### CITY OF SOLANA BEACH

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

### JOINT REGULAR MEETING

### **MINUTES**

6:00 P.M. Wednesday, November 9, 2011

CITY COUNCIL CHAMBERS 635 S. HIGHWAY 101, SOLANA BEACH, CALIFORNIA

The City Council acts as the City of Solana Beach Redevelopment Agency and the Public Financing Authority.

### **CALL TO ORDER AND ROLL CALL:**

Present:

Heebner, Kellejian, Roberts, Nichols, and Campbell.

Absent:

None.

Also Present: David Ott, City Manager

Johanna Canlas, City Attorney Lisa Foster, City Attorney Angela Ivey, City Clerk

Wende Protzman, Dir. Admin. Serv/Deputy City Mgr

Mo Sammak, City Engineer/Public Works Dir.

Marie Berkuti, Finance Manager Dan King, Sr. Management Analyst

Mayor Heebner called the meeting to order at 6:00 p.m.

### **CLOSED SESSION REPORT: (when applicable)**

Johanna Canlas, City Attorney, stated there was no reportable action.

### **FLAG SALUTE:**

### APPROVAL OF AGENDA:

David Ott, City Manager, stated that Item C.2. would be heard first.

MOTION: Moved by Roberts and seconded by Kellejian. Motion carried unanimously.

### PRESENTATIONS:

(Ceremonial items that do not contain in-depth discussion and no action/direction.)

### 1. Sea Level Rise on Local Beaches

Ryan Hartflick, staff oceanographer for the California Department of Boating and Waterways, and that was also a partner in Terracosta Consulting Group. He stated that he would review examples of sea level rise and affects on beaches and this region. He presented a powerpoint (on file).

### **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.

Paul Davis, San Pebbles representative, stated that the owners at San Pebbles had spent a lot of money improving the property, that they had been good neighbors to City Hall, on two separate occasions he had addressed Council about concerns regarding the affordable housing project, that he had provided issues in writing to each of the Councilmembers, he had not received any response, that story poles and chalk outlines had now been added which further decrease their feelings for the property, and that the owners were considering their options but that they would prefer to work with Council for their mutual benefit.

Mayor Heebner stated that there will be a public hearing coming and that Council would hear more from the public before making a decision.

John Murk stated that he had been going through the process of a structure development permit for over a year, that the process was supposed to be objective, that the latest critique he received was for a set of plans three revisions out of date, that he had passed every hurdle but Staff threw up more hurdles, he had worked with his neighbors to change the design but Staff was

still using old plans, that now the Council was changing the rule to 500 square feet, and that the discretion made the process a joke.

Louise Abbott stated that Ordinance 433 passed in two weeks, that she objected to it on many levels, that she missed the reading for personal health reasons, that the Ordinance was not a minor clarification of DRP requirements, that the new paragraph required every property to come before the Council for design review, that when Proposition A, Small Residence Only Zone (SROZ), a small change was implemented that went to a citywide vote, that she could not understand why property owners were not notified individually or given the opportunity to vote, and that there needed to be more notification to property owners.

Johanna Canlas, City Attorney, clarified that it took approximately 45 days from the time an ordinance was introduced until it went into effect.

Marion Dodson stated that Ordinance 433 was added to clarify but that the changes made in section N was a totally new provision, not a clarification, that additions like section N deserve full disclosure to the public, that calling section N a clarification was misleading and false, that it effected every property owner in the city, it was a de facto moratorium, that two public hearings were not sufficient, and urged the Council to rescind section N of Ordinance 433.

Jim Nelson, Solana Beach Historical Society, thanked Council for putting a new ramp in the museum, that the old one was deteriorating and collapsed, stated that there were other improvements that needed to be made, the number of people who visited the museum had improved exponentially in the past ten years, and named a number of events throughout the year that the museum participates.

Thomas Kaiser stated that a neighbor's application for an auxiliary living unit (ALU) did not meet the requirements, that the unit was approved for, removing the kitchenette, and that they applied for an additional permit, that Staff went along with it since the property owners signed an un-enforceable deed restriction saying they would never add a kitchen to the unit, that he found out there was a process for things that do not fit into the Solana Beach codes, and that other people did not need to go through the process for an ALU but could circumvent it by applying for an additional permit, signing the deed restriction, and obtain an ALU without having to go through the process.

#### **COMMUNITY ANNOUNCEMENTS:**

Council reported community activities.

#### **COMMENTARY:**

### A. CONSENT CALENDAR: (Action Items) (A.1. - A.3.)

Items listed on the Consent Calendar are to be acted in a single action of the City Council unless pulled for discussion. Any member of the public may address the City Council on an item of concern by submitting to the City Clerk a speaker slip (located on the back table) before the Consent Calendar is addressed. Those items removed from the Consent Calendar by a member of the Council will be trailed to the end of the agenda, while Consent Calendar items removed by the public will be discussed immediately after approval of the Consent Calendar.

### A.1. Waive the reading of Ordinances.

Recommendation: That the City Council

1. Approve waiving the text reading of ordinances on this agenda pursuant to Solana Beach Municipal Code Section 2.04.460.

MOTION: Moved by Roberts and seconded by Kellejian. Motion carried unanimously.

### A.2. Register Of Demands. (File 0300-30)

Recommendation: That the City Council

1. Ratify the list of demands for October 1 - 14, 2011.

<u>MOTION:</u> Moved by Roberts and seconded by Kellejian. **Motion carried** unanimously.

## A.3. General Fund Adopted Budget Report for Fiscal Year 2011-2012. (File 0330 -30)

Recommendation: That the City Council

1. Receive the report listing changes made to the FY 2011-2012 General Fund Adopted Budget.

<u>MOTION:</u> Moved by Roberts and seconded by Kellejian. **Motion carried unanimously.** 

### A.4. <u>City Manager Contract (File 0400-10) - added 11/4/11</u>

Recommendation: That the City Council

 Adopt Resolution 2011-164 Appointing David Ott as the City Manager and Authorizing the Mayor to Execute a City Manager Employment Agreement between the City of Solana Beach and David Ott.

MOTION: Moved by Roberts and seconded by Kellejian. Motion carried 4/0/1 (Recuse: Nichols.)

NOTE: The City Council shall not begin a new agenda item after 10:30 p.m. unless approved by a unanimous vote of all members present. (SBMC 2.04.070)

### B. **PUBLIC HEARINGS:**

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.

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### B.1. <u>User Fee Amendment.</u> (File 0390-20) - added 11/4/11

Recommendation: That the City Council

- 1. Report Council disclosures;
  - 2. Conduct the Public Hearing: Open the Public Hearing, Receive Public Testimony, Close the Public Hearing;
  - 3. Find that the adoption of an amendment to the 2010/2011 Schedule of Fees is not a project as defined by CEQA.
  - 4. Adopt Resolution 2011-151 amending the FY 2010/2011 Schedule of Fees and establish the 2011/2012 Schedule of Fees to recover the City?s costs for five services.

Do introduced the item.

Corey Johnson, Associate Planner, presented a powerpoint (on file) reviewing the cost study for 5 services that the city provided, that 2 were updates and 3 were new fees, that all businesses doing business in the City were required to have a business certificate, reviewing an example project, that the intent was to recover costs and the effective dates.

Council and Staff discussed the user fee study that established the fees, that they were valuated based on the time Staff would spend on particular types of projects, that the fees were competitive with neighbor cities or less, that the fees were based on actual costs, that any updates were a re-evaluation of what took to provide services including fire inspections.

Mayor Heebner opened the public hearing.

Council reported disclosures. Deputy Mayor Kellejian stated that he had a small business in Solana Beach less than 1,000 square feet. Councilmember Nichols stated that he had a business in Solana Beach that would be affected. Councilmember Campbell stated that he owned a business in Solana Beach.

**MOTION:** Moved by Roberts and seconded by Nichols to close the public hearing. **Motion carried unanimously.** 

**MOTION:** Moved by Roberts and seconded by Campbell. **Motion carried** unanimously.

- C. <u>STAFF REPORTS: (C.1. C.4.)</u> Submit speaker slips to the City Clerk
  - C.1. SDG&E Proposed General Rate Case (GRC) Phase 2 Discussion.

(File 1010 -20)

Recommendation: That the City Council

1. Receive the Staff Report and provide direction.

David Ott, City Manager, introduced the item.

Danny King, Sr. Management Analyst, stated that the informational item was provided to promote discussion.

lan Stewart , SDG&E, presented a powerpoint (on file) reviewing their proposal and stated that they were trying to determine how to have all rate payers to pay their fare share, that there were growing rooftop solar clients and that they currently received a \$30 tax credit, a customer without solar energy was paying about \$60 but instead were currently paying \$120, that it was a nationwide an worldwide issue regarding subsidies, that the solar customer was not paying any of the infrastructure costs even though it increased the demand on them to accommodate solar clients, that the allegations of the fee being an add one fee was misinformation, that the solar customer would receive an increase of about \$22 a month, and that SDG&E was asking to do this now since they could only go to D.C. every 3-4 years.

Peter Defrancesca said that he had solar, that he still did not understand what additional costs there were to SDG&E, that he was putting energy back into the system, that he knew the fees at the time that he put in solar and now that game would be changing, asked Council to vote no on this rate change, and that he knew their proposal was marginal but it was unreasonable.

Daniel Sullivan (time donated by Erica Johnson, Jessica Montagna) said that he spoke on behalf of San Diego Solar Coalition, presented a powerpoint (on file) regarding the opposition of the rate change by SDG&E, that it appeared that the more a customer provided to the grid the more it would cost them to provide it, that some schools and water districts would see a huge impact to their bill, that SDG&E had painted a picture that solar was being subsidized by the non-solar users, but that in fact when someone goes solar they had been eliminated from the equation, SDG&E does not like losing customers, that SDG&E had spent nothing on the infrastructure for a local power plant but generated income from it, that there were myths in the proposal's statements.

Council and Mr. Sullivan discussion ensued regarding the San Diego Solar Coalition, who represented solar integrators and contractors, that they had talked to SDG&E twice and that they had offered no alternative to their current proposal, that the numbers that he provided came from California Center for

Sustainability, an independent organization that administers efficiency for the state of California, and whether the presentation provided to their subcommittee could be included.

Adam Rizzo, Coalition representative, said that the SDG&E presentation was very misleading, that he represented every customer he had worked with, and that this was pulling the rug out from underneath solar efforts.

Lane Sharman (time donated by Steve Ostrow, Don Christiansen) presented a powerpoint (on file) that "Save Our Soul" was a grass roots organization founded in Solana Beach, that the entire application should be withdrawn, that solar installers were losing work, that the plan was a job and business killer, it discriminated against those doing good for themselves and others, and that they sought to change a nominal fee in order to impose a network and create revenue.

Steve Goetsch, Clean and Green Committee, that half of the power that was generated in America was wasted, that SDG&E was building a powerlink far away and wasting money, and that a recent article stated that Sempra profits had more than doubled.

Jill Cooper said that she was a Solana Beach resident, that she had invested substantial money to install panels on her roof and wanted to recoup the investment, that it would take them longer to break even, that raising rates on solar customers would discourage others from installing panels, that it exhibited the worse kind of corporate greed, that they needed to stop using dark age business models, and that she opposed the rate hike.

Karl Rudnick passed about a letter he had sent to the Union Tribune, that the ratio of solar users was 1% to 99% non solar users, and that different numbers were quoted by SDG&E in different articles.

Jack Hegenauer stated that he had 5.1 kw system put in 5 years ago, that they had generated 110 usage for the last 3 1/2 years, that it took a lot of work of people filing actions in front of the Public Utilities Commission, that their commitment to sustainability was false, that many schools and businesses had invested in solar systems to capture limited and predictable costs, that this rate increase would put all those plans and promises out the window, and asked Council to actively oppose it.

Michael Hetz stated that recent reports regarding irreversible climate change and the outlook for the next 5 years were grim, that a chief economist optimistic if leaders were willing to make necessary changes, that price incentives were needed to support change, that SDG&E knows about this, and that they were putting up a hurdle to these efforts.

Torgen Johnson said that SDG&E and SEC were co-owners of San Onofre Nuclear Generating Station, that the recent Japan nuclear plant incident pushed them to ask for funds to address issues, that SDG&E had a monopoly on energy options, and that solar was the answer for generating the peak load energy, and that he was opposed to the increase and hoped that Council would also.

Jessica Laemmle said that she was a Solana Beach resident who had solar at her house, that the bill would affect neighbors considering panels to their houses, not always a strictly financial reason but it had to make financial sense for most and this would negate that, and that solar was good for the economy and the country.

Council discussion ensued regarding that much information shared was the same on a recent NPR interview with CCSE (Ca. Center for Sustainability Environment), an independent organization to ask SDG&E to withdraw the application, to send opposition to the PUC, that this proposal was a huge step backwards, that SDG&E was already making money off of solar users, that it would discourage investments in solar, which would be bad for he environment and economy, that SDG&E was given a mandate to produce renewable energy and that they appeared to being put others out of business so that the only option would be their desert option, that SDG&E did contact elected officials who had solar to talk with them, that expressions during meetings had included "free ride" and "the poor had to stop subsidizing the wealthy", to include SANDAG and the 22nd DAA in correspondence, that it was offensive that SDG&E said solar had to be theirs and not individual's own solar, asked to see if the presentation to another agency could be included, that it seemed like the wrong idea at the wrong time, that it seemed clear that SDG&E was more concerned about their shareholders and investors than their customers.

<u>MOTION:</u> Moved by Heebner and seconded by Roberts to draft a resolution of opposition and letters to Public Utilities Commissions, Governor Brown, and SANDAG. **Motion carried unanimously.** 

# C.2. San Elijo Joint Powers Authority 2003 Bond Refunding Third Amended and Restated Loan Agreement. (File 0150-80)

Recommendation: That the City Council

1. Adopt Resolution 2011-157 authorizing the execution and delivery of a Third Amended and Restated Loan Agreement and authorizing and directing certain actions in connection therewith.

David Ott, City Manager, introduced the item.

Mike Thornton, General Manager of the Joint Powers Authority, presented a powerpoint (on file) reviewing the opportunity to refund the debt again as well as the loan to historical low rates.

<u>MOTION:</u> Moved by Roberts and seconded by Kellejian. **Motion carried** unanimously.

Mayor Heebner recessed the meeting at 8:34 p.m. and reconvened at 8:47 p.m.

# C.3. <u>Award Ocean Street, Seabright Lane and Access Road Storm</u> <u>Drain Facilities Contract, Bid No. 2011-04. (File 0400-10)</u>

Recommendation: That the City Council

- 1. Adopt Resolution 2011-156:
  - a. Awarding the construction contract to Hunter General Engineering in the amount of \$138,800 for the Ocean Street, Seabright Lane and Access Road Storm Drain Facilities Contract, Bid No. 2011-04.
  - b. Approving an amount of \$21,000 for construction contingency.
  - c. Authorizing the City Manager to execute the construction contract on behalf of the City.
  - d. Appropriating \$12,437 and authorizing the City Treasurer to amend the FY 2011-12 Adopted Budget.

David Ott, City Manager, introduced the item.

Mo Sammak, Public Works Director, presented a powerpoint (on file), reviewing the proposed design.

Council and Staff discussed water erosion of the gravel, that a more comprehensive environmental clearance to implement to much change to it, that they are spending a lot of maintenance on that area, and that some changes will help the issue.

MOTION: Moved by Kellejian and seconded by Campbell. Motion carried unanimously.

### C.4. <u>22nd District Agricultural Association Community Relations</u> <u>Committee Update on Discussions.</u> (File 0150-85)

Recommendation: That the City Council

1. Discuss the item and provide direction to the 22nd District Agricultural Association Community Relations Ad Hoc Committee as necessary.

Mayor Heebner stated that they had attended the Community Relations meeting and that David Watson brought new energy, that it was based on that fact that there would be two more days to the Fair, that businesses were impacted, that a shuttle would be provided throughout the city paid for by the DAA, and providing more transit to the Fair to reduce traffic on the streets.

Councilmember Roberts stated that the only traffic direction was to the right or left into the cities instead of allowing them to get to the freeway, that they might look at a traffic signal at that gate, and that they would bring the solar issue back to the board, that David Watson said he wanted it implemented by the next Fair by a read traffic professional, and that they expressed interest in sharing all DAA issues in public for transparency.

### **WORKPLAN COMMENTS:**

(Adopted June 23, 2010)

### **COMPENSATION & REIMBURSEMENT DISCLOSURE:**

GC: Article 2.3. Compensation: 53232.3. (a) ? Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. 53232.3 (d) Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency at the next regular meeting of the legislative body.

### **COUNCIL COMMITTEE REPORTS:**

Campbell left meeting at 8:59 p.m.

Council reported committee activity.

### Regional Committees: (outside agencies, appointed by this Council)

- a. City Selection Committee Roberts (meets twice a year).
- b. County Service Area 17 Campbell, Nichols (alternate).
- c. Escondido Creek Watershed Authority Nichols, Roberts (alternate).
- d. League of Ca. Cities' San Diego County Executive Committee Roberts, Kellejian (alternate) and any subcommittees.
- e. League of Ca. Cities' Local Legislative Committee Roberts, Kellejian (alternate).
- f. League of Ca. Cities' Coastal Cities Issues Group (CCIG) Kellejian, Roberts (alternate).
- g. North County Dispatch JPA Nichols, Campbell (alternate).

- h. North County Transit District Roberts, Nichols (1st alternate), Heebner (2nd alternate)
- i. Regional Solid Waste Association (RSWA) Nichols, Kellejian (alternate).
- j. SANDAG Heebner (Primary), Nichols (1st alternate), Roberts (2nd alternate) and any subcommittees.
- k. SANDAG Shoreline Preservation Committee Kellejian, Roberts (alternate).
- I. San Dieguito River Valley JPA Heebner, Nichols (alternate).
- m. San Elijo JPA Campbell, Roberts (both primary members) (no alternates).
- n. 22nd Agricultural District Association Community Relations Committee Heebner, Roberts.

### **Standing Committees: (All Primary Members) (Permanent Committees)**

- a. Business Liaison Committee Roberts, Campbell.
- b. Highway 101 / Cedros Ave. Development Committee Nichols, Heebner.
- c. I-5 Construction Committee Heebner, Roberts.
- d. Parks and Recreation Committee Heebner, Nichols
- e. Public Arts Committee Roberts, Nichols.
- f. School Relations Committee Roberts, Nichols.

### Ad Hoc Committees: (All Primary Members) (Temporary Committees)

- a. Army Corps of Engineers & Regional Beach Nourishment Kellejian, Campbell. Expires December 7, 2011.
- b. Development Review Nichols, Heebner. Expires November 16, 2011.
- c. Environmental Sustainability Roberts, Heebner. Expires December 7, 2011.
- d. Fire Department Management Governance-Kellejian, Roberts. Expires July 13, 2011.
- e. Fiscal Sustainability Campbell, Roberts. Expires June 28, 2012.
- f. Fletcher Cove Campbell, Heebner. Expires November 16, 2011.
- g. General Plan Campbell, Nichols. Expires July 12, 2012.
- h. La Colonia Park Nichols, Heebner. Expires May 10, 2012.
- i. Local Coastal Plan Ad-Hoc Committee Roberts, Campbell. Expires February 8, 2012 or at the California Coastal Commission adoption.
- j. NCTD / Train Station Site Project Ad Hoc Committee Heebner, Nichols. Expires January 11, 2012
- k. View Assessment Nichols, Heebner. Expires February 23, 2012

### **ADJOURN:**

Mayor Heebner adjourned the meeting at 9:05 p.m.

Approved: March 14, 2012