

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

November 21, 2017

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

Call to Order

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

City Councilmembers absent: None.

City Staff present: City Manager, Lydia Romero; Sheriff's Department Lieutenant, Scott Amos; Development Services Director, David De Vries; City Clerk, Susan Garcia; Assistant City Manager/Public Works Director, Mike James; City Attorney, James Lough; Fire Chief, Colin Stowell; and Management Analyst, Malik Tamimi.

Pledge of Allegiance

The Pledge of Allegiance was led by Councilmember Jones.

Presentation

The Lemon Grove history minute was presented that featured former Councilmember Tom Clabby and his wife Donna Clabby.

David De Vries introduced Arturo Ortuno, the City's new Assistant Planner.

Lydia Romero introduced Alicia Hicks, the City's new Human Resources Manager.

Public Comment

Jose Gonzalez provided an invitation to Senator Joel Anderson's holiday legislative open house, on December 12th.

1. Consent Calendar

- A. Ratification of Payment Demands**
- B. Waive Full Text Reading of All Ordinances and Resolutions on the Agenda**
- C. Award a Contract to Select Electric, Inc. for Traffic Signal and Communications System Maintenance, Emergency Repairs, and Related Construction Services**

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

Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza

Resolution No. 2017- 3545: Resolution of the Lemon Grove City Council Awarding a Contract to Select Electric, Inc. for Traffic Signal and Communication System Maintenance, Emergency Repairs, and Related Construction Service

2. Community Development Block Grant Allocation for Fiscal Year 2018-19 and Fiscal Year 2019-2

Malik Tamimi explained that the Community Development Block Grant (CDBG) Program is a Federal grant program created by Congress in 1974 and administered by the County of San Diego. According to the County of San Diego's website, CDBG-funded projects must satisfy one of three national program objectives:

- Provide a benefit to low and moderate income persons,

- Prevent or eliminate slums and blight, or

- Meet needs having a particular urgency.

Eligible activities broadly include:

- Real property acquisition,

- Public facilities and improvements,

- Public services,

- Economic development (job creation), and

- Housing development and rehabilitation.

For over 20 years, the City has participated in the CDBG Program, predominately relying on CDBG funds for capital improvement projects with street rehabilitation, in eligible neighborhoods.

The Fiscal Year 2018-19 CDBG application for project funding has been requested by the County of San Diego. The City is allowed to request funding for multiple years as was requested by the City in previous years. The City proposes submitting an application to the County combining Fiscal Years 2018-19 and 2019-20 funding, for street rehabilitation and ADA pedestrian ramps city-wide. The two-year CDBG allocation for Fiscal Years 2018-19 and 2019-20 and rollover funds from the 2016-18 program total \$224,113.99.

City staff anticipates that there is continued support for allocating CDBG funds towards street rehabilitation projects and ADA pedestrian ramps. In the past several years, no other public requests for CDBG funding have been made to the City.

Staff recommends the following street segments be rehabilitated with the Fiscal Years 2018-19 and 2019-20 CDBG allocation and rollover from the 2016-18 program:

- Citronella Avenue from Lincoln Street to Palm Street;

- Church Street from Buena Vista Avenue to New Jersey Avenue;

- Cabernet Way from Berry Street to Sonoma Lane; and

- Berry Street from Mt Vernon Street to Cabernet Way.

Mayor Vasquez opened the public hearing.

Public Speaker(s)

There were no requests from the public to speak.

Councilmember M. Mendoza asked if the proposed four streets would still be rehabilitated, if the CDBG funding is not allocated.

Mike James answered that if the CDBG funds are not allocated, staff would move forward with rehabilitation, for the four proposed streets.

Lydia Romero noted that if the City spends the funds in advance and the CDBG program is eliminated, the City will be responsible to reimburse the County.

Mayor Pro Tem J. Mendoza asked, if there is a prioritization where the ADA ramps will be installed.

Malik Tamimi answered that they will look for opportunities, as the streets are being worked on and focus in those areas, when funds are available.

Mayor Vasquez asked if there was a timeframe when the CDBG budget funding will be approved.

Lydia Romero answered that she heard CDGB is on the chopping block by Congress. The City is waiting for the Federal budget to be approved.

Action: Motion by Councilmember Jones, seconded by Councilmember Arambula, to close the public hearing passed, by the following vote:

Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza

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

Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza

Resolution No. 2017-3546: Resolution of the City Council of the City of Lemon Grove, California Authorizing the Submission of an Application for the Community Development Block Grant Program for Fiscal Year 2018-19 and Fiscal Year 2019-20

3. Approval of the Sewer Capacity Fee Study

Mike James stated that in February 2017, the District Board received a report regarding the progress of NBS Consultants (NBS) regarding the sewer rate study. District customers are typically charged a one-time capacity fee per equivalent dwelling unit (EDU), at the time the customer connects or expands on its existing connection to the Sanitation District's sewer system. A component of that presentation recommended the need to review the capacity fee, or connection fee, to determine if it accurately and fairly charged a fee to fund any capacity, increasing needs that the Sanitation District will construct in the future.

Greg Henry, NBS Consultants, provided a presentation of the capacity fee study, which included the following:

American Water Works Association three approaches for capacity fees: Buy-In Method, Incremental Cost Method, and the Combined Approach.

Sewer Capacity Fee Update

Projected Customer Growth & Capacity

Cost Allocations

Fee Calculations

Next Steps

Overview of Connection Fee Methodology

Value of system facilities is allocated to new customers based upon percentage of customers at build out
Projected Customer Growth
Existing Assets System Buy-In
Planned Assets Incremental Costs
Adjustment to Cost Basis
Summary of Total Cost Basis
Capacity Fee Methodology
Cost Basis assigned to New Customers
Projected New EDUs

The report details specific customer growth estimates and anticipated capacity needs that will be required to accommodate that growth. The recommended update to the capacity is an increase from a current fee of \$1,000 to \$3,509. The new capacity fee, if approved, will increase the existing capacity fee from \$1,000 to \$3,509 per equivalent dwelling unit (EDU). For comparison, in Fiscal Years 2016-2017 and 2017-2018 the District generated \$32,160 (based on 32.16 EDUs) and \$14,000 (based on 14 EDUs) in capacity fees each year. If the maximum base capacity fee of \$3,509 were implemented in the prior years, the fees would have equaled \$112,849.44 and \$49,126.

Board Member J. Mendoza asked if the planned Capital Improvement Projects are taking into consideration the anticipated 5000 additional EDU's.

Mr. Henry confirmed that planned Capital Improvement Projects are taking into consideration the 5000 additional EDU's.

Board Member Arambula asked if upcoming projects will be grandfathered in with the lower fee.

Mr. Henry answered that it depends when a developer obtains the permits and that this fee will be at the last stage of a project.

Lydia Romero noted that staff will reach out to developers that maybe considering moving forward with projects.

Board Member J. Mendoza asked what type of account will maintain these funds.

Mike James answered that these funds will be held in a separate account.

Action: Motion by Board Member J. Mendoza, seconded by Board Member Arambula, to adopt the resolution passed, by the following vote:

Ayes: Vasquez, J. Mendoza, Arambula, Jones, M. Mendoza

Resolution No. 2017 – 291: Resolution of the District Board of the Lemon Grove Sanitation District Approving the Sewer Capacity Fee Analysis

Lydia Romero asked that an implementation plan be brought back to the Sanitation District budget discussions.

The Sanitation District Board provided consent for staff to return with the implementation plan.

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

Councilmember Jones attended a meeting, with a representative of the San Diego Mayor's office, related to wastewater issues, BIA reception, grand opening of Ryan Brother's Coffee, and a Metro Wastewater ad-hoc meeting.

Councilmember Arambula attended a MTS Board meeting, PERS discussion, and Heal Zone meeting.

Councilmember M. Mendoza attended the BIA reception.

Mayor Pro Tem J. Mendoza attended a Lemon Grove forum for medical marijuana dispensaries, the grand opening of Giardino Italian Restaurant, and a LAFCO meeting.

Mayor Vasquez attended the Live Well event for resident leadership academies, a Lemon Grove forum for medical marijuana dispensaries, Veteran's Day Parade, the PERS discussion, grand opening of Giardino Italian Restaurant, the BIA reception, the grand opening of Ryan Brother's Coffee, and a Central San Diego Black Chamber of Commerce event.

City Manager and Department Director Reports

Mike James reported on the recent mural painting project and provided an overview of the upcoming Annual Community Bonfire.

Chief Stowell reported on the upcoming Annual Community Bonfire.

Adjournment

There being no further business the meeting was adjourned at 7:30 p.m.