



CITY COUNCIL
HOUSING AUTHORITY AND
SUCCESSOR AGENCY TO THE EL CAJON
REDEVELOPMENT AGENCY

Council Chamber
200 Civic Center Way
El Cajon, CA 92020

Agenda

JUNE 25, 2019, 3:00 p.m.

Bill Wells, Mayor
Steve Goble, Deputy Mayor
Gary Kendrick, Councilmember
Bob McClellan, Councilmember
Phil Ortiz, Councilmember

Graham Mitchell, City Manager
Vince DiMaggio, Assistant City Manager
Morgan Foley, City Attorney
Angela Cortez, City Clerk

CALL TO ORDER: Mayor Bill Wells

ROLL CALL: City Clerk Angela Cortez

PLEDGE OF ALLEGIANCE TO FLAG AND MOMENT OF SILENCE

POSTINGS: The City Clerk posted Orders of Adjournment of the June 11, 2019, Meetings and the Agenda of the June 25, 2019, Meeting in accordance to State Law and Council/Authority/Successor Agency to the Redevelopment Agency Policy.

PRESENTATIONS:

AGENDA CHANGES:

CONSENT ITEMS:

Consent Items are routine matters enacted by one motion according to the RECOMMENDATION listed below. With the concurrence of the City Council, a Council Member or person in attendance may request discussion of a *Consent Item* at this time.

1. Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the June 11, 2019, Meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

2. Warrants

RECOMMENDATION:

That the City Council approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title Only

RECOMMENDATION:

That the City Council approves the reading by title and waive the reading in full of all Ordinances on the Agenda.

4. Award of Bid No. 009-20 – Publication of Legal Notices

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to award the bid to the lowest responsive, responsible bidder, East County Gazette, in the estimated amount of \$7,800.00.

5. Award of Bid No. 006-20 – Channel Repairs 2019

RECOMMENDATION:

That the City Council adopts the next Resolutions, in order, to:

1. Approve Plans and Specifications for Channel Repairs 2019, Bid No. 006-20; and
2. Award the bid to the lowest responsive, responsible bidder, New Century Construction, Inc. in the amount of \$294,660.00.

PUBLIC COMMENT:

At this time, any person may address a matter within the jurisdiction of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency that is not on the Agenda. Comments relating to items on today's docket are to be taken at the time the item is heard. State law prohibits discussion or action on items not on the Agenda; however, Council, Authority and Agency Members may briefly respond to statements or questions. An item may be placed on a future Agenda.

WRITTEN COMMUNICATIONS:

PUBLIC HEARINGS:

6. Fiscal Year 2019-20 Annual City, Housing Authority, and Successor Agency Budgets

RECOMMENDATION:

That the City Council, Housing Authority, and the City of El Cajon as Successor Agency to the former Redevelopment Agency hold a joint public hearing to consider the Fiscal Year 2019-20 Proposed Budgets. After closing the public hearing, staff recommends the following:

1. Acting as the City Council, individually adopt the following:
 - a. Resolution of the City of El Cajon Adopting the Fiscal Year 2019-20 Annual Budget.
 - b. Resolution Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2019-20.
 - c. Resolution Approving Designation of General Fund Balances.
2. Acting as the Housing Authority Board of Directors, adopt Resolution titled: Resolution of the El Cajon Housing Authority Adopting the Fiscal Year 2019-20 Budget.
3. Acting as the Successor Agency to the former Redevelopment Agency Board of Directors, adopt Resolution titled: Resolution of the City Council of the City Of El Cajon as the Successor Agency to the former El Cajon Redevelopment Agency Adopting the Fiscal Year 2019-20 Budget.

ADMINISTRATIVE REPORTS:

7. East County Advanced Water Purification Program Interim Funding Agreement

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to:

1. Approve the East County Advanced Water Purification Program Interim Funding Agreement (IFA) between City of El Cajon, Padre Dam Municipal Water District, the County of San Diego (through its San Diego County Sanitation District), and Helix Water District;
2. Authorize the City Manager to execute the IFA; and
3. Appropriate \$430,000.00 from the City's Wastewater Fund for the fair share contribution to final program development costs for the East County Advanced Water Purification Program.

8. Magnolia Performing Arts Center (MPAC) Project Update

RECOMMENDATION:

That the City Council receives the Magnolia Performing Arts Center (MPAC) Project Update.

COMMISSION REPORTS:

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; LAFCO.

9. Council Activity Report
10. LEGISLATIVE REPORT

ACTIVITIES REPORTS/COMMENTS OF COUNCILMEMBERS:

11. **COUNCILMEMBER GARY KENDRICK**
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.
12. Request for a Report on the City's Alcohol Sales and Deemed Approved Alcohol Sales Regulations Ordinance

RECOMMENDATION:
That the City Council directs staff to provide a report on the status of the City's Alcohol Sales and Deemed Approved Alcohol Sales Regulations Ordinance and recommend any modifications to the Ordinance.
13. **COUNCILMEMBER BOB MCCLELLAN**
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.
14. **DEPUTY MAYOR STEVE GOBLE**
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate.
15. **COUNCILMEMBER PHIL ORTIZ**
East County Economic Development Council; League of California Cities, San Diego Division.

JOINT COUNCILMEMBER REPORTS:

GENERAL INFORMATION ITEMS FOR DISCUSSION:

- 16. El Cajon Animal Shelter Donations for May 2019

RECOMMENDATION:

In accordance with City Council Policy B-2, staff informs the City Council about receiving the following donations for the El Cajon Animal Shelter for the month of May:

Roberta Ann Carmichael	\$110.00
Delaine Scott	\$100.00
Total	\$210.00

ORDINANCES: FIRST READING

- 17. Introduction of an Ordinance Amending Chapter 2.16.020 of the El Cajon Municipal Code Regarding Salaries of Councilmembers and Mayor

RECOMMENDATION:

That the City Council considers approving an Ordinance amending section 2.16.020 of the El Cajon Municipal Code ("ECMC") related to Salaries of Councilmembers and Mayor and, if approved, take the following actions:

- 1. By Motion, Second and Vote, moves to introduce the Ordinance; and
- 2. Directs the City Clerk to read the title of the Ordinance.

ORDINANCES: SECOND READING AND ADOPTION

- 18. Amendment of Chapter 3.20 of the El Cajon Municipal Code for Bidding and Written Contracts

RECOMMENDATION:

That Mayor Wells request the City Clerk to recite the title.

An Ordinance Amending Chapter 3.20 of Title 3 of the El Cajon Municipal Code Addressing Bidding and Written Contracts.

- 19. Deemed Approved Lodging Establishment Ordinance - Zoning Code Amendment No. 436

RECOMMENDATION:

That Mayor Wells request the City Clerk to recite the title.

An Ordinance Adding Chapter 17.212 to Title 17 of the El Cajon Municipal Code to Establish Standards to be Deemed Approved for Existing Lodging Establishments.

CLOSED SESSIONS:

20. Closed Session - Conference with Legal Counsel - Existing Litigation - pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9:
Edgar Puente vs. City of El Cajon, et al.
San Diego Superior Court
Case No. 37-2018-00040807-CU-PO-CTL

ADJOURNMENT: The Adjourned Regular Joint Meeting of the El Cajon City Council/ El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 25th day of June 2019, is adjourned to Tuesday, July 9, 2019, at 3:00 p.m.



City Council
Agenda Report

Agenda Item 1.

DATE: June 25, 2019

TO: Honorable Mayor and City Councilmembers

FROM: Angela Cortez, City Clerk

SUBJECT: Minutes of the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Meetings

RECOMMENDATION:

That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency approves Minutes of the June 11, 2019, Meetings of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency.

Attachments

06-11-19 Draft Minutes - 2 PM

06-11-19 Draft Minutes - 3 PM

06-11-19 Draft Minutes - 7 PM

JOINT SPECIAL MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY



MINUTES

CITY OF EL CAJON EL CAJON, CALIFORNIA

June 11, 2019

A Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, June 11, 2019, was called to order by Mayor Bill Wells at 2:02 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present: Kendrick, McClellan and Ortiz
Council/Agencymembers absent: None
Deputy Mayor/Vice Chair present: Goble
Mayor/Chair present: Wells
Other Officers present: Mitchell, City Manager/Executive Director
DiMaggio, Assistant City Manager
Foley, City Attorney/General Counsel
Cortez, City Clerk/Secretary

Mayor Wells invited Finance Director, Clay Schoen, to lead the **PLEDGE OF ALLEGIANCE TO THE FLAG and MOMENT OF SILENCE.** (The Courts have concluded that sectarian prayer as part of City Council Meetings is not permitted under the Constitution).

POSTINGS: The Secretary posted the Agenda of the June 11, 2019, meeting in accordance to State Law and Authority Policy.

1. Fiscal Year 2019-20 Preliminary Annual Budget Summary

City Manager Mitchell presented an overview of the Fiscal Year 2019-20 Preliminary Annual Budget, and stated that action for the Item would be taken during the June 25, 2019, 3:00 p.m. meeting.

City Manager Mitchell presented four (4) budget goals:

1. Reflecting a conservative approach;
2. Meeting community needs;
3. Demonstrating innovative approaches to government; and
4. Addressing labor and market demands.

He also shared information on the following topics:

- Public Safety;
- Addressing Homelessness;
- Economic Development;
- Public Infrastructure;
- Innovation; and
- Community Events

Director of Finance, Clay Schoen, presented an overview of the comprehensive FY 2019-20 Preliminary Annual Budget.

Discussion ensued amongst Council and Staff regarding:

- Un-anticipated maintenance expenses for the Magnolia Performing Arts Center (MPAC);
- Details of the Jamacha Road Development Project;
- Benefits for retired employees;
- Funding for the Advance Water Purification Project;
- Pros and cons of fully paying the debt to CalPERS;
- Budget considerations for the possible recession in the future.

No further comments were offered.

Adjournment: The Joint Special Meeting of the El Cajon City Council/El Cajon Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 11th day of June 2019 was adjourned at 2:40 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary

JOINT MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY



MINUTES

CITY OF EL CAJON EL CAJON, CALIFORNIA

June 11, 2019

A Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, June 11, 2019, was called to order by Mayor/Chair Bill Wells at 3:03 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present: Kendrick, McClellan and Ortiz
Council/Agencymembers absent: None
Deputy Mayor/Vice Chair present: Goble
Mayor/Chair present: Wells
Other Officers present: Mitchell, City Manager/Executive Director
DiMaggio, Assistant City Manager
Foley, City Attorney/General Counsel
Cortez, City Clerk/Secretary

Mayor Wells invited Bonnie Price, to lead the **PLEDGE OF ALLEGIANCE TO THE FLAG and MOMENT OF SILENCE.** (The Courts have concluded that sectarian prayer as part of City Council Meetings is not permitted under the Constitution).

POSTINGS: The City Clerk posted Orders of Adjournment of the May 28, 2019, meeting and the Agenda of the June 11, 2019, meetings in accordance with State Law and El Cajon City/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

PRESENTATIONS:

Presentation: Movies in the Park

Proclamation: San Diego County Water Authority - 75th Anniversary

AGENDA CHANGES: None

CONSENT ITEMS: (1 – 9)

1. Minutes of El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy

Approves Minutes of the May 28, 2019, Meeting of the El Cajon City Council/ Housing Authority/Successor Agency to the El Cajon Redevelopment Agency Policy.

2. Warrants

Approves payment of Warrants as submitted by the Finance Department.

3. Approval of Reading Ordinances by Title only

Approves the reading by title and waives the reading in full of all Ordinances on the Agenda.

PULLED FOR DISCUSSION BY A MEMBER OF THE PUBLIC

4. Contract for Workers' Compensation Administration

Authorizes the City Manager to execute an Agreement for Professional Services with York Risk.

DISCUSSION

Bonnie Price expressed a concern referencing sole source contracting, and asked if the Item was open to competitive bidding.

In response to Ms. Price's question, City Manager Mitchell advised that the City and the Joint Powers collaborated on preparing the Professional Services Agreement.

CONSENT ITEMS: (Continued)

5. Resolution of Intent to Vacate Easement for Public Highway at 512 Raleigh Avenue, El Cajon, CA
 1. Adopts Resolution No. 050-19, to approve the City's Intent to Vacate Easement for Public Highway at 512 Raleigh Avenue; and
 2. Directs the City Clerk to set a Public Hearing on July 9, 2019, at 3:00 p.m., to receive testimony regarding the Intent to Vacate Easement for Public Highway at 512 Raleigh Avenue, El Cajon, CA.

PULLED FOR DISCUSSION BY A MEMBER OF THE PUBLIC

6. Tentative Agreement with the El Cajon Professional Firefighters Local 4603 (ECPPF)

Adopts Resolution No. 051-19, to approve the tentative agreement reached with the El Cajon Professional Firefighters Local 4603 (ECPPF), and authorizes the City Manager to execute the final Memorandum of Understanding implementing the terms outlined.

DISCUSSION

Fire Captain, Tony Aliano, thanked Council and Staff for the contract agreed upon.

Deputy Mayor Goble acknowledged the hard work by the El Cajon Fire Department, and added the Fire Department deserves a good agreement.

Mayor Wells praised the staff of Heartland Fire for the high level of professionalism, and recognized the department for receiving a 'Class One' rating, a recognition achieved by less than one percent in the nation.

7. Tentative Agreement with the El Cajon Police Officers' Association Management Group (ECPOAMG)

Adopts Resolution No. 052-19, to approve the tentative agreement reached with the El Cajon Police Officers' Association Management Group (ECPOAMG), and authorizes the City Manager to execute the final Memorandum of Understanding implementing the terms outlined.

Consent Items: (Continued)

PULLED FOR DISCUSSION BY A MEMBER OF THE PUBLIC

8. Tentative Agreement with the El Cajon Police Officers' Association (ECPOA)

Adopts Resolution No. 053-19, to approve the tentative agreement reached with the El Cajon Police Officers' Association (ECPOA), authorizes the City Manager to execute the final Memorandum of Understanding implementing the terms outlined.

DISCUSSION

Police Detective Howard Travis, discussed issues within the department, and expressed appreciation to City Manager Mitchell for the cordialness and support during negotiations for the group.

Council recognized the commitment and level of professionalism of the El Cajon Police Officers.

9. Award of Bid No. 005-20 – Fire Station 9 Driveway

1. Adopts Resolution No. 054-19, to approve Plans and Specifications for Fire Station 9 Driveway, Bid No. 005-20;
2. Find the first low bidder non-responsive for the reason set forth in this agenda report; and
3. Adopts Resolution No. 055-19, to award the bid to the lowest responsive, responsible bidder, Portillo Concrete, Inc., in the amount of \$66,310.

MOTION BY GOBLE, SECOND BY KENDRICK, to APPROVE Consent Items 1 to 9.

MOTION CARRIED BY UNANIMOUS VOTE.

PUBLIC COMMENT:

Jim Cirigliano spoke about the delinquent sewer lien involving his mobile home park and his intention to follow up on the Item. He requested that Form 700 and Form 460 be available on the City's webpage, and expressed content in seeing the Agenda include a Code of Conduct proposal.

In response to Councilmember McClellan's question, Mr. Cirigliano provided an update on the rent mediation process.

PUBLIC COMMENT: (Continued)

Bonnie Price commended Council for appointing Councilmember Ortiz and acknowledged his suitable Council assignments. Ms. Price spoke of her continued support of rent mediation involving the Villa Novia Mobile Home Park.

WRITTEN COMMUNICATIONS: None

PUBLIC HEARINGS:

10. Delinquent Refuse Collection Charges

RECOMMENDATION:

That the City Council:

1. Opens the Public Hearing and considers public testimony;
2. Closes the Public Hearing;
3. Adopts the next Resolutions, in order, confirming the list of property owners as delinquent in the payment of their mandatory trash service bills; and,
4. Authorizes the City Clerk to record the amount owed as a lien on the property and forward a list to the County Tax Assessor for billing on the next property tax bill.

DISCUSSION

Director of Public Works, Dirk Epperson, provided a summary of the Item.

Discussion ensued among Council and Staff concerning eligible tax deductible items.

Mayor Wells opened the public hearing.

No one came forward to speak.

MOTION BY WELLS, SECOND BY KENDRICK, to CLOSE the Public Hearing.

MOTION CARRIED BY UNANIMOUS VOTE.

MOTION BY GOBLE, SECOND BY McCLELLAN, to ADOPT Resolution No. 056-19, confirming the list of property owners as delinquent in the payment of their mandatory trash service bills; and authorizes the City Clerk to record the amount owed as a lien on the property and forward a list to the County Tax Assessor for billing on the next property tax bill.

MOTION CARRIED BY UNANIMOUS VOTE.

To accommodate the time constraints of the presenters, Mayor Wells moved Item 15 up for discussion.

15. Proposed SANDAG Changes to the Regional Funding Priorities of the San Diego County Transportation Sales Tax (TransNet)

RECOMMENDATION:

That the City Council receives a presentation from SANDAG regarding “the SANDAG Big Vision and 5 Big Moves for the 2021 Regional Plan Update,” discuss proposed shift of SANDAG TransNet funds from road projects to transit projects, and consider a letter opposing SANDAG’s proposed shifting of funds from existing highway and road projects.

DISCUSSION

San Diego Association of Governments (SANDAG) Executive Director, Hasan Ikhata, provided detailed information of the Item.

Discussion ensues between Mr. Ikhata, Council and Staff regarding:

- The need to obtain more funds for highway and roads;
- Promises made to voters;
- Strategies for greenhouse gas emissions;
- Public transportation network considered not advanced and unsafe;
- Transportation paradigm shift;
- Concern for public safety issues; and
- TransNet budget constraints.

Anneli Ford, representing Sierra Club, spoke in support of the SANDAG proposal.

Jack Shu, representing the Cleveland National Forest Foundation, spoke in support of the SANDAG proposal.

Bruce Graves, representing SD350, spoke in support of the SANDAG proposal.

No further comments were offered.

MOTION BY WELLS, SECOND BY KENDRICK, to CONSIDER a letter opposing SANDAG’s proposal.

MOTION CARRIED BY UNANIMOUS VOTE.

*Recess called at 4:38 p.m.
Meeting called back to order at 4:49 p.m.*

PUBLIC HEARINGS: (Continued)

11. Delinquent Sewer Service Charges

RECOMMENDATION:

That the City Council:

1. Opens the Public Hearing and considers public testimony;
2. Closes the Public Hearing;
3. Adopts the next Resolutions, in order, confirming the list of property owners as delinquent in the payment of their mandatory sewer service bills; and
4. Authorizes the City Clerk to record the amount owed as a lien on the property and forward a list to the County Tax Assessor for billing on the next property tax bill.

DISCUSSION

Director of Public Works, Dirk Epperson, provided a summary of the Item.

Mayor Wells opened the public hearing.

No one came forward to speak.

MOTION BY WELLS, SECOND BY KENDRICK, to CLOSE the Public Hearing.

MOTION CARRIED BY UNANIMOUS VOTE.

MOTION BY GOBLE, SECOND BY McCLELLAN, to ADOPT Resolution No. 057-19, confirming the charges and levying the assessments on the next regular tax bill; and authorizes the City Clerk to place a lien on delinquent properties and to forward a list to the County Tax Assessor for billing on the next property tax bill.

MOTION CARRIED BY UNANIMOUS VOTE.

12. Adoption of New Fees; Modification and Elimination of Existing Fees; and Amendment of Schedule of Miscellaneous Fees

RECOMMENDATION:

That the City Council:

1. Opens the Public Hearing and receives testimony;
2. Closes the Public Hearing; and
3. Adopts the next Resolution, in order, to modify certain existing fees, add and delete certain fees, and amend the City's Schedule of Miscellaneous Fees.

PUBLIC HEARINGS: (Item 12 - Continued)

DISCUSSION

City Attorney Foley, provided a summary of the Item.

In response to a question by Mayor Wells in reference to the Recreation Department's fee based classes, Recreation Director, Frank Carson, advised the fee increase is evaluated based on what the community can afford, and that scholarships and grants are available to underprivileged children who cannot afford enrollment fees.

Mayor Wells opened the public hearing.

No one came forward to speak.

MOTION BY WELLS, SECOND BY KENDRICK, to CLOSE the Public Hearing.

MOTION CARRIED BY UNANIMOUS VOTE.

MOTION BY KENDRICK, SECOND BY McCLELLAN, to ADOPT RESOLUTION NO. 058-19, to modify certain existing fees, add and delete certain fees, and amend the City's Schedule of Miscellaneous Fees.

MOTION CARRIED BY UNANIMOUS VOTE.

ADMINISTRATIVE REPORTS: None

COMMISSION REPORTS: None

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS:

SANDAG (San Diego Association of Governments) Board of Directors; SANDAG – Audit Committee; League of California Cities, San Diego Division; Heartland Fire Training JPA – Alternate; LAFCO.

13. Council Activities Report/Comments

Report as stated.

ACTIVITIES REPORTS/COMMENTS OF MAYOR WELLS: (Continued)

14. Legislative Update

Assistant City Manager DiMaggio provided information on the following bills:

AB 136, was pulled by the author.

AB 1482, approved and going through the Assembly process.

The City will continue to monitor and provide updates in the future.

15. Previously discussed per the direction of Mayor Wells.

16. Compensation for Executive and Unrepresented Employees (A-29), City Manager and the City Attorney

RECOMMENDATION:

That the Mayor provides an oral report summarizing recommended changes in compensation for the City's "local agency executives"; and following the report, that the City Council (1) approves the changes to City Council Policy A-29 described in the report, and reflected on the attachment; and (2) acknowledges the adjustments to the City Manager and City Attorney's compensation in accordance with the terms of their contracts.

DISCUSSION

Mayor Wells provided an oral report summarizing the recommended changes.

City Manager Mitchell clarified the proposed salary increases are cost of living increases which resulted from conducting a market adjustment study. He added that the goal is to bring employees up to the market median, with the same benefits offered to the El Cajon Municipal Employees' Association (ECMEA), El Cajon Mid-Management and Professional Employees Group (MMPEG), and El Cajon Professional Firefighters (ECPFF) employee groups.

MOTION BY KENDRICK, SECOND BY McCLELLAN to APPROVE the changes to City Council Policy A-29; and the adjustments to the City Manager and City Attorney's compensation in accordance with the terms of their contracts.

MOTION CARRIED BY UNANIMOUS VOTE.

ACTIVITIES REPORTS OF COUNCILMEMBERS:

17. COUNCILMEMBER GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications; Heartland Fire Training JPA.

Council Activities Report/Comments.

Report as stated.

18. COUNCILMEMBER BOB MCCLELLAN
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.

Council Activities Report/Comments.

Report as stated.

19. DEPUTY MAYOR STEVE GOBLE
SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate.

Council Activities Report/Comments.

Report as stated.

20. COUNCILMEMBER PHIL ORTIZ
East County Economic Development Council; League of California Cities, San Diego Division.

Council Activities Report/Comments.

Report as stated.

ACTIVITIES REPORTS OF COUNCILMEMBERS: (Continued)

21. Code of Ethics and Conduct for City Council, Boards, and Commissions

RECOMMENDATION:

That the City Council directs City staff to prepare an agenda item analyzing the City's current code of ethics and conduct policies and recommend changes to engender trust and confidence in City leadership.

DISCUSSION

Councilmember Ortiz provided a summary of the Item.

MOTION BY WELLS, SECOND BY McCLELLAN to DIRECT City staff to prepare an agenda item analyzing the City's current code of ethics and conduct policies and recommend changes to engender trust and confidence in City leadership.

MOTION CARRIED BY UNANIMOUS VOTE.

JOINT COUNCILMEMBER REPORTS: None

GENERAL INFORMATION ITEMS FOR DISCUSSION: None

ORDINANCES: FIRST READING

22. Introduction of an Ordinance Amending Chapter 3.20 of the El Cajon Municipal Code for Bidding and Written Contracts

RECOMMENDATION:

That the City Council considers approving an Ordinance amending Chapter 3.20 of the El Cajon Municipal Code ("ECMC") related to Bidding and Written Contracts and, if approved, take the following actions:

1. By Motion, Second and Vote, moves to introduce the Ordinance; and
2. Directs the City Clerk to read the title of the Ordinance.

DISCUSSION

City Attorney Foley provided a summary of the Item.

ORDINANCES: FIRST READING (Item 22 - Continued)

Discussion ensued among Council and Staff concerning the following:

- Bidding process;
- City Manager's authority to approve Public Works projects up to \$75,000; and
- Competitive solicitations.

No further comments were offered.

MOTION BY KENDRICK, SECOND BY McCLELLAN, to INTRODUCE the Ordinance.

MOTION CARRIED BY UNANIMOUS VOTE.

The City Clerk recited the title of the Ordinance.

**AN ORDINANCE AMENDING CHAPTER 3.20 OF
TITLE 3 OF THE EL CAJON MUNICIPAL CODE
ADDRESSING BIDDING AND WRITTEN CONTRACTS**

ORDINANCES: SECOND READING AND ADOPTION – None

CLOSED SESSIONS:

RECOMMENDATION: That the City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency adjourned Closed Session as follows:

23. Closed Session - Conference with Legal Counsel - Existing Litigation - pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9: Mike Murphy and Joshua Pittsley, et al. vs. City of El Cajon, et al., United States District Court, Southern District of California Case No. 18-CV-0698-JM-NLS

MOTION BY WELLS, SECOND BY McCLELLAN, to ADJOURN to Closed Session at 5:11 p.m.

MOTION CARRIED BY UNANIMOUS VOTE.

CLOSED SESSIONS: (Continued)

RECONVENE TO OPEN SESSION AT 5:20 P.M.

City Attorney Foley reported the following actions:

- Motion by Mayor Wells, second by Deputy Mayor Goble and by unanimous vote, to authorize City Manager Mitchell to sign the settlement agreement on behalf of the City.

Adjournment: Mayor Wells adjourned the Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency held this 11th day of June 2019, at 5:20 p.m., to Tuesday, June 11, 2019, at 7:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary

D R A F T

JOINT MEETING OF THE EL CAJON CITY COUNCIL/HOUSING AUTHORITY/SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY



MINUTES

CITY OF EL CAJON EL CAJON, CALIFORNIA

June 11, 2019

An Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/ Successor Agency to the El Cajon Redevelopment Agency, held Tuesday, June 11, 2019, was called to order by Mayor/Chair Bill Wells at 7:00 p.m., in the Council Chambers, 200 Civic Center Way, El Cajon, California.

ROLL CALL

Council/Agencymembers present:	Kendrick, McClellan and Ortiz
Council/Agencymembers absent:	None
Deputy Mayor/Vice Chair present:	Goble
Mayor/Chair present:	Wells
Other Officers present:	Mitchell, City Manager/Executive Director DiMaggio, Assistant City Manager Foley, City Attorney/General Counsel Cortez, City Clerk/Secretary

PLEDGE OF ALLEGIANCE TO FLAG led by Mayor Wells and **MOMENT OF SILENCE.** (The Courts have concluded that sectarian prayer, as part of City Council Meetings, is not permitted under the Constitution).

AGENDA CHANGES: None

PUBLIC COMMENTS: None

PUBLIC HEARINGS:

100. Deemed Approved Lodging Establishment Ordinance - Zoning Code Amendment No. 436

RECOMMENDATION:

That the City Council:

1. Opens the public hearing and receives testimony;
2. Closes the public hearing;
3. Moves to ADOPT the next Resolution, in order, APPROVING the Common Sense CEQA exemption;
4. Moves to INTRODUCE the next Ordinance, in order, APPROVING Zoning Code Amendment No. 436; and
5. Requests that the City Clerk read the Ordinance by title only.

DISCUSSION

Community Development Director, Anthony Shute, provided detailed information of the Item.

Discussion ensued among Council and Staff concerning the following:

- Availability of closed circuit television in common areas of hotels/motels for police investigation needs;
- Inspections to be conducted on an annual basis; and
- Monitor validity of calls for service.

Mayor Wells opened the public hearing.

No one came forward to speak.

MOTION BY WELLS, SECOND BY KENDRICK, to CLOSE the Public Hearing.

MOTION CARRIED BY UNANIMOUS VOTE.

MOTION BY KENDRICK, SECOND BY McCLELLAN, to ADOPT Resolution No. 059-19, and approve the Common Sense CEQA exemption.

MOTION CARRIED BY UNANIMOUS VOTE.

PUBLIC HEARINGS: (Item 100 - Continued)

MOTION BY KENDRICK, SECOND BY McCLELLAN, to INTRODUCE the Ordinance, and approve Zoning Code Amendment No. 436.

MOTION CARRIED BY UNANIMOUS VOTE.

The City Clerk recited the title of the Ordinance.

AN ORDINANCE ADDING CHAPTER 17.212
TO TITLE 17 OF THE EL CAJON MUNICIPAL CODE
TO ESTABLISH STANDARDS TO BE DEEMED APPROVED
FOR EXISTING LODGING ESTABLISHMENTS

ADJOURNMENT: Mayor Wells adjourned the Adjourned Regular Joint Meeting of the El Cajon City Council/Housing Authority/Successor Agency to the El Cajon Redevelopment Agency, held this 11th day of June, 2019, at 7:16 p.m., to Tuesday, June 25, 2019, at 3:00 p.m.

ANGELA L. CORTEZ, CMC
City Clerk/Secretary



City Council
Agenda Report

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Award of Bid No. 009-20 – Publication of Legal Notices

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to award the bid to the lowest responsive, responsible bidder, East County Gazette, in the estimated amount of \$7,800.00.

BACKGROUND:

In accordance with Public Contract Code section 20169, the City is to publish a notice inviting bids for the publication of legal notices on an annual basis. The intent of this bid is to furnish City legal notice publications and other public printing for various City departments in accordance with the Public Contract Code and the Government Code. The first advertisement date was May 16, 2019. Two responses were received and opened at 2:00 p.m. on June 4, 2019.

Pricing is based upon column-inches of advertising, and the bid is based upon an estimated aggregate of 1,200 inches of advertising. Actual inches of advertising may fluctuate as needs dictate.

Staff recommends award of the bid to the lowest responsive, responsible bidder, East County Gazette, in the amount of \$7,800. The summary of bids is below and complete proposals are on file in the Purchasing Division.

FISCAL IMPACT:

The fiscal impact of this service is \$7,800. Sufficient funds are included in the proposed Fiscal Year 2019-20 budget requests of the respective departments that advertise, contingent upon City Council approval.

Prepared By: Nahid Razi, Purchasing Agent
Reviewed By: Angela Cortez, City Clerk
Approved By: Graham Mitchell, City Manager

Attachments

Bid Summary
Resolution



City of El Cajon Purchasing Division

Bid Summary

Bid No. 009-20 – Publication of Legal Notices

Bidder	Bid Amount
East County Gazette (El Cajon, CA)	\$7,800*
California Newspaper Service/Daily Journal Corp. (San Diego, CA)	\$9,900

*RECOMMEND AWARD

RESOLUTION NO. __-19

RESOLUTION AWARDING BID FOR
PUBLICATION OF LEGAL NOTICES
(Bid No. 009-20)

WHEREAS, California Public Contract Code section 20169 provides that in cities where there is more than one newspaper of general circulation printed and published, the legislative body must annually, before the beginning of each fiscal year, publish a notice inviting bids, and contract for the publication of legal notices required to be published in such a newspaper; and

WHEREAS, there is more than one newspaper of general circulation printed and published in the City of El Cajon; and

WHEREAS, in compliance with Public Contract Code section 20169, the City Council did cause a notice inviting bids and contract for the publication of legal notices required to be published in newspapers of general circulation printed and published in the City of El Cajon for two (2) consecutive weeks; and

WHEREAS, the Invitation to Bid for Publication of Legal Notices was posted on the City's website on May 16, 2019, and two (2) responses were received and publicly opened at 2:00 p.m. on June 4, 2019; and

WHEREAS, pricing is based upon column-inches of advertising, and the bid is based upon an estimated aggregate of 1,200 inches of advertising, but more or fewer inches of advertising may be used as needs dictate; and

WHEREAS, the bids submitted for the annual contract for publication of legal notices as required by various City departments met the necessary requirements; and

WHEREAS, Purchasing, in concurrence with the City Clerk, recommends award of the bid to the lowest responsive, responsible bidder; and

WHEREAS, the City Council believes it to be in the best interests of the City to award the contract to the lowest responsive, responsible bidder.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The City Council does hereby reject any other bids and proposals except that herein mentioned, and awards the bid for the Publication of Legal Notices to:

East County Gazette

in the estimated amount of \$7,800.00.

2. The Mayor and City Clerk are authorized and directed to execute a contract for said project on behalf of the City of El Cajon.

06/25/19 CC Agenda

Bid 009-20 - Publication of Legal Notices award (East County Gazette) 061919



City Council
Agenda Report

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Nahid Razi, Purchasing Agent
SUBJECT: Award of Bid No. 006-20 – Channel Repairs 2019

RECOMMENDATION:

That the City Council adopts the next Resolutions, in order, to:

1. Approve Plans and Specifications for Channel Repairs 2019, Bid No. 006-20; and
2. Award the bid to the lowest responsive, responsible bidder, New Century Construction, Inc. in the amount of \$294,660.00.

BACKGROUND:

The Channel Repairs 2019 project will include fencing and structural repairs to restore storm water flow in order to extend the useful life of the City's channels. Repairs will occur at the County Ditch, Forrester Creek, Broadway, and Washington channels. This project was advertised on April 4, 2019. Three responses were received and opened at 2:00 p.m. on May 20, 2019.

Staff recommends award of the bid to the lowest responsive, responsible bidder, New Century Construction, Inc., in the amount of \$294,660. The summary of bids is attached and complete proposals are on file in the Purchasing Division.

FISCAL IMPACT:

The fiscal impact of this project is \$294,660. Sufficient funds are included in the proposed Fiscal Year 2019-20 budget, contingent upon City Council approval: Channel Repairs 2019 (WW3653).

Prepared By: Nahid Razi, Purchasing Agent
Reviewed By: Dirk Epperson, Director of Public Works
Approved By: Graham Mitchell, City Manager

Attachments

Bid Summary
Reso-App Plans and Specs
Reso - Award



City of El Cajon Purchasing Division
Bid Summary

Bid No. 006-20 – Channel Repairs 2019

Bidder	Bid Amount
New Century Construction, Inc. (Lakeside, CA)	\$294,660**
Southwest General Engineering, Inc. (Riverside, CA)	\$296,301
Bosco Constructors, Inc. (Chatsworth, CA)	\$303,250

*RECOMMEND AWARD

ENGINEER'S ESTIMATE: \$301,600

RESOLUTION NO. __-19

RESOLUTION APPROVING
PLANS AND SPECIFICATIONS FOR
CHANNEL REPAIRS 2019
(Bid No. 006-20)

WHEREAS, the Director of Public Works has submitted plans and specifications for the Channel Repairs 2019 project (the "Project"); and

WHEREAS, it appears to be in the best interests of the City of El Cajon that the plans and specifications for the Project should be approved.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. That the plans and specifications submitted for the Project by the Director of Public Works are hereby approved and adopted as the official plans and specifications for said Project.

2. Said plans and specifications are directed to be filed in the office of the Director of Public Works of the City of El Cajon.

RESOLUTION NO. __-19

RESOLUTION AWARDING BID FOR
CHANNEL REPAIRS 2019
(Bid No. 006-20)

WHEREAS, on April 4, 2019, the City of El Cajon (the "City") advertised the Channel Repairs 2019 bid for repairs to be performed at the County Ditch, Forrester Creek, Broadway and Washington Channels (the "Project"); and

WHEREAS, three (3) responses were received and opened at 2:00 p.m. on May 20, 2019; and

WHEREAS, the Purchasing Division, in concurrence with the Director of Public Works, recommends award of the bid to the lowest responsive, responsible bidder, New Century Construction, Inc., in the total amount of \$294,660.00; and

WHEREAS, the City Council believes it to be in the best interests of the City to award the contract to the lowest responsive, responsible bidder as recommended by the Purchasing Division.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby rejects all other bids and proposals except that herein mentioned, and awards the bid to the lowest responsive, responsible bidder as follows:

New Century Construction, Inc.

in the total amount of \$294,660.00.

3. The Mayor and City Clerk are authorized and directed to execute a contract for said Project on behalf of the City of El Cajon.



City Council Agenda Report

Agenda Item 6.

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Graham Mitchell, City Manager
SUBJECT: Fiscal Year 2019-20 Annual City, Housing Authority, and Successor Agency Budgets

RECOMMENDATION:

That the City Council, Housing Authority, and the City of El Cajon as Successor Agency to the former Redevelopment Agency hold a joint public hearing to consider the Fiscal Year 2019-20 Proposed Budgets. After closing the public hearing, staff recommends the following:

1. Acting as the City Council, individually adopt the following:
 - a. Resolution of the City of El Cajon Adopting the Fiscal Year 2019-20 Annual Budget.
 - b. Resolution Approving and Adopting the Annual Appropriations Limit for Fiscal Year 2019-20.
 - c. Resolution Approving Designation of General Fund Balances.
2. Acting as the Housing Authority Board of Directors, adopt Resolution titled: Resolution of the El Cajon Housing Authority Adopting the Fiscal Year 2019-20 Budget.
3. Acting as the Successor Agency to the former Redevelopment Agency Board of Directors, adopt Resolution titled: Resolution of the City Council of the City Of El Cajon as the Successor Agency to the former El Cajon Redevelopment Agency Adopting the Fiscal Year 2019-20 Budget.

BACKGROUND:

Presented for adoption are the Fiscal Year 2019-20 Budgets for the City, Housing Authority, and the Successor Agency to the former Redevelopment Agency. Prior to the regular City Council meeting on June 11, 2019, the City Council held an Advisory Meeting to review and discuss the budgets with staff and the community. After today's public hearing, it is recommended that the City Council/Board approve City, Housing Authority, and Successor Agency resolutions to adopt the Fiscal Year 2019-20 Budgets and the City's Annual Appropriations Limit for Fiscal Year 2019-20.

The Successor Agency budget and a Recognized Obligations Payment Schedule (ROPS) must be prepared by the Successor Agency and presented to the Oversight Board and State Department of Finance for approval. The annual budget and ROPS for Fiscal Year 2019-20 was approved by the Oversight Board on January 17, 2019, and subsequently submitted to the State and County Auditor-Controller for allocation of funding.

FISCAL IMPACT:

Appropriations totaling \$186,096,324 will be established for City of El Cajon and Housing Authority funds in addition to \$4,724,088 for the Successor Agency of the former El Cajon Redevelopment Agency.

Prepared By: Clay Schoen, Director of Finance

Reviewed By: N/A

Approved By: Graham Mitchell, City Manager

Attachments

Reso-City Budget

Reso-Housing

Reso-Successor Agcy

Reso-Annual Approp

Reso-Designation Fnds

RESOLUTION NO. __-19

RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF EL CAJON ADOPTING THE
FISCAL YEAR 2019-2020 ANNUAL BUDGET

WHEREAS, the City Council of the City of El Cajon has held a special meeting on June 11, 2019, to review the proposed 2019-2020 annual budget, and to accept public comments to the proposed budget; and

WHEREAS, on June 25, 2019, the City Council further held a public hearing to accept additional testimony, both oral and written, related to the proposed 2019-2020 annual budget; and

WHEREAS, the annual budget includes all City grants and annual capital improvement budgets; and

WHEREAS, copies of the budget have been provided on the City's website, at various City Hall locations, and made available to the public.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

The City Council does hereby approve and adopt the City of El Cajon budget titled *City of El Cajon Annual Budget 2019-2020*, incorporated herein by reference.

06/25/19 CC Agenda

Reso Budget – Adopt City FY 19-20 Budget 061319

RESOLUTION NO. ECHA-__

RESOLUTION OF THE EL CAJON HOUSING AUTHORITY
APPROVING THE FISCAL YEAR 2019-2020 BUDGET

WHEREAS, on March 9, 2011, the City Council for the City of El Cajon (the "City Council") established the El Cajon Housing Authority (the "Housing Authority") in order to transfer the affordable housing functions of the Agency, to the Housing Authority; and

WHEREAS, the Housing Authority anticipates the periodic return of Low- and Moderate-Income Housing Asset Funds through the repayment of outstanding Agency contracts, loans, other receivables, release of unencumbered reserve balances approved by the Oversight Board, or other sources borrowed or generated by the Housing Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE EL CAJON HOUSING AUTHORITY BOARD OF DIRECTORS AS FOLLOWS:

1. The foregoing recitals are true and correct and constitute findings of the Housing Authority Board of Directors.

2. The Housing Authority Board of Directors hereby further finds and determines that the planning and administrative costs paid with Low and Moderate Housing Asset Funds or other funds as may be received, as described in the Low- and Moderate-Income Housing Asset Fund Administration and Capital Improvement Budgets are necessary for the production, improvement or preservation of low- and moderate-income housing as required by subdivision (d) of section 33334.3 or 34200 *et seq.* of the California Health and Safety Code.

3. The Housing Authority Board of Directors hereby further finds and determines that the acquisition/development of properties to be owned by or assisted by the Authority, assistance to Low- and Moderate-Income Households and improvements to properties, including the California Dream First-Time Homebuyer Program, the Rapid Re-housing and Homelessness Project, the Cornerstone Place project, the 812-816 Grossmont project, the Housing Authority Development and Revitalization Project, and the Acquisition/Rehab/New Construction project are of benefit to the project area by helping to eliminate both physical and economic blight by producing and/or replacing affordable housing units, renovating facilities with substandard, defective or obsolete design or construction, and stimulating economic activity.

4. The Housing Authority Board of Directors hereby further finds and determines that no other reasonable means of financing the proposed activities are available to the community to fund these projects at this time.

5. The Fiscal Year 2019-2020 Low and Moderate-Income Housing Asset Fund Budget, including the Administration and Capital Improvement Budget included in the City of El Cajon fiscal year 2019-2020 annual budget, incorporated herein by reference, is hereby approved.

RESOLUTION NO. __-19

RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL CAJON
AS THE SUCCESSOR AGENCY TO THE
EL CAJON REDEVELOPMENT AGENCY
ADOPTING THE FISCAL YEAR 2019-2020 BUDGET

WHEREAS, the City of El Cajon formed the El Cajon Redevelopment Agency (the "Agency"), which has continuously engaged in redevelopment activities under the Community Redevelopment Law (Health and Safety Code sections 33000 *et seq.*) (the "Redevelopment Law"); and

WHEREAS, Assembly Bill 1X 26 (the "Dissolution Act") was enacted on June 28, 2011, to significantly modify the Redevelopment Law; and

WHEREAS, the Dissolution Act dissolved all redevelopment agencies in the state of California, including the El Cajon Redevelopment Agency, effective February 1, 2012; and

WHEREAS, section 34173 of the Redevelopment Law, as amended by the Dissolution Act, provides that the City, as the agency authorizing the creation of the Agency, is the successor entity to the Agency upon its dissolution (the "Successor Agency"), and is responsible for those obligations set forth in section 34177 of the Redevelopment Law, which include collecting obligations to the Agency, disposing of assets, winding down the affairs of the Agency, and otherwise performing such functions as required under the Dissolution Act; and

WHEREAS, the San Diego Countywide Redevelopment Successor Agency Oversight Board adopted a Recognized Obligation Payment Schedule ("ROPS") for expenditures for the period of July 1, 2019 through June 30, 2020 on January 17, 2019; and

WHEREAS, in order for the Successor Agency to act as contemplated herein the Agency must adopt an operating budget for the Fiscal Year 2019-2020 of \$4,724,088 for the Successor Agency; and

WHEREAS, the proposed budget is based on the anticipated level of responsibilities transferred to the Successor Agency; and

WHEREAS, the absence of any particular contract or other obligation, from a ROPS does not in any way waive the legal rights of the City of El Cajon to challenge the purported validity of such contracts or obligations under the Dissolution Act.

NOW, THEREFORE, BE IT RESOLVED BY THE EL CAJON CITY COUNCIL AS FOLLOWS:

Section 1. Recitals. The above recitals are true and correct.

Section 2. Approval of Budget. The City Council, solely in its capacity as the Successor Agency, hereby approves the operating budget of \$4,724,088 for the Fiscal Year 2019-2020.

Section 3. Appropriations. The appropriations listed in Exhibit "A," establishing the operating and project administrative budgets for the City of El Cajon as Successor Agency to the former El Cajon Redevelopment Agency, consistent with the ROPS for the period of July 1, 2019 through June 30, 2020, are to be made.

06/25/19 CC Agenda

Reso Budget – Adopt Successor Agency FY 19-20 Budget 061319

EXHIBIT "A"

SUCCESSOR AGENCY TO THE EL CAJON REDEVELOPMENT AGENCY PROPOSED BUDGET FISCAL YEAR 2019-20

Activity/Project		Total Fiscal Year 2019-20
<u>Other Funds</u>		
702000	Hazardous Materials Testing-Park & Ballantyne	\$ 100,000
<u>RPTTF - Non Administrative</u>		
701100	Successor Agency Debt Service	\$ 4,474,088
<u>RPTTF - Administrative</u>		
701110	Successor Agency Administration	\$ 150,000
Total Fiscal Year 2019-20 Budget		\$ 4,724,088

RESOLUTION NO. __-19

RESOLUTION APPROVING AND ADOPTING THE
ANNUAL APPROPRIATIONS LIMIT FOR
FISCAL YEAR 2019-2020

WHEREAS, Article XIII (B) of the State Constitution places various limitations on the appropriations of the state and local governments; and

WHEREAS, Article XIII (B) provides that the appropriations limit for the fiscal year 2019-2020 is calculated by adjusting the appropriations of the fiscal year 2018-2019 for changes in the price and population; and

WHEREAS, the information necessary for making these adjustments is attached in Exhibit "A," and made a part hereof; and

WHEREAS, the City of El Cajon has complied with all of the provisions of Article XIII (B) in determining the appropriations limit for fiscal year 2019-2020.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

That the appropriations subject to limitations in fiscal year 2019-2020 shall be \$166,883,786 for the City of El Cajon.

06/25/19 CC Agenda

Reso Budget – Annual Appropriations Limit for FY 19-20 Budget 061819

EXHIBIT "A"

DETERMINATION OF 2019-2020 APPROPRIATIONS LIMIT CONSTITUTIONAL SPENDING LIMITS

Article XIII (B) of the California Constitution provides that the City's annual appropriations be subject to certain State limitations. This appropriations limit is often referred to as the Gann Limitation. The City's limitation is calculated each year and is established by a resolution of the City Council as a part of the Annual Operating Budget.

The Article XIII (B) limitation for Fiscal Year 2019-2020 is \$166,883,786. The Gann spending limitation is calculated by taking the prior year's limitation of \$159,865,652 and adjusting it by the growth factor in the California Per Capita Personal Income and change in the population within the County of San Diego.

The Article XIII (B) limitation is not a restricting factor for the City of El Cajon due to the population growth during the past several years.

Basic References:

- (1) City of El Cajon Resolution No. 072-18 (established 2018-2019 appropriations limit)
- (2) Article XIII (B), State Constitution, as implemented by SB 1352 of 1980 and amended by Proposition 111 and SB 88 of 1990
- (3) "Price and Population Data for Local Jurisdictions," Department of Finance, State of California, May 2019

Raw Data:

California per Capita Personal Income	Non-Residential New Construction	Population Growth County of San Diego	Population Growth City of El Cajon
3.85%	*	.52%	.29%
CORRECTED APPROPRIATIONS LIMIT 2018-2019			= \$159,865,652

Calculation:

$$2019-2020 \quad 1.0385 \times 1.0052 = 1.0439002 \times \$159,865,652 = \$166,735,004$$

* Unavailable at this time.

RESOLUTION NO. __-19

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL CAJON APPROVING
DESIGNATION OF GENERAL FUND BALANCES

WHEREAS, maintaining appropriate levels of fund balance, commonly referred to as reserves, is a critical component of sound financial management and fiscal security; and

WHEREAS, the practice of maintaining reserves was formalized by El Cajon City Council adoption of the Fund Balance City Council Policy B-12 ("CCP B-12") on June 14, 2011, and reinforced by the Pension Reform and Fiscal Responsibility Plan Resolution No. 47-13 adopted on April 9, 2013 ("Resolution 47-13"); and

WHEREAS, by implementation of CCP B-12 and Resolution 47-13, as well as subsequent annual budgets, the following reserve accounts have been established and maintained at various levels:

1. Carryover Reserve (Unassigned Fund Balance): Funded by revenues received in excess of expenditures, and available for future appropriation;
2. Designated for Economic Uncertainty (Assigned Fund Balance): Established for the purpose of stabilizing delivery of City services during periods of structural budget deficits and to mitigate the effects of major economic uncertainties resulting from unforeseen changes in revenues and/or expenditures;
3. Designated for Unfunded PERS/Retirement Obligations (Assigned Fund Balance): Due to increasing retirement contribution rates to CalPERS and unfunded pension obligations, the City Council approved the Pension Reform and Fiscal Responsibility Plan, which includes making periodic additional payments to CalPERS, whenever fiscally prudent; and
4. Operating Reserve (Committed Fund Balance): A long-standing reserve established as 20% of annual expenditures for two purposes (1) to provide General Fund cash flow; and (2) to serve as a reserve of last resort against unexpected events or risks outside the City's control; and

WHEREAS, over the past several years the General Fund has outperformed its budget due to conservative stewardship and increased operational efficiencies as shown below:

Fiscal Year	Increase/(Decrease)
2013-14	1,507,086
2014-15	2,320,130
2015-16	5,908,183
2016-17	3,540,543
2017-18	9,612,729
Total Growth	\$22,888,671

WHEREAS, from time to time it becomes necessary to adjust reserve balances to reflect both changing economic conditions, as well as advance the City Council's commitment to sound financial management; and

WHEREAS, at the completion of Fiscal Year 2017-2018 the General Fund had reserves totaling \$48.7 million, as detailed below:

Reserve Account	Balance
Carryover Reserve	\$18,226,607
Designated for Economic Uncertainty	6,500,000
Reserve for Unfunded PERS/Retirement Obligations	8,000,000
Operating Reserve (20% of Expenditures)	<u>15,939,481</u>
Total General Fund Reserve Balance	\$48,666,088

WHEREAS, the General Fund Carryover Reserve is currently 24.9% or approximately three (3) months of operating expenditures, which exceeds current requirements, and allows the opportunity to redirect funds to meet future City needs.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct, and are the findings of the City Council.
2. The City Council hereby approves the designation of general fund balances as set forth in the table above, to better prepare the City of El Cajon for future financial challenges.
3. The City Manager and the Director of Finance are hereby authorized to designate general fund balances to balance reserve accounts as herein approved.

06/25/10 CC Agenda

Reso Budget – Approve Designation of General Fund Balances FY 19-20 061819



City Council Agenda Report

Agenda Item 7.

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Dirk Epperson, Director of Public Works
SUBJECT: East County Advanced Water Purification Program Interim Funding Agreement

RECOMMENDATION:

That the City Council adopts the next Resolution, in order, to:

1. Approve the East County Advanced Water Purification Program Interim Funding Agreement (IFA) between City of El Cajon, Padre Dam Municipal Water District, the County of San Diego (through its San Diego County Sanitation District), and Helix Water District;
2. Authorize the City Manager to execute the IFA; and
3. Appropriate \$430,000.00 from the City's Wastewater Fund for the fair share contribution to final program development costs for the East County Advanced Water Purification Program.

BACKGROUND:

Since 2014, the City has been participating with Padre Dam Municipal Water District, San Diego County Sanitation District, and Helix Water District to explore the feasibility of the East County Advanced Water Purification Program (Program). The Program aims to offload wastewater generated by the region to a treatment facility, which will create a new, local, sustainable, and drought-proof drinking water supply.

Padre Dam completed a planning study that evaluated the feasibility of developing the Program in 2014. Since then, Padre Dam, Helix Water, San Diego County, and the City have entered into two Memorandums of Understanding to further investigate this potential regional project. Over the past year, the parties have studied the financial viability of the Program, CEQA requirements, and potential governance structures of a potential joint powers authority (JPA). The parties acknowledged that prior funds committed were exhausted and that there is a collective desire to continue with project development. The development of an Interim Funding Agreement (IFA) memorializes the commitment of the parties to continue with all necessary tasks for further implementation of the Program. Some of the tasks addressed in the IFA include the completion of final engineering, permitting, and financing plans, as well as drafting the governance and service agreements required to implement the Program. Upon successful completion of these tasks, the agencies will independently consider forming a JPA, which would finance, construct, and operate the proposed Program. City staff will present a request to the City Council to form the JPA and implement the Program at a future date.

The IFA includes estimated Program development costs of up to \$9.4M with each of the four participating agencies responsible for an equal share of up to \$2.35M to be partially covered by an initial cash contribution of up to \$430,000.00. This will cover un-reimbursable funding application fees for the Water Infrastructure Finance and Innovation Act (WIFIA) and State Revolving Fund (SRF) funding and the remaining will be rolled into the WIFIA and SRF loans, if successful.

Padre Dam will administer and manage the Program development work. To the greatest extent possible, the Program will fund development costs through previously awarded grants, low interest loans, and other available sources on behalf of the parties.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

CEQA Guidelines section 15262 statutorily exempts feasibility and planning studies for possible future actions that the agency, board or commission has not approved, adopted, or funded. The proposed interim funding agreement structures contributing funds to further the work necessary to determine if the Advanced Water Purification Program is feasible. If the Program is determined to be feasible and agreements between the participating agencies result in moving forward with the Program, Padre Dam will be the lead agency and, in regards to CEQA, all necessary environmental analysis will be conducted prior to project approval.

FISCAL IMPACT:

The City of El Cajon's portion for participation in the IFA is up to \$430,000 from the City Wastewater Enterprise Fund. Fiscal Year 2020 Budget includes \$430,000.00 in account [650710-8530](#) Contributions - Padre Dam IFA (Ineligible SRF+WIFIA).

Prepared By: Dirk Epperson, Director of Public Works

Reviewed By: Vince DiMaggio, Assistant City Manager

Approved By: Graham Mitchell, City Manager

Attachments

IFA

Term Sheet

Reso-EC Water Purification

**EAST COUNTY ADVANCED WATER PURIFICATION
INTERIM FUNDING AGREEMENT**

This INTERIM FUNDING AGREEMENT (this “Agreement”) is made and entered into this _____ day of _____, 2019, by and among the CITY OF EL CAJON, a municipal corporation (“El Cajon”), the HELIX WATER DISTRICT, an irrigation district (“Helix”), the PADRE DAM MUNICIPAL WATER DISTRICT, a municipal water district (“Padre Dam”), and the SAN DIEGO COUNTY SANITATION DISTRICT, a county sanitation district (“Sanitation District”). El Cajon, Helix, Padre Dam, and the Sanitation District are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

RECITALS

- A. In 2016, the Parties jointly completed the East County Advanced Water Purification Program Planning Study (“Planning Study”). Since completion of the Planning Study, the Parties have further studied and taken steps to implement the East County Advanced Water Purification Program (“Program”), a project intended to treat wastewater and provide recycled water and advanced treated water as an additional source of drinking water for East San Diego County.
- B. Prior to the execution of this Agreement, the Parties contributed funds for the preliminary development phase of the Program, including, but not limited to, studies, design, and environmental review.
- C. The Parties desire to continue to conduct additional engineering, environmental, regulatory compliance, financial analysis, project outreach studies and activities, and other administrative tasks necessary to implement the Program and determine each Party’s participation in the Program.
- D. The Parties acknowledge that prior funds provided by El Cajon, Helix, and the Sanitation District for Program development costs to Padre Dam were exhausted prior to the Effective Date of this Agreement and that Padre Dam has temporarily incurred such Program costs on behalf of the other Parties.
- E. The Parties have negotiated and are in general agreement regarding a Term Sheet Addendum on Product Water Pricing. The Parties’ general agreement on the Term Sheet Addendum is the basis for continuing with Program implementation activities.
- F. The Parties wish to continue with Program implementation activities and therefore desire, pursuant to the terms and conditions of this Agreement: (1) to fund Program development costs incurred after April 1, 2019; and (2) to identify how such costs will be paid.

AGREEMENT

NOW THEREFORE, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Parties agree as follows:

1. **Recitals.** The Recitals set forth above are true, correct, and incorporated herein.
2. **Definitions.** Unless the context requires otherwise, the words and terms defined in this Section 2 shall, for the purposes of this Agreement, have the meanings herein specified.
 - 2.1 Agreement means this Interim Funding Agreement.
 - 2.2 Authority means the joint powers agency that may be established by El Cajon, Padre Dam, and the Sanitation District for the purpose of financing, designing, constructing, and operating the Project.
 - 2.3 Effective Date means the date on which the last Party to execute this Agreement affixed its signature.
 - 2.4 Final Investment Decision Date means December 31, 2021, the Parties' deadline for execution of the Service Contracts. The Final Investment Decision Date may be extended in writing by the Parties. A written extension not to exceed one (1) year may be approved and signed by the City Manager of El Cajon, General Manager of Helix, General Manager of Padre Dam, and the Director of the County Department of Public Works of the Sanitation District, or their respective designees. The Final Investment Decision Date may be further extended in writing if approved by the governing bodies of all of the Parties.
 - 2.5 Interim Development Costs shall have the meaning set forth in Section 4.1.
 - 2.6 Interim Work includes the following tasks: (1) engineering studies; (2) pre-design documents; (3) environmental compliance and project permitting; (4) geotechnical and surveying; (5) permitting and regulatory coordination; (6) financial support, analysis and modeling; (7) project delivery and procurement strategies; (8) management and administration support; (9) communications and stakeholder outreach support; (10) development of Project governance structures and agreements; (11) financing-related costs; and (12) preparation and issuance of RFQs and RFPs for project delivery.
 - 2.7 NTE Amount means \$9.4 million, which is the estimated total of Interim Development Costs before interest. Interest charges are further discussed in Section 4.1.
 - 2.8 Product Water means water produced by the Project that meets all state requirements for surface water augmentation and any supplemental water quality requirements agreed to by the Authority as necessary and appropriate for delivery to a drinking water reservoir.
 - 2.9 Project means any devices, equipment, plants and systems used in the conveyance, storage, treatment, recycling, reclamation, and advanced treatment of wastewater, including all treatment facilities, sub-regional facilities, drying beds, percolation ponds, utility installations, power co-generation facilities, and related

appurtenances, extensions, improvements, remodeling, additions and alterations thereof, and any works, including site acquisition of the land that will be an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment. The Project includes the following components:

- 2.9.1 The Advanced Water Purification Plant, which includes those facilities required to treat recycled water to indirect potable reuse standards for surface water augmentation, and includes facilities providing pre-osmosis treatment, reverse osmosis, and concentrate disposal. This term does not include those facilities that have been identified as Wastewater Treatment Plants and/or facilities required to generate Title 22 compliant irrigation water.
- 2.9.2 Product Water Conveyance System means the conveyance system that will be adequate to transport and deliver Product Water to the Product Water delivery point as specified by separate agreement.
- 2.9.3 Regional Collection System means intercepting sewers, outfall sewers, and wastewater collection and conveyance systems owned and operated by the Authority (not including the Member Agencies' sewer systems) for the purpose of collecting and delivering wastewater from the Member Agencies' sewer systems to the Project and associated pumping stations and other equipment and their appurtenances, extensions, improvements, remodeling, additions, and alterations thereof.
- 2.9.4 Wastewater Treatment Plant(s) means the existing Ray Stoyer Water Reclamation Facility, which includes primary, biological secondary, and tertiary wastewater treatment facilities, as well as additional facilities for primary and secondary treatment to be constructed as part of the Project.
- 2.10 Service Contracts means those written agreements through which the Authority and the Parties will provide for the conveyance, treatment and disposal of wastewater; the production, purchase, and sale of Product Water; and the production, purchase, and sale of Title 22 Water; and which together will provide sufficient long-term funding for the Project and the Authority. Service Contracts means all of the following:
 - 2.10.1 Wastewater Services Agreement among the Authority, El Cajon, Padre Dam, and the Sanitation District for the conveyance, treatment, and disposal of wastewater by the Project.
 - 2.10.2 Product Water Purchase Agreement between the Authority and Helix for the purchase and sale of Product Water produced by the Project. The Parties anticipate that Helix and Padre Dam will enter into a Potable Water Purchase Sub-Agreement under which Padre Dam will purchase potable water from Helix.

2.10.3 Title 22 Water Purchase Agreement between the Authority and Padre Dam for the purchase and sale of Title 22 Water produced by the Project.

2.11 SRF Loan means that certain Clean Water State Revolving Fund (“SRF”) loan received by Padre Dam for the Project in the amount of \$101,200,000, or such additional SRF loan amount(s) that may be received by Padre Dam in relation to the Project.

2.12 Title 22 Water means water produced by the Project that meets all state requirements for a direct beneficial use that is in compliance with Title 22, Division 4 of the California Code of Regulations, as may be amended from time to time.

2.13 Term shall have the meaning set forth in Section 3.

3. **Term; Withdrawal.**

3.1 Term. This Agreement shall begin on the Effective Date and shall continue until the Authority awards one or more bids for the design and construction of a majority of the Project, or until the NTE Amount has been reached, whichever is earlier (the “Term”). Notwithstanding, the Parties expressly acknowledge and agree that any repayment obligations arising under this Agreement shall survive the expiration of the Term.

3.2 Withdrawal. Any Party may withdraw from this Agreement during the Term by giving written notice of its intent to withdraw thirty (30) calendar days prior to the effective date of withdrawal to each of the other Parties; provided, however, that upon withdrawal, the withdrawing Party shall be obligated to pay any Interim Development Costs incurred or owed prior to the effective date of withdrawal. In the event of withdrawal, the remaining Parties shall share any further Interim Development Costs incurred after the effective date of withdrawal in equal shares.

4. **Interim Development Costs.**

4.1 Contributions for Interim Development Costs. The Parties acknowledge and agree that during the Term of this Agreement, Padre Dam will incur certain costs related to performance of the Interim Work. Costs for such activities shall be known as “Interim Development Costs.” A further description and estimate of Interim Development Costs is attached hereto and incorporated herein as Exhibit A. The Parties shall be collectively responsible for all Interim Development Costs, including any interest charges applied by an outside funding source or financial institution, including, but not limited to, the SRF Loan or a line of credit. The Parties shall be obligated to fund Interim Development Costs in the following proportions:

El Cajon: 25%

Helix: 25%

Padre Dam: 25%

County Sanitation: 25%

The Parties acknowledge and agree that Padre Dam has, between April 1, 2019 and the Effective Date, performed certain Interim Work activities necessary to the further development of the Program. Such costs shall be considered Interim Development Costs for purposes of this Agreement, and the other Parties agree to reimburse Padre Dam for such costs in the same proportions as set forth above. Notwithstanding anything to the contrary in this Agreement, the Parties shall not be liable for any Interim Development Costs in excess of their share of the NTE Amount (with interest, if applicable) unless agreed to by the Parties in an amendment to this Agreement or a subsequent written agreement.

4.2 Methods for Providing Contributions.

4.2.1 Padre Dam shall use Title XVI grant funds, SRF Loan proceeds and other available funding sources, to the fullest extent allowed by law and the terms and conditions applicable to such sources, to fund Interim Development Costs on behalf of the Parties. To the extent certain Interim Development Costs may not be funded using these sources, the other Parties shall reimburse Padre Dam for such remaining Interim Development Costs. The Project Participants shall reimburse Padre Dam upon receipt of quarterly invoices from Padre Dam, which shall be paid within thirty (30) days of receipt.

4.2.2 If all of the Service Contracts are not executed by the Final Investment Decision Date, each Party shall pay to Padre Dam such Party's share of Interim Development Costs to repay any outstanding loans or other obligations incurred to fund the Project. The Parties shall make such payments to Padre Dam upon receipt of an invoice from Padre Dam, which shall be paid within thirty (30) days of receipt. The invoice shall include a list of the Interim Development Costs due pursuant to the invoice. Each Party may inspect records of costs and expenses pursuant to Section 8 below.

5. **Padre Dam Contract Authority for Interim Work.** The Parties acknowledge and agree that Padre Dam, as the day-to-day administrator of the Interim Work, will have contracting authority for professional services and other third party contracts necessary to carry out the Interim Work, including, but not limited to, management of procurement processes consistent with Padre Dam's Administrative Code and applicable law. Prior to the award of any professional services or other third party contracts necessary to carry out the Interim Work, Padre Dam will provide the other Parties with the opportunity to participate in the selection process of a competitive procurement and review and comment on the scope of work and proposed budget associated with the professional services or other third party contract prior to contract approval by Padre Dam. The parties acknowledge and agree that if formal action by a governing body is required to award a contract, the Padre Dam Board of Directors will be the

sole governing body to approve professional services and other third party contracts associated with carrying out the Interim Work. Pursuant to Sections 2.7 and 3.1 of this Agreement, Padre Dam's expenditure of Interim Development Costs, including costs for professional services or other third party contracts, shall not exceed the NTE Amount, unless authorized by an amendment to this Agreement signed by all of the Parties.

6. **Reimbursement at Close of Financing.** The Parties intend that the Authority will reimburse or credit each of the Parties for their respective shares of Interim Development Costs, and similar development costs associated with the Project dating from March 5, 2014. The reimbursement or credit will be paid from proceeds on bond sales by the Authority upon close of financing for the Project. Notwithstanding the above, this Section 6 is a non-binding statement of the Parties' intent, and the Parties intend that the reimbursement or credit will be specifically provided for pursuant to one or more of the Service Contracts, the joint powers agreement, or other separate agreement(s) among the Parties.

7. **Addition of Authority as a Party.** The Parties agree that following the establishment of the Authority, the board of directors of the Authority may adopt a resolution agreeing to become a Party to this Agreement for the purposes of taking over from Padre Dam the performance of Interim Work, expenditure of Interim Development Costs, and financing related thereto. Upon the adoption of such resolution and execution of a signature page substantially in the form attached hereto as Exhibit B, the Authority shall become a Party to this Agreement without further action of the other Parties. The Authority shall have the same rights and obligations as Padre Dam with regard to the performance of Interim Work and receiving contributions or repayment of any Interim Development Costs expended by the Authority pursuant to this Agreement. For the clarity of the Parties: El Cajon, Helix, Padre Dam, and Sanitation District shall remain responsible for their respective shares of Interim Development Costs as provided in this Agreement, and the Authority shall not assume responsibility for contributing to the payment of Interim Development Costs.

8. **Records.** Padre Dam shall keep appropriate records and properly account for all costs and expenses related to the Interim Development Costs, and any grants, loans, or other revenues received therefor. Padre Dam shall keep such records for at least four (4) years from the date of the expiration of this Agreement, or for any longer period required by law or outside funding sources. Padre Dam's records of costs and expenses shall be subject to inspection during regular business hours at Padre Dam's offices in San Diego County, California by any authorized representative of any other Party at its expense.

9. **Not a Commitment to Proceed with Project.** Nothing in this Agreement shall be construed or interpreted to constitute a commitment by any Party beyond the completion of Interim Work or a commitment to proceed with implementation of the Project or any phases of the Project or a commitment by any Party to treat or dispose of any other Party's wastewater or to provide Product Water or Title 22 Water to any other Party.

10. **Mutual Indemnification.** Each Party shall indemnify, defend, protect and hold harmless the other Parties, their elected officials, officers, agents, employees, successors and assigns, and contractors from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action,

suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs, and all other professional, expert or consultants' fees and costs) of every kind and nature whatsoever (each a "Claim" and collectively, "Claims") which may arise from or in any manner relate to: (1) any violation of the obligations of the indemnifying Party under this Agreement and (2) the negligent acts, omissions and/or willful misconduct of the indemnifying Party, its elected officials, officers, employees, agents, successors and assigns, or contractors. This Section 10 shall survive the expiration or termination of, or any withdrawal from, this Agreement.

11. **Miscellaneous Provisions.**

11.1 **Severability.** If any section, clause or phrase of this Agreement or the application thereof to any Party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to any other Party or to other persons or circumstances shall not be affected thereby. Each Party hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.

11.2 **Notices.** Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by regular United States mail, postage prepaid to the respective Parties, as follows:

EL CAJON:
City of El Cajon
200 Civic Center Way
El Cajon, CA 92020
Attn: Graham Mitchell, City Manager

HELIX:
Helix Water District
7811 University Avenue
La Mesa, CA 91941
Attn: Carlos Lugo, General Manager

PADRE DAM:
Padre Dam Municipal Water District
P.O. Box 719003
Santee, CA 92072
Attn: Allen Carlisle, General Manager

SANITATION DISTRICT:
San Diego County Sanitation District
5500 Overland Avenue, Suite 315
San Diego, CA 92123
Attn: Daniel Brogadir, Program Manager

The Parties may, from time to time, change the address for providing notice by providing written notice of the new address to the other Parties. Notices personally delivered at the address provided shall be deemed delivered when received. Notices provided by mail shall be deemed delivered five business days from deposit in the United States mail.

- 11.3 Other Obligations. The responsibilities and obligations of each Party to this Agreement shall be solely as provided in this Agreement or any amendments hereto executed in accordance with this Agreement.
- 11.4 Consent. Whenever in this Agreement or in any amendment thereto consent or approval is required, the same shall not be unreasonably withheld unless otherwise specified.
- 11.5 Other Agreements Not Prohibited. Other agreements by and between the Parties of this Agreement or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.
- 11.6 Assignment. The rights, titles and interests of any Party to this Agreement shall not be assignable or transferable without the consent of the governing body of each Party hereto, which consent shall not be unreasonably withheld.
- 11.7 Section Headings. The section headings herein are for convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.
- 11.8 Laws of California. This Agreement is made in the State of California, under the Constitution and laws of such State, and shall be construed and enforced in accordance with the laws of such State.
- 11.9 Construction of Language. It is the intention of the Parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- 11.10 Cooperation. The Parties recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement.
- 11.11 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

- 11.12 Integration. This Agreement, including the recitals and any exhibits hereto, constitutes the full and complete Agreement of the Parties with respect to the matters set forth herein, and supersedes all prior or contemporaneous understandings or agreements among the Parties with respect to the subject matter hereof.
- 11.13 Amendment. Except as otherwise may be provided in this Agreement, neither this Agreement nor any provision hereof may be modified or amended except by a written instrument signed by the Parties.
- 11.14 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.
- 11.15 No Third Party Beneficiaries. All of the covenants contained in this Agreement are for the express benefit of each and all such Parties. This Agreement is not intended to benefit any third parties, and any such third party beneficiaries are expressly disclaimed.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Parties have caused this Interim Funding Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below, making the same effective on the date signed by the last of all Parties hereto.

CITY OF EL CAJON

HELIX WATER DISTRICT

By: _____
Graham Mitchell, City Manager

By: _____
Carlos Lugo, General Manager

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

By: _____
Morgan L. Foley, City Attorney

By: _____
Elizabeth Hull, General Counsel

PADRE DAM MUNICIPAL WATER DISTRICT

SAN DIEGO COUNTY SANITATION DISTRICT

By: _____
Allen Carlisle, General Manager

By: _____
Clerk, Board of Supervisors

Date: _____

Date: _____

Approved as to Form:

Approved as to Form and Legality:

By: _____
Paula de Sousa Mills, General Counsel

By: _____
Thomas L. Bosworth, Sr. Deputy

EXHIBIT A

INTERIM DEVELOPMENT COSTS

Description and Estimate

The table below shows the estimated costs and budget for development activities determined by the Parties to be required until the awarding of one or more bids for the design and construction of a majority of the Project; this interim period is estimated to occur between April 1, 2019 and August 31, 2020. As seen in the table, the total estimated Interim Development Costs for such period is \$9.4 million which, as provided in Section 4.1 of this Agreement, shall be equally split amongst the four (4) Parties. Potential costs that are ineligible for SRF and Title XVI reimbursement which may require cash contributions from each Party are also identified below. Each Party's share of the total NTE Amount is \$2,350,000.

INTERIM DEVELOPMENT COSTS	TOTAL NOT TO EXCEED
PROGRAM COSTS	
Kennedy Jenks as-needed engineering services contract (Term 3)	\$ 5.10
A portion of the New Owner's Representative Contract	1.20
A portion of Clean Energy Capital's financial assistance contract	1.10
Allocated budget for legal consultation	1.20
	\$ 8.60
WIFFIA APPLICATION FEE ⁽¹⁾	0.80
	\$ 9.40

	POTENTIAL CASH OUTLAY	SRF / WIFIA/ LINE OF CREDIT	TOTAL NOT TO EXCEED
PROGRAM COSTS	\$ 1.60	\$ 7.00	\$ 8.60
WIFFIA APPLICATION FEE	\$ 0.10	\$ 0.70	\$ 0.80
	\$ 1.70	\$ 7.70	\$ 9.40
	÷ 4	÷ 4	÷ 4
EACH PARTNERS SHARE	\$ 0.43	\$ 1.93	\$ 2.35

(1) WIFFIA application fee, if we are invited to apply, is \$100K for Part 1. This would require a \$25K cash contribution from each partner. Application fee for Part 2 range from \$250K to \$600K; this fee is offset by the \$100K application fee. The balance can be rolled into the WIFFIA loan and so will not require a cash contribution from the partners.

INTERIM DEVELOPMENT COSTS

Further Background on Costs

Below is additional background information on the Interim Development Costs identified in the table and summary above.

Kennedy Jenk's As-Needed Engineering Services Contract for Term 3 includes the following major tasks. The Term 3 contract will take the Parties to release of the RFP documents for the design build contracts. The fee proposal for Term 3 contract scope is \$4,725,000. The \$5,100,000 in the above table also reflects a 10% contingency.

- Task 1 – Engineering Studies
 - Surface Water Augmentation Modeling: Five additional hydrodynamic modeling runs performed by Flow Science and supported by Trussel Tech (TT) for model scenario development and results analysis.
 - AWP Demonstration Facility and WRF Water Quality Assistance: TT will continue to support Padre Dam operations staff by monitoring the AWT performance and providing general operations support and troubleshooting for miscellaneous process issues that may arise.
 - Residuals Handling Study: Kennedy/Jenks will provide technical assistance on an as needed basis regarding residuals handling.
 - Wastewater Characterization: A wastewater characterization sampling will be conducted with the goal of generating wastewater quality data for City of El Cajon and County of San Diego flow streams to refine the new WRF basis of design criteria and update the Biowin/process model.
 - Santee Lakes Hydraulic Analysis: Purpose of this task is to evaluate and determine the storage and hydraulic capacity of the Santee Lakes system in order to determine if there is adequate capacity to be able to handle off-spec water from the AWP as a failsafe option.
 - Pathogen Removal Credit Testing for Reverse Osmosis System with Desalitech: TT will prepare a test plan and conduct a pilot testing to demonstrate pathogen removal through the Desalitech system such that DDW is able to award credit to the RO system via the Title 22 Engineering Report approval.
 - Additional Engineering Studies (As-Needed): The KJ/TT Team will provide additional engineering studies on an as-needed basis to support permitting and DB procurement efforts for the Program.

- Task 2 – Predesign Documents
 - Ray Stoyer WRF Expansion Predesign: This task includes updating process calculations and modeling (Biowin) by incorporation of the new wastewater characterization data, process sizing, preliminary design drawings, and capital and operation cost estimate. Task also includes further advance the predesign of the WRF (Plant 2) to support the procurement of a Progressive DB Team.
 - AWP Facility Predesign: Update Basis of Design Report and preliminary design drawings for permitting and conducting additional predesign for Progressive DB procurement
 - IPS & EMGPS Rehabilitation Predesign: Kennedy/Jenks will further advance the predesign of the IPS and EMGPS to support the procurement of a Progressive DB Team.
 - Solids Handling and Energy Recovery Facilities Predesign: Further advance the predesign of the Solids Handling and Energy Recovery Facilities to support the procurement of a Progressive DB Team.
 - AWP Pipeline, Dechlorination & Lake Jennings Facilities Predesign: Further advance the predesign of the AWP Pipeline, dechlorination and Lake Jennings inlet to support the procurement of a Progressive DB Team.
 - EMG Force Main and Residuals Bypass Predesign: Further advance the predesign of the EMG Force Main and Residuals Bypass to support the procurement of a Progressive DB Team
 - Control Systems Strategy: This task will include developing draft operational and control strategies for major process elements in sufficient detail for failsafe strategy discussion with DDW.
 - SDG&E Line Study: Kennedy/Jenks will coordinate with SDG&E to evaluate SDG&E's power system at the Ray Stoyer site to determine the capacity available and/or the improvements required to deliver the electricity generated by the proposed WRF/AWP and Solids Handling facilities.

- Task 4 – Geotechnical

Kennedy/Jenks' and Geocon, Inc. will provide support for geotechnical work for the Program.

- Task 5 – Permitting and Regulatory Coordination

- Independent Advisory Panel: Plan and execute one Independent Advisory Panel (IAP) meeting to evaluate the technical, scientific, and regulatory aspects of the SWA project, and to gain IAP approval for the project approach.

- Title 22 Engineering Report: The KJ/TT Team will develop select sections of the ECAWP Program Title 22 Engineering Report including sections related to failsafe disposal concept.
- DDW and RWQCB Permitting Assistance: Provide support to Padre Dam efforts to secure regulatory approvals and a NPDES permit from the California Regional Water Quality Control Board, San Diego Region (RWQCB) and DDW for regulating the discharge of purified water to Lake Jennings.
- Task 6 - Financial Management Assistance

KJ will provide support to Clean Energy Capital for revision of the Financial Proforma data inputs, and provide assistance with SRF submittal packages and additional grant funding assistance.
- Task 7 – Project Delivery and Procurement Strategies

This task involves providing support for the PDB procurement process, including outreach with the design and construction community, developing the requests for qualifications (RFQ), and developing the requests for proposals (RFP), preparing responses to information, and evaluate statement of qualifications.
- Task 8 – Management and Administration Support

This task covers the management and administrative duties associated with project management, scheduling, budget control, subconsultants, invoice preparation, internal team coordination and coordination with Padre Dam, and the Program team.
- Task 9 – Communications and Stakeholder Outreach Support

Kennedy/Jenks’ and NV5 will support Padre Dam staff in providing communications and stakeholder outreach support for the Program.

New Owner’s Representative Contract is planned to be issued in early 2020 to provide services during execution of the design and construction of the Program elements. It would be the Authority’s decision to continue working with the Kennedy Jenks team for this contract or put an RFP to select another firm. The planning level budget for this contract until August 2020 is \$1,200,000. A detailed scope and fee estimate will be shared when available.

Legal Consultation covers the ongoing BB&K efforts to support service agreement development and Authority formation and covers the specialty legal counsel support for the design-build contracts procurement, contract negotiations, and construction support for the ECAWP project elements. The specialty legal counsel RFQ is planned to be released in June 2019. A more detailed scope and fee estimate will be shared when available. The allocated budget for these legal consultation contracts is \$1,200,000.

EXHIBIT B

ADDITION OF THE AUTHORITY AS A PARTY

Pursuant to Resolution _____, the _____
("Authority") agrees to become a Party to the East County Advanced Water Purification Interim
Funding Agreement dated _____, 2019 ("Agreement") pursuant to Section 6 of the
Agreement.

AUTHORITY

By: _____
Name: _____
Board President

Date: _____

Approved as to Form:

By: _____
Legal Counsel

Notices shall be provided to:

Attn: _____

TERM SHEET ADDENDUM – PRODUCT WATER PRICING

This Term Sheet Addendum is a summary only and is not comprehensive or definitive. The parties understand that substantive terms and detailed provisions not noted or fully developed in this Term Sheet Addendum are expected to be included in any final document(s). This Term Sheet Addendum supplements the original Term Sheet previously considered and agreed to by the parties.

Subject	Understanding
1. Product Water Base Price	<p>The “Product Water Base Price” is the charge per acre-foot of Product Water delivered to Lake Jennings at the Delivery Point. The Product Water Base Price will be established in July of each year and effective the following January 1, and will be set at 92.0% of the total combined CWA All-In Untreated Water Rate and MWD Volumetric Fixed Charges.</p> <p>The price of Product Water is subject to change as further described in Sections 4 and 5 (price reassessments) and Section 8 (reopeners) of this Term Sheet Addendum.</p>
2. CWA All-In Untreated Water Rate	<p>The “CWA All-In Untreated Water Rate” means the total of all rates and charges payable by CWA member agencies for untreated water, expressed as a charge per acre foot. The CWA All-In Untreated Water Rate includes the following CWA rates and charges adopted by the CWA Board in or around June of each year:</p> <ul style="list-style-type: none"> • Melded Supply Rate • Transportation Charge • Customer Service Charge • Storage Charge • Reliability Charge <p>For purposes of converting the Customer Service Charge, Storage Charge and Reliability Charge to a cost per acre foot, the total revenue requirement for those charges as provided by CWA for the year the rates and charges are being set will be divided by the CWA water sales forecast for that same year.</p> <p>If CWA adds new rates or charges that apply to untreated water, or changes the rate structures for untreated water, such additions or changes will be reflected in the CWA All-In Untreated Water Rate used to calculate the Product Water Base Price or Adjusted Product Water Base Price (defined below).</p>
3. MWD Volumetric Fixed Charges	<p>The MWD Volumetric Fixed Charges are those charges set by MWD and payable by CWA as a member agency of MWD and currently consist of the Readiness To Serve Charge (RTS) and Capacity Charge (CC). The RTS and CC will be converted to a cost per acre foot by taking the total dollar</p>

	<p>amount due to MWD from CWA for the year rates and charges are being set and dividing it by the CWA water sales forecast for the year rates and charges are being set.</p> <p>If MWD adds new rates or charges that apply to water deliveries to CWA, or changes its rate structures for water deliveries, such additions or changes will be reflected in the MWD Volumetric Fixed Charges used to calculate the Product Water Base Price.</p>
<p>4. Reassessment of Product Water Base Price</p>	<p>The Product Water Base Price will be subject to the following reassessments based on potential impacts or changes to the Project as currently developed:</p> <ul style="list-style-type: none"> a. The first reassessment will occur at or around receipt of the indicative price (approx. last quarter of 2020 or first quarter of 2021). b. The second reassessment will occur at or around the time of receipt of the final guaranteed maximum price (GMP), if the GMP is 10% higher or lower than the indicative price. c. The third reassessment will occur during the 12 months before the end of the LRP subsidy period with any change implemented in the month immediately following the end of the LRP subsidy period. d. Additional reassessments will occur every five years after the LRP reassessment in conjunction with CWA’s posting of published rates; any adjustments will be established in July of each year and effective the following January 1. <p>Each reassessment may result in an “Adjusted Product Water Base Price.” As further described below, the Adjusted Product Water Base Price may be higher or lower than the original Product Water Base Price.</p>
<p>5. Potential Changes in Product Water Base Price / Adjusted Product Water Base Price</p>	<p>During a reassessment, the Product Water Base Price (or Adjusted Product Water Base Price) may be reduced or increased. The intent of the Parties is to develop an equitable solution to deal with higher or lower than expected financial results; the specific methodology to quantify that variance and determine the impact on Product Water pricing will be developed as part of the Product Water Purchase Agreement. Changes to the Product Water price will be determined as follows:</p> <ul style="list-style-type: none"> a. If the financial results are more favorable than expected, there will be a reduction in the water price. The reduction is limited to no lower than 85% of the total combined CWA All-In Untreated Water

	<p>Rate and MWD Volumetric Fixed Charges then in effect.</p> <p>b. If the financial results are less favorable than expected, but better than actual Metro wastewater costs, the price for the Product Water will be increased to an amount not to exceed 95% of the total combined CWA All-In Untreated Water Rate and MWD Volumetric Fixed Charges then in effect.</p> <p>c. If the financial results are less favorable than expected, and exceed Metro wastewater costs, the price for Product Water will be increased to an amount not to exceed 100% of the total combined CWA All-In Untreated Water Rate and MWD Volumetric Fixed Charges then in effect</p> <p>Any adjustments in the price of Product Water will be established in July of each year and effective the following January 1.</p>
<p>6. Renegotiation of Product Water Price at End of Agreement Term</p>	<p>As stated in the original Term Sheet, the initial term of the Product Water Purchase Agreement is 30 years. Two years prior to expiration of the initial term, the parties will begin discussions and negotiations about a renewal term.</p>
<p>7. Product Water Subcontract Price and Volume</p>	<p>The Potable Water Purchase Sub-Agreement is contingent on, and will be signed concurrently with, the Product Water Purchase Agreement.</p> <p>The Product Water split between Helix and Padre will be 69%/31%, Helix/Padre respectively (approx. 8,882 AF Helix; 4,000 AF Padre). Padre will pay Helix’s actual water treatment costs based on a set formula in the Potable Water Purchase Sub-Agreement. The formula will ensure that Helix fully recovers its costs for treating water sold to Padre.</p> <p>Padre and Helix will each “own” their portion of the Product Water under contract as its own local water supply. Accordingly, each will be eligible for the state incentive credit (currently 10%) for potable reuse supply.</p>
<p>8. Reopeners Affecting Product Water Base Price / Adjusted Product Water Base Price</p>	<p>The following events may trigger modification of the Product Water Base Price beyond 92.0% (or Adjusted Product Water Base Price beyond 100%) of CWA’s All-In Untreated Water Rate and MWD Volumetric Fixed Charges:</p> <p>A. Force majeure event;</p> <p>B. Change in law (including permit requirements) affecting wastewater treatment standards or operations;</p> <p>C. Change in law (including permit requirements) affecting surface water</p>

	<p>augmentation standards or operations;</p> <p>D. LRP is not received from MWD or is terminated during the term of the LRP Agreement;</p> <p>E. Request or Agreement initiated by Helix for Project capital modifications to improve water quality or operational efficiencies;</p> <p>F. Request or Agreement initiated by Helix for Project operational changes to improve water quality or operational efficiencies;</p> <p>G. Other reopeners as agreed to by the Parties.</p>
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RESOLUTION NO. __-19

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL CAJON APPROVING THE
EAST COUNTY ADVANCED WATER PURIFICATION
PROGRAM INTERIM FUNDING AGREEMENT
AMONG THE CITY OF EL CAJON,
PADRE DAM MUNICIPAL WATER DISTRICT, THE
COUNTY OF SAN DIEGO, AND HELIX WATER DISTRICT

WHEREAS, since 2014, the City of El Cajon (the "City") has been participating with Padre Dam Municipal Water District ("Padre Dam"), the County of San Diego through its San Diego County Sanitation District (the "Sanitation District"), and Helix Water District ("Helix") (collectively "the Parties") to explore the feasibility of the East County Advanced Water Purification Program (the "Program"); and

WHEREAS, the purpose of the Program is to offload wastewater generated by the region to a treatment facility, which will create a new, local, sustainable, and drought-proof drinking water supply; and

WHEREAS, since Padre Dam completed a planning study in 2014 that evaluated the feasibility of developing the Program, the Parties have entered into two (2) Memorandums of Understanding to further investigate this potential regional project; and

WHEREAS, over the past year the Parties have acknowledged that prior funds committed were exhausted and there is a collective desire to continue with project development, and have studied the financial viability of the partnership, CEQA requirements, and potential governance structures of a future organization; and

WHEREAS, the development of an Interim Funding Agreement ("IFA") memorializes the commitment of the Parties to continue with all necessary tasks for further implementation of the Program; and

WHEREAS, some of the tasks addressed in the IFA include the completion of final engineering, permitting, and financing plans as well as drafting the governance and service agreements required to implement the Program; and

WHEREAS, upon successful completion of these tasks, the Parties will independently consider forming a Joint Powers Authority ("JPA") to finance, construct, and operate the proposed Program, which would be presented to the City Council at a future date for approval; and

WHEREAS, the IFA includes estimated Program development costs of up to \$9,400,000, with each of the four participating agencies responsible for an equal share of up to \$2,350,000 to be partially funded by an initial cash contribution of up to \$430,000 from each of the participants; and

WHEREAS, this amount would cover unreimbursable funding application fees for the Water Infrastructure Finance and Innovation Act ("WIFIA") and State Revolving Fund ("SRF") funding, and each agency's remaining contribution would be paid from the proceeds of the WIFIA and SRF loans, if the applications are approved; and

WHEREAS, Padre Dam will administer and manage the Program development work, and to the greatest extent possible, the Program will fund development costs through previously awarded grants, low interest loans, and other available sources on behalf of the Parties.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL CAJON AS FOLLOWS:

1. The above recitals are true and correct and are hereby incorporated as findings.

2. The City Council hereby approves the East County Advanced Water Purification Program Interim Funding Agreement among the City of El Cajon, Padre Dam Municipal Water District, the County of San Diego, on behalf of the San Diego County Sanitation District, and Helix Water District, substantially in the form as presented to the City Council in this meeting, with such changes as may be approved by the City Manager or his designee, and authorizes the Mayor to sign the Agreement, and to take all actions and to execute all documents necessary or appropriate to carry out the terms of the Agreement.

3. The City Council hereby further appropriates \$430,000 from the City's Wastewater Fund for the initial fair share contribution to final program development costs for the East County Advanced Water Purification Program.



City Council
Agenda Report

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Dirk Epperson, Director of Public Works
SUBJECT: Magnolia Performing Arts Center (MPAC) Project Update

RECOMMENDATION:

That the City Council receives the Magnolia Performing Arts Center (MPAC) Project Update.

BACKGROUND:

This agenda item covers background information on the Magnolia Performing Arts Center project, provides an update on the current status of the project, and concludes with a tour of the facility to view the improvements underway.

Originally constructed in the 1970's, the East County Performing Arts Center operated for hundreds of local, regional, and community events. After its closure and remaining empty for approximately ten years, there was an opportunity to explore re-opening the facility and have it managed by a professional organization. To do so, the venue required significant remodeling.

In December 2017, the City Council approved a Management Agreement with Live Nation to operate the venue. Prior to its re-opening, improvements were required to the facility, including bringing items up to current building code standards (including the installation of an elevator) and replacing the HVAC system. To fast-track this project, a Design-Build construction approach was taken and in January 2018, an agreement was entered into with Rios Clementi Hale Studios for architectural services. In May 2018, a Construction Manager At-Risk agreement was made with Wieland Corporation to provide construction management services. Construction began in August 2018.

Remodeling work is expected to be completed in July 2019, leaving upgrades to sound and lighting systems in August. This will enable the venue to open for business in September this year. Staff is preparing for a community grand opening event to occur in August.

Prepared By: Dirk Epperson, Director of Public Works
Reviewed By: Vince DiMaggio, Assistant City Manager
Approved By: Graham Mitchell, City Manager



**City Council
Agenda Report**

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Mayor Wells
SUBJECT: Council Activity Report

RECOMMENDATION:

That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- June 10, 2019 - Interview w/ KUSI
- June 12, 2019 - Interview w/ KUSI
- June 13, 2019 - Interview w/ KPBS
- June 14, 2019 - Interview w/ NBC 7/39
- June 14, 2019 - SANDAG Executive Committee Meeting
- June 19, 2019 - In-N-Out Pre-Opening Party
- June 25, 2019 - City Council Meeting

I will be happy to answer any questions you may have.

Submitted By: Bill Wells, Mayor



City Council
Agenda Report

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Councilmember Kendrick
SUBJECT: COUNCILMEMBER GARY KENDRICK
METRO Commission/Wastewater JPA; Heartland Communications;
Heartland Fire Training JPA.

RECOMMENDATION:

That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- June 18, 2019 - Metro JPA Strategic Planning Committee Meeting
- June 19, 2019 - In-N-Out Pre-Opening Event
- June 25, 2019 - City Council Meeting

I will be happy to answer any questions you may have.

Submitted By: Gary Kendrick, Councilmember



City Council
Agenda Report

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Gary Kendrick, City Councilmember
SUBJECT: Request for a Report on the City's Alcohol Sales and Deemed Approved Alcohol Sales Regulations Ordinance

RECOMMENDATION:

That the City Council directs staff to provide a report on the status of the City's Alcohol Sales and Deemed Approved Alcohol Sales Regulations Ordinance and recommend any modifications to the Ordinance.

BACKGROUND:

The City Council adopted the Alcohol Sales and Deemed Approved Alcohol Sales Regulations Ordinance in 2013 with a goal to meet seven specific community objectives:

- To protect residential, commercial, industrial and civic areas from the harmful effects attributable to the sale of alcoholic beverages and minimize the adverse impacts of nonconforming and incompatible uses;
- To provide opportunities for alcoholic beverage sales establishments to operate in a mutually beneficial relationship to each other and to other commercial and civic services;
- To provide mechanisms to address problems associated with the public consumption of alcoholic beverages such as litter, loitering, graffiti, unruly behavior, violence, vandalism, and escalated noise levels;
- To provide that alcoholic beverage sales establishments are not to become the source of undue public nuisances in the community;
- To provide for properly maintained alcoholic beverage sales establishments so that the secondary effects of negative impacts generated by these activities on the surrounding environment are mitigated;
- To monitor deemed approved establishments to ensure they do not substantially change in mode or character of operation; and
- To promote a healthy and safe business environment in the city of El Cajon through appropriate and consistent land use regulations and to encourage the establishment of businesses that will benefit both the local economy and residents while not placing an undue strain on city resources or surrounding businesses.

The Ordinance has been in place for approximately six years. There is value in determining the effectiveness of the program and to consider whether changes to the Ordinance will ensure that the objectives identified above are being met.

I recommend that the City Council consider directing staff to present an agenda item at a later date in order to provide a report on the success of the program. The report should also include any recommended, if any, changes to the Ordinance for City Council consideration.



City Council
Agenda Report

Agenda Item 13.

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Councilmember McClellan
SUBJECT: COUNCILMEMBER BOB MCCLELLAN
MTS (Metropolitan Transit System Board); Harry Griffen Park Joint Steering Committee; Heartland Communications – Alternate.

RECOMMENDATION:

That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

June 13, 2019 - MTS Board Meeting
June 19, 2019 - In-N-Out Pre-Opening Event
June 25, 2019 - City Council Meeting

I will be happy to answer any questions you may have.

Submitted By: Bob McClellan, Councilmember



City Council
Agenda Report

DATE: June 25, 2019

TO: Honorable Mayor and City Councilmembers

FROM: Deputy Mayor Goble

SUBJECT: DEPUTY MAYOR STEVE GOBLE

SANDAG – Board of Directors – Alternate; SANDAG Public Safety Committee – Alternate; METRO Commission/Wastewater JPA – Alternate; Chamber of Commerce – Government Affairs Committee; MTS (Metropolitan Transit System Board) – Alternate.

RECOMMENDATION:

That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- June 8, 2019 - Community Trash Pickup
- June 8, 2019 - Attend Dump Day at Wells Park
- June 12, 2019 - Email with Karla B re: CDBG Application Procedures
- June 18, 2019 - Host a Community Town Hall Meeting
- June 19, 2019 - In-N-Out Pre-Opening Event
- June 20, 2019 - Attend Chaldean Graduation Event
- June 24, 2019 - Meeting with City Manager
- June 25, 2019 - City Council Meeting

I will be happy to answer any questions you may have.

Submitted By: Steve Goble, Deputy Mayor



City Council
Agenda Report

Agenda Item 15.

DATE: June 25, 2019

TO: Honorable Mayor and City Councilmembers

FROM: Councilmember Phil Ortiz

SUBJECT: COUNCILMEMBER PHIL ORTIZ

East County Economic Development Council; League of California Cities,
San Diego Division.

RECOMMENDATION:

That the City Council accept and file the following report of Council/Mayor activities attended during the current agenda period.

BACKGROUND:

Government Code Section 53232.3(d) requires members of a legislative body to provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

REPORT:

Since the last City Council meeting, I have attended the following events on behalf of the City of El Cajon:

- June 12, 2019 - Tour of Home of Guiding Hands with CEO
- June 14, 2019 - Graduation Ceremony for East County Chamber of Commerce Leadership Class 2019
- June 18, 2019 - Ribbon Cutting Ceremony - Elite Smog and Auto
- June 19, 2019 - Pre-Opening Event - In and Out
- June 19, 2019 - East County Economic Development Council Board Meeting
- June 24, 2019 - El Cajon Valley Lions Club Lunch
- June 25, 2019 - City Council Meeting

I will be happy to answer any questions you may have.

Submitted By: Phil Ortiz, Councilmember



City Council
Agenda Report

Agenda Item 16.

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Jeff Davis, Chief of Police
SUBJECT: El Cajon Animal Shelter Donations for May 2019

RECOMMENDATION:

In accordance with City Council Policy B-2, staff informs the City Council about receiving the following donations for the El Cajon Animal Shelter for the month of May:

Roberta Ann Carmichael	\$110.00
Delaine Scott	\$100.00
Total	\$210.00

Prepared By: Captain Michael Moulton
Reviewed By: Jeff Davis, Police Chief
Approved By: Graham Mitchell, City Manager



City Council
Agenda Report

DATE: June 25, 2019
TO: Honorable Mayor and City Councilmembers
FROM: Graham Mitchell, City Manager
SUBJECT: Introduction of an Ordinance Amending Chapter 2.16.020 of the El Cajon Municipal Code Regarding Salaries of Councilmembers and Mayor

RECOMMENDATION:

That the City Council considers approving an Ordinance amending section 2.16.020 of the El Cajon Municipal Code ("ECMC") related to Salaries of Councilmembers and Mayor and, if approved, take the following actions:

1. By Motion, Second and Vote, moves to introduce the Ordinance; and
2. Directs the City Clerk to read the title of the Ordinance.

BACKGROUND:

The Government Code and the El Cajon Municipal Code (Chapter 2.16) govern salaries for the Mayor and members of the City Council. The last time the salaries were modified was on February 10, 2004, with rates going into effect on January 1, 2005.

Government Code section 36516 specifies that salary increases approved by the City Council cannot take effect until after the term ends for at least one Councilmember. This means after the next regular municipal election, when the current terms of Councilmembers McClellan, Goble, and Ortiz would end. The code limits the amount of the increase to a maximum of 5 percent for each year that has passed since the last increase in the salaries. Although the Code allows the maximum increase, staff noted that since 2005, inflation, as determined by CPI, has increased an average of 2.45 percent annually. Staff recommends using this increase as a method to calculate a proposed increase.

Staff recommends increasing the Mayor's salary from \$2,068 to \$2,879 and Councilmember salaries from \$1,434 to \$1,996, effective January 1, 2021. Staff compared the proposed rates with the rates of cities with populations between 60,000 and 175,000 and determined that they are comparable. The following table shows the monthly salary for each of the comparison cities and El Cajon's proposed salaries.

AGENCY	MAYOR	COUNCIL
Carlsbad	\$2,152	\$2,052
Escondido	5,895	2,088
El Cajon (proposed)	2,879	1,996
La Mesa	2,000	1,000
National City	4,532	1,190
Oceanside	3,058	2,833
San Marcos	978	978
Santee	2,842	1,686
Vista	2,722	2,622

FISCAL IMPACT:

There is no fiscal impact until FY 2020/21. Staff estimates that the annual impact is approximately \$36,708, plus related pension costs.

Prepared By: Graham Mitchell, City Manager

Reviewed By: Morgan Foley, City Attorney

Approved By: Graham Mitchell, City Manager

Attachments

Ordinance

ORDINANCE NO. ____

AN ORDINANCE REPEALING SECTION 2.16.020 OF
CHAPTER 2.16 AND ADDING A NEW SECTION 2.16.020
OF CHAPTER 2.16 OF THE EL CAJON MUNICIPAL CODE
ADJUSTING SALARIES OF COUNCILMEMBERS
AND MAYOR EFFECTIVE JANUARY 1, 2021

The CITY COUNCIL OF THE CITY OF EL CAJON DOES ORDAIN AS
FOLLOWS:

SECTION 1: Section 2.16.020 of Chapter 2.16 of the El Cajon Municipal Code is hereby repealed.

SECTION 2: A new section 2.16.020 of Chapter 2.16 of the El Cajon Municipal Code is hereby added to read as follows:

2.16.020. Salaries of councilmembers and mayor.

With the exception of the mayor, each member of the council of the city shall receive, as salary, the sum of one thousand nine hundred ninety-six dollars per month, as prescribed in Title 4 Division 3 of the Government Code of the state of California for cities over seventy-five thousand up to and including one hundred fifty thousand in population, which shall be effective January 1, 2021, in the same manner as the salaries are paid to other officers and employees of the city.

The mayor of the city shall receive, as salary, the sum of two thousand eight hundred seventy-nine dollars per month, which shall be effective January 1, 2021, in accordance with the provisions applicable to members of the city council as hereinabove set forth.

SECTION 3: This ordinance shall become effective thirty days following its passage and adoption.



City Council
Agenda Report

Agenda Item 18.

DATE: June 25, 2019

TO: Honorable Mayor and City Councilmembers

FROM:

SUBJECT: Amendment of Chapter 3.20 of the El Cajon Municipal Code for Bidding and Written Contracts

RECOMMENDATION:

That Mayor Wells request the City Clerk to recite the title.

An Ordinance Amending Chapter 3.20 of Title 3 of the El Cajon Municipal Code Addressing Bidding and Written Contracts.

Attachments

Ord - Revise Chapter 3.20

ORDINANCE NO. ____

AN ORDINANCE AMENDING CHAPTER 3.20 OF
TITLE 3 OF THE EL CAJON MUNICIPAL CODE
ADDRESSING BIDDING AND WRITTEN CONTRACTS

WHEREAS, section 400 of the El Cajon City Charter provides that the City is exempt from California laws regulating public contracting and purchasing, unless otherwise provided by the Charter or by City ordinance; and

WHEREAS, Chapter 3.20 of the El Cajon Municipal Code provides the regulations for bidding and purchasing of equipment, services, supplies, or other personal property, and for expenditures for public works projects for the City; and

WHEREAS, it is the intent of the El Cajon City Council ("City Council") to provide greater flexibility in the acquisition of equipment, services, supplies, or other personal property, and to perform public works projects by force account or by contracts in excess of \$5,000 and up to \$200,000 without following formal bid procedures; and

WHEREAS, California Public Contract Code (the "Code") section 1100.7 recognizes that a charter city may exempt itself from the application of the Code through its charter or ordinance adopted in conflict with the Code; and

WHEREAS, the provisions set forth in this ordinance will conflict with provisions in the Code, and shall prevail over the procedures in the Code.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CAJON DOES ORDAIN AS FOLLOWS:

SECTION 1: That the foregoing recitals are true and correct, and are findings of fact of the City Council in regard to amendment of the El Cajon Municipal Code.

SECTION 2: Chapter 3.20 of Title 3 of the El Cajon Municipal Code is hereby repealed in its entirety.

SECTION 3: A new Chapter 3.20 of Title 3 of the El Cajon Municipal Code is hereby added to read as follows:

Chapter 3.20 BIDDING AND WRITTEN CONTRACTS

3.20.005 Terms defined.

For the purposes of this chapter:

"Bid" or "sealed bid" means offers submitted via the city's approved secure online purchasing system, in sealed envelopes, or otherwise secured to prevent the contents from being known prior to the submission deadline. This procedure is appropriate for

higher-value purchases when exact specifications can be determined and the only significant variable is price.

"Competitive solicitation" means any process, including a bid, quote or proposal, whether used alone or in combination, which provides all interested vendors a fair and equal opportunity to compete for the city's business.

"Proposal" means an offer at set prices and terms or an offer to enter into a negotiated contract. This process is appropriate when the specification is for an end result rather than a specific product or process. Proposals are to be structured to present suggested processes, services or solutions that best serve the needs and interests of the city.

"Public project" means a public works project as defined in section 20161 of Article 4 of the Public Contract Code, as that section may be amended, moved, or re-numbered from time to time.

"Quote" means offers that are not required to be sealed or secured under this chapter. Such offers may be made by phone, fax, email, postal mail or other suitable means, as specified in the request for quotes or other solicitation for proposals, quotes, or similar responses. This procedure is appropriate for lower-value purchases and for obtaining budget estimates.

3.20.010 Bidding and written contracts—When required.

The city council hereby provides that the city is exempt from the application of section 20162 the California Public Contract Code, and said section shall not apply to requirements and procedures for bids, sealed bids, quotes, proposals, or competitive solicitation, in the purchasing of equipment, services, supplies, or other property, or for expenditures involving a public project, except as otherwise provided in this chapter.

- A. Sealed bids shall be obtained for all purchases of equipment, services, supplies or other personal property in excess of seventy-five thousand dollars, and for all expenditures involving a public project in excess of the limits established in subsections (A)(1) through (3) below.
 1. Public projects of fifty thousand dollars or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.
 2. Public projects of more than fifty thousand dollars and up to two hundred thousand dollars may be let by contract or purchase order after receiving not less than three written quotes.
 3. Public projects of more than two hundred thousand dollars must, except as otherwise provided in this chapter, be let to contract by formal bidding procedure.

- B. Sales and purchases of equipment, services, supplies or other personal property shall be by written contract with the lowest (in the case of purchases), or highest (in the case of sales), responsible bidder pursuant to the procedure prescribed by this chapter, unless waived pursuant to subsection (C) of this section.
- C. The bidding procedures of this chapter may be waived, and an open market sale or purchase pursuant to section 3.20.110 of this chapter may be authorized by:
1. The city manager, or his or her designee, for all purchases and sales not exceeding seventy-five thousand dollars, when:
 - a. The commodity or service can be obtained from only one source;
 - b. The commodity or service is required to match or be compatible with other furnishings, material or equipment presently on hand, and is to be purchased from the supplier of such on-hand items;
 - c. The city manager or city council has ordered a standardized type or make of commodity; or
 - d. The city manager, or his or her designee, determines that due to special circumstances, it is in the city's interest to waive the bidding requirement.
 2. The city manager, or his or her designee, for all expenditures not involving a public project, when an emergency requires that the commodity be obtained from the nearest available source;
 3. The city manager, or his or her designee, when supplies or equipment may be acquired from or in cooperation with another governmental agency that is acquiring or has acquired supplies or equipment in a process that accomplishes the purposes of this chapter;
 4. The city manager, or his or her designee, when supplies or equipment may be acquired under a competitively-bid California state contract;
 5. The city council, for all expenditures not involving a public project, when any of the circumstances stated in subsections (C)(1) through (C)(3) of this section exist, or when the city council determines that due to special circumstances it is in the city's interest to waive the bidding requirement;

6. The city council, for all expenditures involving a public project over the limits established in subsections (A)(1) through (A)(3) of this section, or if authorized by the Public Contract Code, the Government Code, or by the courts of this state.

3.20.020 Notices soliciting bids—Required—Publication—Posting.

- A. When a public project in excess of two hundred thousand dollars is involved, notice inviting bids shall be published in accordance with section 20164 of the California Public Contract Code.
- B. Other than contracts for public projects, and unless the bidding process is waived pursuant to section 3.20.010(C) of this chapter, notice inviting bids shall be made in accordance with applicable law and in the form and manner specified in this chapter. If the bidding process is waived pursuant to section 3.20.010(C)(1) of this chapter, or by the city council based on those circumstances listed in section 3.20.010(C)(5), the purchasing agent shall notify all qualified prospective bidders registered with the city of El Cajon no fewer than ten calendar days prior to the date set for submission of quotes or proposals.

3.20.030 Notices soliciting bids—Contents.

Notice inviting bids under the provisions of this chapter shall include a general description of the articles to be purchased or sold. Such notice shall specify the place where bid blanks and specifications may be secured, the deadline for submission of bids, and the time and place for opening bids.

3.20.040 Notices soliciting bids—Additional.

The purchasing agent shall, in addition to any other notices required under the provisions of this chapter, advertise pending purchases or sales by a notice posted on the city of El Cajon's official website.

3.20.050 Soliciting bids from names on bidders' list.

The purchasing agent may solicit sealed bids for contracts under the provisions of this chapter from any responsible prospective suppliers whose names are on the bidders' list, those who have requested their names to be added thereto, or any other source that will ensure open competition.

3.20.060 Bidder's security.

- A. When a public project in excess of two hundred thousand dollars is involved, security shall accompany the bid presented in accordance with sections 20170 through 20174 of the California Public Contract Code.

- B. When no public project is involved, bidder's security is not required except when deemed necessary by the purchasing agent. In such case, it shall be prescribed in the public notices inviting bids under the provisions of this chapter. Bidders shall be entitled to return of such bid security; provided, however, that a successful bidder shall forfeit its bid security upon refusal or failure to execute a contract within ten days after the notice of award of a contract has been mailed, unless the city is responsible for the delay. The city council may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder. If the city council awards the contract to the next lowest bidder, the amount of the lowest bidder's security shall be applied by the city to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

3.20.070 Sealed bids—Submittal.

Bids shall be submitted to the city, in the manner as specified in the notice inviting bids. Bids not required to be submitted through the city's approved secure online purchasing system shall be submitted on paper in a sealed envelope. Bids submitted on paper shall be delivered to the purchasing agent and shall be identified as bids on the envelope containing the same. A tabulation of all bids received shall be open for public inspection during regular business hours or on the city of El Cajon's official website for a period of not less than thirty calendar days after the bid opening.

3.20.080 Authority of city council to reject bids and readvertise.

In its discretion, the city council may reject any or all bids presented pursuant to the provisions of this chapter, and readvertise for bids.

3.20.090 Tie bids.

If two or more bids received under the provisions of this chapter are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of readvertising for bids, the city council may accept the one it chooses.

3.20.100 Performance and labor and materials bonds.

The city council shall have authority to require a performance bond or labor and materials bond before entering into a public project contract under the provisions of this chapter. Any bond required for public project contracts shall be in an amount the city council finds reasonably necessary to protect the best interests of the city. If the city council requires a bond pursuant to this section, the form and amount of the bond(s) shall be described in the notice inviting bids, pursuant to section 3.20.020.

3.20.110 Open market purchases or sales.

- A. When authorized pursuant to section 3.20.010(C) of this chapter, a purchase or sale may be made on the open market. Whenever possible, such purchase or sale shall be based on a competitive solicitation process consisting of sealed bids, quotes, proposals, or other process, said processes being used alone or in combination.
- B. The purchasing agent shall conduct the competitive solicitation process in accordance with generally accepted business practices, including telephone, facsimile, email, and secure internet purchasing system. Documentation of all purchases shall be maintained in an accessible format in accordance with the city's records management policy.

3.20.120 Authority of the city manager to sign nonpublic contracts of seventy-five thousand dollars or less.

- A. Pursuant to section 40602 of the Government Code, the city council authorizes the city manager, or his or her designee, to sign non-public contracts when said contracts do not exceed the sum of seventy-five thousand dollars for the initial term of the contract. The city manager, or his or her designee, is also authorized to sign any amendments to non-public contracts to extend, or renew, additional terms that do not exceed a period of one year each, and do not exceed the sum of seventy-five thousand dollars each.
- B. Within the same dollar amount set out above, the city manager, or his or her designee, is authorized to participate in joint and cooperative nonpublic works contracts with the state of California, the county of San Diego, school districts, water districts, and such other agencies as the council may direct.
- C. The city manager, or his or her designee, may sign contracts for all expenditures not involving a public project, when an emergency requires that the commodity or services be obtained from the nearest available source.

3.20.130 Authority to award bid.

- A. All contracts for public projects for more than the dollar amount established by subsection (A)(3) of section 3.20.010 must be awarded by the city council in accordance with applicable law.
- B. Except as provided in subsection (A), above, all contracts for public projects and purchases of equipment, services, supplies, or other personal property up to seventy-five thousand dollars, may be awarded by the purchasing agent to the lowest responsive, responsible bidder in accordance with section 3.20.010 of this chapter, provided that all of the following conditions are met:

1. The items to be purchased were approved by council in the adopted budget.
2. The award is within the amount allocated by council for the purchase.
3. There are at least three responsive bidders.
4. The award is being made to the low bidder.
5. There has been no protest against the proposed award lodged with the city within five days of the bid opening.

SECTION 4. This ordinance shall become effective thirty (30) days following its passage and adoption.

Ord-Revise ECMC Chapter 3.20 Addressing Bidding & Written Contracts 060519

06/11/19 CC Agenda – 1st Reading
06/25/19 CC Agenda – 2nd Reading



City Council
Agenda Report

Agenda Item 19.

DATE: June 25, 2019

TO: Honorable Mayor and City Councilmembers

FROM:

SUBJECT: Deemed Approved Lodging Establishment Ordinance - Zoning Code
Amendment No. 436

RECOMMENDATION:

That Mayor Wells request the City Clerk to recite the title.

An Ordinance Adding Chapter 17.212 to Title 17 of the El Cajon Municipal Code to Establish Standards to be Deemed Approved for Existing Lodging Establishments.

Attachments

Ord - Deemed Approved

ORDINANCE NO. ____

AN ORDINANCE ADDING CHAPTER 17.212
TO TITLE 17 OF THE EL CAJON MUNICIPAL CODE
TO ESTABLISH STANDARDS TO BE DEEMED APPROVED
FOR EXISTING LODGING ESTABLISHMENTS

WHEREAS, it is the intent of the El Cajon City Council (the "City Council") to provide a common set of expectations and standards that all motels and hotels must abide by to provide guests with clean and safe lodging, and to minimize nuisance or criminal activity commonly associated with temporary lodging. This deemed approved lodging establishment ordinance would confer deemed approved status on all existing motels and hotels (lodging establishments), require compliance with performance standards, and create a mechanism for the modification or revocation of deemed approved status for problem properties.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CAJON DOES ORDAIN AS FOLLOWS:

SECTION 1: That the foregoing recitals are true and correct, and are findings of fact of the City Council in regard to amendments to the El Cajon Municipal Code.

SECTION 2: A new Chapter 17.212 is hereby added to Title 17 of the El Cajon Municipal Code to read as follows:

Chapter 17.212 DEEMED APPROVED LODGING ESTABLISHMENT

17.212.010 Short Title.

This chapter shall be known as the "Deemed Approved Lodging Establishment Ordinance."

17.212.020 Purpose.

The purpose and intent of this chapter is to protect and promote the public health, safety, and welfare of employees and customers of lodging establishments and the community at large by conveying deemed approved status to all existing lodging establishments and requiring adherence to performance standards intended to prevent public nuisance. The objectives of this chapter are as follows:

- A. To improve and maintain the quality of the City's transient lodging through the enforcement of minimum standards and the advancement of responsible operations of these lodging establishments;
- B. To ensure that lodging establishments adhere to public health and safety standards and that guests are provided with safe and sanitary accommodations;

- C. To ensure that each lodging establishment is operated safely in a manner that discourages nuisance and criminal activity;
- D. To provide ongoing monitoring of lodging establishment activities to ensure that the activities do not substantially change over time;
- E. To ensure that the operations of existing lodging establishments are not a source of undue public nuisance or visual blight; and
- F. To protect surrounding residential, commercial, industrial, or civic areas and minimize the negative impact of nonconforming or incompatible uses.

This chapter confers deemed approved status on the effective date of this ordinance to all existing permitted, conditionally permitted, and legal nonconforming, lodging establishments; provides standards for the continued operations of these businesses; establishes grounds for termination of deemed approved status for lodging establishments violating this chapter; and provides a hearing process to review the violations of these standards.

17.212.030 Definitions.

- A. **"Deemed approved activity"** means any existing permitted, conditionally permitted, or legal nonconforming, lodging establishment activity. Such activity shall be considered a deemed approved activity effective date as long as it complies with the deemed approved performance standards established in this chapter.
- B. **"Deemed approved status"** means the permitted use of land for a deemed approved activity. Deemed approved status replaces legal nonconforming status for lodging establishment activities and remains in effect as long as the business complies with the deemed approved provisions and performance standards of this chapter. Lodging establishments having permitted or conditionally permitted status shall retain such status provided, however, that these lodging establishment activities are further subject to the deemed approved performance standards to the extent that these standards are not already included in applicable conditions of approval.
- C. **"Lodging establishment" or "establishment"** means a place of business that provides overnight accommodations regardless of the length of stay. This shall include hotels, motels, bed and breakfast establishments or any other temporary lodging establishments regardless of the length of stay of any guest or tenant. This does not include single-or multi-family residences, single room occupancy hotels, institutional or group care facilities, or group quarters.
- D. **"Lodging establishment activity"** means the provision of overnight accommodations to persons in exchange for the payment of valuable consideration.

17.212.040 Applicability.

- A. The deemed approved lodging establishment regulations shall apply to all legal nonconforming, conditionally, or otherwise permitted hotels, motels, or bed and breakfast places of business within the city. This shall apply to all hotels, motels, or businesses established as temporary lodging businesses regardless of the length of stay of any guest or tenant. This does not apply to residences where rooms are rented. This chapter applies to all lodging establishments as defined in section 17.212.030.
- B. Whenever any regulation or law or condition of approval is more restrictive than these regulations, the more restrictive or higher standard shall control unless otherwise expressly described in this chapter.

17.212.050 Deemed Approved Status.

All lodging establishments that were legal nonconforming activities, conditionally or otherwise permitted immediately prior to the effective date of this chapter shall automatically become deemed approved lodging activities as of the effective date of this chapter and shall no longer be considered legal nonconforming activities. Each such deemed approved lodging activity shall retain its deemed approved status as long as it complies with the standards in section 17.212.070.

17.212.060 New, modified, or expanded lodging establishments.

Except as otherwise provided in this chapter, no person shall establish a new lodging establishment, nor shall any person modify or expand an existing lodging establishment without first obtaining or amending a conditional use permit.

17.212.070 Deemed Approved Performance Standards.

- A. Management operations
 - 1. A staff person, caretaker or resident manager or other responsible person shall be available in person 24 hours per day at each lodging establishment in which there are twelve (12) or more rooms.
 - 2. A caretaker or resident manager shall be available by phone 24 hours per day at each lodging establishment in which there are eleven (11) or fewer rooms.
 - 3. The name, phone number, and address of the responsible person shall be posted conspicuously in an area that is generally available to the public.
 - 4. The telephone number and address for the City of El Cajon code compliance office shall be posted in a prominent location in the reception area.

B. Registration requirements

Each lodging establishment shall comply with the El Cajon Municipal Code chapter 9.25 *Hotel, Motel and Lodging House Registration Regulations*.

C. Security measures

1. Each guestroom shall be equipped with an operable dead bolt lock on the swinging entry door of the room.
2. Each connected door between two rooms that share a common wall shall be equipped with two dead bolt locks, separately operable without a key on each side of the door; or two separate doors, each with a dead bolt lock only operable without a key from the room-side of the door.
3. All windows designed to be opened shall have an operable window security or locking device.
4. Each room shall have privacy coverings such as shades, draperies, or blinds on all windows.

D. Minimum property standards

1. All common interior and exterior areas shall be maintained in a sanitary condition free of garbage and debris.
2. The property shall be maintained in accordance with El Cajon Municipal Code section 15.16.130 *Standards of maintenance and repair*.
3. Any graffiti shall be removed in accordance with El Cajon Municipal Code chapter 9.70.
4. All parking lots, adjacent public sidewalks, walkways, and exterior areas shall be swept or cleaned regularly and maintained free of litter and debris.
5. Exterior lighting shall be provided and maintained in working order to adequately illuminate parking lots, walkways, and areas of public access.
6. All designated landscape areas shall be maintained with properly trimmed, fertilized, and watered living plant materials free of litter or debris.

7. Directional signs shall be posted as necessary to ensure that emergency personnel can find guest rooms.
8. All containers used for the storage of trash, garbage, or recycled materials and placed on the exterior of the building shall be kept locked and maintained in a sanitary condition.

E. Maintenance and Housekeeping

The maintenance and housekeeping provisions shall apply to all lodging establishments which provide shelter, furniture, linens and housekeeping services within guest rooms and throughout the property. These provisions shall not apply to permanent residential facilities wherein the owner is responsible only for shelter but does not provide furniture, linens or housekeeping services.

1. Each guest room shall be maintained by regularly occurring maintenance and routine cleaning to provide a clean and sanitary space free from garbage, rodents, or vermin.
2. Housekeeping and cleaning services shall be provided at a minimum weekly and in between guests. Where housekeeping is provided on a weekly basis, guests must have access to additional clean linens and a dumpster or bin for emptying room trash cans on a daily basis or as needed.
3. Rooms with private bathrooms shall have a functioning toilet, sink, and shower or bathtub.
4. Hot and cold running water shall be provided for all plumbing facilities.
5. Room furnishings including mattresses and furniture shall be free of stains, holes, rips, or odors in excess of normal wear and tear, and shall further be free and clear of bed bugs, fleas, lice, and other similar vermin.
6. Room linens, drapes, or blinds shall be free of stains, holes, rips or odors in excess of normal wear and tear.
7. Bathroom fixtures shall be maintained without significant cracks, chips, or stains. Bathroom facilities must be maintained in working order.
8. Carpeting or flooring, walls, and ceilings shall be free of stains, holes, cracks, chips, or odors in excess of normal wear and tear, and shall further be free and clear of bed bugs, fleas, lice, and other similar vermin.

F. Nuisance activity

The deemed approved lodging establishment activities shall not result in nuisance activities on the property or contribute to nuisance activities in close proximity to the property. Nuisance activities may include, but are not limited to, disturbance of the peace, illegal drug activity, prostitution, drinking in public, harassment of passersby, gambling, trafficking in stolen goods, public urination, theft, assault, battery, vandalism, illegal parking, excessive noise, traffic violations, curfew violations, lewd conduct, or excessive police detentions or arrests.

G. Transient Occupancy Tax

In accordance with Chapter 3.44 of Title 3 of the El Cajon Municipal Code, each establishment must maintain records and remit transient occupancy tax to the city following the close of each calendar quarter.

H. Compliance with laws

Each lodging establishment shall comply with all provisions of local, state or federal laws, regulations or orders, including without limitation, the Uniform Housing Code, Building Code, Fire Code, and all other provisions of the Municipal Code.

17.212.080 Right of inspection.

- A. The City shall conduct regular inspections of all businesses subject to the regulations specified in this chapter. The City Manager or designee is authorized to allow the acceptance of satisfactory ratings conferred by recognized, independent agencies in lieu of a City inspection, provided that the independent inspection is based upon performance and facility standards equal to or in excess of the standards set forth in this chapter.
- B. The officials responsible for enforcement of the El Cajon Municipal Code or other ordinances of the city or their duly authorized representatives may enter on any site or into any structure open to the public for the purpose of investigation provided they shall do so in a reasonable manner whenever they have cause to suspect a violation of any provision of this ordinance or whenever necessary to the investigation of violations to the conditions of approval, operational standards, or deemed approved performance standards prescribed in these regulations.
- C. Upon a showing of probable cause by the officials responsible for enforcement of the El Cajon Municipal Code, the officials responsible for enforcement shall request of the owner or agent and the occupant, permission to inspect the rooms and facilities, and/or the production of guest registers and other records necessary to determine compliance with all

applicable regulations, including but not limited to building, fire, health, occupancy, and zoning codes, and to verify collection and payment to the City of all taxes owed.

- D. If an owner, occupant or agent refuses permission to enter, inspect or investigate, premises, including guest registers, which are not open to the public, the officials or their representatives may seek an inspection warrant under the provisions of California Code of Civil Procedure section 1822.50 et seq. All such inspections shall be conducted in compliance with the Fourth Amendment to the United States Constitution.

17.212.090 Violation of Performance Standards.

As a result of an inspection or upon the city's receipt of a complaint from the public, police department, city official or any other interested person that a deemed approved lodging establishment activity is in violation of the operational standards set forth in this chapter, the following procedure shall be followed:

- A. An enforcement officer shall assess the nature of the complaint and its validity by conducting an on-site observation and inspection of the premises to assess the activity's compliance with operational standards and/or conditions of approval.
- B. If the enforcement officer determines that the activity is in violation of the operational standards, the enforcement officer shall give written notice of the violation to the owner and/or operator of the establishment and seek to remedy the violation under the city's administrative citation procedures contained in Chapter 1.14 of this code. The first notice of violation shall be given in accordance with section 1.14.040 of this code. If, however, the enforcement officer, in his or her sole discretion, determines that the violation is not capable of correction, presents a serious threat to public health or safety, or otherwise warrants expedited action, he or she may, in lieu of following the administrative citation procedure, refer the matter directly to the planning commission for a hearing at which the establishment's deemed approved status may be suspended, modified or revoked.
- C. Any administrative citation issued under this section shall be issued, processed, and enforced in compliance with all of the provisions of Chapter 1.14 of this code, unless otherwise expressly provided by this chapter. If the owner or operator receiving an administrative citation contests the citation and a hearing is held pursuant to Chapter 1.14, the hearing officer may, in addition to exercising all powers designated in Chapter 1.14, make a recommendation to the planning commission to suspend, modify or revoke the establishment's deemed approved status if in the judgment of the hearing officer, based upon information then before him or her, such action is necessary to ensure compliance with this chapter.

- D. If a hearing before the planning commission is conducted on a potential violation in the manner prescribed in this chapter, it shall determine whether the activity is in compliance with the operational standards. Based on this determination, the planning commission may suspend, modify or revoke the activity's deemed approved status. In reaching a determination as to whether a use has violated the operational standards, or as to the appropriateness of suspending, modifying, or revoking of a conditional use permit, or the imposition of additional or amended conditions on a use, the planning commission may consider the following:
1. The length of time the activity has been out of compliance with the operational standards.
 2. The impact of the violation of the operational standards on the community.
 3. Any information regarding efforts to remedy the violation of the operational standards.
- E. "Efforts to Remedy" shall include, but are not limited to:
1. Timely calls to the police department that are placed by the owner or operator of the establishment, or by his or her employees or agents.
 2. Requesting that those persons engaging in activities causing violations of the operational standards and/or conditions of approval cease those activities, unless the owner or operator of the activity, or his or her employees or agents feels that their personal safety would be threatened in making that request.
 3. Making improvements to the establishment's property or operations to address performance standards.
- F. If in the judgment of the planning commission, the operations of the owner or operator of the establishment constitute a nuisance, the owner or operator is unable or unwilling to abate the nuisance, and the nuisance is shown to be a threat to the public health and safety of the surrounding neighborhood, the planning commission may suspend, modify, or revoke the activity's deemed approved status. All determinations, decisions, and conditions made or imposed regarding the use of an activity shall run with the land.
- G. The decision of the planning commission shall be final and conclusive, unless appealed in writing to the city council within 10 days of planning commission action.
- H. At any time during a violation proceeding or after revocation of a lodging establishment's deemed approved status, the property owner or an

applicant with the property owner's consent may apply for a conditional use permit.

17.212.100 Public hearing by planning commission.

The planning commission may conduct public hearings and make determinations on whether lodging establishments are in compliance with conditions of approval or deemed approved performance standards prescribed in these regulations, and may modify, suspend, or revoke an establishment's conditional use permit or deemed approved status in order to obtain the compliance of the particular establishment with the provisions of this chapter. This section is not intended to restrict the powers and duties otherwise pertaining to other city officers or bodies in the field of monitoring and ensuring the harmony of lodging establishment activities in the city. The planning commission shall have the powers and duties assigned to them by the El Cajon Municipal Code and by this chapter.

17.212.110 Grounds for deemed approved status suspension, revocation or termination.

A lodging establishment's deemed approved status may be suspended, modified or revoked by the planning commission after holding a public hearing in the manner prescribed in Chapter 17.25 for failure to comply with the performance standards set forth in section 17.212.070. Notice of such hearing by the planning commission at which it will consider the modification, suspension or revocation of an establishment's deemed approved status shall be in writing and state the grounds therefore. Notice shall be mailed by first-class mail and certified mail return receipt requested at least 10 days before the date of the hearing.

17.212.120 Deemed approved status revocation.

Upon revocation of a lodging establishment's deemed approved status, the planning commission may choose to impose additional conditions of approval on the use of the establishment, or may proceed to revoke the conditional use permit in accordance with section 17.35.030. Upon revocation of a lodging establishment's deemed approved status, the lodging establishment activity must cease any and all lodging establishment activity until the property owner has applied for and received approval of a conditional use permit.

17.212.130 Appeal from suspension, modification or revocation of deemed approved status.

Any applicant or other person aggrieved by a decision of the planning commission to suspend, modify or revoke a lodging establishment's deemed approved status or conditional use permit pursuant to this chapter may appeal the decision to the city council pursuant to Chapter 17.30 of this code.

17.212.140 Notification to owners of lodging establishments conducting deemed approved activities.

The City shall notify the owner and/or operator of a lodging establishment of the activity's deemed approved status. The notice shall be sent by first-class mail and certified mail return receipt requested to the address shown on the city business license and any property owner at the address shown on the county assessor's property tax assessment records and shall include a copy of the performance standards in this chapter. This notice shall also provide that the activity is required to comply with all performance standards, and that the activity is required to comply with all other aspects of the deemed approved regulations. Should the notice be returned, then the notice shall be sent via regular mail. Failure of any person to receive notice given pursuant to this chapter shall not affect the deemed approved status of the activity.

17.212.150 Violations and Penalties.

- A. Any person violating any of the provisions of this chapter or who causes or permits another person to violate any provision of this chapter may be charged with either an infraction or a misdemeanor, and shall be subject to the provisions of the general penalty clause as set forth in section 1.24.010 of this code.
- B. In addition to the penalties provided in this section, any use or condition caused or permitted to exist in violation of any of the provisions of these regulations shall be and is declared to be a public nuisance and may be abated as such by the City.
- C. Nothing in this chapter shall be construed to prevent the city of El Cajon from pursuing any and all other legal remedies that may be available, including but not limited to civil actions filed by the city attorney seeking any and all appropriate relief such as civil injunctions and penalties.

17.212.160 Severability.

If any section, subsection, sentence, clause or phrase of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The city council hereby declares that it would have adopted the ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more of the sections, subsections, sentences, clauses, or phrases may be declared invalid.

SECTION 3. This ordinance shall become effective thirty (30) days following its passage and adoption.



City Council
Agenda Report

Agenda Item 20.

DATE: June 25, 2019

TO: City Clerk

FROM: City Attorney/General Legal Counsel

SUBJECT: Closed Session - Conference with Legal Counsel - Existing Litigation - pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9:
Edgar Puente vs. City of El Cajon, et al.
San Diego Superior Court
Case No. 37-2018-00040807-CU-PO-CTL

RECOMMENDATION:

That the following Closed Session be scheduled for the Tuesday, June 25, 2019, Joint City Council/Housing Authority/Successor Agency to El Cajon Redevelopment Agency agenda at 3:00 p.m.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – pursuant to paragraph (1) of subdivision (d) of Government Code section 54956.9:

NAME OF CASE:

Edgar Puente vs. City of El Cajon, et al.
San Diego Superior Court
Case No. 37-2018-00040807-CU-PO-CTL

Morgan L. Foley
City Attorney/General Legal Counsel

MLF:hms
