

# CITY OF SOLANA BEACH

SOLANA BEACH CITY COUNCIL, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY,  
PUBLIC FINANCING AUTHORITY, & HOUSING AUTHORITY



## MINUTES

### Joint SPECIAL Meeting

Wednesday, February 28, 2018 \* 6:15 P. M.

City Hall / Council Chambers, 635 S. Highway 101, Solana Beach, California

Teleconference Location: 1307 Country Club Dr., Wilmington, NC 28403 (Nichols)

- City Council meetings are video recorded and archived as a permanent record. The video recording captures the complete proceedings of the meeting and is available for viewing on the City's website.
- Posted Reports & Supplemental Docs contain records up to the cut off time prior to meetings for processing new submittals. Complete records containing meeting handouts, PowerPoints, etc. can be obtained through a [Records Request](#).

#### CITY COUNCILMEMBERS

Ginger Marshall, Mayor

David A. Zito, Deputy Mayor

Jewel Edson, Councilmember

Judy Hegenauer, Councilmember

Mike Nichols, Councilmember

Gregory Wade  
City Manager

Johanna Canlas  
City Attorney

Angela Ivey  
City Clerk

#### CALL TO ORDER AND ROLL CALL:

Mayor Marshall called the meeting to order at 6:15 p.m.

Present: Ginger Marshall David A. Zito, Jewel Edson, Mike Nichols

Absent: Judy Hegenauer

Also Present: Greg Wade, City Manager  
Johanna Canlas, City Attorney  
Angela Ivey, City Clerk,  
Mo Sammak, City Engineer/Public Works Dir.  
Marie Berkuti, Finance Manager  
Corey Andrews, Principal Planner  
Dan King, Assistant City Manager

#### APPROVAL OF AGENDA:

**Motion:** Moved by Deputy Mayor Zito and second by Councilmember Edson to approve.  
**Approved 4/0/1** (Absent: Hegenauer) Motion carried.

#### ORAL COMMUNICATIONS:

This portion of the agenda provides an opportunity for members of the public to address the City Council on items relating to City business and not appearing on today's agenda by submitting a speaker slip (located on the back table) to the City Clerk. Comments relating to items on this evening's agenda are taken at the time the items are heard. Pursuant to the Brown Act, no action shall be taken by the City Council on public comment items. Council may refer items to the City

Manager for placement on a future agenda. The maximum time allotted for each presentation is THREE MINUTES (SBMC 2.04.190). Please be aware of the timer light on the Council Dais.

Patricia Sittson stated that she and Sean McClondon had acquired a TEDx license to hold a TEDx within Solana Beach and would hold an informational and brainstorming meeting on March 11<sup>th</sup> for community input of topics of interest.

Wayne Brecktel said he was speaking on behalf of Robert Monroe and Gary Monroe regarding a letter sent the previous week to Council requesting support for reconsideration of a Coastal Commission denial of a bluff sea cave notch/infill project approved last year which the City's Land Use Plan supported.

Gary Monroe said the previous year approval of a notch/infill conformed to the Land Use Plan and would help prevent bluff collapse and the need for a seawall(s).

### **C. STAFF REPORTS:**

#### **C.3. CCA Risk Management Policy, Procurement Strategy, SDG&E Agreements, Rate Discount, CCA Program and Product Names. (File 1010-40)**

Recommendation: That the City Council

1. Adopt **Resolution 2018-021**:
  - a. Authorize the launch of the SBCCA
  - b. Introduce of Risk Management Policy and direct Staff to return March 14, 2018 for Policy adoption
  - c. Approve Energy Procurement Strategy
  - d. Approve rate discount of 3% and set Rate Public Hearing for March 14, 2018
  - e. Approve program name Solana Energy Alliance
  - f. Approve product names SEA Base; SEA 100; SEA NEM
2. Adopt **Resolution 2018-022** authorizing the City Manager to execute SDG&E Service Agreement and related documents.

Greg Wade, City Manager, introduced the item.

Dan King, Assistant City Manager, and Jeff Fuller, Consultant T.E.A., presented a PowerPoint (on file).

Greg Wade, City Manager, introduced the consulting team who was available for questions.

Sebastian Sarria said he was with the Climate Action Campaign and that a Community Choice Program would be able to offer a cleaner energy product while providing great savings to customers with more money in the pockets of neighborhoods, families, and businesses.

Don Mullis said he was a new resident, that he had reviewed the past workshop, that his questions were, What did we know about our counter party T.E.A.? How was T.E.A.

regulated? What were the financials of T.E.A.? Where were the profit, loss statements, and balance sheets? What would have been the other experiences of any other C.C.A. customers of T.E.A.?

Tracy Richmond said that he supported the CCA and the City moving forward, that his only concern was the name Solana Energy Alliance, and that it might not be as inviting to others who may want to join the CCA in the future if it had part of the City's name in it.

Greg Wade, City Manager, said that TEA was thoroughly reviewed and was a well-respected nonprofit entity working on behalf of other clients, that other C.C.A.'s had a positive working relationship with them, that the City's C.C.A. would be an independent entity of the City, who would rely on T.E.A. to provide procurement, then the C.C.A. would provide credit on its own providing backing for energy procurement.

Mr. Fuller said that T.E.A. was a not-for-profit corporation owned by 8 large power systems across the country, or municipal owned entities, their equity owners are members, services and partners, that many were energy generators as part of a traditional vertically integrated model like SDG&E but municipally owned, separately managing each portfolio independently by the client's objectives, the equity owners are A or AA rated municipal utilities.

Council, Staff, and Consultant discussed the generation of load in the first few years should result in 2.5 million reserves under current models and would be enough to cover costs, an agreement for payback, if required, would be just under \$50,000, that the total cost to the City for staffing and consultants were \$64,000 to date, noting any conflicting policies that may affect risk management policies, that the model was validated with other data sets and the cash flow would be specific to Solana Beach, and would add data security, privacy, and best practices to the policy.

Discussion continued regarding how they were structured, that they were a cost based system with a revenue requirement for an annual cost to run the business, the partner revenues received on a fee for cost basis offset the expenses of operating the organization, that the eight equity owners of T.E.A. pay for the balance of the costs, they are just like SDG&E, all types of power, costs of in-state v. out-of-state power for renewable generation, contracting for storage of energy for later use, PCI charges for 2018 were set and did not change based on opt-out rate, the unit rate would be the same, as more people place rooftop solar on their homes the C.C.A. would encouraged it by offering a credit for any net surplus generation that was better than the IOUs had been offering, solar would lower the overall electric loads of the C.C.A. and a cost would be associated if they were net surplus generators but over time they would align procurement volumes with the lower energy needs, the franchise fees were set by Solana Beach charged to the utilities and comes in as general fund revenue, a portion of the franchise fee is divided between the delivery and the generation, the franchise fee currently charged by SDG&E would change in how it was displayed on the bill, the smallest City they had consulted with was in Washington of a pollution of 5,000, and it was ideal to join others to divide costs among those who shared common goals and objectives.

Discussion continued regarding adding reference to public education and transparency, adding how stress testing was going to risk management members for referral, that the name of the C.C.A. as S.E.A. did not come up with other jurisdictions and could always be modified or changed, that the name was not intended to be Solana Beach but Solana as a general term going through many ideas, that they did not want to make it Solana Beach specific, but to include Solana, that L.A. County was L.A.C.E. and just changed their name as they recently incorporated Ventura County into the C.C.A., that there had been a lot of positive public input with good questions, and that the rate structure being proposed was 3% less on energy cost than SDG&E but would not be set until a future meeting.

**Motion:** Moved by Deputy Mayor Zito and second by Councilmember Edson to approve.  
**Approved 3/1/1** (Noes: Marshall, Absent: Hegenauer) Motion carried.

**B. PUBLIC HEARINGS:** (B.1.)

This portion of the agenda provides citizens an opportunity to express their views on a specific issue as required by law after proper noticing by submitting a speaker slip (located on the back table) to the City Clerk. After considering all of the evidence, including written materials and oral testimony, the City Council must make a decision supported by findings and the findings must be supported by substantial evidence in the record. An applicant or designees for a private development/business project, for which the public hearing is being held, is allotted a total of fifteen minutes to speak, as per SBMC 2.04.210. A portion of the fifteen minutes may be saved to respond to those who speak in opposition. All other speakers have three minutes each. Please be aware of the timer light on the Council Dais.

**B.1. Public Hearing: 640 North Highway 101 (“Harbaugh Seaside Trails”)**  
**Applicants: San Elijo Lagoon Conservancy, Case # 17-17-26, APN: 263-011-32.**  
(File 0600-40)

Recommendation: That the City Council

1. Conduct the Public Hearing: Open the Public Hearing, Report Council Disclosures, Receive Public Testimony, and Close the Public Hearing.
2. Find the project exempt from the California Environmental Quality Act pursuant to Sections 15333 and 15304 of the State CEQA Guidelines; and
3. If the City Council makes the requisite findings and approves the project, adopt **Resolution 2018-017** conditionally approving a DRP to perform habitat restoration and minor grading and to construct approximately 2,080 linear feet of public trail improvements, an approximately 780 linear-foot extension of the Solana Beach Coastal Rail Trail (CRT), and associated trail amenities on a vacant property located at 640 Highway 101.

Greg Wade, City Manager, introduced the item.

Katie Benson, Associate Planner, presented a PowerPoint (on file).

Mayor Marshall opened the public hearing.

Council disclosures.

Jennifer Bright, Applicant representative, on behalf of the San Elijo Lagoon Conservancy, said that the Conservancy borrowed \$4 million from generous community members to purchase Harbaugh Seaside Trails from a proposed development, that in December 2013 a community led group known as the Gateway Committee begin discussions about the property plans and design, a conservation easement was recorded in 2014 with proposed property plans including conceptual designs for a monument sign, a viewing overlook, and an informational kiosk, that the committee identified an architect for trail designs in 2016, and that they thanked City Staff and look forward to future coordination.

Council and Ms. Bright discussed that there had been some interest among the public for parking and benches and that there was no parking on the property or loading as part of the conservation easement, that trails would be ADA accessibility, and that there would be seating areas within the donor monument, and were working on how Coastal Commission permit would be obtained and not expecting to have any issues.

Councilmember Nichols stated that he wanted to disclose that he did have a client that was working with the Conservancy on an 8-acre cleanup parcel near the lagoon located in Olivenhain and the contract was set up so that the funds are paid to the lagoon management directly and they just oversaw the property for the client for landscaping but there was not a relationship between the conservancy and himself.

Greg Wade, City Manager, said Caltrans provided \$1 million as community enhancement funds through the I-5 Corridor Program and those funds were secured for this property and provided to the Conservancy and if approved the City would be a co-applicant for the Coastal Development Permit going forward.

Gerri Retman (time donated by Ira Opper) said that the parking was similar to the Coastal Rail Trail with no parking reserved, that access to the property could be reached from north Cedros, and thanked everyone for their help and that this had taken a long time to reach this project stage.

Tracy Richmond strongly supported approval, that it was once a gas station site when it cost 23 cents a gallon, this project would enhance this area greatly, that it would provide ADA accessible trails, a close by crosswalk.

Tom Golich said when he joined the Council in 1998 that a group of investors from Canada was trying to find out why a development had not succeeded, and fortunately the citizens all supported getting it to this eventual project.

**Motion:** Moved by Deputy Mayor Zito and second by Councilmember Edson to closed the public hearing. **Approved 4/0/1** (Absent: Hegenauer) Motion carried.

**Motion:** Moved by Deputy Mayor Zito and second by Mayor Marshall to approve. **Approved 4/0/1** (Absent: Hegenauer) Motion carried.

**ADJOURN:**

Mayor Marshall adjourned the meeting 7:59 p.m.

Angela Ivey, City Clerk

Approved: September 11, 2018