</b> | <b>\$ 1,215,582</b> | <b>\$ 1,253,691</b> | <b>\$ 1,293,009</b> | <b>\$ 1,333,574</b> | <b>\$ 1,375,428</b> |



# Attachment B

CITY OF LEMON GROVE  
SEWER RATE STUDY  
Operating Revenue and Expenses

EXHIBIT 1

TABLE 6  
OPERATING EXPENSE FORECAST (4):

| Sewer Fund Operations                       | Basis | 2017         | 2018         | 2019         | 2020         | 2021         | 2022         | 2023         | 2024         | 2025         | 2026         |
|---------------------------------------------|-------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| E40 Other Operating Expenses                |       |              |              |              |              |              |              |              |              |              |              |
| 5410 Claims Paid                            | 2     | \$ 20,000    | \$ 20,600    | \$ 21,218    | \$ 21,855    | \$ 22,510    | \$ 23,185    | \$ 23,881    | \$ 24,597    | \$ 25,335    | \$ 26,095    |
| 5440 Computer Maintenance                   | 2     | \$ 46,600    | \$ 47,998    | \$ 49,438    | \$ 50,921    | \$ 52,449    | \$ 54,022    | \$ 55,643    | \$ 57,312    | \$ 59,031    | \$ 60,802    |
| 5470 Contract Services                      | 2     | \$ 55,000    | \$ 56,650    | \$ 58,350    | \$ 60,100    | \$ 61,903    | \$ 63,760    | \$ 65,673    | \$ 67,643    | \$ 69,672    | \$ 71,763    |
| 5490 Copier Service                         | 2     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 5620 Emergency Callout & Repair             | 2     | \$ 5,000     | \$ 5,150     | \$ 5,305     | \$ 5,464     | \$ 5,628     | \$ 5,796     | \$ 5,970     | \$ 6,149     | \$ 6,334     | \$ 6,524     |
| 5640 Equipment                              | 2     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 5650 Equipment Rental                       | 2     | \$ 5,000     | \$ 5,150     | \$ 5,305     | \$ 5,464     | \$ 5,628     | \$ 5,796     | \$ 5,970     | \$ 6,149     | \$ 6,334     | \$ 6,524     |
| 5665 Estimated Claims Payable               | 2     | \$ 20,000    | \$ 20,800    | \$ 21,218    | \$ 21,855    | \$ 22,510    | \$ 23,185    | \$ 23,881    | \$ 24,597    | \$ 25,335    | \$ 26,095    |
| 5700 Fuel                                   | 7     | \$ 15,100    | \$ 15,704    | \$ 16,332    | \$ 16,985    | \$ 17,665    | \$ 18,371    | \$ 19,106    | \$ 19,871    | \$ 20,665    | \$ 21,492    |
| 5710 General Expenditure                    | 2     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 5750 Industrial Enforcement                 | 2     | \$ 10,000    | \$ 10,300    | \$ 10,609    | \$ 10,927    | \$ 11,255    | \$ 11,593    | \$ 11,941    | \$ 12,299    | \$ 12,668    | \$ 13,048    |
| 5760 Insurance - Liability                  | 2     | \$ 48,800    | \$ 50,264    | \$ 51,772    | \$ 53,325    | \$ 54,925    | \$ 56,573    | \$ 58,270    | \$ 60,018    | \$ 61,818    | \$ 63,673    |
| 5770 Insurance - Property                   | 2     | \$ 7,700     | \$ 7,931     | \$ 8,169     | \$ 8,414     | \$ 8,666     | \$ 8,926     | \$ 9,194     | \$ 9,470     | \$ 9,754     | \$ 10,047    |
| 5930 Line Cleaning                          | 2     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 5950 Litigation Services                    | 2     | \$ 60,000    | \$ 61,800    | \$ 63,654    | \$ 65,564    | \$ 67,531    | \$ 69,556    | \$ 71,643    | \$ 73,792    | \$ 76,006    | \$ 78,286    |
| 5990 Medical Examinations                   | 2     | \$ 400       | \$ 412       | \$ 424       | \$ 437       | \$ 450       | \$ 464       | \$ 478       | \$ 492       | \$ 507       | \$ 522       |
| 6020 Membership & Dues                      | 2     | \$ 2,000     | \$ 2,060     | \$ 2,122     | \$ 2,185     | \$ 2,251     | \$ 2,319     | \$ 2,388     | \$ 2,460     | \$ 2,534     | \$ 2,610     |
| 6030 Metro Annual Capacity & Treatment (5)  | 10    | \$ 2,776,455 | \$ 2,968,482 | \$ 3,327,176 | \$ 4,993,534 | \$ 4,473,368 | \$ 3,217,449 | \$ 3,313,972 | \$ 3,413,392 | \$ 3,515,793 | \$ 3,621,267 |
| 6040 Mileage                                | 2     | \$ 9,000     | \$ 9,270     | \$ 9,548     | \$ 9,835     | \$ 10,130    | \$ 10,433    | \$ 10,746    | \$ 11,069    | \$ 11,401    | \$ 11,743    |
| 6060 Sewage Transportation                  | 11    | \$ 66,040    | \$ 67,097    | \$ 68,170    | \$ 69,261    | \$ 70,369    | \$ 71,495    | \$ 72,639    | \$ 73,801    | \$ 74,982    | \$ 76,182    |
| 6090 Office Supplies                        | 2     | \$ 2,000     | \$ 2,060     | \$ 2,122     | \$ 2,185     | \$ 2,251     | \$ 2,319     | \$ 2,388     | \$ 2,460     | \$ 2,534     | \$ 2,610     |
| 6140 Personnel Recruitment                  | 2     | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         | \$ -         |
| 6150 Professional Services                  | 2     | \$ 72,500    | \$ 74,675    | \$ 76,915    | \$ 79,223    | \$ 81,599    | \$ 84,047    | \$ 86,569    | \$ 89,166    | \$ 91,841    | \$ 94,596    |
| 6160 Protective Clothing                    | 2     | \$ 4,000     | \$ 4,120     | \$ 4,244     | \$ 4,371     | \$ 4,502     | \$ 4,637     | \$ 4,776     | \$ 4,919     | \$ 5,067     | \$ 5,219     |
| 6170 Repairs & Maintenance                  | 2     | \$ 5,400     | \$ 5,562     | \$ 5,729     | \$ 5,901     | \$ 6,078     | \$ 6,260     | \$ 6,448     | \$ 6,641     | \$ 6,841     | \$ 7,046     |
| 6180 Repairs & Maintenance - Equipment      | 2     | \$ 25,000    | \$ 25,750    | \$ 26,523    | \$ 27,318    | \$ 28,138    | \$ 28,982    | \$ 29,851    | \$ 30,747    | \$ 31,669    | \$ 32,619    |
| 6190 Repairs & Maintenance - Vehicles       | 2     | \$ 10,000    | \$ 10,300    | \$ 10,609    | \$ 10,927    | \$ 11,255    | \$ 11,593    | \$ 11,941    | \$ 12,299    | \$ 12,668    | \$ 13,048    |
| 6200 Restoration Services                   | 2     | \$ 10,000    | \$ 10,300    | \$ 10,609    | \$ 10,927    | \$ 11,255    | \$ 11,593    | \$ 11,941    | \$ 12,299    | \$ 12,668    | \$ 13,048    |
| 6210 Street Sweeping                        | 2     | \$ 18,000    | \$ 18,540    | \$ 19,096    | \$ 19,669    | \$ 20,259    | \$ 20,867    | \$ 21,493    | \$ 22,138    | \$ 22,802    | \$ 23,486    |
| 6220 Tools & Supplies                       | 2     | \$ 11,000    | \$ 11,330    | \$ 11,670    | \$ 12,020    | \$ 12,381    | \$ 12,752    | \$ 13,135    | \$ 13,529    | \$ 13,934    | \$ 14,353    |
| 6230 Traffic Safety Equipment               | 2     | \$ 500       | \$ 515       | \$ 530       | \$ 546       | \$ 563       | \$ 580       | \$ 597       | \$ 615       | \$ 633       | \$ 652       |
| 6240 Training                               | 2     | \$ 10,000    | \$ 10,300    | \$ 10,609    | \$ 10,927    | \$ 11,255    | \$ 11,593    | \$ 11,941    | \$ 12,299    | \$ 12,668    | \$ 13,048    |
| 6250 Travel & Meetings                      | 2     | \$ 2,000     | \$ 2,060     | \$ 2,122     | \$ 2,185     | \$ 2,251     | \$ 2,319     | \$ 2,388     | \$ 2,460     | \$ 2,534     | \$ 2,610     |
| 6260 Utilities - Gas & Electric             | 7     | \$ 700       | \$ 728       | \$ 757       | \$ 787       | \$ 819       | \$ 852       | \$ 886       | \$ 921       | \$ 958       | \$ 996       |
| 6270 Utilities - Telephone                  | 2     | \$ 4,500     | \$ 4,635     | \$ 4,774     | \$ 4,917     | \$ 5,065     | \$ 5,217     | \$ 5,373     | \$ 5,534     | \$ 5,700     | \$ 5,871     |
| 6280 Utilities - Water                      | 2     | \$ 2,500     | \$ 2,575     | \$ 2,652     | \$ 2,732     | \$ 2,814     | \$ 2,898     | \$ 2,985     | \$ 3,075     | \$ 3,167     | \$ 3,262     |
| Subtotal: E45 Other Operating Expenses      |       | \$ 3,325,195 | \$ 3,532,918 | \$ 3,907,770 | \$ 5,590,762 | \$ 5,087,721 | \$ 3,849,432 | \$ 3,964,106 | \$ 4,082,213 | \$ 4,203,854 | \$ 4,329,136 |
| E65 Transfers                               |       |              |              |              |              |              |              |              |              |              |              |
| 6900 Interfund Transfers - Expenditures (6) | 2     | \$ 865,000   | \$ 890,950   | \$ 917,679   | \$ 945,209   | \$ 973,565   | \$ 1,002,772 | \$ 1,032,855 | \$ 1,063,841 | \$ 1,095,756 | \$ 1,128,629 |
| Subtotal: E65 Transfers                     |       | \$ 865,000   | \$ 890,950   | \$ 917,679   | \$ 945,209   | \$ 973,565   | \$ 1,002,772 | \$ 1,032,855 | \$ 1,063,841 | \$ 1,095,756 | \$ 1,128,629 |
| Subtotal: Sewer Fund 15 - Sewer Operations  |       | \$ 4,190,195 | \$ 4,423,868 | \$ 4,825,448 | \$ 6,535,971 | \$ 6,061,286 | \$ 4,852,204 | \$ 4,996,962 | \$ 5,146,053 | \$ 5,299,610 | \$ 5,457,765 |
| Total: Sewer Fund 15 - Sewer Operations     |       | \$ 5,232,090 | \$ 5,498,369 | \$ 5,833,587 | \$ 7,675,813 | \$ 7,239,931 | \$ 6,067,787 | \$ 6,250,853 | \$ 6,439,062 | \$ 6,633,184 | \$ 6,833,192 |

**CITY OF LEMON GROVE  
SEWER RATE STUDY  
Operating Revenue and Expenses**

**EXHIBIT 1**

**TABLE 7  
FORECASTING ASSUMPTIONS:**

| ECONOMIC VARIABLES                | Basis | 2017   | 2018  | 2019   | 2020   | 2021    | 2022    | 2023  | 2024  | 2025  | 2026  |
|-----------------------------------|-------|--------|-------|--------|--------|---------|---------|-------|-------|-------|-------|
| Customer Growth (7)               | 1     | --     | 0.27% | 0.27%  | 3.17%  | 0.00%   | 0.00%   | 0.00% | 0.00% | 1.05% | 0.80% |
| General Cost Inflation            | 2     | --     | 3.00% | 3.00%  | 3.00%  | 3.00%   | 3.00%   | 3.00% | 3.00% | 3.00% | 3.00% |
| Labor Cost Inflation (8)          | 3     | --     | 3.00% | 3.00%  | 3.00%  | 3.00%   | 3.00%   | 3.00% | 3.00% | 3.00% | 3.00% |
| Health Benefits Inflation (8)     | 4     | --     | 4.00% | 4.00%  | 4.00%  | 4.00%   | 4.00%   | 4.00% | 4.00% | 4.00% | 4.00% |
| Retirement Benefits Inflation (8) | 5     | --     | 3.00% | 3.00%  | 3.00%  | 3.00%   | 3.00%   | 3.00% | 3.00% | 3.00% | 3.00% |
| Chemicals (8)                     | 6     | --     | 3.00% | 3.00%  | 3.00%  | 3.00%   | 3.00%   | 3.00% | 3.00% | 3.00% | 3.00% |
| Gas (8)                           | 7     | --     | 4.00% | 4.00%  | 4.00%  | 4.00%   | 4.00%   | 4.00% | 4.00% | 4.00% | 4.00% |
| Electricity (9)                   | 8     | --     | 4.40% | 4.40%  | 4.40%  | 4.40%   | 4.40%   | 4.40% | 4.40% | 4.40% | 4.40% |
| No Escalation                     | 9     | --     | 0.00% | 0.00%  | 0.00%  | 0.00%   | 0.00%   | 0.00% | 0.00% | 0.00% | 0.00% |
| San Diego Metro (5)               | 10    | 20.16% | 6.92% | 12.08% | 50.08% | -10.42% | -28.58% | 3.00% | 3.00% | 3.00% | 3.00% |
| Transportation (10)               | 11    | 1.60%  | 1.60% | 1.60%  | 1.60%  | 1.60%   | 1.60%   | 1.60% | 1.60% | 1.60% | 1.60% |

1. Revenues for FY 2016/17 are from the District's Budget & updated via staff email. Source files: *Sanitation Budgets.xlsx*, *budgetEmail.4.13.16.pdf*.
2. In FY 2015/16, there was a one time settlement from Padre Dam. Source file: *budgetEmail.4.13.16.pdf*.
3. Interest earnings are per the City's Revenue Summary for FY 2016/17, and are calculated in the Financial Plan for all future years.
4. Expenses for FY 2016/17 are from the District's Budget & updated via staff email. Source files: *Sanitation Budgets.xlsx*, *budgetEmail.4.13.16.pdf*.  
Inflationary factors are applied to these expenses to project costs in FY 2017/18 and beyond.
5. San Diego Metro cost for FY 2016/17 through 2021/22 from October JPA agenda item Pure Water Program Update, high range cost for each year (page 44). Then 3% annually.
6. Expected Interfund Transfers confirmed via email. Source files: *Sanitation Budgets.xlsx*, *budgetEmail.4.13.16.pdf*.
7. Client provided source file: *Lemon Grove Sewage Flow Projections.pdf*, and then actual calculations of raw data was completed in source file: *Lemon Grove Growth Projections.xlsx*.
8. NBS has assumed conservative inflation factors for labor, health benefits, retirement benefits, chemicals and energy costs (January 26, 2016).
9. The source of the electricity inflation factor is the projected nominal escalation rate for 2008-2020, for Southern California Edison customers as referenced in the following study: *The Future of Electricity Prices in California: Understanding Market Drivers and Forecasting Prices to 2040* by Jonathan Cook, PH.D., Energy Efficiency Center, UC Davis.
10. The most current base transportation rate adjusted by the average inflation rate for San Diego per United States Department of Labor, Bureau of Labor Statistics Data.  
Client provided source file: *City of San Diego-Transportation Rate Feb 2016.pdf*, pg. 2.

# Attachment B

## CITY OF LEMON GROVE SEWER RATE STUDY Capital Improvement Plan Expenditures

EXHIBIT 2

TABLE 8  
CAPITAL FUNDING SUMMARY

| CAPITAL FUNDING FORECAST                    |                     | Projected           |                     |                     |                     |                     |                     |                     |                     |                     |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Funding Sources:                            | Budget              | FY 2017/18          | FY 2018/19          | FY 2019/20          | FY 2020/21          | FY 2021/22          | FY 2022/23          | FY 2023/24          | FY 2024/25          | FY 2025/26          |
| Grants                                      | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Use of Capacity Fee Reserves                | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Use of SRF Loan Funding                     | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Use of New Revenue Bond Proceeds            | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Use of Capital Improvement Reserve          | 1,493,500           | 1,432,215           | 1,475,181           | 1,519,437           | 1,565,020           | 1,611,972           | 1,571,164           | 885,541             | 424,563             | 131,300             |
| Rate Revenue                                | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 752,758             | 1,242,285           | 1,585,554           |
| <b>Total Sources of Capital Funds</b>       | <b>\$ 1,493,500</b> | <b>\$ 1,432,215</b> | <b>\$ 1,475,181</b> | <b>\$ 1,519,437</b> | <b>\$ 1,565,020</b> | <b>\$ 1,611,972</b> | <b>\$ 1,571,164</b> | <b>\$ 1,618,299</b> | <b>\$ 1,666,848</b> | <b>\$ 1,716,853</b> |
| <b>Uses of Capital Funds:</b>               |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Total Project Costs                         | \$ 1,493,500        | \$ 1,432,215        | \$ 1,475,181        | \$ 1,519,437        | \$ 1,565,020        | \$ 1,611,972        | \$ 1,571,164        | \$ 1,618,299        | \$ 1,666,848        | \$ 1,716,853        |
| <b>Capital Funding Surplus (Deficiency)</b> | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |

TABLE 9  
Capital Improvement Program Costs (in Current-Year Dollars) (1):

| Project Description                                                    | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                |
|------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Federal Blvd Sewer Rehab (Design)                                      | \$ 80,000           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Federal Blvd Sewer Rehab (Construction)                                | \$ 600,000          | \$ 1,000,000        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Sanitary Sewer Master Plan Update (including any GP update)            | \$ 100,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Maintenance Project (Design)                                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Maintenance Project (Construction)                          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,000          | \$ 250,001          | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Rehabilitation (Design)                                     | \$ 20,000           | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ 100,000          | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Rehabilitation Project (Construction)                       | \$ 400,000          | \$ -                | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ 1,000,000        | \$ -                | \$ -                | \$ -                | \$ -                |
| Estimated Future CIP Expenditures (2)                                  | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 1,277,500        | \$ 1,277,500        | \$ 1,277,500        | \$ 1,277,500        |
| <b>Total: Capital Improvement Program Costs (Current-Year Dollars)</b> | <b>\$ 1,450,000</b> | <b>\$ 1,350,000</b> | <b>\$ 1,350,000</b> | <b>\$ 1,350,000</b> | <b>\$ 1,350,000</b> | <b>\$ 1,350,001</b> | <b>\$ 1,277,500</b> | <b>\$ 1,277,500</b> | <b>\$ 1,277,500</b> | <b>\$ 1,277,500</b> |

TABLE 10  
Capital Improvement Program Costs (in Future-Year Dollars):

| Project Description                                                   | 2017                | 2018                | 2019                | 2020                | 2021                | 2022                | 2023                | 2024                | 2025                | 2026                |
|-----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Federal Blvd Sewer Rehab (Design)                                     | \$ 82,400           | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Federal Blvd Sewer Rehab (Construction)                               | \$ 618,000          | \$ 1,060,900        | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Sanitary Sewer Master Plan Update (including any GP update)           | \$ 103,000          | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Maintenance Project (Design)                               | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Maintenance Project (Construction)                         | \$ 257,500          | \$ 265,225          | \$ 273,182          | \$ 281,377          | \$ 289,819          | \$ 298,514          | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Rehabilitation (Design)                                    | \$ 20,600           | \$ 106,090          | \$ 109,273          | \$ 112,551          | \$ 115,927          | \$ 119,405          | \$ -                | \$ -                | \$ -                | \$ -                |
| Sewer Main Rehabilitation Project (Construction)                      | \$ 412,000          | \$ -                | \$ 1,092,727        | \$ 1,125,509        | \$ 1,159,274        | \$ 1,194,052        | \$ -                | \$ -                | \$ -                | \$ -                |
| Estimated Future CIP Expenditures                                     | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ 1,571,164        | \$ 1,618,299        | \$ 1,666,848        | \$ 1,716,853        |
| <b>Total: Capital Improvement Program Costs (Future-Year Dollars)</b> | <b>\$ 1,493,500</b> | <b>\$ 1,432,215</b> | <b>\$ 1,475,181</b> | <b>\$ 1,519,437</b> | <b>\$ 1,565,020</b> | <b>\$ 1,611,972</b> | <b>\$ 1,571,164</b> | <b>\$ 1,618,299</b> | <b>\$ 1,666,848</b> | <b>\$ 1,716,853</b> |

TABLE 11  
FORECASTING ASSUMPTIONS:

| Economic Variables                                                  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2026  |
|---------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Annual Construction Cost Inflation, Per Engineering News Record (3) | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% | 3.00% |
| Cumulative Construction Cost Multiplier from 2018                   | 1.03  | 1.06  | 1.09  | 1.13  | 1.16  | 1.19  | 1.23  | 1.27  | 1.30  | 1.34  |

1. Budgeted CIP project costs from source file: CIP through 2020-21.pdf.

2. Estimated future CIP set equal to the average annual capital expenditures for FY 2015/16 through FY 2020/21

3. For reference purposes, the annual Construction Cost Inflation percentage is the 10 year average change in the Construction Cost Index for 2005-2015. Source: Engineering News Record website (<http://enr.construction.com>)

CITY OF LEMON GROVE  
SEWER RATE STUDY  
Existing Sewer Rate Schedule

EXHIBIT 4

TABLE 12

| Annual Sewer Use Charges | Current Rates (1) | Proposed Sewer Rates |            |            |            |            |
|--------------------------|-------------------|----------------------|------------|------------|------------|------------|
|                          |                   | FY 2016/17           | FY 2017/18 | FY 2018/19 | FY 2019/20 | FY 2020/21 |
|                          |                   | 0.00%                | -3.00%     | -3.00%     | -3.00%     | -3.00%     |
| Rate Per EDU (240 gpd)   | \$553.17          | \$553.17             | \$569.77   | \$536.86   | \$604.46   | \$622.60   |

1 Ordinance No.26 pdf

## LEMON GROVE SANITATION DISTRICT

3232 Main Street  
Lemon Grove, CA 91945

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT the Lemon Grove Sanitation District Board of Directors will hold public hearings at the following Board Meetings:

April 18, 2017 at 6:00 p.m., in the Lemon Grove Community Center,  
3146 School Lane, Lemon Grove.

May 2, 2017 at 6:00 p.m. in the Lemon Grove Community Center,  
3146 School Lane, Lemon Grove.

**Subject:** To consider a proposed sewer rate increase for customers of the Lemon Grove Sanitation District. The recommended increase in rates is 3.00 percent each year for four years. This will translate to an increase in the monthly rate for a single family home (or one equivalent dwelling unit) from the existing rate of \$46.10 to \$47.48 (FY 2017/18), \$48.90 (FY 2018/19), \$50.37 (FY 2019/20), and \$51.88 (FY 2020/21). When converted to an annual rate, the current fee will increase from \$553.17 to \$569.77 (FY 2017/18), \$586.86 (FY 2018/19), \$604.46 (FY 2019/20), and \$622.60 (FY 2020/21).

The rates are based upon the use of property within the District, as listed and calculated in the Sanitation District Ordinance No. 27. Residential properties, including condominiums and town homes, are charged a flat rate. Multi-family (apartment buildings including duplexes and triplexes) and mobile home parks are charged on a per unit basis. Commercial properties are charged a rate per one thousand square feet of improvements. Schools are charged based on the number of pupils. Food establishments are charged per type of establishment and number of seats. Self service laundry is charged per washer. Hotels and motels are charged a rate based on living units with or without a kitchen. Churches and auditoriums are charged based on seating capacity.

The increase in fees will fund the increased costs of sewage treatment and transportation by the City of San Diego, City of San Diego capital improvement projects, Lemon Grove Sanitation District capital improvement projects, and will continue to repair and rehabilitate older sewer mains, while building up sufficient reserves for pay-as-you-go financing of the repairs and rehabilitation.

At said hearings, any interested person may appear and be heard. Questions or comments regarding this notice may be addressed to Stephanie Boyce at 3232 Main Street, Lemon Grove, CA 91945 at 619-825-3811, Monday through Thursday between the hours of 7:30 a.m. and 5:30 p.m.

SUSAN GARCIA  
DISTRICT CLERK

In compliance with the Americans with Disabilities Act (ADA), the District will provide special accommodations for persons who require assistance to access, attend, and/or participate in meetings of the Sanitation District Board. If you require such assistance, please contact the District Clerk at 619-825-3800 at least five days prior to the scheduled meeting.

**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

Item No. 3  
Mtg. Date November 15, 2016  
Dept. Development Services

**Item Title: Ordinance No. 441 - Zoning Amendment ZA1-600-0002, Amending the Buildings and Construction Regulations (Title 15 of the Lemon Grove Municipal Code)**

**Staff Contacts:** James Lough, City Attorney  
David De Vries, Development Services Director

**Recommendation:**

1) Conduct the second reading, by title only, and adopt Ordinance No. 441 (**Attachment A**).

**Item Summary:**

On November 1, 2016, the City Council introduced Ordinance No. 441 (**Attachment A**). This ordinance amends Lemon Grove Municipal Code Title 15, Buildings and Constructions, to meet state-mandated 2016 updates to Title 24 of the California Government Code (aka California Building Standards Code or CBSC). Local amendments are included to safeguard the health, safety and general welfare of the community which are based upon local conditions, and to continue local administrative processes as they exist. Local jurisdictions are required to adopt and implement the Building Standards Code as the minimum standards for construction. The City is required to utilize the newest version of the codes for building permit review and inspections. The City may modify the construction codes based upon local climatic, geologic, or topographic conditions provided the modifications are more restrictive. Additionally, amendments to administrative provisions of the abatement of dangerous buildings are included. If adopted, the Ordinance becomes effective on January 1, 2017.

**Fiscal Impact:**

None.

**Environmental Review:**

- |                                                                                |                                                         |
|--------------------------------------------------------------------------------|---------------------------------------------------------|
| <input type="checkbox"/> Not subject to review                                 | <input type="checkbox"/> Negative Declaration           |
| <input checked="" type="checkbox"/> Categorical Exemption, Section 15061(b)(3) | <input type="checkbox"/> Mitigated Negative Declaration |

**Public Information:**

- |                                                                         |                                               |                                                                   |
|-------------------------------------------------------------------------|-----------------------------------------------|-------------------------------------------------------------------|
| <input type="checkbox"/> None                                           | <input type="checkbox"/> Newsletter article   | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input checked="" type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting |                                                                   |

**Attachments:**

A. Ordinance No. 441 - ZA1-600-0002

# Attachment A

## ORDINANCE NO. 441

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA RESCINDING CHAPTERS 15.04, 15.06, 15.08, 15.10, 15.12, 15.20, 15.24, 15.28, 15.32, 15.34, 15.36, 15.38, AND 15.40 OF TITLE 15 OF THE LEMON GROVE MUNICIPAL CODE, ENTITLED "BUILDINGS AND CONSTRUCTION", IN THEIR ENTIRETY, AND ADOPTING NEW CHAPTERS 15.04, 15.06, 15.08, 15.10, 15.14, 15.18, 15.20, 15.22, 15.24, 15.26, 15.28, 15.30, 15.32, AND 15.38 ADOPTING THE 2016 CALIFORNIA BUILDING STANDARDS CODE, INCLUDING THE 2016 CALIFORNIA ADMINISTRATIVE CODE, THE 2016 CALIFORNIA BUILDING CODE, THE 2016 CALIFORNIA RESIDENTIAL CODE, THE 2016 CALIFORNIA ELECTRICAL CODE, THE 2016 CALIFORNIA MECHANICAL CODE, THE 2016 CALIFORNIA PLUMBING CODE, THE 2016 CALIFORNIA ENERGY CODE, THE 2016 CALIFORNIA HISTORICAL BUILDING CODE, THE 2016 CALIFORNIA EXISTING BUILDING CODE, THE 2016 CALIFORNIA GREEN BUILDING CODE AND THE 2016 CALIFORNIA REFERENCE STANDARDS CODE, AND LOCAL AMENDMENTS AND RELATED FINDINGS AND ADOPTING THE 1997 UNIFORM CODE FOR THE ABATEMENT OF DANGEROUS BUILDINGS AND LOCAL AMENDMENTS**

---

**WHEREAS**, on November 1, 2016, a public hearing was duly noticed and held by the City Council; and

**WHEREAS**, the City of Lemon Grove last revised its construction codes in 2013 per Ordinance 418 adopted December 3, 2013; and

**WHEREAS**, the permit number associated with this action is Zoning Amendment ZA1-600-0002; and

**WHEREAS**, Health & Safety Code Section 17958 mandates that the City of Lemon Grove shall adopt ordinances or regulations imposing the same requirements as are contained in the regulations adopted by the State pursuant to Health & Safety Code, Section 17922; and

**WHEREAS**, the State of California Health & Safety Code Section 17922 imposes the same requirements as are contained in the 2016 California Building Standards Code including the 2016 California Administrative Code (Part 1), the 2016 California Building Code (Part 2), the 2016 California Residential Code (Part 2.5), the 2016 California Electrical Code (Part 3), the 2016 California Mechanical Code (Part 4), the 2016 California Plumbing Code (Part 5), the 2016 California Energy Code (Part 6), the 2016 California Fire Code (Part 9), the 2016 California Existing Building Code (Part 10), the 2016 California Green Building Code (Part 11), and the 2016 California Reference Standards Code (Part 12); and

**WHEREAS**, California Health and Safety Code section 17958.5 provides, in pertinent part, that a City may make such changes or modifications to the provisions published in the California Building Standards Code and other regulations adopted pursuant to Section 17922 as it determines, pursuant to the provisions of Section 17958.7, are reasonably necessary because of local climatic, topographical, or geological conditions; and

**WHEREAS**, the City Council finds in its independent judgment that the proposed amendments to the Municipal Code are exempt from environmental review under section 15061(b)(3) of the California Environmental Quality Act Guidelines because they entail the adoption of uniform abatement of dangerous buildings codes and State mandated building and fire codes and with or without amendments, intended to maintain and improve the public health, safety, and welfare, and will not have a significant effect on the environment; and

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**WHEREAS**, the City Council finds that the modifications and changes to the provisions of the California Building Standards Code (Title 24) are reasonably necessary because of the following climatic, geologic, and topographic conditions which are each individual justifications to each local amendment to the California Buildings Standards Title 24 Part 2 California Building Code, Part 2.5 California Residential Code, and Part 9 California Fire Code:

1. The City is situated in hilly, inland terrain. Large areas are covered by native vegetation on steep and frequently inaccessible hillsides. The native ground cover is highly combustible grasses, dense brush and chaparral. Natural firebreaks in these areas are insignificant.

2. The climate is warm and dry. The winds prevail from the west with seasonal strong dry east winds that vary in duration and intensity. These winds can significantly enlarge wildland fire as well as cause abrupt and unpredictable changes in fire direction. Temperatures ranging between 75 and 100 degrees F are common throughout the year.

3. The potential for fire damage is great in the wildland area, as such, a fire can spread rapidly and difficult terrain and explosive vegetation can slow response time.

4. The high water table, expansive clay-like soils, and history of unregulated grading including un-compacted fills existing within the City of Lemon Grove constitute local conditions that require that the California Building Standards Code be modified as expressed herein; and

**WHEREAS**, the City Council finds that the following findings required to approve an amendment of the Municipal Code can be made in accordance with Section 17.28.080(B) of the Municipal Code:

1. The proposed amendments are consistent with the General Plan, in accordance with Government Code Section 65860, as amended.

The Lemon Grove General Plan Safety Element acknowledges the applicability of the codes contained within Title 24 as they are reflected in Title 15 of the Lemon Grove Municipal Code.

2. The public health, safety, and general welfare benefit from the adoption of the proposed amendments.

The primary purpose of Title 24 is to promote public health and safety through the application of minimum construction standards; and

**WHEREAS**, on November 1, 2016, the City Council introduced and conducted the first reading of Ordinance No.441; and

**WHEREAS**, on November 15, 2016, the City Council conducted the second reading of Ordinance No. 441; and

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

**SECTION ONE.** Finds and determines that the facts set forth in the recitals of this Ordinance are declared to be true; and

**SECTION TWO:** Rescinds Chapters 15.04, 15.06, 15.08, 15.10, 15.12, 15.20, 15.24, 15.28, 15.32, 15.34, 15.36, 15.38, AND 15.40 of Title 15 of the Lemon Grove Municipal Code, entitled "BUILDINGS AND CONSTRUCTION", in their entirety; and.

**SECTION THREE:** Adopts new Chapters 15.04, 15.06, 15.08, 15.10, 15.14, 15.18, 15.20, 15.22, 15.24, 15.26, 15.28, 15.30, 15.32, and 15.38 of Title 15 of the Lemon Grove Municipal Code, entitled "BUILDINGS AND CONSTRUCTION", to read as shown in the attached Exhibit A.



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**SECTION FOUR:** Finds that if any section, subsection, sentence, clause or phrase of this ordinance is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, clause, or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, and phrases be declared unconstitutional.

**SECTION FIVE:** Finds that nothing in this ordinance or in the Codes hereby adopted shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby rescinded as cited in this ordinance; nor shall any just or legal right or remedy of any character be lost, impaired or affected by this ordinance.

**SECTION SIX:** This Ordinance shall take effect in the manner allowed by law on January 1, 2017.

**INTRODUCED** by the City Council on November 1, 2016.

**SECOND READING** by the City Council on November 15, 2016.

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# Attachment A

## EXHIBIT A

### TEXT OF PROPOSED REGULATIONS

#### NOTE:

- Text proposed to be added is displayed in underlined type.
- Text proposed to be deleted is displayed in strikeout type.

In the City of Lemon Grove Municipal Code, to amend Building and Construction Regulations, Title 15 shall read as follows with the exception of Chapters 15.33, 15.44, 15.48, 15.50, and 15.52, which shall remain unchanged:

#### **Chapter 15.04 GENERAL PROVISIONS**

##### **15.04.010 Variances from regulations.**

The development services director shall have and exercise the power and authority granted the building department by Section 17951 of the Health and Safety Code.

##### **15.04.020 Adoption of state regulations.**

Any rules and regulations adopted by the Department of Industrial Relations of the state of California pursuant to the State Housing Law which impose restrictions greater than those imposed by this title are adopted and shall be applicable to the city and shall be enforced by the departments, officers, employees and agents of the city in the same manner as city ordinances regulating the erection, construction, alteration, maintenance, sanitation, occupancy or ventilation of buildings, provided, however, no fees prescribed by such rules or regulations shall be applicable excepting so far as they are greater than the fees prescribed by this title. One copy of Title 24, the 2016 California Code of Regulations, is filed in the office of the city clerk.

##### **15.04.030 Severability and Validity –**

If any section of this Title is declared invalid by a court of law, the remaining sections shall remain valid. The city council hereby declares that it would have passed this Title, and each chapter, section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more chapters, sections, subsections, sentences, clauses or phrases had been declared invalid or unconstitutional, and if for any reason this Title should be declared invalid or unconstitutional, then the original ordinance or ordinances shall be in full force and effect.

#### **Chapter 15.06 ADMINISTRATIVE CODE**

##### **15.06.010 Adoption of the California Administrative Code, Part 1, Title 24 of the California Code of Regulations.**

There is hereby adopted by reference that certain document known as the California Administrative Code, Part 1, Title 24 of the 2016 California Code of Regulations. Said document is adopted without change for the purpose of establishing the administration, organization, and enforcement of rules and

# Attachment A

regulations for the technical codes adopted by the city. All provisions of the California Administrative Code, 2016 Edition, are referred to, adopted and made a part of this code, as though fully set forth herein, excepting such portions as are hereinafter deleted, modified or amended.

## **Chapter 15.08 BUILDING CODE**

### **15.08.010 Adoption of the 2016 California Building Code, Part 2, Title 24 of the California Code of Regulations.**

There is adopted and incorporated by reference herein as the city building code for the purpose of prescribing regulations in the city of Lemon Grove for the erection, construction, enlargement, alteration, repair, moving, removal, conversion, demolition, occupancy, equipment, use, height, area, and maintenance of buildings and structures, the 2016 California Building Code, Part 2, Title 24 of the California Code of Regulations, a portion of the 2016 California Building Standards Code, as defined in the California State Health and Safety Code, Section 18901 et seq., including those appendix chapters shown as adopted by this chapter. Except as otherwise provided by this chapter of the city of Lemon Grove Municipal Code, all erection, construction, enlargement, alteration, repair, moving, removal, conversion, demolition, occupancy, equipment, use, height, area and maintenance of buildings and structures within the city of Lemon Grove shall be in conformance with the 2016 California Building Code.

### **15.08.020 Findings.**

The city of Lemon Grove has large brush-covered hillsides. The city is subject to frequent Santa Ana conditions consisting of dry gusting winds, which create extreme fire dangers. The city council specifically finds that these geographic and topographic conditions necessitate greater fire protection than that provided by the State Building Code. Therefore, this chapter alters the 2016 California Building Code to require more fire retardant roof coverings.

### **15.08.030 Deletions, revisions and additions to the 2016 California Building Code.**

Deletions, revisions and additions to the 2016 California Building Code shall be as set forth in Sections 15.08.040 through 15.08.060.

### **15.08.040 Chapter 1, Scope and Administration, Division II-deletions, revisions, and additions.**

Section 101.1 is replaced to read: Title. These regulations shall be known as the Building Code of the City of Lemon Grove, hereinafter referred to as "this code."

Add Section 103.1.1 GENERAL. Whenever the terms or the title "administrative authority", "responsible official," Building Official," "chief inspector," "code enforcement officer" or other similar designation is used herein or in any of the technical codes, it shall be construed to mean the person appointed as Building Official by the Lemon Grove City Council or his duly authorized representative.

Add Section 105.3.1.1 Permits shall not be issued for construction on a site where the City Engineer determines that a grading permit or public improvements are required until the City Engineer notifies the Building Official in writing that the grading or public improvements work has been satisfactorily completed to allow building permits to be issued.

# Attachment A

Permits shall not be issued if the City Engineer determines that a flooding or geologic condition at the site may endanger the public safety or welfare."

Add section 105.3.3 Permit denial. The chief building official may deny the issuance of a building permit on any property where there exists an unsafe or substandard building as provided in this Title, or where exists unlawful construction, or where exists a significant violation of this code.

Add section 105.5.1 Expiration of Plan Review. Applications for which no permit is issued within one year following the date of application shall expire by limitation, and plans and other data submitted for review may thereafter be returned to the applicant or destroyed by the building official. In order to renew action on an application after expiration, the applicant shall resubmit plans and pay a new plan review fee.

Add Section 109.1.1 Fee Exceptions. The Government of the United States of America, the State of California, and local school districts proposing work exempt from building permits, the County of San Diego, and the City of Lemon Grove shall not be required to pay any fees for filing an application for a building permit pursuant to this code unless City plan review and inspection services are requested. If so requested, the fee schedules adopted in a resolution by the City Council shall apply.

Add Section 109.2.1 Plan Review Fees. When submittal documents are required by Section 107, a plan review fee shall be paid at the time of submitting the submittal documents for plan review. Said plan review fee shall be as shown in a resolution adopted by the City Council.

The plan review fees specified in this section are separate fees from the permit fees specified in Section 109.2 and are in addition to the permit fees.

When submittal documents are incomplete or changed so as to require additional plan review or when the project involves deferred submittal items as defined in Section 107.3.4.1, an additional plan review fee shall be charged at the rate shown in a resolution duly adopted by the City Council.

Add Section 109.2.2 Demolition Permit Fee. The fee for a permit to demolish a building or portion of a building shall be as set forth in a resolution duly adopted by the City Council.

Section 109.3 is replaced to read: Building Permit Valuations. The determination of value or valuation under any of the provisions of these codes shall be made by the building official. The value to be used in computing the building permit and building plan review fees shall be the total value of all construction work for which the permit is issued as well as all finish work, painting, roofing, electrical, plumbing, heating, air-conditioning, elevators, fire-extinguishing systems and other permanent equipment. The permit fees for those projects subject to State energy code compliance shall be as set forth in a resolution adopted by the City Council.

Section 109.6 is replaced to read: Fee Refunds. The building official may authorize refunding of a fee paid or portion of a fee paid hereunder which was erroneously paid or collected.

The building official may authorize refunding of not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

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The building official may authorize refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any examination time has been expended.

The building official shall not authorize the refunding of any fee paid except upon written application filed by the original permittee not later than 180 days after the date of fee payment.

Section 114.4 is replaced to read: Violation penalties. Any person, firm, or corporation violating any of the provisions of this Code or the Technical Codes shall be guilty of a misdemeanor, and each such person shall be deemed guilty of separate offenses for each and every day or portion thereof during which any violation of any of the provisions of this Code is committed, continues or permitted, and upon conviction of any such violation, such person shall be punished by a fine of not more than \$500.00 or by imprisonment for not more than six (6) months, or by both such fine and imprisonment.

Add Section 114.5 Declaration of Public Nuisance. Any building or structure erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted or demolished, equipped, used, occupied or maintained contrary to the provisions of this chapter shall be and the same is hereby declared to be unlawful and a public nuisance. The City Attorney shall, upon order of the City Council, commence necessary proceedings for the abatement, removal and/or enjoinder of any such public nuisance in the manner provided by law. Any failure, refusal or neglect to obtain permit as required by this chapter shall be prima facie evidence of the facts that a public nuisance has been committed in connection with the erection, construction, enlargement, alteration, repair, improvement, movement, removal, conversion or demolition, equipment, use occupancy, or maintenance of a building or structure erected, constructed, enlarged, repaired, moved, improved, removed, converted, or demolished, used, occupied, or maintained contrary to the provisions of this chapter.

## **15.08.050 Section 903.2.11.3 amended.**

Section 903.2.11.3 is replaced to read: Buildings Three (3) Stories or More in Height. An automatic sprinkler system shall be installed throughout buildings three (3) or more stories in height.

## **15.08.060 Appendices Chapter C, Chapter H, and Chapter I.**

Appendix Chapters C, H and I of the 2016 California Building Code are adopted.

## **Chapter 15.10 RESIDENTIAL CODE**

### **15.10.010 Adoption of the 2016 California Residential Code, Part 2.5, Title 24 of the California Code of Regulations.**

There is adopted and incorporated by reference herein as the city residential code for the purpose of establishing provisions for the construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal and demolition of detached one- and two-family dwellings and townhouses not more than three stories above grade, the 2016 California Residential Code. Except as otherwise provided by this Title of the city of Lemon Grove Municipal Code, all construction, alteration, movement, enlargement, replacement, repair, equipment, use and occupancy, location, removal or demolition of detached one- and two-family dwellings and townhouses not more

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than three stories above grade within the city of Lemon Grove, shall be in conformance with the 2016 California Residential Code, published by the California Building Standards Commission.

## **15.10.020 Chapter 1, Division II, Administration, of the 2016 California Residential Code shall be amended as follows:**

Section R101.1 is replaced to read: Title. These regulations shall be known as the Residential Building Code of the City of Lemon Grove, hereinafter referred to as "this code."

Add Section R103.1.1 GENERAL. Whenever the terms or the title "administrative authority", "responsible official," Building Official," "chief inspector," "code enforcement officer" or other similar designation is used herein or in any of the technical codes, it shall be construed to mean the person appointed as Building Official by the Lemon Grove City Council or his duly authorized representative.

Add section R105.1.1 Permit denial. The chief building official may deny the issuance of a building permit on any property where there exists an unsafe or substandard building as provided in this Title, or where unlawful construction exists, or where a significant violation of this code exists.

Section R105.3.1 shall be amended to add: Permits shall not be issued for construction on a site where the City Engineer determines that a grading permit or public improvements are required until the City Engineer notifies the Building Official in writing that the grading or public improvements work has been satisfactorily completed to allow building permits to be issued.

Permits shall not be issued if the City Engineer determines that a flooding or geologic condition at the site may endanger the public safety or welfare.

Add Section R108.1.1: The Government of the United States of America, the State of California, and local school districts proposing work exempt from building permits, the County of San Diego, and the City of Lemon Grove shall not be required to pay any fees for filing an application for a building permit pursuant to this code unless City plan review and inspection services are requested. If so requested, the fee schedules adopted in a resolution by the City Council shall apply.

Section R108.5 is replaced to read: Fee Refunds. The building official may authorize refunding of a fee paid hereunder which was erroneously paid or collected.

The building official may authorize refunding of not more than 80 percent of the permit fee paid when no work has been done under a permit issued in accordance with this code.

The building official may authorize refunding of not more than 80 percent of the plan review fee paid when an application for a permit for which a plan review fee has been paid is withdrawn or canceled before any examination time has been expended.

The building official shall not authorize the refunding of any fee paid except upon written application filed by the original permittee not later than 180 days after the date of fee payment.

Section R113.4 is replaced to read: Violation penalties. Any person, firm, or corporation violating any of the provisions of this Code or the Technical Codes shall be guilty of a misdemeanor, and each such person shall be deemed guilty of separate offenses for each and every day or portion thereof during which any violation of any of the provisions of this Code is committed, continues or permitted, and upon

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conviction of any such violation, such person shall be punished by a fine of not more than \$500.00 or by imprisonment for not more than six (6) months, or by both such fine and imprisonment.

Add Section R113.5 Declaration of Public Nuisance. Any building or structure erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted or demolished, equipped, used, occupied or maintained contrary to the provisions of this chapter shall be and the same is hereby declared to be unlawful and a public nuisance. The City Attorney shall, upon order of the City Council, commence necessary proceedings for the abatement, removal and/or enjoinder of any such public nuisance in the manner provided by law. Any failure, refusal or neglect to obtain permit as required by this chapter shall be prima facie evidence of the facts that a public nuisance has been committed in connection with the erection, construction, enlargement, alteration, repair, improvement, movement, removal, conversion or demolition, equipment, use occupancy, or maintenance of a building or structure erected, constructed, enlarged, repaired, moved, improved, removed, converted, or demolished, used, occupied, or maintained contrary to the provisions of this chapter.

## **15.10.030 Section R313.2 amended.**

Section R313.2 is amended to read:

R313.2 One- and Two-Family Dwellings Automatic Fire Systems. An automatic residential fire sprinkler system shall be installed in one- and two-family dwellings in accordance with the City of Lemon Grove Fire Code, Chapter 15.26.

## **15.10.040 Appendices Chapter H.**

Appendix Chapter H of the 2016 California Residential Building Code is hereby adopted.

## **Chapter 15.14 ELECTRICAL CODE**

### **15.14.010 Adoption of the California Electrical Code, Part 3, Title 24 of the California Code of Regulations.**

There is adopted and incorporated by reference herein as the city electrical code for the purpose of prescribing regulations in the city of Lemon Grove for the installation, alteration or repair of electrical systems and permit requirements and inspection thereof, the 2016 California Electrical Code, Part 3, Title 24 of the California Code of Regulations, a portion of the 2016 California Building Standards Code based on the National Electrical Code, 2008 Edition. Except as otherwise provided by this chapter of the city of Lemon Grove Municipal Code, all installation, alteration or repair of electrical systems within the city of Lemon Grove shall be in conformance with 2016 California Electrical Code, published by the California Building Standards Commission.

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## Chapter 15.18 MECHANICAL CODE

### 15.18.010 Adoption of the California Mechanical Code, Part 4, Title 24 of the California Code of Regulations.

There is adopted and incorporated by reference herein as the city mechanical code for the purpose of prescribing regulations in the city of Lemon Grove for the erection, installation, alteration, repair, relocation, replacement, addition to, use or maintenance of any heating, ventilating, cooling, refrigeration systems, incinerators or other miscellaneous heat-producing appliances, the 2016 California Mechanical Code, Part 4, Title 24 of the California Code of Regulations, a portion of the 2016 California Building Standards Code, as defined in the California Health and Safety Code, Section 18901 et seq. Except as otherwise provided by this chapter of the city of Lemon Grove Municipal Code, all erection, installation, alteration, repair, relocation, replacement, addition to, use or maintenance of any heating, ventilating, cooling, refrigeration systems, incinerators or other miscellaneous heat-producing appliances shall be in conformance with 2016 California Mechanical Code and any rules and regulations promulgated pursuant thereto, published by the California Building Standards Commission.

## Chapter 15.20 PLUMBING CODE

### 15.20.010 Adoption of the California Plumbing Code, Part 5, Title 24 of the California Code of Regulations.

There is adopted and incorporated by reference herein as the city plumbing code for the purpose of prescribing regulations in the city of Lemon Grove for the construction, alteration, moving, demolition, repair and use of all plumbing, gas or drainage piping and systems or water heating or treating equipment in or on any building or structure or outdoors on any premises or property, the 2016 California Plumbing Code, Part 5, Title 24 of the 2016 California Code of Regulations, a portion of the 2016 California Building Standards Code, as defined in the California Health and Safety Code, Section 18901 et seq. Except as otherwise provided by this chapter of the City of Lemon Grove Municipal Code, all construction, alteration, moving, demolition, repair and use of all plumbing, gas or drainage piping and systems or water heating or treating equipment within the city of Lemon Grove shall be in conformance with 2016 California Plumbing Code which is based on the Uniform Plumbing Code, 2015 Edition, published by the California Building Standards Commission.

## Chapter 15.22 ENERGY CODE

### 15.22.010 Adoption of the 2016 California Energy Code, Part 6, Title 24 of the California Code of Regulations.

There is adopted and incorporated by reference herein as the city energy code for the purpose of prescribing regulations in the City of Lemon Grove for the conservation of energy the 2016 California Energy Code, Part 6, Title 24 of the California Code of Regulations, a portion of the 2016 California Building Standards Code, as defined in the California Health and Safety Code, Section 18901. Except as otherwise provided by this chapter of the City of Lemon Grove Municipal Code, all construction of buildings where energy will be utilized shall be in conformance with California State Code and any rules



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and regulations promulgated pursuant thereto, including the 2016 California Energy Code, published by the California Energy Commission.

## **Chapter 15.24 HISTORIC BUILDING CODE**

### **15.24.010 Adoption of the 2016 California Historic Building Code, Part 8, Title 24 of the California Code of Regulations.**

The 2016 California Historic Building Code is hereby adopted by reference without change to Buildings and Construction Title 15 of the Lemon Grove Municipal Code.

## **Chapter 15.26 FIRE CODE**

### **15.26.010 California Fire Code, 2016 Edition—Adopted by reference.**

The California Fire Code, 2016 Edition, and including Appendix Chapters 4, B, BB, C, CC, D, H, and N, as published by the International Code Council, is adopted by reference as the fire code of the city (the “fire code”), for protecting the interests of health, life, and safety as they relate to the use or occupancy of buildings or premises. All of the regulations, provisions, penalties, conditions and terms of the California Fire Code, 2016 Edition, are referred to, adopted and made a part of this chapter as though fully set out in this chapter, excepting such portions as are added, deleted, modified or amended by this chapter. The California Fire Code is referred to in this chapter as the “CFC,” and one copy is on file in the office of the city clerk.

### **15.26.020 Section 101.1 Amended—Title**

Section 101.1 of the CFC is amended to read as follows:

101.1 Title. These regulations will be known as the Fire Code of the City of Lemon Grove, hereinafter referred to as “this code”.

### **15.26.030 Section 105.3.1 Amended—Expiration**

Section 105.3.1 of the CFC is amended to read as follows:

105.3.1 Expiration. An operational permit shall remain in effect until reissued, renewed, or revoked, or for such a period of time as specified in the permit. Construction permits shall automatically become invalid unless the work authorized by such permit is commenced within one hundred eighty days after its issuance, or if the work authorized by such permit is suspended or abandoned for a period of one hundred eighty days after the time the work is commenced. The maximum life of any construction permit is three years. If a final inspection is not obtained within the three-year time period, the permit will become invalid and a new permit will be required. Before such work recommences, a new permit shall be first obtained and the fee to recommence work, if any, shall be one-half the amount required for a new permit for such work, provided no changes have been made or will be made in the original construction documents for such work, and provided further that such suspension or abandonment has not exceeded one year. Permits are not transferable and any change in occupancy, operation, tenancy, or ownership shall require that a new permit be issued.

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## **15.26.040 Section 108 Amended and 108.1 Added — Board of Appeals.**

Section 108 of the CFC is amended to read as follows:

City Council sits as Appeals Board. Appeals to the decisions or determinations made by the building official/fire marshal, or fire code official relative to the application and interpretation of the fire code adopted by the City, the applicant may appeal the decision to the Lemon Grove City Council within thirty (30) days from the date of the decision appealed.

Section 108.1 of the CFC is added to read as follows:

108.1 Limitations on authority. An application for appeal shall be based on a claim that the intent of this code or the rules legally adopted hereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or an equivalent method of protection or safety is proposed. The board shall not have authority to waive requirements of this code.

## **15.26.050 Section 109.4 Amended – Violation Penalties**

Section 109.4 is amended to read as follows:

Violation Penalties. Any person who violates a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or lawful directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of an infraction, punishable by a fine of not more than \$1,000 dollars in the manner established in Lemon Grove Municipal Code Section 1.12.010(c). Each day that a violation continues after due notice has been served shall be deemed a separate offense. The imposition of one penalty for any violation shall not excuse the violation or permit it to continue, and all such persons shall be required to correct or remedy such violations or defects within a reasonable time as determined by the fire code official.

## **15.26.060 Section 111.4 Amended – Failure to Comply**

Section 111.4 of the CFC is amended to read as follows:

Section 111.4 Failure to Comply. Any person, who shall continue any work having been served with a stop work order, except such work as that the person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than \$250.00 dollars or more than \$1,000 dollars as provided for in the Lemon Grove Municipal Code Section 1.12.010(c).

## **15.26.070 Section 113 Amended and Added—Schedule of Fees**

Section 113.2 of the CFC is amended to read as follows:

113.2 Schedule of fees. The permit fees for all permits authorized by this code shall be as listed in the City of Lemon Grove Master Fee Schedule.

Section 113.6 of the CFC is added to read as follows:

113.6 Cost Recovery. This section is to establish authority to obtain reimbursements from responsible individuals for the expenses of any emergency response and/or code enforcement action by the City of

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Lemon Grove Fire Department to protect the public from fire or hazardous substances and situations as allowed by the general laws of the State of California and the Lemon Grove Municipal Code.

Section 113.7 of the CFC is added to read as follows: 113.7 Reimbursements. (a) In accordance with the Health and Safety Code Section 13000 et seq., any individual who acts negligently or in violation of the law and thereby requires the jurisdiction to provide an emergency response to a danger posed by a fire or hazardous substance shall be liable for reimbursements to the agency for the costs incurred.

(b) In accordance with Government Code Sections 53150 through 53158, any individual who is under the influence of an alcoholic beverage or any drug or the combined influence of an alcoholic beverage or any drug, and whose negligent operation of a motor vehicle, boat or vessel, or civil aircraft caused by that influence, proximately causes any incident and thereby requires the agency to provide an emergency response shall reimburse the agency for the costs incurred.

Section 113.8 of the CFC is added to read as follows:

Section 113.8 Expense Recovery. This section establishes authority to obtain from responsible individuals for the expense of any emergency response and/or enforcement action by the City of Lemon Grove Fire Department to protect the public from fire, hazardous substances and dangerous situations as allowed under the Lemon Grove Municipal Code and by the laws of the State of California.

Section 113.9 of the CFC is added to read as follows:

Section 113.9 Cumulative Remedies. The remedies contained in this code are cumulative and inclusive of other remedies contained in the Lemon Grove Municipal Code. Nothing herein prevents the City Attorney or appropriate enforcement officer from pursuing the remedies set out in Chapters 1.12, 1.14, 1.24 or any other remedy at law or equity to address violations of this code. Nothing herein shall prevent the application of civil remedies authorized by Lemon Grove Municipal Code Section 1.12.010(e).

## **15.26.080 Section 202 Amended – Definitions.**

Section 202 of the CFC is amended by adding the following definitions:

Accessory Structure is a building or structure used to shelter or support any material, equipment, chattel, or occupancy other than a habitable building. (A) (See Structure.)

Combustible Vegetation is material that in its natural state will readily ignite, burn and transmit fire from the vegetative growth to any structure; this includes ground fuels which are any native or landscape vegetation not considered a tree and generally in contact with the ground.

Fire Authority Having Jurisdiction (FAHJ) is the designated entity providing enforcement of fire regulations as they relate to planning, construction, and development. This entity may also provide fire suppression and other emergency services.

Fire Department is any regularly organized fire department, joint powers agreement established for fire protection, fire protection district, a legally formed volunteer fire department recorded with the County of San Diego, or fire company regularly charged with the responsibility of providing fire protection to the jurisdiction.

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Fire Hazard is anything that increases or could create an increase of the hazard or menace of fire to a greater degree than customarily recognized as normal by persons in the public service regularly engaged in preventing, suppressing or extinguishing fire or anything or act which could obstruct, delay, hinder or interfere with the operations of the fire department or egress of occupants in the event of fire.

Fuel Modification Zone is a strip of land where combustible vegetation has been thinned, modified or both and partially or totally replaced with approved drought tolerant, fire resistant, and/or irrigated plants to provide an acceptable level of risk from vegetation fires. Fuel modification reduces radiant and convective heat, thereby reducing the amount of heat exposure on the roadway or structure and providing fire suppression forces a safer area in which to take action.

Hazardous Fire Area is any geographic area mapped by the State or local jurisdiction as a high or very high fire hazard area, or as set forth by the FAHJ that contains the type and condition of vegetation, topography, weather, and structure density to potentially increase the possibility of vegetation conflagration fires shall be considered a hazardous fire area.

Heavy Timber Construction as described in the California Building Code.

Off-site Roadway is a road, street, public highway, or private road used for fire apparatus access from a publicly maintained road to the boundary of the subject property.

On-site Roadway is a road, street, public highway, private road, or driveway used for fire apparatus access within the boundaries of the subject property or land division.

Planning Authority Having Jurisdiction (PAHJ) is the identified authority regulating and enforcing planning and/or construction standards.

Response Time is the elapsed time from the fire department's receipt of the first alarm to when the first fire unit arrives at the scene.

Travel time is the estimated time it would take for a responding agency to travel from the fire station to the furthest structure in a proposed development project, determined by measuring the safest, most direct, appropriate, and reliable route with consideration given to safe operating speeds for heavy fire apparatus.

Vegetation Conflagration is an uncontrolled fire spreading through vegetative fuels, and exposing and consuming structures in the advancing path of fire.

## **15.26.090 Section 503.2.1 Amended – Dimensions.**

Section 503.2.1 of the CFC is amended to read as follows:

(a) 503.2.1 Dimensions. Fire apparatus access roads shall have an unobstructed improved width of not less than twenty (20) feet, except for single family residential driveways not exceeding 150 feet in length from the public right-of-way and serving no more than two single family dwellings, shall have a minimum of sixteen (16) feet unobstructed improved width. Any of the following, which have separated lanes of one way traffic; gated entrances with card readers; guard stations or center medians, are allowed, provided that each lane is not less than fourteen (14) feet wide. All fire apparatus access roads shall have an unobstructed vertical clearance of not less than thirteen feet six inches (13'6"). Vertical

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clearance or road widths shall be increased when, in the opinion of the fire code official, vertical clearances or road widths are not adequate to provide fire apparatus access.

Exception: Upon approval of the fire code official. Vertical clearance or road width may be reduced as long as the reduction does not impair access by fire apparatus. In cases where the vertical clearance has been reduced, approved signs shall be installed and maintained indicating the amount of vertical clearance.

## **15.26.100 Section 503.3.1 Added – Fire Lane Designation.**

Section 503.3.1 of the CFC is added to read as follows:

503.3.1 Fire lane designation. Where the fire code official determines that it is necessary to ensure adequate fire access, the fire code official may designate existing roadways as fire access roadways as provided by Vehicle Code Section 22500.1 (public) or 22658(a) (private).

## **15.26.110 Section 505.1 Amended—Premises Identification.**

Section 505.1 of the CFC is amended to read as follows:

Section 505.1 Address Identification and Address Numbers. Approved numbers and/or addresses shall be placed on all new and existing buildings and at appropriate additional locations as to be plainly visible and legible from the street or roadway fronting the property from either direction of approach. Said numbers shall contrast with their background, and shall meet the following minimum standards as to size: minimum three inches (3") high with a one-half inch (½") stroke for individual suites and apartments, minimum four inches (4") high with a one-half inch (½") stroke for residential buildings, minimum eight inches (8") high with a one-half inch (½") stroke for commercial, multi-residential buildings, and industrial buildings. Additional numbers shall be required where deemed necessary by the fire code official, such as rear access doors, building corners, and entrances to commercial centers. The fire code official may require larger address numbers based on visibility and the needs of emergency response personnel.

## **15.26.120 Section 505.3 Added—Response Map Updates.**

Section 505.3 of the CFC is added to read as follows:

505.3 Response Map Updates. Any new development, which necessitates updating of emergency response maps by virtue of new structures, hydrants, roadways or similar features, shall be required to provide map updates in a format compatible with current department mapping services, and shall be charged a reasonable fee for updating all response maps.

## **15.26.130 Section 506.1 Amended—Key Boxes.**

Section 506.1 of the CFC is amended to read as follows:

506.1 Where required. All central station-monitored fire detection systems and fire sprinkler systems shall have an approved emergency key access box on site in an approved location. In addition, where access to or within a structure or an area is restricted because of secured openings or where immediate access is necessary for life-saving or fire-fighting purposes, the fire code official is authorized to require a key box to be installed in an approved location. The key box shall be of an approved type listed in

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accordance with UL 1037, and shall contain keys to gain necessary access as required by the fire code official.

## **15.26.140 Section 507.5.1.1 Amended—Hydrant for Standpipe Systems.**

Section 507.5.1.1 of the CFC is amended to read as follows:

507.5.1.1 Hydrant for Standpipe Systems. Buildings equipped with a standpipe system installed in accordance with Section 905 shall have a fire hydrant within fifty (50) feet of the fire department connection.

Exception: The distance shall be permitted to exceed fifty (50) feet where approved by the fire code official.

## **15.26.150 – Section 605.11.1.3.3 Amended – Smoke Ventilation**

Section 605.11.1.3.3 of the CFC is amended to read as follows:

1. In buildings or structures without an automatic fire sprinkler system, and without smoke and heat removal as prescribed by CBC section 910, arrays shall be not greater than fifty (50) feet by fifty (50) feet in distance in either axis in order to create opportunities for fire department smoke ventilation operations.

2. In buildings or structures with an automatic fire sprinkler system, or with smoke and heat removal as prescribed by CBC section 910, arrays shall be not greater than one-hundred and fifty (150) feet by one-hundred and fifty (150) feet in distance in either axis in order to create opportunities for fire department smoke ventilation operations.

## **15.26.160 Section 903.2 Amended—Where required.**

Section 903.2 of the CFC is amended to read as follows:

903.2 Where required. Approved automatic fire sprinkler systems are required in all new structures, and in locations described in Sections 903.2.1 through 903.2.12 where a change of occupancy occurs. Fire barriers, partitions and walls, regardless of rating, shall not be considered as creating separate buildings for purposes of determining fire sprinkler requirements. Mezzanines shall be included in the total square footage calculation. For additions, in other than R-3 and U occupancies, an automatic fire sprinkler system installed in accordance Section 903.2 shall be required to be installed throughout structures when the added square footage has caused deficient fire flow in the available water supply as required per section 507.3, or where hydrant spacing is deficient.

Additions to R-3 and U occupancies will require an automatic fire sprinkler system installed in accordance with 903.2 throughout the entire building when the added square footage is more than 50% of the existing building area and the combined square footage has created deficient fire flow in the available water supply as required per section 507.3, or when the added square footage is more than 50% of the existing square footage and the fire hydrant spacing is deficient. The fire code official may require an automatic sprinkler system be installed in buildings where no water main exists to provide the required fire flow or where a special hazard exists such as: poor access roads, grade and canyon rims, hazardous brush and response times greater than five (5) minutes by a the fire department. When fire sprinklers are required under additions, this shall mean the entire structure or structures shall be

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equipped with fire sprinklers. The fire code official may require that other protective measures be taken based on existing conditions and/or potential hazards.

Exceptions:

1. Unless required by other sections of this code, non-residential occupancies not greater than one thousand (1,000) square feet which are of ignition-resistant construction or as determined by the fire code official to not present a significant fire hazard.
2. Agricultural buildings constructed of wood or metal frames, over which fabric or similar material is stretched, which are specifically used as green houses are exempt from the automatic sprinkler requirements unless physically connected to other structures.
3. Unless required by other sections of this code, accessory structures less than 500 square feet and not determined to be a significant fire hazard by the fire code official.

## **15.26.170 Section 3318 Added—Fuel modification or vegetation modification.**

Section 3318 of the CFC is added to read as follows:

### Section 3318 - Fuel Modification or Vegetation Modification

3318.1 Fuel modification zone during construction. Any person doing construction of any kind which requires a permit under this code or the building code shall install a fuel modification zone as approved by the fire code official, prior to allowing any combustible material to arrive on the site and shall maintain the zone during the duration of the project.

## **15.26.180 Section 5001.5.1.1 Added—HMMP Approved Location.**

Section 5001.5.1.1 of the CFC is added to read as follows:

5001.5.1.1 HMMP approved location. The hazardous materials management plan (HMMP) shall be placed in an approved location, in a security box or other method of storage as approved by the fire code official or designated representative.

## **15.26.190 Section 5704.2.9.6.1 Amended—Location where above-ground tanks are prohibited.**

Section 5704.2.9.6.1 of the CFC is amended to read as follows:

Location where above-ground tanks are prohibited. Storage of Class I and Class II liquids in above-ground tanks outside of buildings is prohibited except for zones classified as commercial or industrial.

## **15.26.200 Section 5706.2.4.4 Amended—Location where above-ground tanks are prohibited.**

Section 5706.2.4.4 of the CFC is amended to read as follows:

5706.2.4.4 Location where above-ground tanks are prohibited. Storage of Class I and Class II liquids in above-ground tanks outside of buildings is prohibited except for zones classified as commercial or industrial.

## **15.26.210 Section 5806.2 Amended—Limitations.**

Section 5806.2 of the CFC is amended to read as follows:

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5806.2 Limitations. Storage of flammable cryogenic fluids in stationary containers outside of buildings is prohibited except for zones classified as commercial or industrial.

## **15.26.220 Section 6104.2 Amended—Maximum capacity within established limits.**

Section 6104.2 of the CFC is amended to read as follows:

6104.2 Maximum capacity within established limits. The geographic limits in which the bulk storage of liquefied petroleum gas is prohibited for the protection of heavily populated and congested areas is hereby established as jurisdiction limits of the City of Lemon Grove except for areas zoned for industrial use.

## **Chapter 15.28 EXISTING BUILDING CODE**

### **15.28.010 Adoption of the 2016 California Existing Building Code, Part 10, Title 24 of the California Code of Regulations.**

The California Existing Building Code, 2016 edition, Chapter 15.28 is adopted by reference without change to Buildings and Construction Title 15 of the Lemon Grove Municipal Code.

## **Chapter 15.30 GREEN BUILDING CODE**

### **15.30.010 Adoption of the 2016 California Green Building Code, Part 11, Title 24 of the California Code of Regulations.**

There is adopted and incorporated by reference herein as the city green building code for the purpose of prescribing regulations in the City of Lemon Grove for improved public health safety and general welfare by enhancing the design and construction of buildings through the use of building concepts having a reduced negative impact or positive environmental impact and encourage sustainable construction practices, the 2016 California Green Building Standards Code, Part 11, Title 24 of the California Code of Regulations, a portion of the 2016 California Building Standards Code, as defined in the California Health and Safety Code, Section 18901. Except as otherwise provided by this Chapter of the City of Lemon Grove Municipal Code, all construction of buildings shall comply with the design, operation construction, use and occupancy of every newly constructed building or structure, unless otherwise indicated in this code shall be in conformance with the California Green Building Code published by the California Building Standards Commission.

## **Chapter 15.32 REFERENCE STANDARDS CODE**

### **15.32.010 Adoption of the 2016 California Reference Standards Code, Part 12, Title 24 of the California Code of Regulations.**

The California Reference Standards Code, 2016 edition, Chapter 15.32 is adopted by reference without change to Buildings and Construction Title 15 of the Lemon Grove Municipal Code.



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## Chapter 15.38 ABATEMENT OF DANGEROUS BUILDINGS

### 15.38.010 Adoption of the Uniform Code for Abatement of Dangerous Buildings.

There is adopted and incorporated by reference herein as the city code for the Abatement of Dangerous Buildings (for the purpose of providing a method, to be cumulative with and in addition to any other remedy provided by the building code, housing code or otherwise available law, whereby buildings or structures which from any cause endanger the life, limb, health, morals, property, safety or welfare of the general public or their occupants may be required to be repaired, vacated or demolished) the Uniform Code for Abatement of Dangerous Buildings, 1997 Edition, promulgated and published by the International Code Council, including such provisions as are hereinafter added, deleted or amended.

### 15.38.020 Deletions, revisions and additions.

The deletions, revisions and additions set forth in Sections 201, 202, 204, 205 and 801 and Chapters 4, 5, 6 and 7 are made to the Uniform Code for the Abatement of Dangerous Buildings. (Ord. 349, 1996)

### 15.38.030 Section 201 amended.

Section 201 of the Uniform Code for the Abatement of Dangerous Buildings is amended to read as follows:

Sec. 201. (a) Administration. The director of development services is hereby authorized to enforce the provisions of this code.

The director of development services shall have the power to render interpretations of this code and to adopt and enforce rules and regulations supplemental to this code as he or she may deem necessary in order to clarify the application of the provisions of this code. Such interpretations, rules and regulations shall be in conformity with the intent and purpose of this code.

(b) Inspections. The health officer, the fire marshal, the building official and the director of development services or their designees are hereby authorized to make such inspections and take such actions as may be required to enforce the provisions of this code.

(c) Right of Entry. Whenever necessary to make an inspection to enforce any of the provisions of this code, or whenever the director of development services or the director's authorized representative has reasonable cause to believe that there exists in any building or upon any premises any condition or code violation which makes such building or premises unsafe, dangerous or hazardous, the director of development services or the director's authorized representative may enter such building or premises at all reasonable times to inspect the same or to perform any duty imposed upon the director of development services by this code, provided that if such building or premises be occupied, the authorized representative shall first make a reasonable effort to locate the owner or other persons having charge or control of the building or premises and request entry. If such entry is refused, the director of development services, or the director's authorized representative, shall have recourse to every remedy provided by law to secure entry.

"Authorized representative" shall include the officers and their designees named in Section 201(b) and their authorized inspection personnel.

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## 15.38.040 Section 202 amended.

Section 202 of the Uniform Code for the Abatement of Dangerous Buildings is amended to read as follows:

Sec. 202. All buildings or portions thereof which are determined after inspection by the director of development services to be dangerous as defined in this code are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition or removal in accordance with the procedure specified in Section 401 of this code.

## 15.38.050 Section 204 amended.

Section 204 of the Uniform Code for the Abatement of Dangerous Buildings is amended to read as follows:

Sec. 204. All buildings or structures within the scope of the code and all construction or work for which a permit is required shall be subject to inspection by an Authorized Representative in accordance with and in the manner provided by this code and Sections 110 and 1704 of the 2016 California Building Code.

## 15.38.060 Section 205 is deleted.

Section 205 of the Uniform Code for the Abatement of Dangerous Buildings is deleted from the code.

## 15.38.070 Chapter 4 amended.

Chapter 4 of the Uniform Code for the Abatement of Dangerous Buildings is amended to read as follows:

### CHAPTER 4

#### NOTICES AND ORDERS OF DIRECTOR OF DEVELOPMENT SERVICES

##### General

Sec. 401. (a) Commencement of Proceedings. Whenever the director of development services has inspected or cause to be inspected any building and has found and determined that such building is a dangerous building, the director shall commence proceedings to cause the repair, vacation or demolition of the building.

(b) Notice and Order. The director of development services shall issue a notice and order directed to the record owner of the building. The notice and order shall contain:

1. The street address and a legal description sufficient for identification of the premises upon which the building is located.

2. A statement that the director of development services has found the building to be dangerous with a brief and concise description of the conditions found to render the building dangerous under the provisions of Section 302 of this code.

3. A statement of the action required to be taken as determined by the director of development services.

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(i) If the director of development services has determined that the building or structure must be repaired, the order shall require that all required permits be secured therefor and the work physically commenced within such time (not to exceed 60 days from the date of the order) and completed within such time as the director of development services shall determine is reasonable under all of the circumstances.

(ii) If the director of development services has determined that the building or structure must be vacated, the order shall require that the building or structure shall be vacated within a time certain from the date of the order as determined by the director of development services to be reasonable.

(iii) If the director of development services has determined that the building or structure must be demolished, the order shall require that the building be vacated within such time as the director of development services shall determine is reasonable (not to exceed 60 days from the date of the order); that all required permits be secured therefor within 60 days from the date of the order, and that the demolition be completed within such time as the director of development services shall determine is reasonable.

4. Statements advising that if any required repair or demolition work (without vacation also being required) is not commenced within the time specified, the director of development services:

(i) will order the building vacated and posted to prevent further occupancy until the work is completed, and

(ii) may proceed to cause the work to be done and charge the costs thereof against the property or its owner.

5. Statements advising

(i) that any person having any record title or legal interest in the building may appeal from the notice and order or any action of the director of development services to the city council, provided the appeal is made in writing as provided in this code and filed with the city clerk within 10 days from the date of service of such notice and order; and

(ii) that failure to appeal will constitute a waiver of all right to an administrative hearing and determination of the matter.

(c) Service of Notice and Order. The notice and order, and any amended or supplemental notice and order, shall be served upon the record owner and posted on the property; and one copy thereof shall be served on each of the following if known to the director of development services or disclosed from official public records; the holder of any mortgage or deed of trust or other lien or encumbrance of record; the owner or holder of any lease of record; and the holder of any other estate or legal interest of record in or to the building or the land on which it is located. The failure of the director of development services to serve any person required herein to be served shall not invalidate any proceedings hereunder as to any other person duly served or relieve any such person from any duty or obligation imposed on him or her by the provisions of this section.

(d) Method of Service. Service of the notice and order shall be made upon all persons entitled thereto either personally or by mailing a copy of such notice and order by certified mail, postage prepaid, return receipt requested, to each such person at his address as it appears on the last equalized

# Attachment A

assessment roll of the county or as known to the director of development services. If no address of any such person so appears or is known to the director of development services, then a copy of the notice and order shall be so mailed, addressed to such person, at the address of the building involved in the proceedings. The failure of any such person to receive such notice shall not affect the validity of any proceedings taken under this section. Service by certified mail in the manner herein provided shall be effective on the date of mailing.

(e) Proof of Service. Proof of service of the notice and order shall be certified to at the time of service by a written declaration under penalty of perjury executed by the persons effecting service, declaring the time, date, and manner in which service was made. The declaration, together with any receipt card returned in acknowledgment of receipt by certified mail shall be affixed to the copy of the notice and order retained by the director of development services.

## Recordation of Notice and Order

Sec. 402. If compliance is not had with the order within the time specified therein, and no appeal has been properly and timely filed, the director of development services shall file in the office of the county recorder a certificate describing the property and certifying (i) that the building is a dangerous building and (ii) that the owner has been so notified. Whenever the corrections ordered shall thereafter have been completed or the building demolished so that it no longer exists as a dangerous building on the property described in the certificate, the director of development services shall file a new certificate with the county recorder certifying that the building has been demolished or all required corrections have been made so that the building has been demolished or all required corrections have been made so that the building is no longer dangerous, whichever is appropriate.

## Repair, Vacation and Demolition

### Sec. 403.

1. Any building declared a dangerous building under this code shall be made to comply with one of the following:

(i) The building shall be repaired in accordance with the current building code or other current code applicable to the type of substandard conditions requiring repair; or

(ii) The building shall be demolished at the option of the building owner; or

(iii) If the building does not constitute an immediate danger to the life, limb, property or safety of the public it may be vacated, secured and maintained against entry.

2. If the building or structure is in such condition as to make it immediately dangerous to the life, limb, property or safety of the public or its occupants, it shall be ordered to be vacated.

## Notice to Vacate

Sec. 404. (a) Posting. Every notice to vacate shall, in addition to being served as provided in Section 401(c), be posted at or upon each exit of the building and shall be substantially the following form.

# Attachment A

## DO NOT ENTER

## UNSAFE TO OCCUPY

It is a misdemeanor to occupy this building or to remove or deface this notice.

Director of Development Services, the City of Lemon Grove

(b) Compliance. Whenever such notice is posted, the director of development services shall include a notification thereof in the notice and order issued by him or her under Subsection (b) of Section 401, reciting the emergency and specifying the conditions which necessitate the posting. No person shall remain in or enter any building which has been so posted, except that entry may be made to repair, demolish or remove such building under permit. No person shall remove or deface any such notice after it is posted until the required repairs, demolition or removal have been completed and a Certificate of Occupancy issued pursuant to the provisions of the Building Code.

### **15.38.080 Chapter 5 amended.**

Chapter 5 of the Uniform Code for the Abatement of Dangerous Buildings is amended to read as follows:

## CHAPTER 5

## APPEAL

### General

Section 501. (a) Form of Appeal. Any person entitled to service under Section 401(c) may appeal any notice and order or any action of the director of development services under this code by filing with the city clerk a written appeal within ten (10) calendar days of the date of the written notice. The written appeal shall contain the following:

1. Completed application form and processing fee.
2. A brief statement in ordinary and concise language of the specific order or action protested, together with any material facts claimed to support the contention of the appellant.
3. A brief statement in ordinary and concise language of the relief sought and the reasons why it is claimed the protested order or action should be reversed, modified, or otherwise set aside.
4. The signatures of all parties named as appellants and their official mailing addresses.

(b) Processing of the Appeal. Upon receipt of any appeal filed pursuant to this section, the director of development services shall set the item for a hearing before a hearing officer.

(c) Scheduling and Noticing Appeal Hearing. The date of the hearing shall not be less than 10 days nor more than 60 days from the date the appeal was filed with the city clerk. Written notice of the time and place of the hearing shall be given at least 10 days prior to the date of the hearing to each appellant by the city clerk either by causing a copy of such notice to be delivered to the appellant

# Attachment A

personally or by mailing a copy thereof, postage prepaid, addressed to the appellant at the address shown on the appeal.

(d) Hearing Procedures. Hearing procedures shall be governed in the same manner as administrative citation appeal hearings in accordance with Section 1.24.100 of the Lemon Grove Municipal Code.

(e) Hearing Officer. Hearing Officer appointment and procedures shall be governed in the same manner as administrative citation hearing officer appointment and procedures in accordance with Section 1.24.090 of the Lemon Grove Municipal Code.

## Effect of Failure to Appeal

Section 502. Failure of any person to file an appeal in accordance with the provisions of Section 501 shall constitute a waiver of that person's right to an administrative hearing and adjudication of the notice and order, or any portion thereof.

## Staying Order Under Appeal

Section 503. Except for vacation orders made pursuant to Section 403, enforcement of any notice and order of the director of development services issued under this code shall be stayed during the pendency of an appeal therefrom which is properly and timely filed.

## **15.38.090 Chapter 6 deleted.**

Chapter 6 of the Uniform Code for the Abatement of Dangerous Buildings is deleted from the Code.

## **15.38.100 Chapter 7 amended.**

Chapter 7 of the Uniform Code for the Abatement of Dangerous Buildings is amended to read as follows:

### Chapter 7

#### ENFORCEMENT OF THE ORDER OF THE DIRECTOR OF DEVELOPMENT SERVICES

##### Compliance

Sec. 701. (a) General. After any order of the director of development services made pursuant to this code shall have become final, no person to whom any such order is directed shall fail, neglect or refuse to obey any such order. Any such person who fails to comply with any such order is guilty of a misdemeanor.

(b) Failure to Obey Order. If, after any order of the director of development services made pursuant to this code has become final, the person to whom such order is directed shall fail, neglect or refuse to obey such order, the director of development services may (i) cause such person to be prosecuted under subsection (a) of this section or (ii) institute any appropriate action to abate such building as a public nuisance.

(c) Failure to Commence Work. Whenever the required repair or demolition is not commenced within 30 days after any final notice and order issued under this code becomes effective:

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1. The director of development services shall cause the building described in such notice and order to be vacated by posting at each entrance thereto a notice reading:

DANGEROUS BUILDING

DO NOT OCCUPY

It is a misdemeanor to occupy this building or to remove or deface this notice.

Director of Development Services, the City of Lemon Grove

2. No person shall occupy any building which has been posted as specified in this subsection. No person shall remove or deface any such notice so posted until the repairs, demolition or removal ordered by the director of development services have been completed and a Certificate of Occupancy issued pursuant to the provisions of the Building Code.

3. The director of development services may, in addition to any other remedy herein provided, cause the building to be repaired to the extent necessary to correct the conditions which render the building dangerous as set forth in the notice and order; or, if the notice and order required demolition, to cause the building to be sold and demolished or demolished and the materials, rubble and debris therefrom removed and the lot cleaned. Any such repair or demolition work shall be accomplished and the cost thereof paid and recovered in the manner hereinafter provided in this code. Any surplus realized from the sale of any such building, or from the demolition thereof, over and above the cost of demolition and of cleaning the lot, shall be paid over to the person or persons lawfully entitled thereto.

## Extension of Time to Perform Work

Sec. 702. Upon receipt of an application from the person required to conform to the order and an agreement by such person that he or she will comply with the order if allowed additional time, the director of development services may, in the discretion of the Director, grant an extension of time, not to exceed an additional 120 days, within which to complete said repair, rehabilitation or demolition, if the director of development services determines that such an extension of time will not create or perpetuate a situation imminently dangerous to life or property.

## Interference with Repair or Demolition Work Prohibited

Sec. 703. No person shall obstruct, impede or interfere with any officer, employee, contractor, or authorized representative of this jurisdiction or with any person who owns or holds any estate or interest in any building which has been ordered repaired, vacated or demolished under the provisions of this code; or with any person to whom such building has been lawfully sold pursuant to the provisions of this code, whenever such officer, employee, contractor or authorized representative of this jurisdiction, person having an interest or estate in such building or structure, or purchaser is engaged in the work of repairing, vacating and repairing, or demolishing any such building, pursuant to the provisions of this code, or in performing any necessary act preliminary to or incidental to such work or authorized or directed pursuant to this code.

## 15.38.100 Section 801 amended.

Section 801 of the Uniform Code for the Abatement of Dangerous Buildings is amended to read as follows:

# Attachment A

Sec. 801. (a) Procedure. When any work of repair or demolition is to be done pursuant to Section 701(c)3 of this code, the work shall be accomplished by personnel of this jurisdiction or by private contract under the direction of the director of development services. Plans and specifications therefor may be prepared by the director of development services, or his/her representative, or he/she may employ such architectural and engineering assistance on a contract basis as he/she may deem reasonably necessary. If any part of the work is to be accomplished by private contract, standard public works contractual procedures shall be followed.

(b) Costs. The cost of such work shall be paid from the repair and demolition fund, and may be made a special assessment against the property involved, or may be made a personal obligation of the property owner, whichever the legislative body of this jurisdiction shall determine is appropriate.



**LEMON GROVE CITY COUNCIL  
AGENDA ITEM SUMMARY**

**Item No.** 4  
**Mtg. Date** November 15, 2016  
**Dept.** City Attorney

**Item Title:** **Ordinance No. 442: Amending Title II (Administration and Personnel), Chapter 2.04 (City Manager) Reorganizing Authority of City Officers)**

**Staff Contact:** James P. Lough, City Attorney

**Recommendation:**

Conduct second reading, by title only, and adopt Ordinance No. 442 (**Attachment A**) amending the Title II, Chapter 2.04 of the Lemon Grove Municipal Code.

**Item Summary:**

On November 1, 2016, the City Council introduced Ordinance No. 442 (**Attachment A**), an ordinance amending Title II, Chapter 2.04 of the Lemon Grove Municipal Code. This Ordinance clarifies areas of responsibility for management under the Council-Manager Form of Government applicable in Lemon Grove. It assigns management responsibilities of the Treasurer and City Clerk to the City Manager. It also clarifies management responsibilities over intergovernmental relations.

**Fiscal Impact:**

None.

**Environmental Review:**

☒ Not subject to review

☐ Negative Declaration

☐ Exempt, Section \_\_\_\_\_

☐ Mitigated Negative Declaration

**Public Information:**

☒ None

☐ Newsletter article

☐ Tribal Government Consultation Request

☐ Notice published in local newspaper

☐ Notice to property owners within 300 ft.

**Attachments:**

A. Ordinance No. 442

# Attachment A

## ORDINANCE NO. 442

### AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA AMENDING SECTIONS 2.04.060 (POWER OF APPOINTMENT AND REMOVAL) AND 2.04.070 (INTERNAL RELATIONS AND COORDINATION OF INTERGOVERNMENTAL SERVICES) OF THE LEMON GROVE MUNICIPAL CODE)

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**WHEREAS**, the City Council of the City of Lemon Grove has adopted the Council-Manager Form of Government; and

**WHEREAS**, the management of officers and employees under the Council-Manager Form of Government should be consistent across various employment positions to provide public accountability; and

**WHEREAS**, the role of intergovernmental institutions has increased dramatically since the formation of the City; and

**WHEREAS**, the City Council recognizes the expanded role that intergovernmental cooperation plays in the governance of the City of Lemon Grove and the San Diego region; and

**WHEREAS**, the City Council has determined to clearly delineate the roles and responsibilities of the City Manager in managing intergovernmental affairs on a day-to-day basis under the direction of the City Council; and

**WHEREAS**, the City Council has determined to clarify the roles of public safety personnel under the Council-Manager Form of Government.

**WHEREAS**, on November 1, 2016, the Lemon Grove City Council introduced and conducted the first reading of Ordinance No.442; and

**NOW, THEREFORE**, the City Council of the City of Lemon Grove hereby ordains as follows:

Amendments to Chapter 2.04.060, is hereby added to the City of Lemon Grove Municipal Code to read as shown in Exhibit A.

**INTRODUCED** by the City Council on November 1, 2016.

**2<sup>nd</sup> Reading** by the City Council on November 15, 2016.

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# Attachment A

## EXHIBIT A

### 2.04.060 Powers and duties.

The city manager shall be the administrative head of the government of the city under the direction and control of the city council except as otherwise provided in this chapter. He or she shall be responsible for the efficient administration of all the affairs of the city, which are under his or her control. In addition to his or her general powers as administrative head, and not as a limitation thereon, it shall be his or her duty and he or she shall have the powers set forth in the following subsections:

A. Law Enforcement. It shall be the duty of the city manager to enforce all laws and ordinances of the city and to see that all franchises, contracts, permits and privileges granted by the city council are faithfully observed.

B. Authority Over Employees. It shall be the duty of the city manager, and he or she shall have the authority to control, order and give directions to all heads of departments and to subordinate officers and employees of the city under his or her jurisdiction through their department heads.

C. Power of Appointment and Removal. It shall be the duty of the city manager to, and he or she shall appoint, remove, promote and demote any and all officers and employees of the city, subject to all applicable personnel ordinances, rules and regulations except for the city attorney or who shall serve at the pleasure of the city council.

D. Administrative Reorganization of Offices. It shall be the duty and responsibility of the city manager to conduct studies and effect such administrative reorganization of offices, positions or units under his or her direction as may be indicated in the interest of efficient, effective and economical conduct of the city's business.

E. Ordinances. It shall be the duty of the city manager and he or she shall recommend to the city council for adoption such measures and ordinances as he or she deems necessary.

F. Attendance at Council Meetings. It shall be the duty of the city manager to attend all meetings of the city council unless at his or her request he or she is excused therefrom by the mayor individually or the city council.

G. Financial Reports. It shall be the duty of the city manager to keep the city council at all times fully advised as to the financial condition and needs of the city. The city manager shall retain the services of a finance director or person who has responsibility over city finances who shall also serve as the city's treasurer.

H. Budget. It shall be the duty of the city manager to prepare and submit the proposed annual budget and the proposed annual salary plan to the city council for its approval.

I. Expenditure Control and Purchasing. It shall be the duty of the city manager to see that no expenditures shall be submitted or recommended to the city council except on approval of the city manager or authorized representative. The city manager, or authorized representative, shall be responsible for the purchase of all supplies for all the departments or divisions of the city.

J. Investigations and Complaints. It shall be the duty of the city manager to make investigations into the affairs of the city and any department or division thereof, and any contract or the proper performance of any obligations of the city. Further, it shall be the duty of the city

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manager to investigate all complaints in relation to matters concerning the administration of the city government and in regard to the service maintained by public utilities in the city.

K. Public Buildings. It shall be the duty of the city manager and he or she shall exercise general supervision over all public buildings, public parks, and all other public property, which are under the control and jurisdiction of the city council.

L. Contractors. It shall be the duty of the city manager, or designee, to exercise management and control over contractors providing city services.

M. Additional Duties. It shall be the duty of the city manager to perform such other duties and exercise such other powers as may be delegated to him or her from time to time by ordinance or resolution or other official action of the city council. (Ord. 10 § 7, 1977)

### **2.04.070 Internal relations and coordination of intergovernmental services.**

A. Council-Manager Relations. The city council and its members shall deal with the administrative services of the city only through the city manager, except for the purpose of inquiry, and neither the city council nor any member thereof shall give orders or instructions to any subordinates of the city manager. The city manager shall take his or her orders and instructions from the city council only when sitting in a duly convened council meeting. No council member shall give any orders or instructions to the city manager.

B. Departmental Cooperation. It shall be the duty of all subordinate officers and the city attorney to assist the city manager in administering the affairs of the city efficiently, economically and harmoniously.

C. Subject to the direction and control of the City Council, the city manager, or designee, shall manage all intergovernmental contracts, grant agreements and joint powers agreements on behalf of the City of Lemon Grove, or its subsidiary agencies, with other governmental agencies. The city manager, or designee, shall manage contracts with agencies including, but not limited to, the State of California, County of San Diego, Heartland Communications Authority, Heartland Fire and Rescue, San Diego County Sheriff's Department, San Diego Metropolitan Wastewater Authority, and the San Diego Association of Governments. For the purposes of providing public safety services to the citizens of Lemon Grove, the city manager shall supervise the appointed Fire Chief of Heartland Fire and Rescue as to all matters involving the City of Lemon Grove. The city manager shall work with the commanding officer of the Lemon Grove substation of the county of San Diego Sheriff's department in the implementation of the contract providing police services to the City of Lemon Grove. All references to "police" services in this Municipal Code shall mean the services provided by the San Diego Sheriff's department to the City of Lemon Grove. The City Manager, or designee, shall also provide support and assistance to Council-appointed members of Joint Powers Authorities and Intergovernmental Agencies in the performance of their duties.

D. Attendance at Commission Meetings. The city manager may attend any and all meetings of any commission, board, task force, focus group or committee (collectively "advisory body") created by the city council, upon the manager's own volition or upon direction of the city council. At such meetings, which the city manager attends, he or she shall be heard by the advisory body as to all matters upon which the city manager wishes to address the members thereof, and shall inform said members as to the status of any matter being considered by the city council. The city manager shall cooperate fully with the members of all advisory bodies created by the city council. (Ord. 433 § 1, 2015; Ord. 10 § 8, 1977)

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## 2.32.030 Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

“Appropriate unit” means a unit established pursuant to Section 2.32.100.

“City” means the city of Lemon Grove, California, a municipal corporation, and where appropriate herein, “city” refers to the city council, the governing body of the city, or any duly authorized management employee as herein defined.

“Consult or consultation in good faith” means to communicate orally or in writing for the purpose of presenting and obtaining views or advising of intended actions.

“Day” means calendar day.

“Employee” means any person regularly employed by the city excluding persons elected by popular vote.

“Employee, confidential” means an employee who is privy to decisions of city management affecting employer-employee relations.

“Employee, management” means any employee having significant responsibility for formulating and administering city policies and programs, including but not limited to the following positions:

1. City manager;
2. Development services director;
3. Public works director;
4. Finance director;
6. City clerk; and
5. City attorney.

“Employee, professional” means employees engaged in work requiring specialized knowledge and skills attained through completion of a recognized course of instruction, including but not limited to attorneys, physicians, registered nurses engineers, architects, teachers and various types of physical, chemical and biological scientists.

“Employee organization” means any organization which includes employees of the city and which has as one of its primary purposes representing such employees in their employment relations with the city.

“Employer-employee relations” means the relationship between the city and its employees and their employee organization, or when used in a general sense, the relationship between city management and employees or employee organizations.

“Firefighter” means a uniformed employee of the fire department.

“Impasse” means:

1. A deadlock in the annual or periodic discussions between a majority representative and the city over any matters concerning which they are required to meet and confer in good faith, or over the scope of such subject matter; or
2. Any unresolved complaint by an affected employee organization, advanced in good faith, concerning a decision of the municipal employee relations officer made pursuant to Sections 2.32.090, 2.32.100 or 2.32.110.

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"Majority representative" means an employee organization, or its duly authorized representative, that has been granted formal recognition by the municipal employee relations officer as representing the majority of employees in an appropriate unit.

"Mediation or conciliation" means the efforts of an impartial third person, or persons, functioning as intermediaries, to assist the parties in reaching a voluntary resolution to an impasse, through interpretation, suggestion and advice. Mediation and conciliation are interchangeable terms.

"Meet and confer in good faith" (sometimes referred to in this chapter as "meet and confer" or "meeting and conferring") means performance by duly authorized city representatives and duly authorized representatives of an employee organization recognized as the majority representative of their mutual obligation to meet at reasonable times and to confer in good faith regarding matters within the scope of representation, including wages, hours and other terms and conditions of employment, in an effort to:

1. Reach agreement on those matters within the authority of such representatives;
2. Reach agreement on what will be recommended to the city council on those matters within the decision-making authority of the city council.

This does not require either party to agree to a proposal or to make a concession.

"Municipal employee relations officer" means the city's principal representative in all matters of employer-employee relations designated pursuant to Section 2.32.120, or his duly authorized representative.

"Peace officer." As this term is defined in Section 830 of the California Penal Code.

"Recognized employee organization" means an employee organization which has been acknowledged in writing by the municipal employee relations officer as an employee organization that represents employees of the city. The rights accompanying recognition are either:

1. "Formal recognition," which is the right to meet and confer in good faith as the majority representative in an appropriate unit; or

2. "Informal recognition," which is the right to consultation in good faith by all recognized employee organizations.

"Scope of representation" means all matters relating to employment conditions and employer-employee relations, including but not limited to wages, hours and other terms and conditions of employment. City rights (Section 2.32.050) are excluded from the scope of representation. (Ord. 327 § 1, 2004)