

**AGENDA**  
**REGULAR MEETING OF THE**  
**CITY OF KING CITY COUNCIL**  
**AND**  
**Sitting as SUCCESSOR AGENCY OF**  
**THE RDA FOR THE CITY OF KING**

**TUESDAY MARCH 28, 2017**  
**6:00 P.M.**

**CITY HALL**  
**212 S. VANDERHURST AVENUE**  
**KING CITY, CALIFORNIA 93930**

*\*Spanish interpretation services will be available at meeting*

*In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, Please contact the City Clerk's Office (831-386-5925) at least 48 hours prior to the Meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.*

*\* Please submit all correspondence for City Council PRIOR to the meeting with a copy to the City Clerk.*

**1. CALL TO ORDER**

- 2. ROLL CALL:** Council Members Darlene Acosta, Robert Cullen, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, and Mayor Mike LeBarre

**3. FLAG SALUTE**

**4. CLOSED SESSION ANNOUNCEMENTS**

**5. SPECIAL PRESENTATIONS**

- A. Proclamation Recognizing John Miller
- B. Proclamation Recognizing Mayor Pendergrass
- C. Sol Treasures - Betsy Oltmann, Barbara Pekema and Sonia Chapa

**6. PUBLIC COMMENT**

Any member of the public may address the Council for a period not to exceed *three minutes'* total on any item of interest within the jurisdiction of this Council that is not on the agenda. The Council will listen to all communications; however, in compliance with the Brown Act, the Council cannot act on items not on the agenda. Comments should be directed to the Council as a whole and not to any individual Council Member. Slanderous, profane or personal remarks against any Council Member, staff member or member of the audience is not permitted.

**7. COUNCIL COMMUNICATIONS & COMMITTEE REPORTS**

Individual Council Members may comment on Council business, his or her Council activities, City operations, projects or other items of community interest. Council Members may also request staff to report back at a subsequent meeting on any matter or take action to direct staff to prepare a staff report for a future agenda.

**8. STAFF COMMUNICATIONS**

Comments presented by the City Manager, City Attorney or other staff on City business and/or announcements.

**9. CONSENT AGENDA**

The following items listed below are scheduled for consideration as a group. The recommendations for each item are noted. Members of the audience may speak on any item(s) listed on the Consent Agenda. Any Council Member, the City Manager, or the City Attorney may request that an item be withdrawn from the Consent Agenda to allow for full discussion. The Council may approve the remainder of the Consent Agenda on one motion. Items withdrawn from the Consent Agenda may be considered by separate motions at the conclusion of the discussion of each item.

- A. Meeting Minutes of March 14, 2017 Council Meeting  
Recommendation: approve and file.
- B. City Monthly Treasurer's Report- February 2017  
Recommendation: approve and file.
- C. Successor Agency Monthly Treasurer's Report- February 2017  
Recommendation: approve and file.
- D. Public Financing Authority Monthly Treasurer's Report- February 2017  
Recommendation: approve and file.
- E. City Check Register  
Recommendation: approve and file.
- F. Successor Agency Check Register  
Recommendation: approve and file.
- G. Public Financing Authority Check Register  
Recommendation: approve and file.
- H. Consideration: A Resolution Authorizing the Submittal of an Application, Acceptance of Funds and Execution of grant Agreement with California Department of Transportation for the Airport Improvement Matching Grant Program.  
Recommendation: approve the Resolution and direct staff to submit an application for matching grant funding of Airport Improvement Program (AIP) 3-06-0113-012-2016, Update to the Airport Layout Plan for Mesa Del Rey Airport
- I. Consideration: Report on General Plan Annual Review  
Recommendation: Review and File
- J. Consideration: Resolution Designating the City Clerk to Maintain a Minute Book of Closed Session Items  
Recommendation: adopt a Resolution designating the City Clerk to maintain a minute book of closed session items.

- K. Consideration: Interagency Agreement with Salinas Valley Solid Waste Authority for Solid Waste/Recycling Contract Administration Services  
Recommendation: approve and authorize the City Manager to execute an Interagency Agreement with Salinas Valley Solid Waste Authority for Solid Waste/Recycling Contract Administration Services.
  
- L. Consideration: Acceptance of Grant Offer in the Amount of \$138,521.00 from the AB2766 Motor Vehicle Emissions Reduction Program to Prepare a Project Study Report-Project Development Support (PSR/PDR) Project Initiation Document for a Proposed Roundabout at the Intersection of Broadway Street and San Antonio Drive/US 101 Northbound Ramp Terminals  
Recommendation: 1) direct staff to accept the FY17 AB2766 grant offer in the amount of \$138,521.00 through the Monterey Bay Air Resources District to fund preparation of a Project Study Report-Project Development Support (PSR/PDA) project initiation document; and 2) authorize the City Manager to be the representative of the City of King to the attached grant agreement and execute grant agreement No. 17-03 and related document.

## **10. PUBLIC HEARINGS**

- A. Consideration: Public Hearing on Unmet Transit Needs in Monterey County  
Recommendation: conduct a public hearing on unmet transit needs in Monterey County for the Transportation Agency of Monterey County.
  
- B. Consideration: Adoption of an Ordinance Authorizing Implementation of a Community Choice Aggregation Program, Adoption of a Resolution Approving the Joint Powers (MBCP) Authority, and Discussion of other Community Choice Energy Program Alternatives  
Recommendation: 1) decline membership in the Monterey Bay Community Power Joint Powers Authority (JPA) at this time; and 2) direct staff to proceed with the recommended steps to further assess the feasibility of establishing an independent Community Choice Energy (CCE) program.

## **11. REGULAR BUSINESS**

- A. Consideration: Alternatives to Address Issues Related to Long-term Stays in Transient Occupancy Businesses  
Recommendation: direct staff to prepare an ordinance for Council consideration regarding transient occupancy long-term stays and provide direction on options to incorporate in the ordinance.

## **12. CITY COUNCIL CLOSED SESSION**

Announcement(s) of any reportable action(s) taken in Closed Session will be made in open session, and repeated at the beginning of the next Regular City Council meeting as this portion of the meeting is not recorded.

1. Liability Claims, by Fleta Andrade  
Claim against City of King  
Gov. Code Section: 54956.95
  
2. Liability Claims, by Jim Albanese Rental and Property  
Claim against City of King  
Gov. Code Section: 54956.95
  
3. Liability Claims, by Tom and Debi Rahe  
Claim against City of King  
Gov. Code Section: 54956.95
  
4. Conference with Real Property Negotiators  
Properties: APN 026-195-010-000, APN 026-195-018-000, 332 Broadway St.;  
APN 026-195-012-000, 325 Lynn St.  
Agency Negotiator: Steven Adams  
Negotiating Party: Cheung Ho Ming

## **13. ADJOURNMENT**

# City of King

*Monterey County Teacher of the Year  
John Miller*

*Whereas, John Miller became a teacher to change the world by mentoring and inspiring future generations; and*

*Whereas, John Miller works to provide his students with an experience that allows them to explore learning and understanding on their own terms; and*

*Whereas, John Miller is a King City Chalone Peaks Middle School history teacher and Minecraft in education curriculum developer, certified trainer and mentor; and*

*Whereas, John Miller is a Google Innovator and CUE Lead Learner with over 25 years' classroom experience; and*

*Whereas, John Miller holds a Master's Degree in Educational Technology, is a contributor to the book "An Educator's Guide to Using Minecraft in the Classroom" (2014) and co-author of "Unofficial Minecraft Labs for Kids" (2016); and*

*Whereas, in 2016 he was selected as Monterey County Teacher of the Year and recently honored as a finalist for California Teacher of the Year.*

**NOW, THEREFORE, BE IT HEREBY PROCLAIMED** that the City Council of the City of King congratulates John Miller for being selected as the Monterey County Teacher of the Year and expresses its appreciation for his dedication and commitment to educating our children.

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*Mike LeBarre, Mayor*

# City of King

Honoring  
Mayor David K. Pendergrass

*Whereas, David K. Pendergrass was elected Mayor of Sand City California on March 14, 1978; and*

*Whereas, Mayor Pendergrass, the longest standing Mayor in the history of California, served his community for 39 years as a strong advocate for Sand City; and*

*Whereas, Mayor Pendergrass discharged his duties as Mayor as a person of integrity, who is fair, honest, and an outstanding public servant; and*

*Whereas, Mayor Pendergrass has been a great steward of the public's trust; and*

*Whereas, Mayor Pendergrass is an integral part of the history of Sand City, as well as all of Monterey County, with his dedication, community involvement, and commitment to improving the quality of life for all in Sand City and our County; and*

*Whereas, Mayor Pendergrass retires April 30<sup>th</sup>, 2017; and*

*Whereas, his retirement is well earned and he will be missed.*

**NOW, THEREFORE, BE IT HEREBY PROCLAIMED** that the City Council of the City of King commends Mayor Pendergrass for his 39 years of continuous public service, and expresses its appreciation for his contributions to municipal government and our area.

\_\_\_\_\_  
Mike LeBarre  
Mayor

\_\_\_\_\_  
Carlos Victoria  
Mayor Pro Tem

\_\_\_\_\_  
Darlene Acosta  
Council Member

\_\_\_\_\_  
Robert Cullen  
Council Member

\_\_\_\_\_  
Carlos DeLeon  
Council Member

**City Council Meeting  
March 14, 2017**

**1. CALL TO ORDER:**

Regular Meeting was called to order at 6:00PM by Mayor LeBarre.

**2. FLAG SALUTE:**

The flag salute was led by Mayor LeBarre.

**3. ROLL CALL:**

City Manager Adams conducted roll call.

City Council: Darlene Acosta, Carlos DeLeon, Mayor Pro Tem Carlos Victoria, Mayor Michael LeBarre.

Council Member Robert Cullen is absent

City Staff: City Manager Steven Adams, Attorney Shannon Chaffin

**4. CLOSED SESSION ANNOUNCEMENTS:**

No reportable action.

**5. PRESENTATIONS:**

Mayor LeBarre recognized the Red Cross with a Proclamation.

Mayor LeBarre recognized the officer of the year Dominic Mercurio with a proclamation. Officer Mercurio stated that it takes the entire team from the Chief down. City Council Congratulated Officer Mercurio and thanked him for his service.

Dr. Moirao, Southern Monterey County Joint Union High School District, gave an update on the State of the District. Last year King City had 211 graduates. Six years ago, there was 30% drop out rate, this year it is a 10% drop out rate. The district was below the State average and now it is above the State average. The STEM (Science, Technology, Engineering and Math) program will have to have an additional teacher added as it is so popular. The District was recognized 1 of 22 districts, the only district in Monterey County, on the district honor roll. He presented a program bring on the Pride with a handout.

**6. PUBLIC COMMUNICATIONS:**

None

**7. COUNCIL COMMUNICATIONS:**

Mayor announced Council Member Cullen in his absence ask that the Salinas Valley Solid Waste Authority February Board Meeting Highlights be in the agenda packet for the rest of Council to read.

Mayor Pro Tem Victoria stated Dr. Moirao gave his report which is what he would have reported. He attended his AMBAG meeting.

Council Member Acosta stated that the 4C4P meeting was hosted by King City. She thanked staff for going above and beyond setting up for the meeting. She attended the Domestic Violence County Council meeting and the Court House will be opened as a victim's center.

Council Member DeLeon nothing at this time.

Mayor LeBarre attended Legislative Conference in Washington DC, met with Congressman Panetta and felt that they can help with some of the items for the Youth Violence Prevention Plan he was encouraged that the plan is in our budget to be a continued item.

#### **8. CITY STAFF REPORTS AND COMMENTS:**

City Manager Adams stated the City is working on moving implantation of the Youth Violence Plan forward. District Safety meetings will be on March 25<sup>th</sup> and 26<sup>th</sup> at different times in different districts.

Attorney Chaffin stated nothing to report at this time. AB1234 training coming soon for Council, Commissions, and management staff.

#### **9. CONSENT AGENDA**

- A. Meeting Minutes of February 28, 2017 Council Meeting
- B. City Check Register
- C. Successor Agency Check Register
- D. Public Financing Authority Check Register
- E. King City in Bloom City Hall Landscaping Improvements
- F. Approval of Lease Agreement Contract with King City Boxing Club
- G. Request to Award Contract for Pool Tile Cleaning
- H. Re-Classification of Investigator Position to Sergeant
- I. City Facility Energy Efficiency Lighting Project
- J. Immigration and Citizenship Services
- K. Resolution of the City Council of the City of King City Authorizing City Manager to Release City Interests to Allow the Sale of 389 and 399 San Antonio Drive

City Manager Adams stated that 9(E) King City in Bloom has a few changes on the design, so that changes the recommendation to approve the money to move forward to put in the electrical and have some flexibility in the design and that it can be approved by the City Manager

City Attorney stated that item 9(F) King City Boxing Club is a real property agreement so it should read real property use where it says lease in the agreement.

Karen Jernigan, called attention to Item 9(B) the check register on the PG&E bill. She spoke to the Opterra program and how much it is supposed to be saving us. She feels that Opterra should be held accountable.

Mayor would like in June for Opterra to come and do a presentation on where the City is in savings.

Mayor Pro Tem Victoria pulled item 9(H) for clarification. He supports what the Chief's decision is however he has been wanting an investigator for years. Chief Masterson clarified the Re-classification.

Action: Motion to approve consent agenda with clarifications made by City Manager, City Attorney and Chief by Acosta and seconded by Victoria.

AYES: Council Members: Mayor LeBarre, Acosta, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:  
ABSENT: Council Members: Cullen  
ABSTAIN: Council Members:

**10. PUBLIC HEARINGS:**

None

**11. REGULAR BUSINESS:**

A. Resolution Authorizing the Mayor to Execute a Joint Powers Authority Agreement Establishing the Salinas Valley Basin Groundwater Sustainability Agency

City Manager Adams introduced this item.

Leslie Girard stated that he urges Council to go with what the City Manager has suggested. He further explained that there would be a fee later to sustain this agency.

Norm Groot, Monterey County Farm Bureau, feels that there is a diverse group on the board of 11. He feels this is a money saving way for the county.

Abby Taylor-Silva, Grower-Shipper Association of Central California, she feels that there is good geographical representation, she encourages the staff recommendation.

Bill Lipe, Fresh Foods, Inc. Rava Ranches Company, he is the agricultural director representing on the Salinas Valley Basin Groundwater Sustainability Agency. He looks forward to working with the City. He supports the choice to join the JPA

David Morisoli, Little Bear Water Co., would like to know who is on the board and what authority they will have. He would like to know is the Monterey Bay going to have control and King City just have to go along with it. He also wanted to know if water could be pumped out of the area.

Leslie Girard provided the information. He listed the proposed JPA 11-member board consisting of 4 seats for Agriculture, 1 seat for city of Salinas; 1 shared seat for participating South County cities; 1 shared set for other GSA eligible entities (not including the cities); 1 shared seat for disadvantage community or public water system, including mutual water companies; 1 seat for CPUC regulated water companies in the basin; 1 seat representing environmental inters; and 1 public member.

Action: Motion to adopt a Resolution authorizing the Mayor to execute a Joint Powers Agreement establishing the Salinas Valley Basin Groundwater Sustainability Agency, by DeLeon and seconded by Victoria.

AYES: Council Members: Mayor LeBarre, Acosta, DeLeon and Mayor Pro Tem Victoria

NOES: Council Members:

ABSENT: Council Members: Cullen

ABSTAIN: Council Members:

Council member Acosta will recuse herself from Closed Session do to a relationship with the claimants family members.

**12. CLOSED SESSION:**

1. Worker's Compensation Claim by Venuscia Ortega  
Claims against City of King (Claim Numbers:  
120200055,130900191,130900234,111200041)  
Gov. Code Section: 54956.95

**ADJOURNMENT:**

There being no further business to come before the City Council, Mayor LeBarre adjourned the meeting at 7:06pm to closed session with the Mayor stating what would be discussed in closed session.

**Approved Signatures:**

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**Mayor, Michael LeBarre**  
**City of King**

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**City Clerk, Steven Adams**  
**City of King**



**KING CITY**  
C A L I F O R N I A

Item No. 9(B)

**REPORT TO THE CITY COUNCIL**

**DATE: MARCH 28, 2017**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**BY: PATRICIA GRAINGER, ACCOUNTANT**

**RE: MONTHLY TREASURER'S REPORT – FEBRUARY 2017**

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**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

**DISCUSSION:**

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The City currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office. The City's housing rehab account is held at 1<sup>st</sup> Capital Bank, and the City's checking and payroll accounts, as well as developer deposits, are held at Well Fargo Bank, located at 506 Broadway, King City, CA 93930. A summary of investments and returns for the City is provided in the attached report.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**CITY COUNCIL  
MONTHLY TREASURER'S REPORT – FEBRUARY 2017  
MARCH 28, 2017  
PAGE 2 OF 2**

**ALTERNATIVES:**

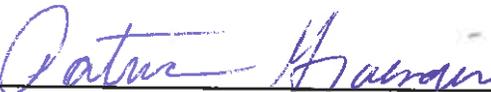
The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:

  
Patricia Grainger, Accountant

Approved by:

  
Steven Adams, City Manager

City of King  
Investment Report  
Schedule of Cash and Investments  
February 28, 2017

Investment Instrument		Yield	Amount	Maturity	Value
<b>Invested by City Treasurer</b>					
<b>Institution</b>	<b>Investment Type</b>				
State of California LAIF - City	Pooled	0.68%	2,263,192.93	On Demand	N/R
1st Capital Bank	Checking Acct Housing Rehab	-	91,920.07	On Demand	N/R
Wells Fargo Bank	General Checking	-	1,271,879.92	On Demand	N/R
Wells Fargo Bank	Payroll Checking Account	-	25,068.58	On Demand	N/R
Petty Cash-City Hall/Change Fund	Change Cash Drawer	-	500.00	On Demand	N/R
<b>Invested by City Treasurer (Subtotal):</b>			<b>3,652,561.50</b>		
<b>Total Cash and Investments</b>			<b>3,652,561.50</b>		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 03/28/2017. Cash flow liquidity is still limited.

SIGNED:  \_\_\_\_\_  
City Treasurer



**KING CITY**  
C A L I F O R N I A

Item No. 9(C)

**REPORT TO THE CITY COUNCIL**

**DATE: MARCH 28, 2017**

**TO: HONORABLE MAYOR AND COUNCIL MEMBERS**

**FROM: STEVEN ADAMS, CITY MANAGER**

**BY: PATRICIA GRAINGER, ACCOUNTANT**

**RE: SUCCESSOR AGENCY MONTHLY TREASURER'S REPORT –  
FEBRUARY 2017**

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**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances."

**DISCUSSION:**

The California Government Code authorizes and regulates the investment of local agency (city and county) funds, including successor agencies. The Successor Agency invests its bond proceeds in US Treasury obligations. All bond reserve funds are held by one bond trustee, U.S. Bank, and invested in accordance with the trustee agreement. The Successor Agency has three tax allocation bonds (TABs) issued. Yield, maturity and investment amount (proceeds) are itemized on the Successor Agency Schedule of Cash and Investments for the Agency.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**CITY COUNCIL/SUCCESSOR AGENCY  
SA MONTHLY TREASURER'S REPORT – FEBRUARY 2017  
MARCH 28, 2017  
PAGE 2 OF 2**

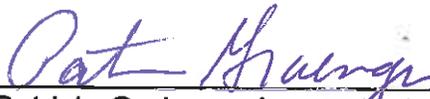
**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:   
Patricia Grainger, Accountant

Approved by:   
Steven Adams, City Manager

City of King  
Investment Report  
Schedule of Cash and Investments  
February 28, 2017

Investment Instrument		Yield	Amount	Maturity	Value
<b>Invested by City Treasurer</b>					
<b>Institution</b>	<b>Investment Type</b>				
Wells Fargo Bank	SA Checking Account		3,013,210.04	On Demand	N/R
<b>Invested by City Treasurer (Subtotal):</b>			<b>3,013,210.04</b>		
<b>Invested by Trustees (as of February Statements)</b>					
<b>Bond Reserves (1)</b>					
<u>U.S. Bank - 2011 TARB</u>					
US Bank Money Market Ct	Escrow Fund #5050	0.00%	5,901,800.27	8/1/2034	5,901,800.27
<u>U.S. Bank - 2016 A &amp; B TARB</u>					
US Bank Money Market Ct	Debt Service Fund #5000	0.00%	0.00	3/31/2025	0.00
US Bank Money Market Ct	Interest Account #5001	0.10%	9,224.61	3/31/2025	9,224.61
US Bank Money Market Ct	Cost of Issu Acct. #5009	0.10%	0.09	3/31/2025	0.09
<u>U.S. Bank - 2016 TARB</u>					
US Bank Money Market Ct	Debt Service Fund #6000	0.10%	38,939.63	3/31/2025	38,939.63
US Bank Money Market Ct	Interest Account #6001	0.00%	56.49	9/30/2016	56.49
US Bank Money Market Ct	Sinking Account #6003	0.00%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Reserve Account #6005	0.10%	319,673.44	3/31/2025	319,673.44
US Bank Money Market Ct	Cost of Issu Fund #6009	0.10%	0.00	9/30/2016	0.00
US Bank Money Market Ct	Escrow Fund #6050	0.39%	0.00	9/30/2016	0.00
Market Value Provided by U.S. Bank, Trustee					
<b>Invested by Trustees (Subtotal):</b>			<b>6,269,694.53</b>		
<b>Total Cash and Investments</b>			<b>9,282,904.57</b>		

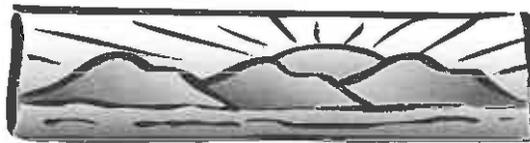
Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 03/28/2017. Cash flow liquidity is still limited.

SIGNED: \_\_\_\_\_

City Treasurer

**Note:**

**(1) Bonds**



**KING CITY**  
C A L I F O R N I A

Item No. 9(D)

**REPORT TO THE PUBLIC FINANCING AUTHORITY**

**DATE: MARCH 28, 2017**

**TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY**

**FROM: STEVEN ADAMS, SECRETARY**

**BY: PATRICIA GRAINGER, ACCOUNTANT**

**RE: MONTHLY TREASURER'S REPORT – FEBRUARY 2017**

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**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

The California Government Code Section 41004 states "Regularly, at least once each month, the city treasurer shall submit to the city clerk a written report and accounting of all receipts, disbursements, and fund balances." The Public Finance Authority was used for the issuance of the Sewer Enterprise Bonds.

**DISCUSSION:**

The California Government Code authorizes and regulates the investment of local agency (city and county) funds. The Authority currently invests its funds with the Local Agency Investment Fund (LAIF) Program, administered by the State of California Treasurer's office, as well as bank CD's and instruments issued by agencies of the United States Government. A summary of investments and returns for the Financing Authority is provided in the attached report.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY  
MONTHLY TREASURER'S REPORT – FEBRUARY 2017  
MARCH 28, 2017  
PAGE 2 OF 2**

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

Exhibits:

1. Investment Report

Submitted by:   
Patricia Grainger, Accountant

Approved by:   
Steven Adams, Secretary

City of King  
Investment Report  
Schedule of Cash and Investments  
February 28, 2017

Investment Instrument		Yield	Amount	Maturity	Value
<b>Invested by City Treasurer</b>					
	<b>Investment Type</b>				
Wells Fargo Bank	Fin Auth Checking Account		1,057.26	On Demand	N/R
State of California LAIF- Financing Authority	Pooled	0.68%	5,037.46	On Demand	N/R
Invested by City Treasurer (Subtotal):			6,094.72		
Total Cash and Investments			6,094.72		

Pursuant To Government Code 41004, I hereby certify that this report reflects all City's investments. This investment program complies with the City Investment Policy. Anticipated approval by the City Council on 03/28/2017. Cash flow liquidity is still limited.

SIGNED:  \_\_\_\_\_  
Secretary



Item No 9(E)

**REPORT TO THE CITY COUNCIL**

**DATE: MARCH 28, 2017**  
**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**  
**FROM: STEVEN ADAMS, CITY MANAGER**  
**BY: PATRICIA GRAINGER, ACCOUNTANT**  
**RE: CITY CHECK REGISTER**

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**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

**DISCUSSION:**

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents are attached.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/CITY  
CITY CHECK REGISTER  
MARCH 28, 2017  
PAGE 2 OF 2**

**Exhibit(S)**

1. Check Register Report

Submitted by:

  
Patricia Grainger, Accountant

Approved by:

  
Steven Adams, City Manager

Check Register Report

Date: 03/15/2017

Time: 3:32 pm

Page: 1

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>WELLS FARGO BANK Checks</b>							
58774	03/13/2017	Printed		A T T	A T & T	Monthly Internet	154.00
58775	03/13/2017	Printed		ADSTARR	A.D. STARR	Softballs	101.21
58776	03/13/2017	Printed		ACEHIGH	ACE HIGH DESIGNS INC	Uniforms	1,597.20
58777	03/13/2017	Printed		ADAMS	ADAMS ASHBY GROUP, LLC	General Consulting Services:	4,140.00
58778	03/13/2017	Printed		ADAMSS	STEVEN ADAMS	CM Travel Reimbursement	175.48
58779	03/13/2017	Printed		ASI	ADMINISTRATIVE SOLUTIONS, INC	City Self Funded Medical	5,000.00
58780	03/13/2017	Printed		A & W	ALESHIRE & WYNDER LLP	Legal Services through	20,473.38
58781	03/13/2017	Printed		ALVAREZ	ALVAREZ TECHNOLOGY GROUP INC	Email Reactivation for	2,752.50
58782	03/13/2017	Printed		AM SUPPLY	AMERICAN SUPPLY CO.	Janitorial Supplies	657.82
58783	03/13/2017	Printed		AT & T	AT & T	Sentry Alarm Monthly Service.	96.55
58784	03/13/2017	Printed		AT&T - C	AT&T	56K Line	641.54
58785	03/13/2017	Printed		GARDEN	SYLVIA KANANI BARBREE	Flowers for Rec Comm	48.15
58786	03/13/2017	Printed		BARRIOSA	ANDRES BARRIOS	Basketball Referee -	21.00
58787	03/13/2017	Printed		BENSON	RICHARD A. BENSON PLUMBING	Repair Urnal.	1,055.40
58788	03/13/2017	Printed		ACME	BILL KORETOFF	2 Main Brooms	1,132.24
58789	03/13/2017	Printed		BLACKSE	EMMITT BLACKS	Basketball Referee -	21.00
58790	03/13/2017	Printed		BRAINARD	BRAINARD INVESTIGATIONS	Background- S Kennedy	899.35
58791	03/13/2017	Printed		CAL WATER	CALIFORNIA WATER SERVICE CO.	Monthly Water Service -	4,909.51
58792	03/13/2017	Printed		CASEY PRIN	CASEY PRINTING, INC.	CC Business Cards -	80.91
58793	03/13/2017	Printed		UMSTEAD EL	CLIFTON T. UMSTEAD	Sewer Counter	4,919.85
58794	03/13/2017	Printed		CONATSER	CONATSER WELDING & MACHINE,LLC	Raquetball court improvements	568.08
58795	03/13/2017	Printed		COFSC	COUNTY OF SANTA CLARA	Coplink Annual Billing -	392.16
58796	03/13/2017	Printed		CSCKC	CSC OF KING CITY	Repair Hyd Hose	13.93
58797	03/13/2017	Printed		DAVE'S REP	DAVE'S REPAIR SERVICE	Monthly Site Inspection	80.00
58798	03/13/2017	Void	03/13/2017			Void Check	0.00
58799	03/13/2017	Printed		EARTH DESI	EARTH DESIGN, INC.	Carmen Moya-511 Broadway	15,901.71
58800	03/13/2017	Printed		GREEN'S	GREEN'S ACCOUNTING	Monthly Accounting - Feb 2017	9,201.89
58801	03/13/2017	Printed		GUTTREE	GUTIERREZ TREE TRIMMING &	Contract Tree Service	18,000.00
58802	03/13/2017	Void	03/13/2017			Void Check	0.00
58803	03/13/2017	Void	03/14/2017	HANNA	HANNA & BRUNETTI	First St Pedestrian & Bike	0.00
58804	03/13/2017	Printed		HYDRO TURF	HYDRO TURF, INC.	Toro Belt Cover	239.83
58805	03/13/2017	Printed		IDCON	ID CONCEPTS, LLC	Ofc B Jafee - ID Card	20.44
58806	03/13/2017	Printed		JBTIRE	MIGUEL JACOBO	Unit #111 - Blown Fuse.	1,800.30
58807	03/13/2017	Printed		KC IND	KING CITY INDUSTRIAL SUPPLY	2" Ball Hitch	989.07
58808	03/13/2017	Printed		KC TRUE	KING CITY TRUE VALUE	Red Wire for Pools	556.26
58809	03/13/2017	Printed		LINCOLN	LINCOLN AQUATICS	Pool Repair Parts	128.37
58810	03/13/2017	Printed		LCAH	LOS COCHES ANIMAL HOSPITAL	Anaimal Services -	231.00
58811	03/13/2017	Printed		LUX	BRENNAN LUX	Commuter Meals - Armorer Class	150.00
58812	03/13/2017	Printed		MALLORYCO	MALLORY SAFETY AND SUPPLY LLC	Gloves	310.17
58813	03/13/2017	Printed		MBAS	MBAS, INC.	Lab Work WWTP	1,280.00
58814	03/13/2017	Printed		MO CO INFO	MO CO INFORMATION TECHNOLOGY	Network Access - Jan 2017	615.50
58815	03/13/2017	Printed		NOR-CAL AS	NOR-CAL ASA	ASA Registration	994.95
58816	03/13/2017	Printed		O'REILLY A	O'REILLY AUTOMOTIVE, INC.	Cleaning Supplies	132.83
58817	03/13/2017	Printed		OFFICE DEP	OFFICE DEPOT	Office Supplies	225.53
58818	03/13/2017	Printed		PARMAR	HIREN PARMAR	Basketball Referee -	21.00
58819	03/13/2017	Printed		PARTS & SE	PARTS & SERVICE CTR- NAPA, INC	Circuit Tester	27.28
58820	03/13/2017	Printed		HAZARD	PEGASUS SUSTAINABILITY	Haul Waste Oil	500.00
58821	03/13/2017	Printed		PURE WATEF	PENINSULA PURE WATER INC.	Water Services - KCPD	83.95
58822	03/13/2017	Printed		PETTY CASH	PETTY CASH-PATRICIA GRAINGER	Petty Cash - City Hall	190.44
58823	03/13/2017	Printed		PBGFS	PITNEY BOWES GLOBAL	Postage Meter Leasing	177.57
58824	03/13/2017	Printed		PIT	PITNEY BOWES INC	Postage Refill	519.98
58825	03/13/2017	Printed		PROFORCE L	PROFORCE LAW ENFORCEMENT	Yellow Blast Taser	1,290.67

Check Register Report

Date: 03/15/2017  
 Time: 3:32 pm  
 Page: 2

KING CITY CITY HALL

BANK: WELLS FARGO BANK

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>WELLS FARGO BANK Checks</b>							
58826	03/13/2017	Printed		QUILL CORP	QUILL CORPORATION	C H Supplies	144.08
58827	03/13/2017	Printed		RAMOSR	RAUL RAMOS	Refund - 2/25/27	200.00
58828	03/13/2017	Printed		RED SHIFT	RED SHIFT INTERNET SERVICES	City Hall Internet	30.90
58829	03/13/2017	Printed		RRM DESIGN	RRM DESIGN GROUP, INC.	KC Downtown Streetscape	7,604.15
58830	03/13/2017	Printed		SV FAIR	SALINAS VALLEY FAIR	Saturday game - Basketball	125.00
58831	03/13/2017	Printed		SALINAS V	SALINAS VALLEY PRO SQUAD	Velazquez - Vest	973.31
58832	03/13/2017	Printed		SL POWER	SAN LUIS POWERHOUSE INC.	Generator Service	721.47
58833	03/13/2017	Printed		SIEMENS	SIEMENS INDUSTRY INC.	Signal Light Maint.	97.19
58834	03/13/2017	Printed		SILVAPA	PABLO SILVA	Basketball Referee -	21.00
58835	03/13/2017	Printed		SMCJUHS	SOUTH MONTEREY COUNTY JUHSD	Rental - High School Youth BB	81.43
58836	03/13/2017	Printed		SPEAK	SPEAKWRITE BILLING DEPT	Feb 2017 Services	172.02
58837	03/13/2017	Printed		SPRINT	SPRINT	Long Distance -	163.83
58838	03/13/2017	Printed		TAVERNETTI	TAVERNETTI, LAYOUS & CLARK	Premium Policy#1930944-18	711.25
58839	03/13/2017	Printed		VALSA	TAVIT & ARAM KARABETYAN PARTNE	Hedge Trimmer	809.62
58840	03/13/2017	Printed		THE SALINA	THE SALINAS CALIFORNIAN	Nusiance Ordinance	647.69
58841	03/13/2017	Printed		TORO	TORO PETROLEUM CORP.	Gas & Oil -	3,995.14
58842	03/13/2017	Printed		TRANSU	TRANSUNION RISK AND ALTERNATIV	Feb 2017 Services	25.00
58843	03/13/2017	Printed		VERIZON WI	VERIZON WIRELESS	Monthly Charges -	816.50
58844	03/13/2017	Printed		WM J. CLAR	WM J. CLARK TRUCKING SVC, INC.	Cold Mix	978.64
58845	03/14/2017	Printed		CAROLLO	CAROLLO ENGINEERS, INC	Wastewater Facilities	59,097.10
58846	03/14/2017	Void	03/14/2017			Void Check	0.00
58847	03/14/2017	Printed		HANNA	HANNA & BRUNETTI	First St Pedestrian & Bike	17,458.50

<b>Total Checks: 74</b>	<b>Checks Total (excluding void checks):</b>	<b>198,393.82</b>
<b>Total Payments: 74</b>	<b>Bank Total (excluding void checks):</b>	<b>198,393.82</b>
<b>Total Payments: 74</b>	<b>Grand Total (excluding void checks):</b>	<b>198,393.82</b>



Item No 9(F)

**REPORT TO THE CITY COUNCIL**

**DATE: MARCH 28, 2017**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**BY: PATRICIA GRAINGER, ACCOUNTANT**

**RE: SUCCESSOR AGENCY CHECK REGISTER**

---

**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register and invoice approval fund list.

**DISCUSSION:**

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents for the Successor Agency are attached.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/SUCCESSOR AGENCY  
SUCCESSOR AGENCY CHECK REGISTER  
MARCH 28, 2017  
PAGE 2 OF 2**

**Exhibit(S)**

- 1. Check Register Report

Submitted by:   
Patricia Grainger, Accountant

Approved by:   
Steven Adams, City Manager

# Check Register Report

Date: 03/15/2017

Time: 7:56 am

Page: 2

KING CITY CITY HALL

BANK: SUCCESSOR AGENCY OF

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>SUCCESSOR AGENCY OF Checks</b>							
211	03/13/2017	Printed		A & W	ALESHIRE & WYNDER LLP	Legal Services through 1/31/17	468.00
212	03/13/2017	Printed		GREEN'S	GREEN'S ACCOUNTING	Monthly Accounting -	2,062.50
<b>Total Checks: 2</b>						<b>Checks Total (excluding void checks):</b>	<b>2,530.50</b>
<b>Total Payments: 2</b>						<b>Bank Total (excluding void checks):</b>	<b>2,530.50</b>



Item No 9(G)

**REPORT TO THE PUBLIC FINANCING AUTHORITY**

**DATE: MARCH 28, 2017**  
**TO: HONORABLE CHAIR AND MEMBERS OF THE AUTHORITY**  
**FROM: STEVEN ADAMS, SECRETARY**  
**BY: PATRICIA GRAINGER, ACCOUNTANT**  
**RE: PUBLIC FINANCING AUTHORITY CHECK REGISTER**

---

**RECOMMENDATION:**

It is recommended City Council receive and file.

**BACKGROUND:**

At least once a month, the City Treasurer shall submit to the City Council, a copy of the check register.

**DISCUSSION:**

The purpose of this item is to provide the Council an opportunity to review and monitor ongoing expenditures. These documents for the Public Financing Authority are attached.

**COST ANALYSIS:**

There is no fiscal impact as a result of this action.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Receive and file the report; or
2. Provide other direction to staff regarding requests for additional information.

**CITY COUNCIL/PUBLIC FINANCING AUTHORITY  
PUBLIC FINANCING AUTHORITY CHECK REGISTER  
MARCH 28, 2017  
PAGE 2 OF 2**

**Exhibit (s)**

1. Check Register Report

Submitted by:   
Patricia Grainger, Accountant

Approved by:   
Steven Adams, Secretary

Check Register Report

Date: 03/15/2017

Time: 7:56 am

Page: 1

KING CITY CITY HALL

BANK: KING CITY FINANCE AUTHORITY

Check Number	Check Date	Status	Void/Stop Date	Vendor Number	Vendor Name	Check Description	Amount
<b>KING CITY FINANCE AUTHORITY Checks</b>							
318	03/13/2017	Printed		UMSTEAD EL	CLIFTON T. UMSTEAD	Sewer Improvement Project	11,943.16
319	03/13/2017	Printed		HANNA	HANNA & BRUNETTI	Infrastructure-First St, So of	6,489.00
320	03/13/2017	Printed		SPECIALTY	SPECIALTY CONSTRUCTION INC.	Progress Pmt #14 -	17,700.83
321	03/13/2017	Printed		UMPQUA	UMPQUA BANK	Retention Payment -	747.42
<b>Total Checks: 4</b>						<b>Checks Total (excluding void checks):</b>	<b>36,880.41</b>
<b>Total Payments: 4</b>						<b>Bank Total (excluding void checks):</b>	<b>36,880.41</b>



Item No. 9(H)

**REPORT TO THE CITY COUNCIL**

**DATE:** MARCH 28, 2017

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** STEVEN ADAMS, CITY MANAGER

**BY:** MARICRUZ AGUILAR, ASSISTANT PLANNER

**RE:** CONSIDERATION OF RESOLUTION AUTHORIZING THE CITY MANAGER SUBMITTAL OF AN APPLICATION, ACCEPTANCE OF FUNDS AND EXECUTION OF GRANT AGREEMENT WITH CALIFORNIA DEPARTMENT OF TRANSPORTATION FOR THE AIRPORT IMPROVEMENT MATCHING GRANT PROGRAM

**RECOMMENDATION:**

It is recommended City Council adopt Resolution No. 2017-4574.

**BACKGROUND:**

In September 2016, the City of King accepted a grant offer from the Federal Aviation Administration ("**FAA**") to Update the Airport Master Plan which includes updating the Airport Layout Plan, updating the Narrative Report and conducting an Aeronautical Survey (**AIP Grant No. 3-06-0113-012-2016.**)

The California Department of Transportation, pursuant to the Public Utilities Code Section 21683.1, provides grants of 5% of Federal Aviation Administration grants to airports.

**DISCUSSION:**

The total estimated cost of the project is \$180,000. FAA provides grants of up to 90% of the cost (\$162,000). The FAA Airport Improvement Program (AIP3-06-0113-012-2016) was awarded for \$162,000. The remainder 10% is to be covered by local share. The City can apply for the Caltrans 5% Matching Funds, which would help offset the local share amount. The City would be applying for a total of \$9,000 matching funds.

**CITY COUNCIL  
CONSIDERATION OF RESOLUTION AUTHORIZING SUBMITTAL OF  
CALTRANS MATCHING FUNDS GRANT  
MARCH 28, 2017  
PAGE 2 OF 2**

After the City receives a grant agreement from Caltrans for the 5% matching funds then Kimley-Horn, the consultants will be able to commence work on the Airport Layout Plan update.

**COST ANALYSIS:**

The Federal Grant amount is \$162,000. The City is applying for a Caltrans grant of \$9,000 to cover 5% of the grant. The City will fund the remaining \$9,000 from Fund 15 Airport to cover the full 10% local match requirement. The local match can be provided as in-kind, staff time.

**ALTERNATIVES:**

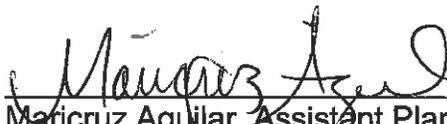
The following alternatives are provided for Council consideration:

1. Adopt Resolution No. 2017-4574
2. Request Modifications; or
3. Do not approve submittal of application.

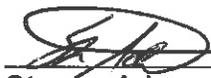
Exhibits:

1. Draft Grant Application

Submitted by:

  
\_\_\_\_\_  
Maricruz Aguilar, Assistant Planner

Approved by:

  
\_\_\_\_\_  
Steven Adams, City Manager

# EXHIBIT 1

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

## STATE MATCHING GRANT FOR FAA AIRPORT IMPROVEMENT PROGRAM - APPLICATION

DOA-0012 (REV 06/2011)

PLEASE PRINT OR TYPE AND COMPLETE ALL ITEMS

### PART I. AIRPORT INFORMATION

PUBLIC ENTITY City of King	AIRPORT NAME Mesa Del Rey Airport	PERMIT NO.
CONTACT NAME Maricruz Aguilar	TITLE Assistant Planner	
BUSINESS ADDRESS 212 S. Vanderhurst Avenue, King City, CA 93930	BUSINESS PHONE (831) 385-3281	

### PART II. PROJECT INFORMATION

Verify that project is within the Department's most recent Capital Improvement Plan:  YES  NO If no, then project is not eligible for grant funds.

DESCRIPTIVE TITLE OF APPLICANT'S PROJECT (as shown on page one of the executed grant agreement and in the adopted Capital Improvement Plan): Attach Additional Sheets if Necessary	FEDERAL GRANT	\$ 162,000.00
	APPLICANT FUNDS	\$ 9,000.00
	STATE * FUNDS	\$ 9,000.00
	TOTAL COST OF PROJECT	\$ 180,000.00
* Maximum is 5% of the federal grant amount		

### PART III. REQUIRED SUPPORTING DOCUMENTS

Pursuant to Public Utilities Code Sections 21681-21684 and Section 4067 of the CAAP Regulations, please submit the following documents with this application:

- Local government approval (*resolution or minute order*) as described in Section 4067(a).
- FAA Grant Agreement with FAA and sponsor signatures.
- Verification of full compliance with the California Environmental Quality Act (CEQA) by submitting information to fulfill either 1. or 2. below:
  1. Copy of Notice of Exemption or provide the Categorical Exemption Class # 23 (CEQA Guidelines Sections 15300-15333)
  2. Copy of Notice of Determination or provide the following information:
    - Environmental Impact Report (Title/Date) \_\_\_\_\_ State Clearinghouse (SCH)# \_\_\_\_\_ or
    - Negative Declaration (Title/Date) \_\_\_\_\_ State Clearinghouse (SCH)# \_\_\_\_\_ or
    - National Environmental Policy Act (NEPA) document (Title/Date) \_\_\_\_\_  
(NEPA documents-Environmental Impact Statement or Finding of No Significant Impact must comply with CEQA provisions)
- 11 x 17-inch Drawing or Airport Layout Plan showing project location(s) and dimensions.
- Completed CAAP Certification (Form DOA-0007), if not submitted to the Division of Aeronautics earlier for this fiscal year.
- Additional documentation may be required if items in the FAA AIP grant are not eligible for CAAP funding.

### PART IV. AUTHORIZATION

AUTHORIZED OFFICIAL'S SIGNATURE	TITLE City Manager
PRINT NAME Steven Adams	DATE

SEND COMPLETED APPLICATION AND ALL SUPPORTING DOCUMENTS TO:

CALIFORNIA DEPARTMENT OF TRANSPORTATION  
DIVISION OF AERONAUTICS - MS #40  
P. O. BOX 942874  
SACRAMENTO, CA 94274-0001



Item No. 9(1)

**REPORT TO THE CITY COUNCIL**

**DATE:** MARCH 28, 2017  
**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**FROM:** DOREEN LIBERTO-BLANCK, AICP, MDR, COMMUNITY DEVELOPMENT DIRECTOR  
**RE:** CONSIDERATION OF ANNUAL GENERAL PLAN REPORT

**RECOMMENDATION:**

It is recommended City Council review and accept the Annual General Plan Progress Report.

**BACKGROUND:**

California Government Code Section 65400(a) (2) requires an annual report on the status of the General Plan and the City's progress in its implementation, including progress in meeting its share of regional housing needs.. This is an opportunity to review activities and projects of the prior year in the areas of development and other programs that work toward implementing the City's General Plan.

**DISCUSSION:**

The purpose of the Progress Report is twofold. First, it informs decision makers of the City's planning activities and assists in facilitating the legislative process as it pertains to land use and local planning issues. Second, the Progress Report serves to update the decision makers on progress toward implementation of policies of the City of King General Plan, and assists in formulating future implementation priorities.

The State of California requires each county and city to adopt a General Plan for long-term growth. The general plan consists of a statement of development policies and includes a map or maps and text setting forth goals and policies. It is a comprehensive long-term plan for the physical development of the city. In this sense, it is a "blueprint" for development.

**CITY COUNCIL  
GENERAL PLAN PROGRESS REPORT  
MARCH 28, 2017  
PAGE 2 OF 3**

The seven (7) State mandated elements of the General Plan include,

1. Land Use
2. Circulation
3. Housing
4. Safety
5. Open Space
6. Noise
7. Conservation

The City of King's General Plan consists of the mandated elements and an optional element called economic development. A comprehensive General Plan update occurred in 1998. Modifications to the land use, housing, safety, open space and conservation elements were adopted by the City Council in 2016.

A housing element is the one element of the General Plan that requires State review and approval. The most recent housing element update was adopted by the City Council on March 22, 2016 and covers the reporting period from 2015-2023. (The Housing Element includes policies, programs, and quantified objectives to guide the City's development decisions and is designed to implement the removal of governmental constraints to the maintenance, improvement and development of housing in the City of King.)

**COST ANALYSIS:**

The cost associated with the Progress Report includes staff time preparing and distributing it.

**ALTERNATIVES:**

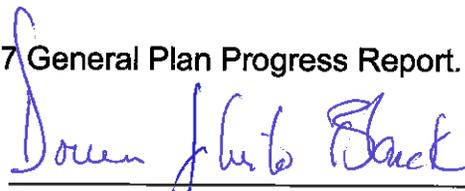
The following alternatives are provided for Council consideration:

1. Review and accept the Report.
2. Do not accept the Report; or
3. Provide other direction to staff.

Exhibit:

1. 2016/2017 General Plan Progress Report.

Submitted by:

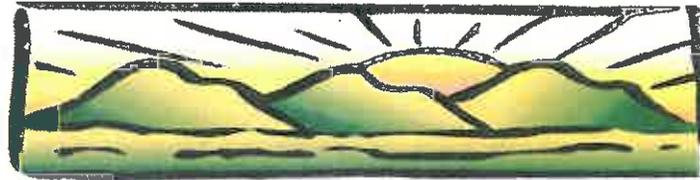


\_\_\_\_\_  
Doreen Liberto-Blanck, Department Director

Approved by:



\_\_\_\_\_  
Steven Adams, City Manager



**KING CITY**  
CALIFORNIA

## **CITY OF KING**

# **2016 GENERAL PLAN ANNUAL PROGRESS REPORT**

March 28, 2017



# **Table of Contents**

- I. Introduction**
- II. Plans, Projects and Accomplishments**
- III. General Plan Elements and Implementation**
  - A. Land Use Element
  - B. Open Space/Conservation/Safety Elements
  - C. Circulation Element
  - D. Noise Element
  - E. Housing Element
  - F. Economic Development Element
- IV. Zoning Code Update**
- V. Conclusion**

## **Appendix**

**Attachment A – Housing Element Progress Report**

## **I. Introduction**

California Government Code Section 65400(a) (2) requires an annual report on the status of the General Plan and the City's progress in its implementation, including progress in meeting its share of regional housing needs. This Annual Report is being submitted to the City Council, State Housing and Community Development Department (HCD) and the Office of Planning and Research (OPR).

Department of Housing and Community Development (HCD). This is an opportunity to review activities and projects of the prior year in the areas of development and other programs that work toward implementing the City's General Plan.

### **Background**

The City of King conducted a comprehensive General Plan update in 1998. Updates to various elements occurred in 2016, including updating the housing element. California State law establishes a framework for local planning procedures. The California Government Code (§65000 et seq.) establishes the laws pertaining to the regulation of land uses by all local governments including: the general plan requirement, specific plans, subdivisions, and zoning. The City of King is mandated by the State to conform to the California Government Code. (It should be noted that since the City is a Charter City, some provisions of the Government Code do not apply.)

Since its adoption (and subsequent amendments), the City has worked to implement the policies outlined in the General Plan. The various departments that make up the City of King work together to implement various aspects of the General Plan. These departments include the City Manager's office, Parks and Recreation, Fire, Public Safety, Public Works, and Community Development.

This report is organized to comply with OPR's General Plan Guidelines.

### **Informational Document (CEQA Review)**

This document is a reporting document, and does not create or alter policy. The content is provided for informational purposes only, and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15306.

## **II. Plans, Projects and Accomplishments**

During 2016, the City reviewed numerous projects through the development review process and participated in numerous planning efforts. The following summaries provide a general overview of the projects, programs and permits that were reviewed. These summaries are general and are not intended to be exhaustive.

### **Buildings Permits**

The Building Department issued 295 Building permits during 2016. Of these, approximately 54 were first reviewed by the Community Development Department for Zoning and General Plan consistency. Building permits were issued for 35 new single-family dwelling, 2 commercial tenant improvements, 7 residential additions, and various other projects.

### **Planning Permits**

The Community Development Department processed a variety of planning permits during 2016, including but not limited to general plan amendments, rezones, conditional use permits, parcel maps, sign permits and associated environmental review documents, as needed.

During 2016, the Planning Commission reviewed the following application types:

- 6 Conditional Use Permits/Revisions
- 3 Tentative Tract/Parcel Maps
- 0 Lot Line Adjustment
- 5 General Plan Amendment/Rezone
- 3 Architectural Review
- 7 Misc. Projects

The City Council reviewed various programs, projects and regulations in 2016. The City Council considered modifications to the General Plan, amendment to the zoning ordinance, and an ordinance to regulate canopies and tarps.

During 2016, the Community Development Department was involved in 3 code enforcement violation cases. These cases included businesses that had expanded their use without proper permits, and businesses operating without a license. The Community Development Department also conducted 7 Staff Code Enforcement meetings and 6 Citizen Code

Enforcement Advisory Committee meetings. The Community Development Department also assisted with conducting 5 Airport Advisory Commission meetings.

## **Project Review**

The City has reviewed a variety of projects that impact land use, community design and other elements of the General Plan. The following is a summary of projects and plans, both City-sponsored and privately driven, that were reviewed by the City Council and Planning Commission during 2016.

## **City Council**

Following are some of the projects considered by the City Council in 2016.

- **Updated the Land Use, Housing, Open Space, Conservation and Safety Elements** to make them consistent with the 2015-2023 Housing Element and other State law requirements, including addressing agricultural employee housing.
- **Adopted a Sheds, Tarps and Canopy Ordinance** to address location and placement of sheds, tarps and canopies.
- **Adopted a Medical Cannabis Ordinance** to allow medical cannabis in the industrial zones with certain restrictions.
- **Adopted Zoning Text Amendment Allowing Agricultural Employee Housing in Certain Commercial Zones** to help provide housing for farmworkers.
- **Rezoned 1023 Broadway Street** to expand commercial land use designation to create additional jobs.
- **Adopted Vested Tentative Map for Phase 3 of Arboleda Subdivision** which allows further construction of affordable housing.

## **Planning Commission**

Following are some of the projects considered by the Planning Commission in 2016.

- **Approved an Agricultural Employee Housing Project at 218 N. First Street** which converted a warehouse into dorm style housing for H2-A Visa Program workers. The increased agricultural employees living near the Historic Downtown will help the businesses and revitalize the downtown.
- **Approved the La Plaza Bakery at 100 Broadway Street** which helps to revitalize the Historic Downtown

- **Approved O'Reilly Auto Parts extension at 743 Broadway Street** which will promote additional business and jobs in the community.
- **Approved the South Monterey County Wireless new cell tower at 218 Bassett Street** to increase cell service to businesses in the area.
- **Approved Always Towing & Recovery Outdoor Storage at 1011 Broadway Street** which allows the business to continue operating in the City.
- **Approved a Lot Split at 218 N. First Street** to accommodate the extension of Broadway Street across the railroad tracks, which will allow additional infill development near the proposed multi-modal transit center.

### **III. General Plan Elements and Implementation**

This Progress Report discusses specific projects and policies that demonstrate the implementation of the goals outlined in the General Plan.

#### **A. Land Use Element**

The Land Use Element establishes the type and density of land uses and guides growth and development by presenting a plan that reflects the community's desire to maintain and enhance an enjoyable, balanced quality of life. The City's Land Use Map identifies specified land use areas, including Agriculture, Residential, Commercial, industrial and Open Space/Recreation.

This basic tenet is expressed in the community's goal:

*Overall Goal: To provide for the orderly growth and development; to maintain a balanced community; to assure an adequate supply of suitable land for residential, commercial, industrial and other uses in order to meet projected demand; to minimize land conflicts; channel new development into those areas that are consistent with the City's resources.*

In particular, the City established goals and policies to:

- Provide agricultural employee housing.
- Work with local and regional agencies to promote job development.
- Work on a multi-modal transit center which will be surrounded by mixed use developments.

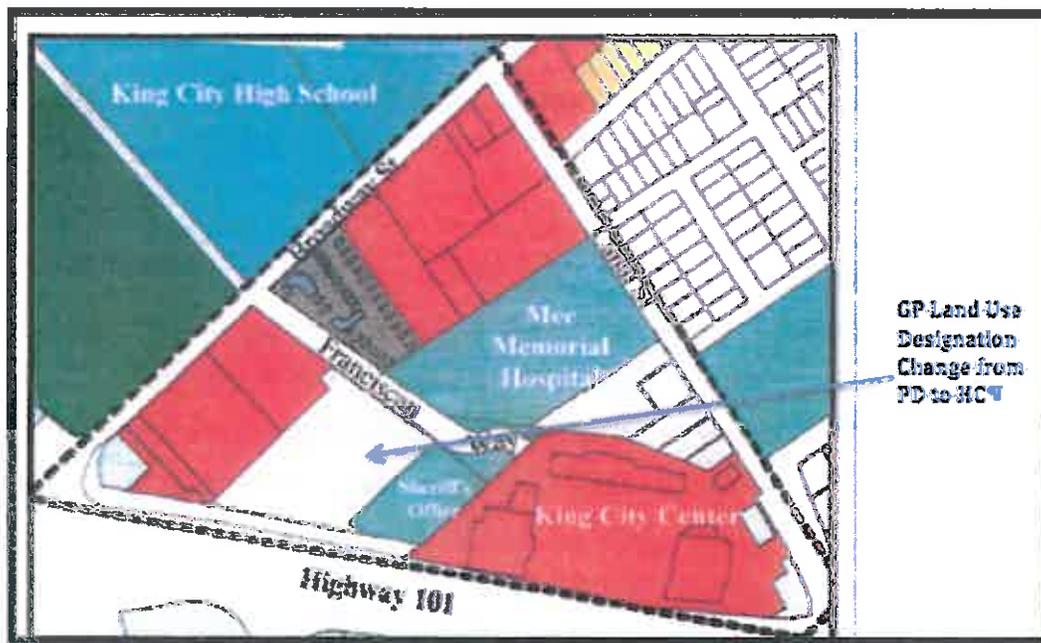
The amended land use element also included changing the land use designation on approximately five (5) acres from Planned Development to Highway Commercial. (Reference Diagram 1.) The zoning map was subsequently changed to reflect the general plan change. These amendments provided additional



commercial property to be developed near the Highway 101 and Broadway Street intersection. The City has been in discussions with various developers regarding future commercial development. This will aid in the creation of jobs and redevelop a critical area of the City.

### Diagram 1

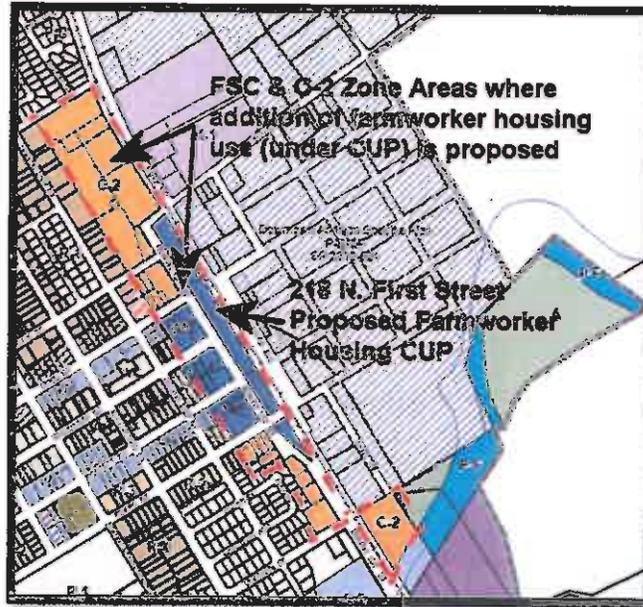
#### General Plan Amendment and Rezone to Promote Jobs



The City also worked with property owners to amend the zoning code to allow agricultural employee housing at 218 North First Street, near the proposed multi-modal transit center. On September 20, 2016, the Planning Commission approved an agricultural employee housing

project in a converted warehouse. The project will house 214 agricultural employees. (Reference Diagram 2.)

**Diagram 2**  
**General Plan Amendment, Rezone and CUP Case No. 2016-001**  
**Agricultural Employee Housing (218 N. First Street)**



### **Development Review**

In its review of individual development projects in the City, decision-makers hold these and the many other Land Use Element policies at the forefront of any discretionary process. The City has maintained its agricultural feeling while providing adequate housing and commercial development over the years due to the strong community support for these basic tenets of sound planning. In summary, the policies encourage growth that is appropriate to and respects the environmental resources which are integral the quality of life.

The City has encouraged infill development and promotes the redevelopment of dilapidated housing and commercial structures to provide a safe and healthy community. Various commercial and industrial vacancies became occupied. Many homes were improved through remodels or additions during the 2016 period. Working closely with the business community and land owners, the City strives to achieve a balance of jobs and housing, and support

economic vitality.

### **Jobs and Housing Needs**

The City carefully balances jobs and housing while also promoting the well-established agricultural production in the Salinas Valley. Due to the adoption of a Medical Cannabis Ordinance, the East Ranch Business Park and adjacent industrial land are being developed and middle class jobs will be provided. The increase in jobs will help to invigorate the local housing construction, including buildout of the Arboleda Specific Plan, Mills Ranch Specific Plan and Downtown Addition Specific Plan. Working with the local farmers, the City has amended the zoning code and development standards to allow agricultural employee housing. The City has also collaborated with the Monterey County Local Agency Formation Commission (LAFCO) to allow City services outside the city limits to provide much needed wastewater treatment infrastructure to an existing agricultural employee housing project (College Ville). (Reference Diagram 3.)

### **Diagram 3**

#### **College Ville – Extension of City Wastewater Treatment Service to Existing Agricultural Employee Housing in the Unincorporated Area**



### **B. Open Space, Conservation, Safety Elements**

The City amended the open space, conservation and safety elements in 2016, and combined the three (3) elements. Updates and amendments to these elements were primarily to make

corrections and ensure consistency with the updated housing and land use elements. The open space, conservation and safety elements incorporates goals, policies and programs that protect residents from flooding hazards by updating flood maps that incorporate the most recent Federal Emergency Management Agency flood mapping. Amendments also recommend the development of a proposed MMTC near First Street. The changes will help provide better housing, reducing vehicular trips, reducing energy consumption, reducing use of fossil fuels and improving air quality.



Amendments also addressed future stream and river restoration programs with State Fish and Wildlife Department, Federal Fish and Wildlife Service, Army Corps, CCRWQCB, Natural Resources Conservation Service and other agencies as appropriate. These changes will result in positive environmental impacts by improving the habitat conditions as well as improving stream function.

An updated Flood Map (COS-4) was included in the Conservation/Open Space/Safety Element. The new map includes the most recent Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM). It is suggested that the City regularly amend the Flood Maps each time that FEMA updates their maps.

Amendments also include the addition of measures to protect historical buildings and thereby improving the aesthetics of the community by upgrading and restoring these important buildings of our past, Scenic resources will also be improved by incorporating new improved City signage such as directional signs, wayfinding signs, new entry signs and better directions to nearby significant resources such as Pinnacles National Park.



As specified in the amendments, the City has installed new directional signage along First Street to provide direction to nearby public uses, including the Pinnacle National Park.

### **C. Circulation Element**

The circulation element provides goals, objectives and policies to service future transportation needs. One goal is to provide an integrated transportation system to adequately serve residential, commercial, industrial and recreation uses. The City has been working with the Transportation Agency for Monterey County (TAMC) and applying for funding for the proposed multi-modal transit center and installation of bike lanes.



### **D. Noise Element**

The City of King is affected by several different sources of noise, including automobile, airplanes, highway 101, rail traffic, agricultural and industrial activities, and wind, and periodic nuisances such as construction, loud parties or other events. The Noise Element provides goals and policies that ensure that noise from these sources does not create an unacceptable noise environment. The City believes that controlling noise sources can substantially improve the quality of life for residents as well as visitors to the City.



The Noise Element provides noise compatibility levels. Municipal Code Section 7.25 addresses prohibits noise conduct. Implementing the Noise Element and Municipal Code, the

City has conducts code enforcement actions to assure noise levels are accepted to maintain quality of life.

**E. Housing Element**

The Housing Element is prepared in accordance with State and Federal Law to identify policies and guidelines that implement City goals to provide and maintain safe and adequate housing for households in all economic sectors. Goals and objectives support affordable housing programs, rehabilitate aging housing stock and provide services to prevent homelessness. The Housing Element Update was adopted by the City Council in March 2016 and approved by the State Housing and Community Development Depart (HCD) in April 2016. HCD certified the document in October 2016. The 2016 Annual Housing Report and City Council staff report are attached as **Attachment A**.

This information has been submitted to the State Housing and Community Development Department every April.



**F. Economic Development Element**

The economic development element includes the following vision:

*To facilitate a stable community economy and high quality of life by fostering new investment to generate new and improved property values, municipal revenue and employment opportunities.*



As mentioned earlier, the City has been working on providing additional employment through the adoption of a medical cannabis ordinance, collaborating with the business community to fill vacant buildings and provide a variety of housing to accommodate needed employee housing. The City adopted a Streetscape Plan for the Historic

Downtown area, which is consistent with the Historic Revitalization Master Plan (HRMP). The HRMP further implements the economic development element vision by improving the aesthetics of the downtown which will generate new investment in properties, increase employment opportunities and provide additional municipal revenue.

#### **IV. Zoning Code Update**

As mentioned earlier, a comprehensive General Plan update occurred in 1998. The Housing, Land Use, Open Space, Conservation and Safety Elements were updated in 2016. The Zoning Code was adopted in 1973. Over the course of the past few years, various Zoning Code modifications have been made to adopt new codes or amend codes to meet current needs and standards. In 2016, the City Council adopted several zoning code updates to be consistent with the updated General Plan Elements and more consistent with current land use needs. The City's Zoning Map and General Plan Land Use Map were also updated to reflect these changes. One amendment included allowing agricultural employee housing in the FSC and C-2 Zoning Districts. This reflects the Land Use Element and Housing Element direction to provide more housing for farmworkers.



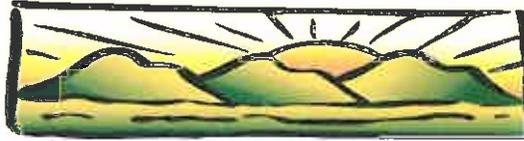
## **V. Conclusion**

The General Plan Progress Report illustrates activities undertaken by the City of King in 2016 that worked toward implementing the City's General Plan. The City has worked to progressively implement the policies outlined in each element of the City's guiding planning document as outlined in the various sections of this Progress Report. The General Plan represents the community's collective vision for preserving and improving the quality of life in the City. In addition to updating the Housing Element Update, the city also amended the land use element, open space, conservation and safety elements.



As noted by the accomplishments set forth in this document over the course of 2016, the City has implemented many of the collective goals and policies identified in the General Plan. The ideas, proposals and suggestions that have come to the City have all furthered the City's goal to preserve important local resources, improve the local economy, provide a variety of housing and improve the quality of life for the community.

**ATTACHMENT A**  
**(HOUSING ELEMENT PROGRESS REPORT)**



**KING CITY**  
C A L I F O R N I A

Item No. 9(J)

**REPORT TO THE CITY COUNCIL**

**DATE:** MARCH 28, 2017  
**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**FROM:** STEVEN ADAMS, CITY MANAGER  
**RE:** CONSIDERATION OF RESOLUTION DESIGNATING THE CITY CLERK TO MAINTAIN A MINUTE BOOK OF CLOSED SESSION ITEMS

**RECOMMENDATION:**

It is recommended the City Council adopt a Resolution designating the City Clerk to maintain a minute book of closed session items.

**BACKGROUND:**

It is a matter of local policy whether or not to keep minutes of closed sessions, either by the City Clerk or someone else. There is no legal requirement to keep minutes, such as a court order or Council ordinance or resolution. However, the City Council may choose to do so if it desires.

The City Council does not currently keep an official record for its closed session items. Although certain actions taken during closed session are required to be announced out, which may occur at a later date, some jurisdictions prefer to keep minutes of closed sessions. While not required or a universal best practice, this is common in many cities.

**DISCUSSION:**

Government Code Section 54957.2(a) states:

The legislative body of a local agency may, by ordinance or resolution, designate a clerk or other officer or employee of the local agency who shall then attend each closed session of the legislative body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act 2 (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be kept confidential. The minute book shall be available only to members of the legislative body or, if a violation of

**CITY COUNCIL  
CONSIDERATION OF RESOLUTION DESIGNATING THE CITY CLERK TO  
MAINTAIN A MINUTE BOOK OF CLOSED SESSION ITEMS  
MARCH 28, 2017  
PAGE 2 OF 3**

this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction wherein the local agency lies. Such minute book may, but need not, consist of a recording of the closed session.

City councils can designate the City Manager, City Clerk, or any other public employee to attend closed session and keep a book of the minutes.

The only other portion of the Brown Act addressing tracking closed session actions is found in Government Code Section 54960, dealing with alleged violations. That section allows a judge to order a legislative body found to have violated the closed session provisions to "tape record its closed sessions and preserve the tape recordings for the period and under the terms of security and confidentiality the court deems appropriate." To date, to the best of staff's knowledge, no judge has ordered a city to tape record closed sessions. In at least one city where closed sessions were voluntarily tape recorded the practice was terminated on the advice of the city attorney who was concerned about the tapes being used against the city and because it was awkward determining who was responsible for the tapes and how long they should be kept. A few other cities report making audio recordings and, in at least one of these, the clerk is not involved in attending the closed sessions or in making or preserving the recordings.

A primary reason for having notes or minutes taken in closed sessions is to have a contemporaneous record when recollections fade or differ with regard to the direction given by the City Council. If the matter involves reports that may involve several closed sessions over a period of time (such as labor negotiations, litigation, etc.), it can help to have a history of reports and documentation provided to the Council. If the Council makes any decision it is authorized to make in a closed session, someone must keep a record of the motion and votes. In several cities where notes or minutes are taken, they are recorded by the city manager or city attorney, not the city clerk. In King City, the City Manager also serves as the City Clerk.

There are reasons not to keep minutes of closed session. It is not required by law and it can require some additional work from staff to separately and securely maintain such minutes. As certain actions must (eventually) be reported out in open session, some jurisdictions prefer not to keep minutes. Another concern is that in some cities the prospect of a written document provides a more inviting target to leak confidential communications, which is illegal, although this can be reduced by requiring a log of all Councilmembers accessing the minutes outside of closed session.

**CITY COUNCIL  
CONSIDERATION OF RESOLUTION DESIGNATING THE CITY CLERK TO  
MAINTAIN A MINUTE BOOK OF CLOSED SESSION ITEMS  
MARCH 28, 2017  
PAGE 3 OF 3**

It is suggested that any minutes be limited to "action minutes," such as reports received or votes taken, rather than a more detailed minutes of the proceeding.

**COST ANALYSIS:**

Since the City Manager also serves as the City Clerk, it will require minimal additional staff time and no increased direct cost.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Adopt the Resolution;
2. Modify and adopt the Resolution;
3. Do not adopt the Resolution and direct staff to not maintain minutes of Closed Session; or
4. Provide staff other direction.

Approved by: 

\_\_\_\_\_  
Steven Adams, City Manager

**RESOLUTION NO. 2017-\_\_\_\_\_**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KING DESIGNATING  
THE CITY CLERK TO MAINTAIN A MINUTE BOOK OF CLOSED SESSION**

**WHEREAS**, Government Code Section 54957.2(a) states as follows:

The legislative body of a local agency may, by ordinance or resolution, designate a clerk or other officer or employee of the local agency who shall then attend each closed session of the legislative body and keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The minute book made pursuant to this section is not a public record subject to inspection pursuant to the California Public Records Act 2 (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be kept confidential. The minute book shall be available only to members of the legislative body or, if a violation of this chapter is alleged to have occurred at a closed session, to a court of general jurisdiction wherein the local agency lies. Such minute book may, but need not, consist of a recording of the closed session.

; and

**WHEREAS**, the City Council desires to designate the City Clerk to attend each closed session and to keep a minute book of the topics discussed and decisions made at the meeting.

**NOW, THEREFORE, BE IT RESOLVED** the City Council of the City of King as follows:

1. Pursuant to Section 54957.2 of the California Government Code, the City Clerk of the City of King may be required to attend a closed session of the City Council and keep and enter in a minute book a record of topics discussed and decisions made at each meeting. The confidentiality of such minutes shall be maintained pursuant to said section of the Government Code, and a log maintained of access by members of the City Council outside of closed session.
2. This Resolution shall become effective immediately.

This resolution was passed and adopted this **28<sup>th</sup>** day of **March, 2017** by the following vote:

**AYES**, Council Members:

**NAYS**, Council Members:

**ABSENT**, Council Members:

**ABSTAIN**, Council Members:

**APPROVED:**

\_\_\_\_\_  
Michael LeBarre, Mayor

**ATTEST:**

\_\_\_\_\_  
Steven Adams, City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Shannon Chaffin, City Attorney



Item No. 9(K)

**REPORT TO THE CITY COUNCIL**

**DATE: MARCH 28, 2017**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF INTERAGENCY AGREEMENT WITH SALINAS VALLEY SOLID WASTE AUTHORITY FOR SOLID WASTE/RECYCLING CONTRACT ADMINISTRATION SERVICES**

**RECOMMENDATION:**

It is recommended the City Council approve and authorize the City Manager to execute an Interagency Agreement with Salinas Valley Solid Waste Authority (SVSWA) for Solid Waste/Recycling Contract Administration Services.

**BACKGROUND:**

On November 22, 2016, the City Council conducted a public hearing and approved a Revised and Restated Franchise Agreement with USA Waste of California, dba Carmel Marina Corporation (aka: Waste Management) for Solid Waste, Recycling and Organics Collection and Processing Services. The revised agreement was updated to address current State and local law and industry objectives to improve services and recycling of waste materials for higher and better use. The Franchise Agreement allows the City the option to internally manage contract services or designate a contract administrator.

**DISCUSSION:**

A number of State laws require active oversight of the hauler and the diversion requirements of the franchised services for the City to remain in compliance. Examples include new laws, such as AB 341-Mandatory Commercial Recycling and AB 1826-Mandatory Commercial Organics Recycling, as well as existing regulations, including AB 939. Since 2005, SVSWA has been providing contract administration services for its other member agencies. At this time, the City does not have the staff resources or expertise necessary to address the Franchise Agreement and State requirements. In the capacity of contract administrator, SVSWA will provide services that include oversight of compliance with Agreement terms, including public outreach; assistance to the City with

**CITY COUNCIL  
CONSIDERATION OF INTERAGENCY AGREEMENT WITH SALINAS  
VALLEY SOLID WASTE AUTHORITY FOR SOLID WASTE/RECYCLING  
CONTRACT ADMINISTRATION SERVICES  
MARCH 28, 2017  
PAGE 2 OF 2**

preparation of contract amendments and annual rate adjustments; and an annual presentation to the City Council on the hauler's performance, annual tonnage, and diversion efforts.

The term of the Inter-Agency Agreement with SVSWA will be through the duration of the Waste Management Franchise Agreement, which is June 30, 2025. Either party has the right to terminate the Agreement by providing a six-month notice.

**COST ANALYSIS:**

Under the terms of the franchise agreement, Waste Management is required to pay the City an annual Administration Fee of \$20,000, with annual automatic increases, collected from customers through garbage collection and disposal rates. SVSWA's Contract Administration annual fee is \$15,000 for the term of the contract, with annual adjustments. This will leave additional funding to reimburse the City for staff costs that will still be involved with the management of the franchise agreement.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Approve the Agreement;
2. Modify the proposed terms and then approve the Agreement;
3. Do not approve the Agreement and direct staff to administer the contract in-house; or
4. Provide staff other direction.

Exhibits:

1. Interagency Agreement with Salinas Valley Solid Waste Authority (SVSWA) for Solid Waste/Recycling Contract Administration Services

Approved by:



\_\_\_\_\_  
Steven Adams, City Manager

**INTER-AGENCY AGREEMENT FOR SOLID WASTE  
CONTRACT ADMINISTRATION SERVICES**

The following is an Inter-Agency Agreement between the City of King (the City) and the Salinas Valley Solid Waste Authority (the "Authority").

**WHEREAS**, the City has revised and extended their refuse, recycling, and yard waste services agreement with USA Waste of California, Inc. dba Carmel Marina Corporation (aka: Waste Management); and

**WHEREAS**, the contract extension includes new reporting, public outreach and education plan requirements; and

**WHEREAS**, the City desires assistance from the Authority in the administration of the extended contract with Waste Management, and are willing to compensate the Authority for providing such contract administration services; and

**WHEREAS**, the Authority has the requisite expertise and is willing to provide contract administration services to the City;

**NOW, THEREFORE** the City and the Authority agree as follows:

**ARTICLE 1- SERVICES TO BE SUPPLIED BY THE AUTHORITY**

**1.1 Included Services-** The Authority shall provide the following contract administration services:

- A. Review, update, and track contract reporting requirements and timeframes per Appendix H of the revised and restated franchise agreement;
- B. Review, update, and track public outreach and education requirements and timeframes per Appendix D of the revised and restated franchise agreement;
- C. Assist the City in monitoring Waste Management's conformance with the requirements and specifications of the revised and restated franchise agreement;
- D. Review of Waste Management's monthly, quarterly, and annual reports and invoices including; financial reports, solid waste, recycling and organic waste data reports, complaint logs, and other additional reports as may be required by the City;
- E. Consult with the City and meet with Waste Management to assist in the resolution of problems, if any, between Waste Management and the City;
- F. Conduct quarterly Franchise meetings with Waste Management and the City to discuss and resolve any operational issues and coordinate on-going public education and outreach efforts;
- G. Preparation of contract amendments, as needed;
- H. Six-month progress report to the City Council on Waste Management's initial performance since the start of the revised and restated franchise agreement;
- I. Annual presentation to the City Council on Waste Management's performance, annual tonnage and diversion efforts, and adherence to the terms of the agreement, if desired;
- J. Assist the City with the annual adjustment to Contractor's compensation;
- K. Assist the City with the annual rate adjustment process;

- L. Prepare a task list and timeline to ensure that a new collection services contract is in place prior to the termination of the existing revised and restated franchise agreement;
- M. Other services or periodic reports as requested by the City and agreed to by the Authority.

**1.2 Excluded Services-** The Authority's responsibility is limited to administering the contract between the City and Waste Management and does not include dealing with the customers of the City. The City shall provide billing, customer service, and all aspects of dealing with the residential and commercial customers.

## **ARTICLE 2- AUTHORITY COMPENSATION**

The City shall pay the Authority an annual Contract Administration Fee of \$15,000 for the term of the contract. The Fee shall be effective January 1, 2017 and paid in quarterly installments beginning April 1, 2017. The City shall pay the Authority \$7,500, the pro-rata portion of the annual contract administration fee for the months beginning January 1, 2017, and ending June 30, 2017. Subject to the requirements of this Article, the City shall pay the Authority the full amount of the annual contract administration fee beginning July 1, 2017, until such time that this Agreement expires or is terminated by either Party. The annual Contract Administration Fee shall be adjusted annually, each July 1st, commencing July 1, 2017, by the change in the Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland – San Jose Metropolitan Area using the February index. The July 2017 rate adjustment shall be 3.3% as set forth within the Revised February Consumer Price Index, All Urban Consumers, for the San Francisco - Oakland – San Jose Metropolitan Area. The Authority may review and adjust the Contract Administration Fee at the end of each year of the contract, if the Authority's costs exceed the fee amount. The Authority shall give the City a minimum sixty (60) days notice of any proposed fee adjustment. The City may terminate this Agreement within said sixty-day notice period if the proposed fee adjustment is not acceptable. Upon timely termination of this Agreement, the Authority acknowledges and agrees that the City shall not be liable for the payment of any portion of the proposed fee adjustment. Any cancellation will not result in a pro-rata or other refund of fees already paid to the Authority.

## **ARTICLE 3- TERM**

The term of this Agreement shall be for the Waste Management's extended franchise period which begins January 1, 2017 and is scheduled to end June 30, 2025. In the event the Authority determines that it is not economic for the Authority to provide services to the City for the annual fees specific herein or in effect at any time under this Agreement, the Authority may terminate this Agreement before June 30, 2025, by giving the City six (6) months advance notice of such termination. The City may terminate this Agreement by giving the Authority six (6) months advance notice of such termination.

## **ARTICLE 4- RELEASE OF CLAIMS AND INDEMNITY**

The City hereby waives and releases any claims, liabilities, demands and lawsuits that the City might otherwise have against the Authority and its agents and consultants arising out of or relating in any way to the Authority's performance of services pursuant to this Agreement. This release includes any unknown and unanticipated claims.

The Authority hereby waives and releases any claims, liabilities, demands and lawsuits that it may have against the City, its agents, employees and consultants arising out of or relating in any way to any claim, demand or lawsuit initiated by a third party against the Authority related to the Authority's performance of services pursuant to this Agreement. This release includes any unknown and unanticipated claims.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the dates indicated below.

**CITY OF KING**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Steven Adams, City Manager

City Clerk: \_\_\_\_\_

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

APPROVED AS TO FORM:

City Attorney: Shannon Chaffin

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

**SALINAS VALLEY SOLID WASTE AUTHORITY**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Simón Salinas, Board President

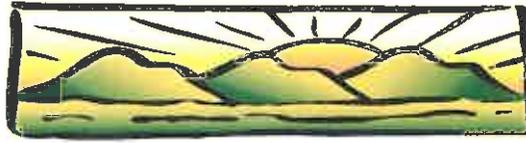
Clerk of the Board: Erika J. Trujillo

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

APPROVED AS TO FORM:

General Counsel: Thomas Bruen

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



**KING CITY**  
C A L I F O R N I A

Item No. 9(L)

**REPORT TO THE CITY COUNCIL**

**DATE: MARCH 28, 2017**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: OCTAVIO HURTADO, HANNA & BRUNETTI, CITY ENGINEERS**

**RE: CONSIDERATION OF ACCEPTANCE OF GRANT OFFER IN THE AMOUNT OF \$138,521.00 FROM THE AB2766 MOTOR VEHICLE EMISSIONS REDUCTION PROGRAM TO PREPARE A PROJECT STUDY REPORT-PROJECT DEVELOPMENT SUPPORT (PSR/PDR) PROJECT INITIATION DOCUMENT FOR A PROPOSED ROUNDABOUT AT THE INTERSECTION OF BROADWAY STREET AND SAN ANTONIO DRIVE / US 101 NORTHBOUND RAMP TERMINALS**

**RECOMMENDATION:**

It is recommended City Council; 1) direct staff to accept FY17 AB2766 offer in the amount of \$138,521.00 through the Monterey Bay Air Recourses District to fund preparation of a Project Study Report–Project Development Support (PSR/PDS) project initiation document; and 2) authorize the City Manager to be the representative of the City of King to the attached grant agreement and execute grant agreement No 17-03 and related document.

**BACKGROUND:**

TAMC contracted with Kittleson & Associates to conduct a Regional Roundabout Study on select intersections. Staff submitted the intersection of Broadway Street and San Antonio Drive and US101 Northbound terminal for consideration in the study. The firm used Caltrans' Intersection Control Evaluation guidelines for a holistic approach to compare constructing modern roundabouts vs. stop or signalized intersections at it and 24 other locations around Monterey County.

Procedures outlined in the Highway Capacity Manual to perform peak hour operations analysis of each intersection control operation. The analysis dictated lane configurations, which were used to develop an intersection footprint. Using these lane configurations, concept drawings were prepared indicating the approximate footprint of the intersection to gauge potential impacts to private

**CITY COUNCIL  
ACCEPTANCE OF AB2766 GRANT TO PREPARE ROUNDABOUT PSR/PDS  
AT BROADWAY ST / SAN ANTONIO DR / US 101 INTERSECTION  
MARCH 28, 2017  
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property and environmental features. With this information, a preliminary cost estimate was prepared for each alternative. The analysis then evaluated the benefits of each project based on safety, delay and emissions; calculating a monetary value for those benefits; and then developed a ratio comparing the project benefits to the life cycle cost. A ratio of above 1 indicates that the benefits of the alternative are greater than the cost; the design with the highest number represents the recommended design.

On April 26, 2016 Kittleson & Associates presented its findings to City Council. A roundabout was the preferred alternative and Council authorized Staff to submit a FY17 AB2766 grant application through the Monterey Bay Air Recourses District for the preparation a PSR/PDR. Staff's grant request was for the amount of \$200,000.

**DISCUSSION:**

Modern roundabouts are proving to have significant safety and operational benefits compared to traditional signalized intersections. A well-documented study found that converting 23 test intersections throughout the U.S. from traffic signals to roundabouts reduced fatal crashes by 90 percent, injury collisions by 75% and reduced the number of collisions overall by 37%. While initial construction costs tend to be high for roundabouts, long-term life cycle costs (for ongoing maintenance and operations) tend to be lower than for signalized intersections. Roundabouts are particularly effective in increasing traffic flow at congested intersections.

The intersection has experienced maintenance issues with the traffic timing loop detection system in the past. Signal maintenance costs would be eliminated with a Roundabout.

The next step in planning for the intersection improvements is to prepare a Roundabout PSR/PDS Support Project Initiation Document per Cal Trans Project Development Procedures Manual. The Document provides a key opportunity for Caltrans, TAMC and King City to achieve consensus on the purpose-and- need, scope, and schedule of the project.

**COST ANALYSIS:**

The Grant requested to cover the cost of preparing the Project Study Report – Project Development Support Project Initiation Document (PSR/PDS) was estimated at \$200,000. The grant offer is for \$138,521, being \$61,479 below the requested amount. Upon grant execution, Staff will solicit proposals for a

**CITY COUNCIL  
ACCEPTANCE OF AB2766 GRANT TO PREPARE ROUNDABOUT PSR/PDS  
AT BROADWAY ST / SAN ANTONIO DR / US 101 INTERSECTION  
MARCH 28, 2017  
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consultant selected consultant will provide a cost proposal to prepare the PSR/PDR.

Staff recommends using funds from TAMC/RSTP, gas tax, funds from the TAMC sales tax or the City's Traffic Impact Fee Fund to cover the difference.

With a PSR/PDS the City would be able to program the project with Caltrans and TAMC and be positioned to seek additional grant funding as it comes available in conjunction with use of available traffic impact fee money.

A Roundabout will reduce annual maintenance costs for keeping the Signal light in operation.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Direct Staff to accept the AB2766 grant funding in the amount of \$138,521 through the Monterey Bay Air Resources District to prepare a Project Study Report – Project Development Support Project (PSR/PDS) Initiation Document and authorize the City Manager to be the authorized representative of the City of King to the attached grant agreement and to execute Grant Agreement No 17-03;
2. Direct Staff not to accept the grant offer from the Monterey Bay Air Resources District and cancel the project; or
3. Provide other direction to staff.

Exhibits:

1. Grant Agreement No. 17-03

Submitted by: \_\_\_\_\_

  
Octavio Hurtado, Hanna & Brunetti, City Engineers

Approved by: \_\_\_\_\_

  
Steven Adams, City Manager





**FY14AB2766 Motor Vehicle Emissions Reduction Program**

**Grant Agreement No. 17-03**

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<b><u>Document</u></b>	<b><u>Description and Pages in Document</u></b>
<b>Grant Agreement</b>	<b>Contract agreement that must be signed by both parties to execute grant (Pages 1-4).</b>
<b>Attachment 1</b>	<b>Project Description, Budget and Schedule-- (Pages 1-4).</b> This Attachment includes the Project Description, Budget, Schedule and grantee contact info.
<b>Attachment 2</b>	<b>Special Grant Conditions-- (Up to 2 pages).</b> This Attachment lists any special grant conditions applicable to Grantee, based on the grant application submitted by Grantee, grant award conditions and applicable AB2766 Grant Program requirements.
<b>Attachment 3:</b>	<b>Conflict of Interest Certification – (One page).</b>
<b>Attachment 4:</b>	<b>Instructions for Completing Grant Agreement, Reimbursement Requests, and Reports – (Three pages).</b> This attachment provides detailed instructions for completing and returning this grant agreement for execution by District. It also provides instructions for invoicing and reporting, as well as a description of how District shall reimburse grantee for eligible project costs.

*This concludes the Table of Contents page*



FY14 AB2766 Motor Vehicle Emissions Reduction Program

# Grant Agreement

Between

The Monterey Bay Unified Air Pollution Control District

And

*King City*

**Grant Agreement Number: 17-03**

**Project Title: *Broadway Street/US 101 Roundabout PSR/PDS Project***

The Monterey Bay Unified Air Pollution Control District (hereinafter, "District") and *King City* (hereinafter, "Grantee") enter into this Agreement (hereinafter, "Agreement") to implement the Project entitled *Broadway Street/US 101 Roundabout PSR/PDS Project* (hereinafter, "Project") as described herein. The purpose of the Agreement is to reduce emissions of motor vehicles in accordance with Assembly Bill 2766 (California Health and Safety Code §§44220-44247) through implementation of the Project by Grantee, funded in part by AB2766 funding as agreed herein. The AB2766 grant funding under this Agreement shall not exceed a total of **\$138,521**.

## A. General Agreements

1. This Agreement shall be comprised of the Grant Agreement No. *17-03* and Attachments 1, 2 3 and 4.
2. The term of this Agreement ("Term") shall begin the date the Agreement is last signed by either party ("Start Date") and end two years later ("Completion Date").
3. To be eligible for reimbursement, expenditures shall be incurred during the Term of the Agreement.
4. Expenditures for administration of the grant shall not exceed 5% of the grant award.
5. Grantee hereby promises that all other funds shown as "secured" in Attachment 1 of this Agreement have been appropriated by Grantee or awarded to Grantee after adoption of its current annual budget.
6. Secured funds shall be available for expenditure on the Project by **January 1, 2017**.
7. Grant-eligible expenditures are identified in the Attachment 1 Budget section of this Agreement.
8. Total funding by the District pursuant to this Agreement shall not exceed **\$138,521**.
9. 10% of the total grant award may be withheld prior to the submittal by the grantee of a final report as defined in section D of this grant agreement.

## B. Grantee Obligations

**Grantee shall:**

1. Execute and deliver this Agreement to the District no later than **April 30, 2017**
2. Implement the Project in accordance with the scope, budget and schedule specified herein.
3. Comply with all applicable District, federal, state and local laws and regulations, and obtain all permits, approvals or clearances required to implement the Project, including any necessary District permits.

4. Collect and report travel activity and other pertinent data, keep records and submit supporting expense documentation in accordance with the terms of this Agreement.
5. Request reimbursement for grant-eligible expenditures in accordance with Attachment 4, thereby affirming that grant-eligible expenditures have been incurred for the purposes specified in the request.
6. Provide supporting documentation for expenditures to the District in a manner and form satisfactory to District staff.
7. Request reimbursement for grant-eligible expenditures prior to the Completion Date, in accordance with Attachment 4.
8. Assist District staff in inspecting and reviewing the Project.
9. To obtain reimbursement for the final 10% of total eligible expenditures or the grant amount, whichever is less, Grantee shall:
  - (a) Submit a reimbursement request for those expenditures if not previously invoiced;
  - (b) Submit a Final Report for the Project, satisfactory to the District, in accordance with Attachment 2 and 4 and;
  - (c) If the project was granted funds based on quantified emissions reductions, the Final Report shall also include documentation of the emissions-reducing activities that qualified the Project for a grant.,
10. Fulfill any other obligations, for which Grantee is responsible, specified in this Agreement.
11. Grantee shall defend, indemnify and hold harmless the District, its officers and employees from and against any liability or costs of any type, including attorney's fees, arising out of or related to Grantee's performance under this Agreement, except for liability or costs arising out of the sole negligence of the District, its officers or employees.

### **C. District Obligations**

#### ***District shall:***

1. Reimburse grant-eligible expenditures incurred by Grantee to implement the Project, provided they are documented in a reimbursement request submitted in accordance with the terms of this Agreement.
2. Disburse payment within 30 calendar days of District approval of each Grantee reimbursement request unless otherwise specified in Attachment 2.
3. Promptly respond to questions regarding the Agreement's terms and conditions, including, but not limited to: eligible expenses, reimbursement requests and reports.
4. Fulfill any other obligations, for which the District is responsible, specified in this Agreement.

### **D. Reports**

1. Grantee shall submit Quarterly Reports regardless of whether or not quarterly reimbursements are requested.
2. Quarterly reports submitted shall cover each three month period from Start Date to Completion Date, in accordance with Attachment 4.
3. For all projects, a Final report shall be submitted by the grantee within one year of the project term or earlier, in accordance with Attachment 4.

**E. Grant Agreement and Obligation Period**

1. This Agreement shall expire on the Completion Date and may be extended one time only for no longer than one hundred eighty (180) days upon approval by the District Board of Directors.
2. If Grantee has an unreimbursed grant award balance after the end of the Term, this Agreement shall terminate without notice and the District shall have no obligation to make any further reimbursement to Grantee.

**F. Notices and Correspondence**

Correspondence or notices required by this Agreement shall be sent via First Class Mail or facsimile to the individuals and addressees specified below:

**District:** Richard Stedman, Air Pollution Control Officer  
Attention: Alan Romero  
24580 Silver Cloud Court, Monterey, CA 93940  
Tel: (831) 647-9411 FAX (831) 647-8501 email: [aromero@mbuapcd.org](mailto:aromero@mbuapcd.org)

**Grantee:** Steve Adams, City Manager  
212 S. Vanderhurst Avenue, King City CA 93930  
[sadams@kingcity.com](mailto:sadams@kingcity.com), 831-386-5917

**G. Assignment and Delegation**

Except as provided in Attachment 2, herein, this Agreement and all associated benefits, including capital or equipment reimbursed in whole or part by AB2766 grant funds, and any duties, obligations or liabilities arising therein, may not be assigned or delegated during the Project life or ten years from the Start Date, whichever occurs first, without the prior written consent of the District.

**H. Severability**

If any clause or term of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the Agreement shall remain in full force and effect.

**I. Entire Agreement**

1. This Agreement constitutes the entire agreement between the parties, and supersedes any prior agreement concerning the subject matter herein.
2. Amendments to this Agreement may be proposed in writing by either party and to become effective, shall be signed and dated by both District and Grantee.
3. Oral representations by either party or their representatives shall have no force or effect.

**J. Termination**

1. The District shall have the right to terminate this Agreement without prior notice if Grantee causes or fails to prevent any of the following:
  - (a) Failure to perform in a timely, professional or competent manner;
  - (b) Failure to make reasonable progress in implementing the Project;

- (c) Material breach or failure to abide by any term or condition of the Agreement;
  - (d) Assignment of any benefits or delegation of any duties associated with this Agreement to a third party except as provided in Attachment 2;
  - (e) Failure to report any conflict of interest as required by Attachment 3, herein or
  - (f) Bankruptcy or dissolution of Grantee.
2. The District shall determine whether cause exists for termination and if so, shall issue a Stop Work Notice to Grantee, followed within three working days by a Notice of Termination, which shall specify a termination date.
  3. Upon receipt of a District Stop Work Notice or a Notice of Termination, Grantee shall immediately stop work on all activities requiring reimbursement under this Agreement, unless the Notice includes directions as specified immediately below in Section 4.
  4. If so stated in the Stop Work Notice or a Notice of Termination, the Grantee may continue to incur grant-reimbursable expenditures through the termination date specified in the Notice, to ensure:
    - (a) Continuation of any grant-funded activity needed to maintain air quality or reduce vehicular emissions; and
    - (b) Continuation of any grant-funded activity needed to discharge Grantee obligations if specified in the Notice of Termination.
  5. Breach of any material term of this Agreement by Grantee shall be considered a breach of the entire Agreement.

**K. Acceptance**

The undersigned attest to being the duly authorized representatives of the parties to this Agreement, and further attest to having read this Agreement in its entirety and covenants to comply with all its terms and conditions.

Authorized signature for Grantee:

For the District:

\_\_\_\_\_  
Steve Adams  
City Manager, King City

\_\_\_\_\_  
Richard A. Stedman  
Air Pollution Control Officer (APCO)

Date: \_\_\_\_\_.

Date: \_\_\_\_\_.



## ATTACHMENT 1 - PROJECT DESCRIPTION, BUDGET AND SCHEDULE

### FY14 AB2766 Motor Vehicle Emissions Reduction Program

**Project:** 17-03: *Broadway Street/US 101 Roundabout PSR/PDS Project*

**Grantee:** *King City*

#### **Project Narrative:**

The intersection involves two closely spaced intersections with two types of traffic control. The Broadway Street at San Antonio Drive intersection is controlled by a traffic signal. The Broadway Street at US 101 Northbound Ramp Terminal intersection is controlled by a two-way stop on the minor approach, or off-ramp.

The existing signal control on Broadway Street at San Antonio Drive and the existing stop control on the US 101 northbound ramp terminal, or no project alternative, operates with acceptable delay for the existing traffic demand condition. However, operations are expected to degrade to unacceptable levels as demand reaches forecast design year levels. In terms of vehicle queuing, vehicles queues are expected to exceed available storage for all movements on northbound Broadway Street and left turn movements on westbound Broadway Street. The increases in vehicle queuing are expected to impact ramp operations and driveway access on the easterly leg of Broadway Street. Beginning in design year 2030, off-ramp operations are expected to perform at unacceptable levels of delay.

An Intersection Control Evaluation (ICE) was performed to objectively evaluate and screen intersection control alternatives at intersection KGC-01, where Broadway Street intersects San Antonio Drive and the US 101 Northbound Ramp Terminals. With roundabout control, a single lane roundabout with single lane approaches and departures will improve intersection performance. The single lane roundabout is expected to perform below capacity for both peak hours through design year 2025 conditions. It is expected that between 2030 and 2040, a single westbound Broadway Street right turn lane will be needed.

#### **Scope of Work:**

The proposed roundabout on Broadway Street at San Antonio Drive and the US 101 Northbound Ramp Terminals will be subject to approval by Caltrans District 5 within the framework of the Caltrans Project Development and Procedures Manual (PDPM). Typical milestone studies include:

1. Project Initiation Document (PID) - Project Study Report – Project Development Support (PSR-PDS).

The PSR-PDS is the first, and most critical, step to program project improvements on the state highway system. General work elements include development of the design concept and the design scope based on available traffic data and studies, purpose and need, environmental screening, risk assessment, right of way needs, and concept level cost estimate. A PSR-PDS approved by the District Director allows the project to go through



a programming process that prioritizes projects for State funding through programs such as the State Transportation Improvement Program (STIP) and other federal funding sources. These funding mechanisms are typically administered by the Transportation Agency for Monterey County (TAMC) for projects in Monterey County. ***It is Caltrans policy that a PSR-PDS shall be completed prior to listing any project in the STIP.***

Duration: 6-12 months.

2. Project Approval and Environmental Document (PA/ED) – Project Report (PR).

General work elements include detailed environmental and engineering studies for the project alternative(s) developed in the PSR-PDS. At this stage in project development, a preferred alternative is cleared through the appropriate environmental document process and is selected to move forward. Construction and right of way costs are refined for the preferred alternative and compared to the programming figures in the current STIP. Changes to construction and right of way costs, as well as fiscal year scheduling are made at this time.

Duration: 18-30 months.

3. Plans, Specifications, and Estimate (PS&E).

General work elements include the preparation of construction documents, specifications, bid item list, and engineers estimate of construction costs.

Duration: 12-24 months.

4. Construction

Duration: 12 months.

The total duration based on typical milestone assumptions noted above is roughly 3 to 6 years before the start of construction, assuming continuous development of the project. Several factors that will contribute to the duration of the project approval process include environmental sensitivity and clearance, community support, right of way acquisition, the number and complexity of deviations from mandatory and advisory design standards, as well as the overall complexity of the project.

## Detailed Work Plan

The following detailed work plan is provided for the preparation of the PSR-PDS. The purpose of the work plan is to develop project alternatives through development of a Project Study Report – Project Development Support (PSR-PDS) Project Initiation Document (PID). The lead agency will be King City with Caltrans, TAMC, and the Monterey Bay Air Resources District being key stakeholders on the project. The PSR-PDS PID and attachments will be developed in accordance with the Caltrans Project Development Procedures Manual (PDPM) Appendix S, *Preparations Guidelines for Project Study Report-Project Development Support (PSR-PDS) Project Initiation Documents*, June 6, 2013.



The following Draft Work Plan is based on the Caltrans Work Breakdown Structure for a typical PSR-PDS project.

## **Task 100 Project Management**

This task includes the management of the project from initiation through completion of the PSR-PDS. The services provided include project initiation, and planning, administration, coordination, attending meetings, and quality control, as described below.

---

### **100.00 – Project Management**

- Provide management and coordination of subconsultants and consultant staff.
- Provide management review of deliverables, providing deliverables that adhere to the project scope and schedule, within the budgeted amounts
- Prepare monthly invoices and progress reports, in accordance with contract requirements

#### *Deliverables:*

- Monthly invoices and progress reports that include activities accomplished that period, activities to be accomplished next period, outstanding issues, and items that are delayed and why.
- Insurance certificates, updated as necessary to remain current.
- The Project Schedule will be monitored and updates will be provided if necessary.

### **100.05 - Quality Management Plan**

- Prepare, maintain and implement a Quality Management Plan (QMP) that specifies quality procedures, identifies review requirements, the review schedule, and the scope of each review in accordance with PDPM Appendix S, Chapter 5, Article 9 *Quality Management Plan*.
- Facilitate a Quality Assurance review of each submittal, by City staff, to ensure that the QMP was followed in advance of the CONSULTANT's initial submittal of the deliverables

#### *Deliverables:*

- Project Quality Management Plan
- Notification to City, prior to each submittal stage, of availability of submittal for review

### **100.10 – Risk Management Plan (Risk Register)**

- Facilitate the preparation of and maintain a risk management plan that identifies and assesses risks associated with transferring project alternative data to the PA&ED. The plan will be prepared based on the Risk Register template and prepared per PDPM Appendix S, Chapter 5, Article 10 *Risk Register*.



*Deliverables:*

- Draft Risk Register and Final Risk Register

**100.20 – Project Development Team (PDT) Meetings**

- Project Development Team (PDT) Meetings will be held monthly, on average, to coordinate the work of this project with Caltrans and other jurisdictions.
- Meetings with the City will be held on as needed basis.

*Deliverables:*

- Meeting Attendance List
- Meeting agendas
- Meeting minutes
- Submittal Log identifying status of submittals, reviews and response to comments
- Information/Data Request Log.

**Task 150 Develop PSR-PDS**

The PSR-PDS for the Broadway Street at San Antonio Drive and the US 101 Northbound Ramp Terminals will be developed under Task 150. This task includes the work involved in the research, evaluation, preparation, review, and approval of the existing and proposed project alternatives for documentation in the PSR-PDS and supporting studies.

The following subtasks are defined in a manner consistent with PSR-PDS guidance for generating a streamlined PID that does not require the same level of engineering detail normally required for a PSR. In keeping with the PSR-PDS guidance, subtasks were developed to identify project alternatives and achieve PSR-PDS approval in 6-9 months. The primary workflow for project success is summarized as:

**PSR-PDS Documentation**

- Task 150.05 Definition and assessment of the transportation problem and project site
- Task 150.10 Development and screening of initial project alternatives
- Task 150.15 Analysis of project alternatives
- Task 150.20 Preliminary environmental analysis of project alternatives
- Task 150.25 Preparation and approval of PSR-PDS for screened alternatives

**150.05 Define Transportation Problem & Assess Site**

This subtask includes the work involved in the site investigation of existing conditions and review of existing project information to identify opportunities and constraints within the project limits. This activity includes the tasks relating to the review and assessment of existing data and includes the following tasks:

- Compile and review existing background information that may impact the alternatives.
- Assess the content, coverage, and quality of available data and make recommendations for the acquisition of supplemental information, if needed.
- Develop project constraints and information required to determine the extent of the existing problem and future needs.
- Identify baseline gemetric standards.
- Develop baseline transporation planning, forecasting, and operations methodologies and assumptions.
- Develop project purpose and need through discussions with King City, Caltrans, and other stakeholders.

A key tool that will be utilized to assess and define the transportation problem is application of AASHTO's Highway Safety Manual (HSM) and Caltrans Traffic Operations Policy Directive 13-02 (TOPD 13-02) on the existing intersection. These tools will be used to update the analysis conducted in the TAMC Regional Roundabout Study at this project location.

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#### **150.05.05 Review Existing Reports, Studies, and Mapping**

- The content, coverage, and quality of data received for Tasks 150.05.10 through 150.05.50 will be assessed and summarized in a memorandum.
- The memorandum will include recommendations for the acquisition of supplemental information, if any

*Deliverables:*

- A memorandum summarizing the assessment of collected data
- A log of collected reference materials

#### **150.05.10 Review Existing Geological Information**

- Review and assess existing geotechnical information provided by Caltrans.
- Preliminary review of site specific geology hazards

*Deliverables:*

- A memorandum documenting geology hazards and available geotechnical information

#### **150.05.15 Review Existing Utility Information**

- Existing utility information will come solely from available utility as-built information and a visual assessment from a project site visit.
- No potholing or formal surveying of utilities will be done.
- Collect and review available utility as-built information from the following sources: Utility companies and Caltrans
- Perform visual site review of existing project area utility features



*Deliverables:*

- Log of utility as-builts collected and Utility company project specific contact list

**150.05.20 Review Environmental Constraints Information**

- Assemble the background documentation for the PEAR/PDS document. The background data will outline the various characteristics or features of the project(s), including the project purpose, define the project alternatives, and summarize the basic findings for environmental issue areas.
- Review and assess existing environmental data provided by Caltrans
- An initial environmental review based on a site visit to establish if there are any potential major environmental constraints that would affect alternative selection
- Search of available databases such as hazmat and cultural databases
- If necessary, a document search will be done

*Deliverables:*

- Documentation of findings for record purposes

**150.05.25 Review Existing Traffic Forecast/Modeling Data**

- Review and assess existing traffic forecasting/modeling data provided by City, AMBAG, and Caltrans.

*Deliverables:*

- A memorandum documenting available traffic forecasting data

**150.05.30 Review Existing Surveys & Mapping for PSR-PDS**

- Review and assess existing topographical surveys and mapping data provided by King City and Caltrans.

*Deliverables:*

- A memorandum documenting available topographical surveys and mapping.

**150.05.35 Meet with PDT to Define Problem (Develop Project Purpose and Need)**

- The team will work with King City and Caltrans staff in a collaborative way to develop a purpose and need statement for the PSR-PDS. The purpose and need statement will be one of the criteria that will be used to help screen the scoping level alternatives.
- Meet with PDT including Caltrans, King City and affected agencies such as TAMC and MBARD to develop project purpose and need statement in a collaborative manner.
- Utilize Highway Assessment Technical Memorandum (Task 150.05.70)



- Develop a purpose and need.

*Deliverables:*

- Meeting minutes for meetings and Approved Purpose and Need statement for PSR-PDS

**150.05.45 Review As-Built Centerline and Existing Right-of-Way**

- Review and assess existing centerline and right-of-way data provided by King City and Caltrans.

*Deliverables:*

- A memorandum documenting available centerline and right-of-way data

**150.05.50 Review District Geotechnical Information Scan**

- This task will be combined with task 150.05.10.

**150.05.60 Supplemental Data Collection (Optional)**

- This task includes the collection of supplemental or missing data that may be required to adequately scope the project without excessive risk at the PA&ED phase.
- An initial budget has been established to collect data that has been determined necessary by the PDT.

**150.05.70 Identify Existing Deficiencies (or Highway Assessment)**

- Work with project team members and partner agencies (i.e., King City and Caltrans) to obtain existing and historic traffic, geometric, speed and crash data for the project limits.
- Review and organize this information to use in the existing traffic operations and safety performance analyses.
- Use principles and methods from the Highway Capacity Manual (HCM) to evaluate the existing traffic operations performance of the corridor.
- Use AASHTO's Highway Safety Manual (HSM) to evaluate the safety performance of the intersections.

*Deliverables:*

- Highway Assessment Technical Memorandum summarizing existing traffic operations and safety performance for a single peak period

**150.05.80 Prepare and Maintain Design Scoping Index**

- This task includes the preparation and maintenance of a Design Scoping Index in accordance with PDPM Appendix S, Chapter 5, Article 2 *Project Initiation Document Design Scoping Index*.



- The Design Scoping Index will be prepared as a dynamic document for use by the PDT through the PSR-PDS process to identify system and geometric design issues.
- The Index will be modified as needed during the development of the project concept alternatives.

*Deliverables:*

- Project Initiation Document Design Scoping Index

**150.05.85 Prepare Transportation Planning Scoping Information Sheet**

- This task includes the preparation of the Transportation Planning Scoping Information Sheet in accordance with PDPM Appendix S, Chapter 5, Article 4 *Transportation Planning Scoping Information Sheet*.

*Deliverables:*

- Initial PID information Transportation Planning Scoping Information Sheet
- Final PID information Transportation Planning Scoping Information Sheet

**150.10 Develop Initial PSR-PDS Alternatives**

This subtask includes the evaluation of planned improvements as well as the development and assessment of conceivable transportation improvement alternatives based on the results of the Highway Assessment Technical Memorandum developed under Task 150.05.70. This subtask will likely validate planned improvements as individual projects or identify portions of the planned improvements grouped together as new alternatives to better address deficiencies based on operational and safety “hot spots” and patterns.

The scoping process will involve the PDT team to participate in a brainstorming process to develop multiple alternative concepts. The Highway Assessment Technical Memorandum developed under Task 150.05.70 will play a valuable role by identifying priority project locations that will focus the project team. The scoping level alternatives will then be screened such that at most two build alternatives remain for further development and inclusion in the PSR. Specific activities include:

Scoping - Identification of Conceivable Alternatives  
Screening – Assessment of Conceivable Alternatives  
Develop Concept Alternatives

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**150.10.05 Outreach for Public/Local Agency Input (Optional)**

- This subtask is provided to keep King City, TAMC, MBARD, and AMBAG board members, staff and other key stakeholders informed.



The task will include periodic briefing meetings and, if necessary, the development of PowerPoint presentations, factsheets, and boards.

- An initial budget has been established to perform two community workshops, attend three meetings and prepare up to three PowerPoint presentations.
- Develop of presentation materials
- Make presentations and attend staff meetings

*Deliverables*

- Presentation and/or attend three staff meetings,
- Perform two Community Workshops
- Develop up to three PowerPoint presentations

**150.10.10 Scoping**

- Conceivable transportation alternative concepts will be developed in a conceptual manner. The scoping process will include at least one scoping meeting and will include King City, Caltrans, and Consultant staff.
- Results of the Highway Assessment Technical Memorandum will be discussed so that project alternatives can be developed in a logical manner to address operational and safety hot spots.
- One internal stakeholder meeting will be held during this subtask
- Generate feasible alternatives that satisfies the project purpose with an accompanying sketch

*Deliverables:*

- Meeting minutes from the scoping meeting with attached alternative sketches

**150.10.15 Initial Screening**

- Under this task, a technical team will be assembled to develop screening criteria to assess the various initial alternatives.
- The screening process will include performing a cursory traffic operations review and review of required design exceptions to assess if a given alternative concept has merit and the associated risks.
- A performance evaluation of study area intersections control type and improvement concept/project for the intersection.
- Study intersections will be analyzed relative to the TOPD 13-02 performance metrics under both existing and future year conditions.
- Apply highway safety performance screening evaluations to quickly and efficiently focus the solutions to those that provide the best benefit within the regional context.
- In addition, at least one meeting will be held with Caltrans to document their response to the scoping level alternatives.



- At the conclusion of this task, a maximum of two build alternatives will be forwarded for alternative analysis. These build alternatives will primarily focus on the various control type options (roundabout, signalized intersection, stop control). The technical team will include representatives from the Caltrans and King City.
- Screen out scoping level alternatives based on traffic or geometric considerations
- Conduct one formal screening meeting with PDT members where screening criteria is developed and alternatives are screened

*Deliverables*

- Meeting minutes with alternative recommendations

**150.10.20 Develop Concept Alternatives**

- This is the subtask where the project alternatives are refined and approval from Caltrans attained.
- Based on the alternatives selected from the initial screening, the consultant team will prepare geometrically developed alternatives using scaled aerial mapping as the base.
- The alternatives will include PSR-PDS level appropriate information such as centerlines, edges of roadways and existing information such as right-of-way and utilities for delineating constraints and impacts to existing facilities and right-of-way.
- Alternatives will include typical sections for the proposed alternatives.

*Deliverables*

- Alternative layouts and typical sections
- Response to comment list

**150.15 Alternatives Analysis**

This subtask includes the transportation operational analyses, engineering and environmental analyses, and cost estimates of feasible alternatives to determine and adopt a set of reasonable transportation improvement alternatives for this corridor, based on agreed-to screening criteria.

---

**150.15.05 Right of Way Assessment (Request for Right of Way Conceptual Cost Estimate Component)**

- This task includes the preparation of a request to the district Right of Way division to prepare a Conceptual Cost Estimate for the Right of Way component in accordance with PDPM Appendix S, Chapter 5, Article 7 *Conceptual Cost Estimate Right of Way Component*.



- Information from the request and the completed estimate will be summarized in the Right of Way Section of the PSR-PDS.
- Right of Way support and capital costs will be incorporated into the PSR-PDS Cost Estimates.
- Parcel maps and Caltrans right-of-way will be superimposed on the geometric plans and right of way impacts will be assessed.
- Depending on the impacts, right of way requirements may include partial and full parcel takes based on access and impacts on the functions of the adjacent properties.
- The estimated right of way area required for each alternative will be calculated by impacted parcel,
- Request will include schematic maps for each alternative identifying affected parcels, easements, railroads, and utilities; required relinquishments and vacations; changes in access points and control; expected environmental document data and permits; and anticipated project milestones.

*Deliverables*

- Request for Right of Way Conceptual Cost Estimate

**150.15.10 Assess Utility Relocation Requirements**

- Utility information obtained as part of task 150.05.15 will be incorporated into the aerial mapping
- A utility composite map will be prepared to assess utility impacts and their required relocations.

*Deliverables*

- Utility relocations costs and Utility composite map

**150.15.15 Railroad Involvement and Assessment**

- Not applicable.

**150.15.25 Preliminary Materials Report**

- Prepare a preliminary materials report to summarize the geotechnical and environmental engineering information presented in the existing reports.
- Provide preliminary recommendations for further evaluation of the existing reports and/or mitigation measures that should be implemented during the PA/ED phase of the project development.

*Deliverables:*

- Preliminary Materials Report



**150.15.30 Division of Engineering Services (DES) PSR-PDS Scoping Sheet**

- This task includes the preparation of a DES PSR-PDS Scoping Sheet in accordance with PDPM Appendix S, Chapter 5, Article 11 *Division of Engineering Services PSR-PDS Scoping Checklist*.
- Consistent with PSR-PDS guidance and the proposed schedule for PSR-PDS approval, a Division of Engineering Services (DES) PSR-PDS Scoping Sheet will be prepared for highway structures in lieu of an Advanced Planning Study (APS)..

**Deliverables:**

- Draft DES PSR-PDS Scoping Sheet and Final DES PSR-PDS Scoping Sheet

**150.15.35 Multimodal Considerations (pre-PID Scoping Checklist)**

- Under this sub-task, other modes of transportation will be investigated.
- Impacts or enhancements made by the various proposed alternatives to those modes of transportation will be analyzed and documented.
- The transit/bicycle/pedestrian system will be an integral part of the alternative development.
- Review and document existing site multi-modal systems and how each alternative affects those modes
- Consultant will evaluate the pedestrian and bicycle aspects of the project and how they fit into the regional ped/bicycle system. This work will identify the desire lines for pedestrian and bicycle travel
- Consultant will evaluate the Transit aspects of the project and how they fit into the regional transit network.

**Deliverables:**

- Multi-modal discussion in PSR-PDS

**150.15.40 Hydraulic Assessment**

- Available data will be collected from the County of Monterey, Federal Emergency Management Agency (FEMA) and King City including topographic mapping, drainage reports, drainage plans, as-built plans, and other applicable documents and data.
- Perform a hydraulic assessment of the key hydraulic features to be encountered on the project. The assessment will include review of historic drainage reports, location hydraulic report, and other data to evaluate the future scope of work.



- Provide a brief summary and estimate the resources needed to complete PA&ED.
- No calculation or hydrographs will be developed

*Deliverables:*

- Identify hydraulic elements required for further study during PA&ED phase.
- Develop PSR-PDS level cost estimate

**150.15.50 Perform Traffic Analysis and Prepare Traffic Engineering Performance Assessment (TEPA)**

This task includes the preparation of a TEPA in accordance with PDPM Appendix S, Chapter 5, Article 5 *Traffic Engineering Performance Assessment*. Consistent with those guidelines, readily-available information will be used to apply macro-level analysis and evaluation techniques. Provide a technical foundation for developing a preliminary purpose and need statement for the proposed project and to outline the scope and magnitude of the more detailed traffic analyses to be conducted as part of later project development efforts.

- *Traffic Analysis*
  - Prepare an analysis methodology memorandum outlining the projected analysis methodology, procedures, assumptions and schedule for review by PDT team members.
  - TEPA guidelines specify using readily available information. This is applicable to data collection efforts. TEPA analysis will be conducted using existing data.
  - Compare the results of the scenarios to help the PDT evaluate the benefit and justification for the project.
  - Develop design year volumes by applying growth rates derived from AMBAG travel demand model between Year 2010 and 2035 to the Existing Condition Volumes
  - Conduct traffic analysis for the weekday AM/PM peak periods.
- *Traffic Engineering Performance Assessment (TEPA)*
  - The purpose of the TEPA is to conduct a macro level analysis that serves as the basis and foundation for a more detailed technical analysis during the projects PA/ED phase.
  - Prepare and submit Draft Traffic Engineering Performance Assessment (TEPA).
  - Respond to comments from agency review of the Draft TEPA and provide revisions as needed for incorporation into the Final Traffic Engineering Performance Assessment Report.



- Submit an Administrative Draft TEPA to PDT members for one round of review and written comments.
- Prepare the Draft TEPA and submit to the PDT team for one round of review and comments.
- Prepare the Final Traffic Engineering Performance Assessment Report.

*Deliverables:*

- Administrative Draft TEPA
- Draft TEPA
- Final TEPA
- Analysis output

**150.15.55 Develop PSR-PDS Construction Estimates**

- This task includes the preparation of construction estimates in accordance with the cost estimate format outlined in PDPM Appendix S, Chapter 4 *PSR-PDS Cost Estimates*.
- After selection of the final alternatives, order of magnitude cost estimates will be prepared.
- Right-of-Way Costs identified in the Conceptual Cost Estimate – Right of Way Component provided by the district Right of Way division will be incorporated.
- Resource loaded support costs provided by King City / Caltrans will be summarized for incorporation into the Support Cost Estimate.

*Deliverables:*

- PSR-PDS Cost Estimate Worksheet for each alternative
- PSR-PDS Capital Cost Estimate
- PSR-PDS Support Cost Estimate

**150.20 Perform Preliminary Environmental Analysis**

This subtask includes the work involved in preparing a Preliminary Environmental Analysis Report (PEAR) consistent with Caltrans formatting requirements for a PEAR Project Development Support (PDS), including resource screening for cultural resources and biological resources.

For a planning/PSR level of review, the environmental component focuses more on environmental issues, rather than environmental analysis/review. The purpose is to determine which environmental topics present potential issues for the project, and whether any topic potentially affects project feasibility. The main goal will be to provide a summary of the issue areas based on existing conditions at the proposed intersection improvement location and surroundings. The key environmental issue



areas will be described, and strategies identified for the subsequent environmental review process.

At this level of review, engineering design is conceptual and environmental review services are provided at an opportunities and constraints level. To complement the conceptual engineering, Rincon Consultants will provide the appropriate level of environmental review through establishment of background conditions. The data will be presented as necessary to facilitate an understanding of the potential environmental constraints on various environmental issue areas. Once the design alternatives are developed, Rincon Consultants will complete the draft PEAR/PDS document for review. The PEAR/PDS document will examine the basic alternatives presented by the project engineers, review the potential environmental effects of the preferred alternatives, outline anticipated technical studies, and determine the level and type of review anticipated for subsequent project implementation (e.g., Project Approval/Environmental Document [PA/ED]). The PEAR/PDS document is intended to prompt consideration of environmental concerns, including cultural resources, hazardous wastes, and biological resources.

It is expected that the proposed project will ultimately involve only CEQA review, with Caltrans serving as lead agency for both CEQA. This information will be further refined during preparation of the PEAR document. In addition to defining the environmental issues and review strategies, the specific technical studies will be identified, as well as the potential permits and/or agency consultation.

- *Environmental Background*

Rincon will assemble the background documentation for the PEAR/PDS document. The background data will outline the various characteristics or features of the project, including the project purpose, define the project alternatives, and summarize the basic findings for environmental issue areas.

- *Technical Studies*

Given the level of conceptual engineering, generalized technical studies will be initiated for the project alternatives. Typically, the generalized technical studies will consist of records searches, reconnaissance field studies, and findings. Based on the potential project features, technical studies would be conducted for cultural resources (archaeology, historical and historic architecture), biological resources (habitat determination, wetlands, special status species) and hazardous materials (by hazmat consultant). Generalized studies will also be conducted for the project area, including the potential effects on right-of-way takes and location of sensitive receptors with exposure to increased levels of noise and air pollutants. For these studies, field review will be conducted at a reconnaissance level to determine the potential constraints and sensitivities, including recommendations for field surveys and technical analyses for subsequent phases of the project.



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**150.20.10 Prepare Preliminary Environmental Analysis Report (PEAR)**

- This task includes the preparation of a PEAR in accordance with PDPM Appendix S, Chapter 5, Article 6 *Preliminary Environmental Analysis Report*.
- Prepare a PEAR/PDS document that evaluates the proposed alternatives.
- Baseline information for the project area will be collected and summarized in each environmental issue area. From this comparison, the key environmental issue areas will be described, and strategies provided for the subsequent environmental review process.
- Utilize preliminary geometric plan alternatives prepared by the project engineer, as well as information from the previous PSRs and any prior studies and recent EIRs for projects in the area, to identify environmental issues and constraints.
- The King City General Plan and relevant environmental documents will be the primary sources of information.
- Conduct site surveys to document the current conditions and observe any unique or extraordinary circumstances that might ultimately affect the project footprint and/or the environmental review process.
- Develop an inventory of environmental resources and a list of the potential issues or impacts that could significantly delay the projects or affect the viability of any project alternative for the project;
- Determine any technical studies (e.g., biology, noise, etc.) that will be needed to complete the environmental clearance for the project(s);
- Indicate conformance with State and federal plans, including air quality plans; discuss the emission thresholds established by the air district, including the implications for environmental review for the project(s);
- Determine the type of environmental clearance proposed, and a tentative schedule for its completion for the project(s);
- Determine the potential State and federal permits that may be required prior to project(s) construction.
- The PEAR/PDS document will address the environmental topics that are relevant to the project(s). The discussions and analysis in the PEAR/PDS document will be sufficient to indicate the potential for environmental impacts and significant constraints to future construction of the project(s).
- A project description will be provided in introductory comments of the PEAR/PDS document as well as a description of environmental issue areas.



*Deliverables:*

- Draft PEAR
- Final PEAR

## **150.25 Prepare and Approve PSR-PDS**

This subtask includes the work involved in reviewing the screened alternatives with respect to goods movement, community benefit, available funding, constructability, and environmental clearance requirements; making recommendations regarding prioritization and packaging of alternatives; identifying key issues of the transportation deficiency, major elements needing future investigation, and the Project Approval and Environmental Document (PA&ED) effort and resources needed to complete the studies and implement the project; and preparing a PSR-PDS.

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### **150.25.05 Prepare, Circulate, and Approve PSR-PDS**

- This task includes the preparation and approval of a PSR-PDS in accordance with PDPM Appendix S *Preparation Guidelines for Project Study Report-Project Development Support Project Initiation Documents*.
- At the completion of the studies, a draft PSR-PDS for each corridor study will be completed for submittal to Caltrans.
- The respective PSR-PDS documents will be formatted and prepared in based on standard templates described in PDPM Appendix S, Chapter 6, Article 1 *Template for PSR-PDS Project Initiation Document*.

*Deliverables:*

- Two Draft PSR-PDS for circulation to stakeholders
- Two Final PSR-PDS after incorporation of comments for approval by Caltrans

### **150.25.10 List of Exceptions to Advisory and Mandatory Design Standards**

- The proposed improvements under the preferred alternatives may require approval of Caltrans Exceptions to Advisory and Mandatory Design Standards.
- Exceptions for each alternative will be identified and listed for consideration by the PDT and district Design coordinator.
- Agreeable deviations from design standards will be documented and summarized in the PSR-PDS for consideration during the PA&ED phase of the project.
- Detailed design fact sheets will not be prepared for the PSR-PDS approval



*Deliverables*

- List of Exceptions to Advisory and Mandatory Design Standards

**150.25.25 Prepare PSR-PDS PID Level Storm Water Data Report**

- This task includes the preparation and approval of a PID-level Storm Water Data Report in accordance with PDPM Appendix S, Chapter 5, Article 3 *Stormwater Documentation*.
- Prepare the required Storm Water Data Report (SWDR) according to the Caltrans Storm Water Quality Handbook – Project Planning and Design Guide, Monterey County standards.
- Focus on determining if there will be any significant impacts to the project alternatives, right-of-way needs, or project cost due to the need to incorporate treatment BMPs for compliance with stormwater requirements.
- Prepare the Evaluation Documentation Form to be used to document the need to incorporate Treatment BMPs.
- This report will document the process of selecting and designing the Water Quality Best Management Practices for the project. The Drainage Report and other environmental technical studies previously performed for the project will be available for the preparation of the Storm Water Data Report.
- Sizing and locations of the necessary Best Management Practices will be performed as well.
- Coordinate with the District/Regional Design Stormwater Coordinator to identify the expected level of documentation and treatment BMP's. The SWDR format will follow the latest Caltrans Storm Water Quality Handbook – Project Planning and Design Guide for PSR-PDS level SWDR.
- The SWDR will involve completing the checklist as part of Appendix E of the above mentioned guide.

*Deliverables:*

- Draft SWDR
- Final SWDR

**150.40 Permit Identification**

Obtaining permits through regulatory agencies for construction of roadway improvements can have a significant impact on project schedule and cost. Early identification of permits that are likely to be required for preferred alternatives will assist the team in developing a prioritized list of transportation improvements and preparation of needed resources and schedule. Through the development of the PEAR, prepare a list of probable permits that will be required for construction of the project alternatives.



**150.40.00 Permit Identification**

- This task includes the identification and listing of probable permits required for construction.

*Deliverables:*

- List of probable permits.

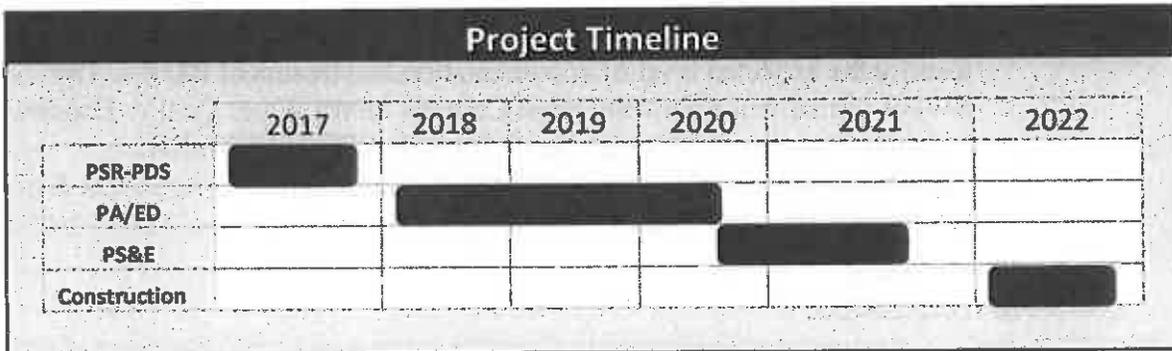
**Budget to prepare a PSR-PDS:**

Consultant Team	\$160,000
Caltrans Review	\$ 30,000
<u>King City Engineering Staff</u>	<u>\$ 10,000</u>
Total	\$200,000

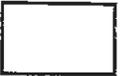
**Typical Services Rendered by a Consultant Team:**

- Civil Engineering (Prime Consultant)
- Roundabout Experts
- Traffic Engineering
- Structural Engineering
- Geotechnical Engineering
- Survey
- Environmental (including Cultural and Biological specialists)

**Schedule:**



*This concludes Attachment 1*



**ATTACHMENT 2: SPECIAL GRANT CONDITIONS**

**FY14 AB2766 Motor Vehicle Emissions Reduction Program**

**Project: 17-03: Broadway Street/US 101 Roundabout PSR/PDS Project**  
**Grantee: King City**

**The special conditions in this Attachment take precedence over any conflicting terms and conditions elsewhere in this Agreement and are listed below:**

- 1. GRANTEE shall not commence with the PSR/PDS development phase of this project until this grant agreement has been fully executed by the District and grantee.**
- 2. Funds from this grant shall be used solely for the development and distribution of the roundabout PSR/PDS with a maximum of 5% of the total grant award that may be used for project administration.**
- 3. GRANTEE shall commit to construction of the roundabout project after final agency approvals. Failure to begin construction of the roundabout according the contract schedule by the year 2022 (or by the end of the extension period if requested by Grantee) shall require the Grantee to refund all reimbursements made by the District to the Grantee. Any amount refunded to the District shall be negotiable between King City and the District and shall not exceed \$138,521.**
- 4. GRANTEE shall report to the District average daily traffic (ADT) during AM/PM peak hour and average speed through the roundabout after the roundabout is operational up to one full year.**
- 5. GRANTEE shall identify and acknowledge the District as a source of grant funding in all literature, press releases or media events regarding the project.**

*This concludes Attachment 2*

**ATTACHMENT 3 - CONFLICT OF INTEREST CERTIFICATION  
FY14 AB2766 Motor Vehicle Emissions Reduction Program**

**Project: 17-03: Broadway Street/US 101 Roundabout PSR/PDS Project**  
**Grantee: King City**

I certify that no Principal, Director, or Executive of the Grantee is a member of the District Board of Directors, District Advisory Committee, District Hearing Board, any other District committee, nor is a member of the District staff, unless listed below.

I further certify that no principal of the Grantee has an economic relationship with a member of the Board of Directors, Advisory Committee, Hearing Board, or any member of the District staff, unless listed below.

Disclosure of any said memberships or economic relationships is required. Non-disclosure may result in immediate termination of this Agreement by District, without prior notice.

List of conflicts disclosed:

Grantee Principal, Director, or Executive:	Basis of conflict
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

For the Grantee

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_

*This concludes Attachment 3*

FY17 AB2766 GRANT AGREEMENT  
**ATTACHMENT 4: INSTRUCTIONS**  
GRANT AGREEMENTS, REIMBURSEMENT REQUESTS AND REPORTS

**A. Instructions for completing and executing the GRANT ACCEPTANCE AGREEMENT:**

**GENERAL INSTRUCTIONS.** You must **sign, initial** (*initial the upper right corner of each page*) and return the single-sided original Grant Agreement to the District. The grant agreement must be returned by mail or delivered to Alan Romero at the District, no later than 4 PM on:

**March 30, 2017**

**GRANT AGREEMENT, Page 3:** Verify the Grantee contact person's (project manager's) fax and email information here, and correct if necessary.

**GRANT AGREEMENT, Page 4:** An authorized representative of Grantee signs and dates this page. When signed by the District, a copy of the fully executed agreement will be mailed to you. Do **not** incur reimbursable expenses until receipt of the fully executed copy. Please keep that copy, since you will need it for reimbursement instructions.

**ATTACHMENT 1:**

- **General:** If you need to make a substantial change in scope or application of funds, reduce total cost, or any other substantial change from the grant application (including non-acceptance of the grant), contact District staff immediately: Alan Romero at (831) 718-8030, [aromero@mbuapcd.org](mailto:aromero@mbuapcd.org).
- **PROJECT NARRATIVE:** The grant agreement contains the project description based on your application submittal. You may add additional project narrative here, to describe changes since the application. Additional pages can be added if required. Any substantial change in grant scope, or reduction in total cost, or any other change that could lower the amount of emissions reduced by the project must first be approved by District staff.
- **PROJECT BUDGET -** The grant agreement contains the project budget based on your application submittal. The budget amount for this grant cannot be increased. Any proposed budget reduction or reallocation must first be approved by District staff.
- **PROJECT SCHEDULE –** The grant agreement contains the project schedule based on your application submittal. You must submit quarterly reports indicating performance to the project schedule as well as project expenditures and any other pertinent data (see Section C below for details) regardless of whether or not reimbursement is being requested at that time.

FY17 AB2766 GRANT AGREEMENT  
**ATTACHMENT 4: INSTRUCTIONS**  
GRANT AGREEMENTS, REIMBURSEMENT REQUESTS AND REPORTS

**ATTACHMENT 2:**

- **SPECIAL GRANT CONDITIONS:** District staff prepared these conditions based on the grant application submitted and any other requirements deemed appropriate by the District. If any condition is not acceptable, contact District staff immediately.

**ATTACHMENT 3:**

- **CONFLICT OF INTEREST CERTIFICATION.** Disclosure of any relationship does not necessarily nullify a grant award, but non-disclosure could. The Grantee must complete, sign, date and initial the upper right corner of this Attachment.

**B. Instructions for REIMBURSEMENT REQUESTS**

1. **INCLUDE A COVER LETTER:** The cover letter shall identify the *Grant Number, Project Title* and the *amount requested*. The grant number (17-xx) is on each page of the grant agreement. Include this number in all correspondence with the District, and use it when emailing or calling District staff.
2. **ELIGIBLE EXPENSES:** Only expenses incurred *between start and end dates of the Grant Agreement* are eligible for reimbursement.
3. **SUBMIT REIMBURSEMENT REQUESTS** no more frequently than *quarterly* (every three months) unless otherwise agreed in the Attachment 2 of the Grant Agreement. **REQUESTS SUBMITTED MUST BE ORIGINAL, IN COVER LETTER STYLE AND SIGNED.**
4. **SUBMIT SUPPORTING DOCUMENTATION.** Attach documentation to the request. Attached expense documentation need not be original, but must be hardcopy prints. It should include, but is not limited to:
  - a. vendor invoices, receipts, purchase orders,
  - b. spreadsheets or other computer reports from project tracking software,
  - c. listing of employees included in payroll expenditures or other documents to support the project expenditures claimed.Documentation must *clearly identify the project as the object of expenditure*. Call the District Accounting Division (831) 647-9418 x 244 if you need help in preparing your documentation. All reimbursement request documentation must be in a manner and form satisfactory to District Accounting Division staff.
5. **FINAL REPORTS:** Any final requested reimbursements *will be retained* until your Final Report is received and found adequate by District staff.
6. **INCLUDE THE NAME, PHONE NUMBER AND SIGNATURE OF THE PREPARER OF THE REQUEST.** FAX or emailed requests are *not* acceptable. All requests for reimbursement should be **marked Attention: Accounting Division**.

FY17 AB2766 GRANT AGREEMENT  
**ATTACHMENT 4: INSTRUCTIONS**  
GRANT AGREEMENTS, REIMBURSEMENT REQUESTS AND REPORTS

**C. Instructions for QUARTERLY and FINAL REPORTS**

1. **QUARTERLY REPORTS:** Quarterly reports are due regardless of whether or not reimbursement is being requested at that time. Failure to submit a quarterly report will result in the delay of invoice processing and payment and should include as a *minimum*:
  - a. Activities implemented or completed as defined by the project schedule (please refer to implemented or completed activity by the appropriate task numbers in your submitted milestone chart),
  - b. Any monitoring data as specified Attachment 2: Special Conditions of the grant agreement,
  - c. All activity costs for the respective reporting period,
  - d. Any delays in meeting schedules and the recovery plan for any schedule slip,
  - e. Any progress toward obtaining emission reductions
  - f. Any other pertinent information on project status.
  
2. **FINAL REPORTS:** Failure to submit a final report will result in the delay of final reimbursement. The final report shall include as a *minimum*:
  1. **Cover/Title Page** - Grantee, grant number (17-xx), and title of Project.
  2. **Executive Summary** - Briefly describe the history, purpose and need for the project, the nature of the project and what general air quality improvements are expected to result. Summarize activity over the reporting period.
  3. **Table of Contents** - Page numbers of sections, tables and figures (if any).
  4. **Project Implementation and Monitoring** - Describe the project's process of implementation: the who, what, when and how of project execution during the reporting period **as defined by the activities in the *Project Schedule* submitted with your application**. Report *all* monitoring data required in Attachment 2, as applicable. Include maps, graphics, tables, photographs or line art as appropriate. Electronic versions of data and reports are welcome, and reports may be submitted on CDs or as email attachments, if separate from requests for reimbursement. As noted above, requests for reimbursement must be inked originals.
  5. **Project Evaluation** - Report the total cost of the project, and list all funds expended, including this grant. Discuss any problems meeting budget or schedule, achieving emission reductions or otherwise implementing the project. Summarize and discuss monitoring data, and overall accomplishments with respect to direct emission reduction or otherwise.

*End of Attachment 4  
and Grant Agreement.*





Item No. 10(A)

**REPORT TO THE CITY COUNCIL**

**DATE: MARCH 28, 2017**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF PUBLIC HEARING ON UNMET TRANSIT NEEDS IN MONTEREY COUNTY**

**RECOMMENDATION:**

It is recommended the City Council conduct a public hearing on unmet transit needs in Monterey County for the Transportation Agency of Monterey County (TAMC).

**BACKGROUND:**

The California Transportation Development Act (TDA) requires regional transportation agencies to conduct annual unmet needs public hearings. Needs identified are used in allocating Local Transportation Funds. Therefore, TAMC annually seeks input to identify transit needs. They have requested to conduct one of the hearings as part of the City Council meeting.

**DISCUSSION:**

The hearing has been publicly noticed 30 days prior to the meeting by TAMC per State requirements. A staff report from TAMC providing an overview of the Unmet Transit Needs Public Hearing is attached.

**COST ANALYSIS:**

There is no cost to the City associated with this item.

**CITY COUNCIL  
CONSIDERATION OF PUBLIC HEARING ON UNMET TRANSIT NEEDS IN  
MONTEREY COUNTY  
MARCH 28, 2017  
PAGE 2 OF 2**

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Conduct the Public Hearing;
2. Conduct the Public Hearing and provide input on unmet transit needs; or
3. Provide staff other direction.

**Exhibits:**

1. TAMC Staff Report

Approved by:



\_\_\_\_\_  
Steven Adams, City Manager



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

## Memorandum

**To:** King City Council

**From:** Virginia Murillo, Transportation Planner

**Meeting Date:** March 28, 2017

**Subject:** Unmet Transit Needs Public Hearing

### RECOMMENDED ACTION:

1. **RECEIVE** presentation on the unmet transit needs hearing process; and
2. **CONDUCT** public hearing on unmet transit needs in Monterey County.

### SUMMARY:

In its role as the Transportation Development Act fund administrator, the Transportation Agency for Monterey County (TAMC) annually seeks public input to identify unmet transit needs in Monterey County prior to allocating Local Transportation Funds.

### FINANCIAL IMPACT:

For the current fiscal year, the TAMC allocated \$14,299,685 from the Local Transportation Fund to Monterey-Salinas Transit (MST).

### DISCUSSION:

TAMC annually conducts outreach to identify unmet transit needs. This unmet needs process is associated with the Local Transportation Fund, which is one of two designated funding sources for public transit created by the California Transportation Development Act. Local Transportation Funds are generated through a quarter percent of the retail sales tax, which are returned to the county by the California State Board of Equalization and apportioned by TAMC to county jurisdictions through a population-based formula for public transit.

The formation of the Monterey-Salinas Transit District and past unmet transit needs findings dictates how TAMC allocates Local Transportation Funds. As MST members, every city in the county allocates its annual fund apportionment to the MST District for public transit services. The County of Monterey is obligated to allocate approximately 50% of its funds off the top to the MST District for public transit and RIDES services within  $\frac{3}{4}$  mile of the existing MST routes, which represents the County population inside the  $\frac{3}{4}$  mile zone specified by the

Americans with Disabilities Act. TAMC's 2010 finding on unmet transit needs allows MST to claim the remaining County portion to support existing transit operations countywide.

Prior to allocating Local Transportation Funds, TAMC is required to provide for a public hearing and outreach to identify unmet transit needs. TDA statutes require transportation planning agencies using TDA funds for local streets and roads projects, to implement a public process, including a public hearing, to identify unmet transit needs of transit dependent or disadvantaged persons, and determine if unmet transit needs can be reasonably met. TAMC solicits public input on unmet transit needs and places comments into the following categories:

1. Transit service improvement requests that would improve an existing service.
2. Transit service expansion requests that extend a transit route beyond its current limits and fill a gap in service.
3. Capital improvement projects that would enhance existing public transit facilities.

All comments are reviewed with MST staff to consider options to implement requests and to evaluate comments based on the time frame in which unmet transit needs can be met (**attachment**). The unmet transit needs comments list serves as a public input tool for MST's short and long term transit service planning and improvements.

Staff is requesting that the Council conduct a public hearing to accept public comments on unmet transit needs. In addition to public testimony provided at the hearing, TAMC accepts comments throughout the year in writing, by email, through a questionnaire posted on the Agency website, and through the MST Mobility Advisory Committee. TAMC has designated that committee as the Social Services Transportation Advisory Council for Monterey County to advise the Agency on unmet transit needs pursuant to the Transportation Development Act.

TAMC's deadline for accepting public comments and questionnaires on unmet transit needs for consideration as part of the TAMC's annual unmet transit needs process is **April 30, 2017**.

In May, staff will present the final list of comments to the Mobility Advisory Committee and obtain input on prioritizing the needs. Staff will provide the final list of comments to the TAMC Board of Directors in June. Given that funding has not been available to fund unmet needs for several years, staff will also be working with the Mobility Advisory Committee to prioritize unmet needs identified through this process.

Approved by:   
for Debra L. Hale, Executive Director

Date signed: March 17, 2017

Regular Agenda

Counsel Approval: N/A  
Finance Approval: N/A

Attachment: TAMC's Adopted Unmet Transit Needs Definition



### **About the Unmet Transit Needs Process**

The California Legislature enacted the Transportation Development Act (TDA) in 1971 to improve public transit services and encourage regional transportation coordination. TDA statutes require transportation planning agencies using TDA funds for local streets and roads projects, to implement a public process, including a public hearing, to identify unmet transit needs of transit dependent or disadvantaged persons, and determine if unmet transit needs can be reasonably met.

In its role as the TDA fund administrator, the Transportation Agency for Monterey County annually solicits public input to identify unmet transit needs. Although TAMC no longer allocates TDA funds to local streets and roads, the Agency still continues to solicit public input on unmet transit needs.

The unmet transit needs process begins with public outreach to solicit comments on unmet transit needs. Public hearings to collect comments on unmet transit needs are held at a meeting of TAMC's Board of Directors and at a meeting of Monterey-Salinas Transit's Mobility Advisory Committee, which serves as TAMC's Social Services Transportation Advisory Council. TAMC's Board of Director's receives the final unmet transit needs list of comments.

### **Unmet Transit Need Definition**

An unmet transit need is a public transportation need that the public transportation system is not currently meeting and would be expected to generate sufficient ridership to meet the required 15% farebox recovery ratio, as set by the TAMC Resolution 2004-19 pursuant to TDA law.

### **Unmet Transit Need Evaluation**

Unmet transit needs are placed into the following categories:

1. Transit service improvement requests that would improve an existing service.
2. Transit service expansion requests that extend a transit route beyond its current limits and fill a gap in service.
3. Capital improvement projects that would enhance existing public transit facilities.

TAMC shares the list of unmet transit needs comments with Monterey-Salinas Transit, the only public transportation provider in the county. The unmet transit needs comments list serves as a public input tool for MST's short and long term transit service planning and improvements. TAMC works with MST to evaluate comments based on the time frame in which unmet transit needs can be met:

- Short term transit improvements are those that can be implemented in the current service year within MST's funding limits and without negatively impacting existing services.
- Long term transit improvements are those that would require additional funding beyond MST's current funding limits. Long term improvement comments remain on the unmet transit needs comment list until additional funding becomes available.

MST's Mobility Advisory Committee provides input on the categorized unmet transit needs comments list. This input serves to prioritize needs in the region, and is used to assist prioritizing transit projects as funds become available. The TAMC Board of Directors will receive the final list.



Item No. 10(B)

REPORT TO THE CITY COUNCIL

**DATE:** MARCH 28, 2017

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

**FROM:** STEVEN ADAMS, CITY MANAGER

**RE:** CONSIDERATION OF ADOPTION OF AN ORDINANCE AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM, ADOPTION OF A RESOLUTION APPROVING THE JOINT POWERS AGREEMENT ESTABLISHING THE MONTEREY BAY COMMUNITY POWER (MBCP) AUTHORITY, AND DISCUSSION OF OTHER COMMUNITY CHOICE ENERGY ALTERNATIVES

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**RECOMMENDATION:**

It is recommended the City Council 1) decline membership in the Monterey Bay Community Power (MBC) Joint Powers Authority (JPA) at this time; and 2) direct staff to proceed with the recommended steps to further assess the feasibility of establishing an independent Community Choice Energy (CCE) program.

**BACKGROUND:**

California legislation (AB117) enables cities and counties to form a CCE program to pool their residential, business and municipal electricity loads and purchase and/or generate electricity on their behalf. Under such a program, the CCE becomes the electric power provider. PG&E continues to transmit and bill for the power. However, customers also maintain the ability to opt out of the program and continue to receive their power directly from PG&E.

The MBCP project is a region-wide collaborative partnership within the greater Monterey Bay area, including the city and county agencies in the Counties of Santa Cruz, Monterey, and San Benito. In 2013, the counties and cities involved in the project established a Project Development Advisory Committee (PDAC) with regional representation and appointed the County of Santa Cruz as the lead agency. Over \$400,000 was raised to conduct a Phase 1 Technical Study, which

**CITY COUNCIL  
CONSIDERATION OF ADOPTION OF AN ORDINANCE AUTHORIZING  
IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM,  
ADOPTION OF A RESOLUTION APPROVING THE JOINT POWERS  
AGREEMENT ESTABLISHING THE MONTEREY BAY COMMUNITY POWER  
(MBCP) AUTHORITY, AND DISCUSSION OF OTHER COMMUNITY CHOICE  
ENERGY ALTERNATIVES  
MARCH 28, 2017  
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demonstrated the viability of establishing a CCE that could provide electric power to customers at rates comparable or less than PG&E with substantial excess revenues available to invest in sustainable energy projects and sources.

The project is now proposed to establish a CCE by forming a Joint Powers Authority. Staff initially presented the results of the study and the draft Joint Powers Agreement to the City Council at the August 23rd meeting. The City Council adopted a Resolution of Intent to participate in governance and financing discussions at the November 22, 2016 meeting and introduced an Ordinance authorizing implementation of the program at the February 28, 2017 meeting.

Meanwhile, the City Council also received a presentation from representatives of Pilot Power Group, Inc. at that January 10, 2017 meeting on turnkey services they provide to enable small jurisdictions to form their own CCE. At the February 28, 2017 meeting, Pilot Power Group, Inc. presented the results of a preliminary technical analysis that demonstrated the feasibility and benefits of forming the City's own CCE. A copy of the analysis is attached.

At the February 28, 2017 meeting, staff was directed to provide additional information on both alternatives for Council consideration before final action is taken. Therefore, the primary objective of this item is to compare the two alternatives for Council direction.

To participate in the MBCP project, the City Council would need to adopt the Ordinance at this meeting, which authorizes the establishment of the Community Choice Aggregation Program, along with a Resolution approving the Joint Powers Agreement.

If the City Council chooses to instead further pursue formation of its own CCE, additional analysis will be required. If the Council decides to proceed, it is recommended staff be directed to prepare a Request for Proposal to select a firm to prepare the additional studies necessary and then to partner with the City on formation and operation of the CCE.

## **CITY COUNCIL**

### **CONSIDERATION OF ADOPTION OF AN ORDINANCE AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM, ADOPTION OF A RESOLUTION APPROVING THE JOINT POWERS AGREEMENT ESTABLISHING THE MONTEREY BAY COMMUNITY POWER (MBCP) AUTHORITY, AND DISCUSSION OF OTHER COMMUNITY CHOICE ENERGY ALTERNATIVES**

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#### **DISCUSSION:**

##### Monterey Bay Community Power Project (MBCP)

The JPA will be governed by a Policy Board of elected officials and Operations Board of technical staff. The makeup of the Boards will be structured as follows:

- 1 seat for Santa Cruz County
- 1 seat for Monterey County
- 1 seat for San Benito County
- 1 seat for the City of Santa Cruz
- 1 seat for the City of Salinas
- 1 seat for the City of Watsonville
- 1 shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee
- 1 shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee
- 1 shared seat for Monterey Coastal cities including Marina, Seaside, Del Rey Oaks, and Sand City selected by the City Selection Committee
- 1 shared seat for Salinas Valley cities including King City, Greenfield, Soledad, Gonzales selected by the City Selection Committee
- 1 shared seat for San Benito County cities selected by the City Selection Committee

Under the JPA, the City would be responsible for securing a portion of the loan for start-up costs. If the organization proceeds as expected, there would likely be no direct costs to the City and little staff time will be required. Other CCEs that have been formed through a JPA have been successful.

The guiding principles set forth by the original Advisory Committee of MBCP state that a goal will be to provide "competitive rates." While a portion of excess revenues may be utilized to reduce rates, no commitment has been made to do that. The primary objective of the program appears to be focused on increasing sustainable energy. Since the JPA will provide a much larger energy load and revenue base, the MBCP project provides the best opportunity to pursue large scale sustainable energy projects at minimal cost and staff time to the City. Therefore, this provides the best alternative if sustainable energy production is the Council's primary objective.

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**King City CCE**

While MBCP represents a worthwhile effort given the potential investment in sustainable energy sources, staff is unable to quantify significant likely direct local benefits to the community outside of the general environmental benefits. Therefore, staff is recommending the City further study the potential of forming its own CCE because initial results indicate that it can provide a substantial opportunity to invest in sustainable energy, while also addressing significant needs in the local community.

The preliminary technical analysis prepared by Pilot Power Group, Inc. projects an average excess revenue amount of approximately \$570,000 over the first 7 years of the program. Staff recommends the Council consider pursuing a local CCE program with the goal of investing excess revenues towards three primary objectives, which include rate reduction, investment in local sustainable energy projects, and development of an annual streetlight expansion program.

For purposes of this analysis, staff assumed an estimate of \$500,000 in annual excess revenues after City administrative costs are accounted for. In order to demonstrate the potential benefits of a King City CCE, staff has set forth a preliminary conceptual program that includes the following if the revenues were distributed equally to the three objectives:

1. Rates would be reduced by approximately 1.5%, which would vary depending upon electric usage per customer.
2. A program would be developed to install 20 to 40 residential solar systems within the community each year, which could be expanded if combined with other programs to reduce installation costs available to disadvantaged communities. It is proposed to develop the program to benefit low-income families, schools and non-profit agencies, as well as other incentives that could be offered to the community at-large. This could represent over 200 systems in a 7-year period.
3. Approximately 20 - 25 new LED and/or solar streetlights would be installed annually throughout the community, which could serve as a significant tool in implementing the recommendations of the Comprehensive Plan to End Youth Violence. Phase I of the City's current plan includes the addition of 100 new lights to existing PG&E utility poles. However, using existing

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poles limits the new lights to one side of the street in neighborhoods that have above ground utility poles. Phase II is proposed to expand the program to other identified locations with deficient lighting, but will require installation of both lights and poles. This will involve a much higher cost and does not at this time have an identified funding source. The CCE program provides the potential opportunity for an investment of over \$1 million in lighting the community over the first seven years.

While the City Council has received important input from a number of individuals in support of the MBCP program, staff believes the best indication of community needs is the citywide survey that was distributed to every household. It is important to note that streetlights were identified as the third top priority and efforts to improvement public safety was the top priority.

Economies of Scale

One of the arguments in favor of the JPA has been a contention that a larger CCE provides economies of scale with regard to overhead and administration costs and the purchase of power. This is normally the case with regard to staffing and overhead costs, which is one of the reasons staff is generally a proponent of joint efforts. However, staff prepared a brief analysis to confirm the validity of this issue when applied to CCEs.

With regard to overhead costs, there does appear to be benefits of a larger organization. Exhibit 2 includes a comparison of projected King City CCE costs and revenues provided by Pilot Power Group, Inc. with the Sonoma County CCE and the Marin County CCE. The projected overhead costs for King City would consume 12% of the total revenues as compared with 7% and 6% for the two existing JPAs.

However, when it comes to power contracts and costs, the results are different. The table shows that King City's projected power costs are 77% of total revenues when compared to 90% for Sonoma County and 88% for Marin County, respectively. Energy purchases are complex, but generally marginal costs are more closely tied to credit and the ability to access wholesale purchases rather than volume. By accessing a turnkey program through an organization that has well established access to multiple wholesale energy suppliers and robust credit,

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the City would have access to competitive wholesale purchases that may not be available to a start-up CCE, regardless of the size of the CCE.

When combining overhead and power supply costs, it appears that the power supply advantages more than compensates for the overhead cost disadvantage. As shown in the table, King City's projected costs for these two items would be 89% of total revenues compared to 96% and 95% for the existing JPAs. As a result, staff has concluded that economies of scale may not exist for a JPA with regard to operating a CCE, at least based upon these projected figures.

Future Changes

During the last deliberation of this item, the City Council identified a number of questions and information requests regarding future scenarios of the two options. Questions included what would be specifically involved for the City to join MBCP at a later time, what would happen if the City contracted for operation of its own CCE and the contractor went out of business, what risks does the City assume if the market for power changes, and what is involved if the City wants to withdraw from MBCP.

First of all, if the City were to further study the option of establishing its own CCE, it would maintain the option of joining MBCP at a later time if the Council ultimately decided not to move forward. Based on input from MBCP representatives, if the City were to do that, it would likely require waiting at least until Spring or Summer of 2019. The process would involve submitting a letter of interest for the MBCP Board of Directors to consider. If approved, the City would need to adopt the Ordinance and Resolution at that time. It has not yet been determined if there would be any cost to join, but based on how the process has been handled by other CCEs, there could be a cost in the range of \$25,000 to handle public outreach and other costs that would need to be incurred by the JPA to implement new service to King City.

The primary argument that has been provided for joining the JPA during the initial start-up is the opportunity to be involved in the original formation discussions. On the one hand, staff agrees this is important and representatives of MBCP have been very responsive to staff's input and requests during the process thus far. On the other hand, once the Boards are seated, King City will have minimal representation and little anticipated influence. As a result, staff has not identified this as a significant factor.

## **CITY COUNCIL**

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Second, if Pilot Power Group, Inc. or another company hired to administer the CCE for the City went out of business, other companies exist that could be contracted to assume management of the program. It would involve staff time and costs, which could be paid for from the CCE. In the worst case scenario, the CCE could be discontinued and customers would return to PG&E service. This should be a manageable process given that the King City CCE would be a relatively small operation. Provisions for how this would be handled would be incorporated into any agreement established.

A third scenario of concern is what would happen if regulations, actions by PG&E, or other factors drastically changed the market and made it difficult to compete with PG&E for customers. Since the JPA would be structured independently, the City would be protected. In the case of operating its own CCE, the agreement would be structured so the operator assumed all the risk and would finance any periods where expenditures exceeded revenues.

Lastly, the City may withdraw from the JPA with a minimum of 6 months advance notice. The City could remain responsible for any outstanding claims, demands, damages, or other financial obligations resulting from the City's membership. The problem with withdrawing and starting its own CCE at a later time is that the same incentives currently offered by companies to provide a turnkey operation may not be available.

#### Status

Including King City, twenty jurisdictions are currently considering participation in the JPA and it appears at this time all are moving forward. Exhibit 3 includes a summary of the status of Council actions in each of the agencies.

The City of Lancaster is the only city that has established its own CCE, which has been successful, but they are a much larger jurisdiction than King City. The City of Solana Beach is in the process of forming a CCE, which is comparable in size to King City, but they have not yet completed the process. On the one hand, the lack of precedence of this model is a concern given that it is largely unproven. However, it is also an advantage because one of the reasons the City can access such competitive terms at this time from an agency like Pilot Power Group, Inc. is that this is a potential new emerging market.

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**Conclusions**

First of all, staff concludes that MBCP is a beneficial program. Representatives have been very responsive, thorough and high quality studies have been funded and completed, the program is viable, there would be minimal risks or costs to the City, and it will provide important positive environmental benefits. Therefore, if MBCP was the only option under consideration by the City, staff would recommend participation at this time.

It is also important to emphasize that much of this evaluation is based on a preliminary technical analysis and input provided by Pilot Power Group, Inc. They have major clients, and a peer review contracted by the City of Solana Beach found the feasibility study prepared for them by Pilot Power Group, Inc. was accurate. Therefore, staff believes they are a credible firm. However, no contracts or commitments have been made and further analysis and studies are needed prior to making a final decision on whether and how to proceed in forming the City's own CCE.

In conclusion, the potential benefits identified provide a large up side to establishing a King City CCE. Meanwhile, since the City could maintain the option of joining the MBCP JPA in two years, there appears to be a small down side to declining membership at this time. Therefore, when applying a cost-benefit analysis, staff believes the potential benefits support further study of forming a City CCE prior to committing to the JPA.

**COST ANALYSIS:**

Total start-up costs for the JPA are estimated to be approximately \$2.5 million to \$3.5 million. This amount will be financed through a loan and repaid through proceeds of the JPA. Therefore, there will be no direct costs to the City, but the loan will need to be secured. It is anticipated that lenders will want the loan to be secured by a small number of the larger agencies. The proposed Joint Powers Agreement sets forth that those agencies would in turn enter into agreements with the smaller agencies to each provide security for their portion of the loan. Depending upon the final number participants and actual costs, the City's portion of the costs is estimated to be approximately \$48,000 to \$68,000.

If the City Council decides to pursue an independent CCE, Pilot Power Group, Inc. has indicated that it can be structured so the contractor assumes all the up-

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front costs. However, there would be other legal and consultant costs to provide the City's appropriate due diligence. Staff estimates these costs would be \$25,000 to \$60,000. If the City proceeds, the City could be fully reimbursed from future CCE revenue. If the City Council decides not proceed, those costs would need to be paid from the General Fund budget. To minimize this risk, the program could be structured so the majority of costs are not committed to until the City Council has a reasonable confidence level of moving forward. For example, most of the costs would involve attorney services to develop and review agreements, consultant services to assist the City with the process, and the potential for contracting for a third-party review of the feasibility analysis.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Decline membership in the JPA and direct staff to pursue the next steps in soliciting proposals to select a firm to prepare further feasibility studies;
2. Approve participation in the JPA by conducting the second reading and adopt the Ordinance authorizing implementation of a community choice aggregation program and adopt a Resolution approving the Joint Powers Agreement establishing the MBCP Authority;
3. Do not take action to proceed with either options and re-evaluate participation in the JPA in approximately two years;
4. Direct staff to cease all work related to CCE options;
5. Provide staff other direction.

**Exhibits:**

1. Pilot Power Group, Inc. Technical Review off Community Choice Energy
2. Cost and Revenue Comparison
3. Status of Cities Considering JPA Membership

Approved by:

  
\_\_\_\_\_  
Steven Adams, City Manager



ORDINANCE NO. \_\_\_\_\_

\* \* \* \* \*

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF KING AUTHORIZING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM**

The City Council of the City of \_\_\_\_\_ does ordain as follows:

**SECTION 1. FINDINGS.** The City Council finds as follows:

**WHEREAS**, Monterey Bay Community Power has investigated options to provide electric services to customers within the tri-county region of Monterey, Santa Cruz and San Benito Counties (Tri-County Region), including incorporated and unincorporated areas, with the intent of achieving greater local control and involvement over the provision of electric services, competitive electric rates, the development of clean, local, renewable energy projects, reduced greenhouse gas emissions, and the wider implementation of energy conservation and efficiency projects and programs; and

**WHEREAS**, Monterey Bay Community Power prepared a Feasibility Study for a community choice aggregation (“CCA”) program in the Tri-County Region with the cooperation of the cities and counties under the provisions of the Public Utilities Code section 366.2. The Feasibility Study shows that implementing a community choice aggregation program would provide multiple benefits, including:

- Providing customers a choice of power providers;
- Increasing local control and involvement in and collaboration on energy rates and other energy-related matters;
- Providing more stable long-term electric rates that are competitive with those provided by the incumbent utility;
- Reducing greenhouse gas emissions arising from electricity use within San Mateo County;
- Increasing local renewable generation capacity;
- Increasing energy conservation and efficiency projects and programs;
- Increasing regional energy self-sufficiency;
- Improving the local economy resulting from the implementation of local renewable and energy conservation and efficiency projects; and

**WHEREAS**, the Joint Powers Agreement creating the Monterey Bay Community Power Authority (“Authority”) will govern and operate the CCA program on behalf of its member jurisdictions. Under the Joint Powers Agreements, cities within the Tri-County Region may participate in the Monterey Bay Community Power CCA program by adopting the resolution and ordinance required by Public Utilities Code section 366.2. Cities choosing to participate in the CCA program will have membership on the Board of Directors of the Authority as provided in the Joint Powers Agreements; and

**WHEREAS**, the Authority will enter into Agreements with electric power suppliers and other service providers, and based upon those Agreements the Authority will be able to provide power to residents and businesses at rates that are competitive with those of the incumbent utility (“PG&E”). Once the California Public Utilities Commission approves the implementation plan created by the Authority, the Authority will provide service to customers within the unincorporated areas of the tri-county region of Monterey, Santa Cruz and San Benito Counties and within the jurisdiction of those cities therein who have chosen to participate in the CCA program; and

**WHEREAS**, under Public Utilities Code section 366.2, customers have the right to opt-out of a CCA program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so; and

**WHEREAS**, on \_\_\_\_\_, 2016 the City Council held a public hearing at which time interested persons had an opportunity to testify either in support or opposition to implementation of the Monterey Bay Community Power CCA program in the City of \_\_\_\_\_; and

**NOW, THEREFORE**, the City Council of the City of King does ordain as follows:

**Section 1.** The above recitations are true and correct and material to this Ordinance.

**Section 2. AUTHORIZATION TO IMPLEMENT A COMMUNITY CHOICE**

**AGGREGATION PROGRAM.** Based upon the forgoing, and in order to provide businesses and residents within the City of King with a choice of power providers and with the benefits described above, the City Council of the City of King ordains that it shall implement a community choice aggregation program within its jurisdiction by participating as a group with the other counties and cities as described above in the Community Choice Aggregation program of the Monterey Bay Community Power Authority, as generally described in the Joint Powers Agreement approved through Resolution No. \_\_\_\_.

**Section 3. SEVERABILITY.** In the event any section, clause or provision of this ordinance shall be determined invalid or unconstitutional, such section, clause or provision shall be deemed severable and all other sections or portions hereof shall remain in full force and effect. It is the intent of the City Council that it would have adopted all other portions of this ordinance irrespective of any such portion declared to be invalid or unconstitutional.

**Section 4. ENVIRONMENTAL DETERMINATION.** This ordinance is exempt from the requirements of the California Environmental Quality Act (“CEQA”) pursuant to the CEQA

Guidelines, as it is not a "project" as it has no potential to result in a direct or reasonably foreseeable indirect physical change to the environment because energy will be transported through existing infrastructure (14 Cal. Code Regs. § 15378(a)). Further, this ordinance is exempt from CEQA as there is no possibility that this ordinance or its implementation would have a significant effect on the environment (14 Cal. Code Regs. § 15061(b)(3)). This ordinance is also categorically exempt because it is an action taken by a regulatory agency to assume the maintenance, restoration, enhancement or protection of the environment (14 Cal. Code Regs. § 15308). The City Manager's Office shall cause a Notice of Exemption to be filed as authorized by CEQA and the CEQA guidelines.

**Section 5. PUBLICATION.** This ordinance shall be in full force and effective 30 days after its adoption, and shall be published and posted as required by law.

**Section 6. EFFECTIVE DATE.** This ordinance was introduced on \_\_\_\_\_, and adopted on \_\_\_\_\_, and shall be effective thirty days after its date of adoption.

**CITY OF KING**

By: \_\_\_\_\_  
Michael LeBarre, Mayor

- AYES:
- NOES:
- ABSENT :
- ABSTAIN:

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
Shannon Chaffin City Attorney

**ATTEST**

By: \_\_\_\_\_  
Steven Adams, City Clerk



**CITY OF KING**

**Resolution No. \_\_\_\_**

**RESOLUTION APPROVING THE JOINT POWERS AGREEMENT ESTABLISHING THE MONTEREY BAY COMMUNITY POWER (MBCP) AUTHORITY, AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT ON BEHALF OF THE CITY OF KING, AND ADOPTING CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) EXEMPTION FINDINGS**

**WHEREAS**, AB 117, adopted as California state law in 2002, permits cities, counties, or city and county Joint Power Authorities to aggregate residential, commercial, industrial, municipal and institutional electric loads through Community Choice Aggregation (CCA); and

**WHEREAS**, there are currently five CCA programs operating in California - MCE Clean Energy, CleanPowerSF, Sonoma Clean Power, Peninsula Clean Energy and Lancaster Choice Energy – with dozens more in formation; and

**WHEREAS**, the City of King passed a resolution in November, 2016 to explore the creation of a CCA program for the Monterey Bay region and participated, in cooperation with the County of Santa Cruz and other local governments, in a technical study that analyzed the potential for a CCA program in the Monterey Bay region; and

**WHEREAS**, the technical study shows that there are numerous potential benefits for cities and counties that aggregate their electrical load including: 1) an expectation of stable and competitively priced electric generation rates for residents, businesses and municipal operations compared to the electrical rates of Pacific Gas & Electric Company (PG&E), 2) greater use of renewable energy resources than is planned by PG&E, 3) significant greenhouse gas reductions as a result of a cleaner power supply than is offered by PG&E; and 4) economic development benefits and local jobs resulting in the creation of MBCP, lower electric rates, and the development of local power resources.

**WHEREAS**, the City wishes to be a community choice aggregator and has introduced the Ordinance as required by Public Utilities Code Section 366.2 in order to do so;

**WHEREAS**, the City Council has considered the proposed Joint Exercise of Powers Agreement, a draft of which is attached hereto as Exhibit A, under which the City of King and other municipalities in the Monterey Bay tri-county region - consisting of Santa Cruz, Monterey and San Benito Counties and the cities within those counties - will become the initial members of Monterey Bay Community Power Authority; and

**WHEREAS**, Once the California Public Utilities Commission approves the implementation plan created by MBCP, it will provide service to customers within the cities and counties that choose to join MBCP and to participate in the CCA program; and

**WHEREAS**, under Public Utilities Code section 366.2, customers have the right to opt-out of the CCE program and continue to receive service from the incumbent utility. Customers who wish to continue to receive service from the incumbent utility will be able to do so at any time.

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

Section 1. Approves the Joint Exercise of Powers Agreement to form the Monterey Bay Community Power Authority; and

Section 2. This resolution and the establishment of the Monterey Bay Community Power Authority is exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, as it is not a “project” since this action involves organizational and administrative activities of government that will not result in direct or indirect physical changes in the environment. (14 Cal. Code Regs. § 15378(b)(5)). Further, the ordinance is exempt from CEQA as there is no possibility that the ordinance or its implementation would have a significant negative effect on the environment. (14 Cal. Code Regs. § 15061(b)(3)). A Notice of Exemption shall be filed as authorized by CEQA and the State CEQA guidelines.

Section 3. This resolution shall be effective upon the adoption of Ordinance No. \_\_\_\_\_, an Ordinance of the City of \_\_\_\_\_ authorization the implementation of a Community Choice Aggregation (CCA) Program.

**BE IT FURTHER RESOLVED** that the Mayor and/or City Manager is hereby authorized and directed to execute the Joint Exercise of Powers Agreement on behalf of the City of King, which will establish MBCP with the City as a founding member.

**PASSED AND ADOPTED** by the King City City Council, State of California, this \_\_\_ day of \_\_\_\_\_, 2017 by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

\_\_\_\_\_  
Michael LeBarre, Mayor

ATTEST: \_\_\_\_\_

Steven Adams  
City Clerk

**JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE**

**Monterey Bay Community Power Authority**

**OF**

**Monterey, Santa Cruz, and San Benito Counties**

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, establishes the Monterey Bay Community Power Authority (“Authority”), and is by and among the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement (“Counties”) and those cities and towns within the Counties of Monterey, Santa Cruz, and San Benito who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

**RECITALS**

- A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.
- B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.
- C. The purposes for entering into this Agreement include:
  - a. Reducing greenhouse gas emissions related to the use of power in Monterey, Santa Cruz, and San Benito Counties and neighboring regions;

- b. Providing electric power and other forms of energy to customers at affordable rates that are competitive with the incumbent utility;
  - c. Carrying out programs to reduce energy consumption;
  - d. Stimulating and sustaining the local economy by lowering electric rates and creating local jobs as a result of MBCP's CCE program.
  - e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.
- D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and geothermal energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State's transition to clean power resources to the extent feasible.
- a. It is further desired to establish a short term and long-term energy portfolio that prioritizes the use and development of State, local and regional renewable resources and carbon free resources.
  - b. In compliance with State law and in alignment with the Authority's desire to stimulate the development of local renewable power, the Authority shall draft an Integrated Resource Plan that includes a range of local renewable development potential in the Monterey Bay Region and plans to incorporate local power into its energy portfolio as quickly as is possible and economically feasible.
- E. The Parties desire to establish a separate public Authority, known as the Monterey Bay Community Power Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

- F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

### **ARTICLE 1: DEFINITIONS AND EXHIBITS**

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions

Exhibit B: List of the Parties

Exhibit C: Regional Allocations

### **ARTICLE 2: FORMATION OF MONTEREY BAY COMMUNITY POWER AUTHORITY**

2.1 Effective Date and Term. This Agreement shall become effective and “Monterey Bay Community Power Authority” shall exist as a separate public Authority on the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, after the adoption of the ordinances required by Public Utilities Code Section 366.2(c)(12). The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Formation. There is formed as of the Effective Date a public Authority named the Monterey Bay Community Power Authority. Pursuant to Sections 6506 and 6507 of the

Act, the Authority is a public Authority separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 Purpose. The purpose of this Agreement is to establish an independent public Authority in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.1:

- . 2.4.1 to make and enter into contracts;
- . 2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;
- . 2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

- 2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party without approval of the affected Party's governing board;
  - 2.4.5 to lease any property;
  - 2.4.6 to sue and be sued in its own name;
  - 2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;
  - 2.4.8 to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;
  - 2.4.9 to issue revenue bonds and other forms of indebtedness;
  - 2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
  - 2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;
  - 2.4.12 to adopt Operating Rules and Regulations;
  - 2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services; and
  - 2.4.14 to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.
- 2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power

possessed by the City of Santa Cruz and any other restrictions on exercising the powers of the authority that may be adopted by the board.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act (“CEQA”).

### **ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION**

3.1 Boards of Directors. The governing bodies of the Authority shall consist of a Policy Board of Directors (“Policy Board”) and an Operations Board of Directors (“Operations Board”).

3.1.1 Both Boards shall consist of Directors representing any of the three Counties of Monterey, Santa Cruz, or San Benito that become a signatory to the Agreement and Directors representing any of the Cities or Towns within those counties that becomes a signatory to the Agreement (“Directors”). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant.

3.1.2 Policy Board Directors must be elected members of the Board of Supervisors or elected members of the City or Town Council of the municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Policy Board. Alternates for the Policy Board must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement.

3.1.3 Operations Board Directors must be the senior executive/County Administrative Officer of any County that is the signatory to this Agreement, or senior executive/City Manager from any municipality that is the signatory to this Agreement. Jurisdictions may appoint an alternate to serve in the absence of its Director on the Operations Board. Alternates for the Operations

Board must be administrative managers of the County or administrative managers of the governing board of the municipality that is the signatory to this Agreement.

3.1.4 Board seats will be allocated under the following formulas. Policy and Operations Board seats for founding JPA members (i.e. those jurisdictions that pass a CCA ordinance by February 28, 2017) will be allocated on a one jurisdiction, one seat basis until such time as the number of member jurisdictions exceeds eleven. Once the JPA reaches more than eleven member agencies, the Policy and Operations Boards' composition shall shift to a regional allocation based on population size. This allocation shall be one seat for each jurisdiction with a population of 50,000 and above, and shared seats for jurisdictions with populations below 50,000 allocated on a sub-regional basis, as set forth in Exhibit C. Notwithstanding the above, the County of San Benito shall be allotted one seat.

3.1.5 Shared board seats will be determined through the Mayors and Councilmembers' city selection process in their respective counties, with a term of two years. Directors may be reappointed, following the Mayors and Councilmembers' city selection process in their respective counties, and serve multiple terms. In the event of an established board seat transitioning to a shared seat due to the addition of a new party, the sitting Director will automatically be the first representative for that shared seat to ensure continuity and maintain experience.

3.2 Quorum. A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn in accordance with law.

3.3 Powers and Functions of the Boards. The Boards shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Boards shall provide general policy guidance to the CCA Program.

3.3.1 The Policy Board will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service.

3.3.2 The Operations Board will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to

customers in the region, focusing on the routine, day-to-day operations of the Authority.

3.3.3 Policy Board approval shall be required for any of the following actions, including but not limited to:

- (a) The issuance of bonds, major capital expenditures, or any other financing even if program revenues are expected to pay for such financing;
- (b) The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3;
- (c) The appointment and termination of the Chief Executive Officer;
- (d) The adoption of the Annual Budget;
- (e) The adoption of an ordinance;
- (f) The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority;
- (g) The adoption of the Implementation Plan;
- (h) The selection of General Counsel, Treasurer and Auditor;
- (i) The amending of this Joint Exercise of Powers Agreement; and
- (j) Termination of the CCA Program.

3.3.4 Operations Board approval shall be required for the following actions, including but not limited to:

- (a) The approval of Authority contracts and agreements, except as provided by Section 3.4.
- (b) Approval of Authority operating policies and other matters necessary to ensure successful program operations.

3.3.5 Joint approval of the Policy and Operations Boards shall be required for the initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner,

or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative authority, without approval of the Boards as long as such action is consistent with any adopted Board policies.

- 3.4 Chief Executive Officer. The Authority shall have a Chief Executive Officer (“CEO”). The Operations Board shall present nomination(s) of qualified candidates to the Policy Board. The Policy Board shall make the selection and appointment of the CEO who will be an employee of the Authority and serve at will and at the pleasure of the Policy Board.

The CEO shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The CEO may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement falls within the Authority’s fiscal policies to be set by the Policy Board, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board(s) of Directors. The CEO shall report to the Policy Board on matters related to strategic planning and goal setting, passage of Authority budget and customer rates, and large capital expenditures outside the typical power procurement required to provide electrical service. The CEO shall report to the Operations Board on matters related to Authority policy and the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority. It shall be the responsibility of the CEO to keep both Board(s) appropriately informed and engaged in the discussions and actions of each to ensure cooperation and unity within the Authority.

- 3.5 Commissions, Boards, and Committees. The Boards may establish any advisory committees they deem appropriate to assist in carrying out the CCA Program, other energy programs, and the provisions of this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Boards may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if

the Board(s) deem it appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6 Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Boards, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by their respective Directors.

3.7 Voting. Except as provided in Section 3.7.1 below, actions of the Boards shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.1. Special Voting Requirements for Certain Matters.

(a) Two-Thirds Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present.

(b) Seventy Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors present.

(ii) The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

(iii) For purposes of this section, "imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any

obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8 Meetings and Special Meetings of the Board. The Policy Board shall hold up to three regular meetings per year, with the option for additional or special meetings as determined by the Chief Executive Officer or Chair of the Policy Board after consultation with the Chief Executive Officer. The Operations Board shall hold at least eight meetings per year, with the option for additional or special meetings. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Boards may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9 Selection of Board Officers.

3.9.1 Policy Board Chair and Vice Chair. The Policy Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Policy Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The Policy Board Chair and Vice Chair shall act as the overall Chair and Vice Chair for Monterey Bay Community Power Authority. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

- (a) the person serving dies, resigns, is no longer holding a qualifying public office, or the Party that the person represents removes the person as its representative on the Board or;
- (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement

3.9.2 Operations Board Chair and Vice Chair. The Operations Board shall select, from among themselves, a Chair, who shall be the presiding officer of all Operations Board meetings, and a Vice Chair, who shall serve in the absence of

the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or is no longer the senior executive of the Party that the person represents or;

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.3 Secretary. Each Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of each Board and all other official records of the Authority. If the Secretary appointed is an employee of the Authority, that employee may serve as Secretary to both Boards.

3.9.4 The Policy Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Auditor, neither of whom needs to be a member of the Board. If the Board so designates, and in accordance with the provisions of applicable law, a qualified person may hold both the office of Treasurer and the office of Auditor of the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall report directly to the Policy Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10 Administrative Services Provider. The Board(s) may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all

tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program. The Administrative Services Provider shall be either an employee or a contractor of the Authority unless a member agency is providing the service.

#### **ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS**

##### **4.1 Preliminary Implementation of the CCA Program.**

4.1.1 Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2 Implementation Plan. The Policy Board shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Policy Board in the manner provided by Section 3.7.

4.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board(s) through resolution, including but not limited to the MBCP Implementation Plan and Operating Policies. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board(s), subject to the Parties' right to withdraw from the Authority as described in Article 6.

## ARTICLE 5: FINANCIAL PROVISIONS

5.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing April 1 or the date selected by the Authority. The fiscal year may be changed by Policy Board resolution.

5.2 Depository.

5.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board(s) shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board(s) in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board(s).

5.3 Budget and Recovery of Costs.

5.3.1 Budget. The initial budget shall be approved by the Policy Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be approved by the Policy Board in accordance with the Operating Rules and Regulations.

5.3.2 Funding of Initial Costs. The County of Santa Cruz has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of Santa Cruz shall be included in the customer charges for electric services as provided by Section 5.3.3 to the

extent permitted by law, and the County of Santa Cruz shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of Santa Cruz shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of Santa Cruz shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

5.3.4 Credit Guarantee Requirement. The Parties acknowledge that there will be a shared responsibility to provide some level of credit support (in the form of a letter of credit, cash collateral or interagency agreement) for Authority start-up and initial working capital as may be required by a third party lender. Guarantee requirements shall be released after program launch and as soon as possible under the terms of the third-party credit agreement(s). The credit guarantee will be distributed on a per-seat basis. Shared seat members will divide the credit guarantee among the cities sharing those seats. The term of the credit guarantee shall be the same term as specified in the banking agreement. Once a Party has made a credit guarantee, that guarantee shall remain in place until released, even if that Party withdraws from the Authority.

5.3.5 The County of Santa Cruz has agreed to provide initial administrative support on a cost reimbursement basis to the JPA once formed. This includes, but is not limited to, personnel, payroll, legal, risk management.

## 6.1 Withdrawal.

6.1.1 Right to Withdraw. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.

6.1.2 Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Policy Board which the Party's Director voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party's governing board and shall not be subject to the six month advance notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3 The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may, immediately after an affirmative vote of the Party's governing board, withdraw its membership in the Authority without any financial obligation, except those financial obligations incurred through the Party's share of the credit guarantee described in 5.3.4, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen business days after receiving the report. Costs incurred prior to withdrawal will be calculated as a pro-rata share of start-up costs expended to the date of the Party's withdrawal, and it shall be the responsibility of

the withdrawing Party to pay its share of said costs if they have a material/adverse impact on remaining Authority members or ratepayers.

6.1.4 Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2 Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's participation in the CCA Program upon a vote of the Policy Board as provided in Section 3.7.1. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3 Continuing Financial Obligations; Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party's withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party's load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum

waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Policy Board, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

## **ARTICLE 7: MISCELLANEOUS PROVISIONS**

7.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Authority. The costs of any such mediation shall be shared equally among the Parties participating in the mediation.

7.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority and the Parties. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Boards of Supervisors or City Councils, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Policy Board members as provided in Section 3.7.1. The Authority shall provide written notice to all Parties of proposed amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

## **Exhibit A**

### **Definitions**

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 3.7.1.

“Authority” means the Monterey Bay Community Power Authority.

“Authority Document(s)” means document(s) duly adopted by one or both Boards by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Policy Board of Directors of the Authority and/or the Operations Board of Directors of the Authority unless one or the other is specified in this Agreement.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in this Agreement.

“Director” means a member of the Policy Board of Directors or Operations Board of Directors representing a Party.

“Effective Date” means the date that this Agreement is executed by at least three Initial Participants from the Counties of Monterey, Santa Cruz, and San Benito and the municipalities within those counties, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the County of Santa Cruz and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority’s initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

“Initial Participants” means those initial founding JPA members whose jurisdictions pass a CCA ordinance, whose Board seats will be allocated on a one jurisdiction, one seat basis (in addition to one seat for San Benito County) until such time as the number of member jurisdictions exceeds eleven, as described in Section 3.1.4.

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Operations Board” means the board composed of City Managers and CAOs representing their respective jurisdictions as provided in section 3.1.4 who will provide oversight and support to the Chief Executive Officer on matters pertaining to the provision of electrical service to customers in the region, focusing on the routine, day-to-day operations of the Authority, as further set forth in section 3.3..

“Parties” means, collectively, the signatories to this Agreement that have satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Party” means singularly, a signatory to this Agreement that has satisfied the conditions in Sections 2.1 or 4.1.1 such that it is considered a member of the Authority.

“Policy Board” means the board composed of elected officials representing their respective jurisdictions as provided in section 3.1.4 who will provide guidance/approval in the areas of strategic planning and goal setting, passage of Authority budget and customer rates, large capital expenditures outside the typical power procurement required to provide electrical service, and such other functions as set forth in section 3.3.

**Exhibit B**  
**List of Parties**

## **Exhibit C**

### **Regional Allocation**

Board seats in the Monterey Bay Community Power Authority will be allocated as follows:

- i. One seat for Santa Cruz County
- ii. One seat for Monterey County
- iii. One seat for San Benito County
- iv. One seat for the City of Santa Cruz
- v. One seat for the City of Salinas
- vi. One seat for the City of Watsonville
- vii. One shared seat for remaining Santa Cruz cities including Capitola and Scotts Valley selected by the City Selection Committee
- viii. One shared seat for Monterey Peninsula cities including Monterey, Pacific Grove, and Carmel selected by the City Selection Committee
- ix. One shared seat for Monterey Coastal cities including Marina, Seaside, Del Rey Oaks, and Sand City selected by the City Selection Committee
- x. One shared seat for Salinas Valley cities including King City, Greenfield, Soledad, Gonzales selected by the City Selection Committee
- xi. One shared seat for San Benito County cities selected by the City Selection Committee

2017



# Abbreviated Technical Review of Community Choice Energy

CITY OF KING, CALIFORNIA

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## Modeling Assumptions

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This purpose of this abbreviated technical review of the feasibility of a King City Community Choice Energy (CCE) program is to establish a foundational Baseline Scenario. The Baseline Scenario represents CCE service that is essentially equivalent to existing PG&E service. If Baseline Scenario modeling results in a high likelihood of excess CCE revenues, those excess revenues (“Headroom”) could be used to improve upon PG&E service by providing rate stabilization funding, rate reductions, increased renewable energy, decreased GHG or other environmental impacts, special programs such as solar rebates, or any number of other municipal purposes.

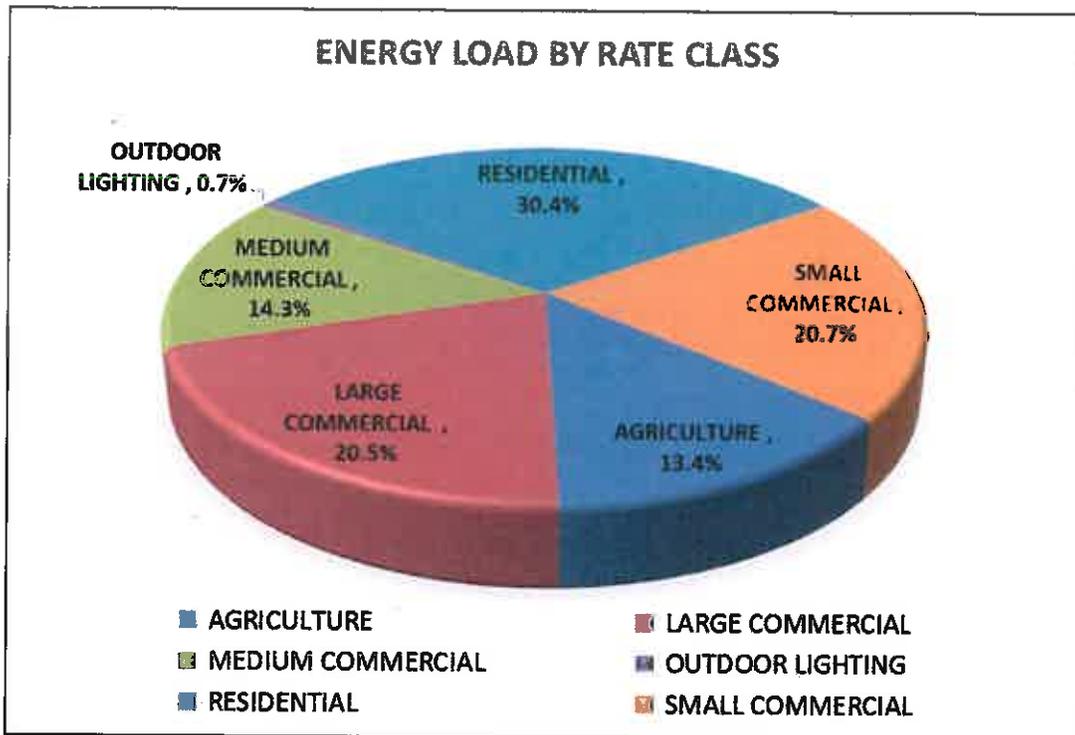
Baseline Scenario modeling resulting in a high likelihood of revenue neutrality or shortfall indicates that a CCE program may not be feasible.

The Baseline assumptions incorporated in the modeling are as follows:

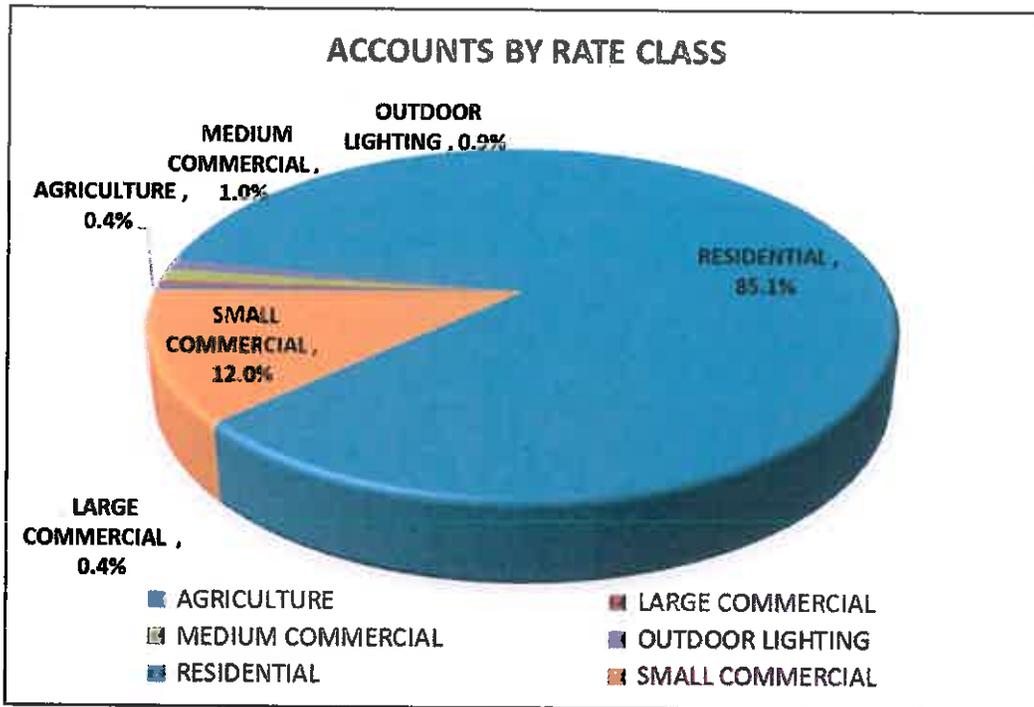
- Rate Reduction – 0%
- Uncollected Factor – 0.25%
- Opt-out Rate – 10%, sensitivity analysis allows the opt-out rate to fluctuate between 5.1% and 20%, using a lognormal distribution with a mean of 10% and a standard deviation of 2.0%.
- Renewable Purchase – standard RPS schedule reflecting compliance level RPS Category 1-3 allocations.
- Rate Stabilization Fund – 0%
- Renewable Category 2 Override – No
- Opt up 100% Renewable Program – 0%
- NP15 On Peak – Sensitivity analysis allows on peak prices to fluctuate using a lognormal distribution with parameters: mean \$37.77, standard deviation of \$8.25, and coefficient to NP 15 Off Peak of 0.98. Statistical information based on historical NP 15 On Peak prices between 2009 – 2016.
- NP15 Off Peak - Sensitivity analysis allows off peak prices to fluctuate using a lognormal distribution with parameters: mean \$29.50, standard deviation of \$8.16, and coefficient to NP 15 On Peak of 0.98. Statistical information based on historical NP 15 Off Peak prices between 2009 – 2016.
- Operations and Maintenance Costs – Pilot’s turnkey service pricing.

## Load Assumptions

King City's baseline load of 45,457 annual MWh and 4,671 accounts is drawn from 2015 actual load data provided by Pacific Gas & Electric (PG&E). Based on existing CCE experience, Direct Access customers nearly unanimously elect to forego CCE service and are thus not included in the load assumptions. Consumption is relatively evenly distributed between small commercial, medium commercial, large commercial, and residential rate classes, ranging from 6,000 MWh to 14,000 MWh annually. As is usually the case, however, the majority of the accounts are residential at 3,976 or 85.1% of total accounts.



Rate Class	Annual MWh	Rate Class Percentage
AGRICULTURE	6,077	13.4%
LARGE COMMERCIAL	9,313	20.5%
MEDIUM COMMERCIAL	6,487	14.3%
OUTDOOR LIGHTING	326	0.7%
RESIDENTIAL	13,827	30.4%
SMALL COMMERCIAL	9,427	20.7%
<b>Total</b>	<b>45,457</b>	<b>100.0%</b>

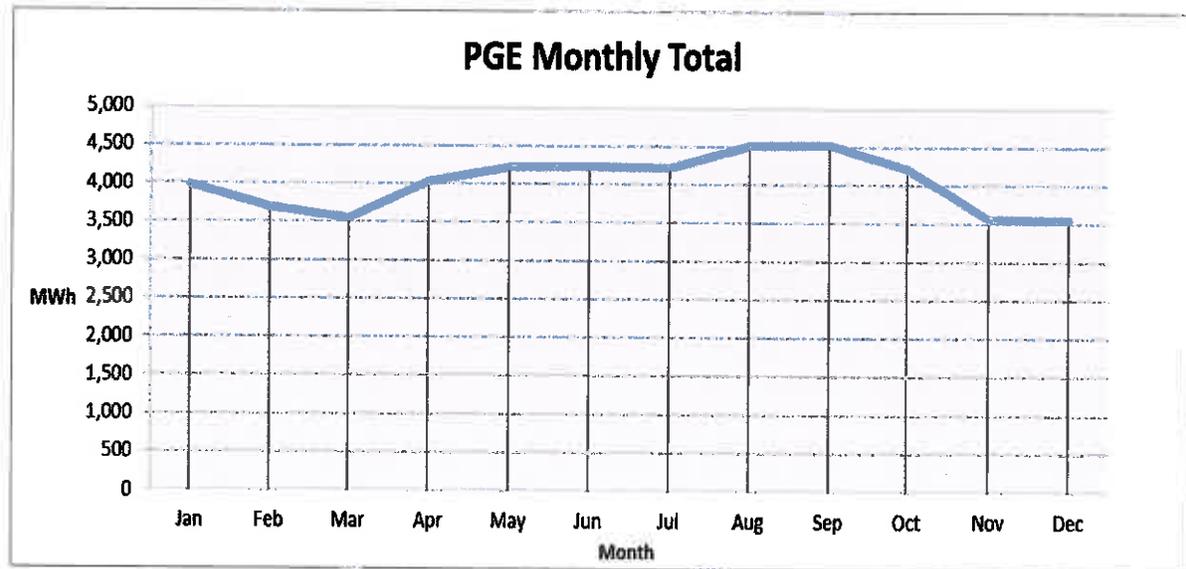
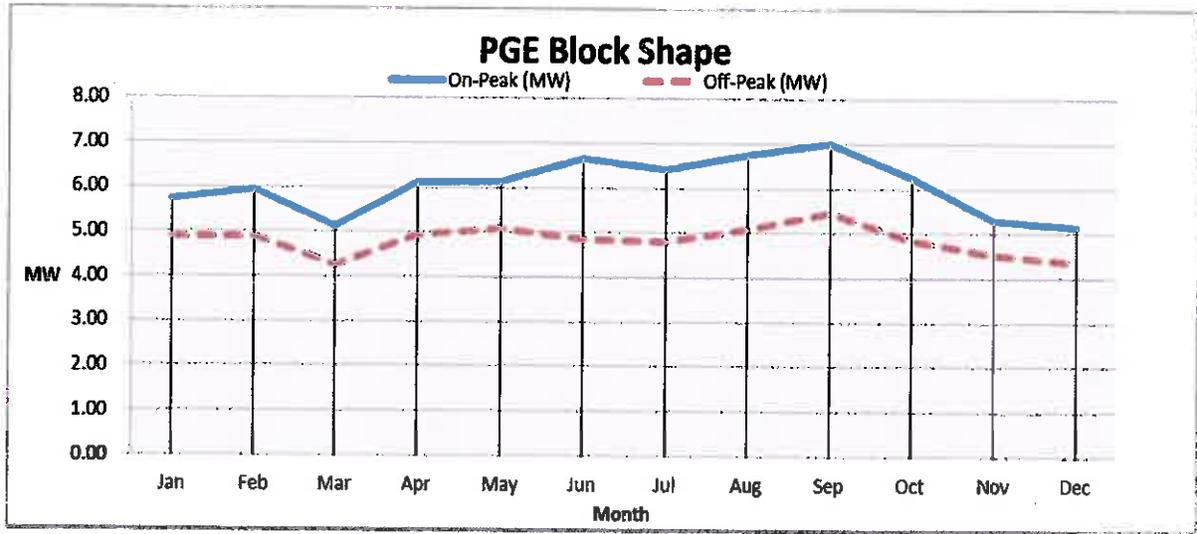


Rate Class	Bundled Accounts	Rate Class Percentage
AGRICULTURE	21	0.4%
LARGE COMMERCIAL	21	0.4%
MEDIUM COMMERCIAL	49	1.0%
OUTDOOR LIGHTING	42	0.9%
RESIDENTIAL	3,976	85.1%
SMALL COMMERCIAL	562	12.0%
<b>Total</b>	<b>4,671</b>	<b>100.0%</b>

The California Energy Commission (CEC) California Energy Demand Forecast for 2016 – 2025 is applied to the 2015 actual data to model year over increases of 0.25% to load and 0.50% to accounts. A baseline opt-out rate of 10% is assumed, resulting in a decrease to the initial load and accounts switched to CCE service. The sensitivity analysis does, however, capture a reasonable and historical CCE opt-out range by allowing the opt-out rate to fluctuate between 5% and 20%. A presumed 2018 CCE launch, incorporating the growth and opt assumptions, results in ~43,896 MWh and ~4,249 accounts in the first full year service. Following the first full year, modest growth forecasts marginally increase expected CCE load and number of accounts.

## Load Profile and Shape

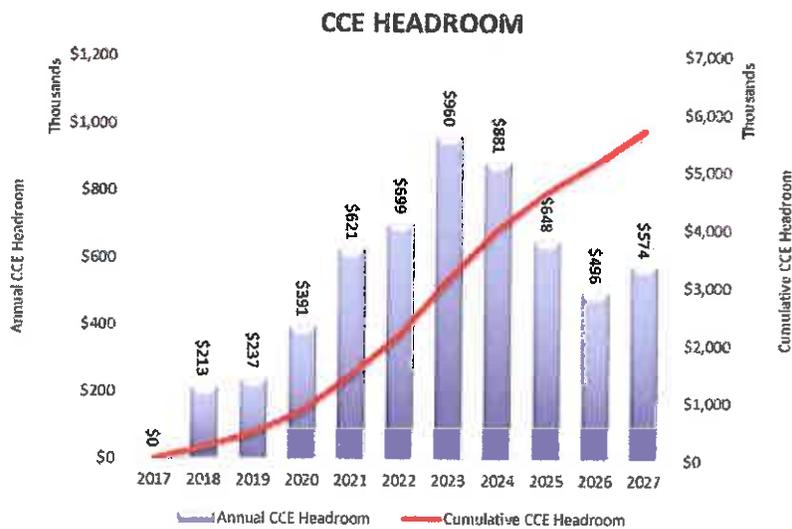
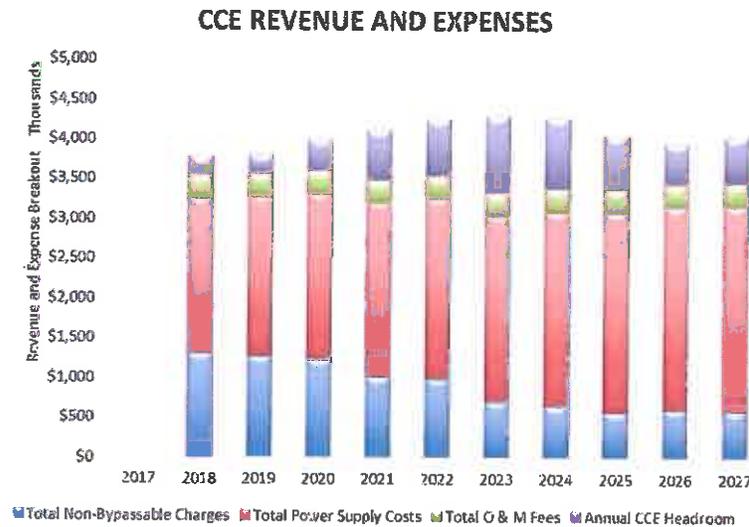
The following two charts illustrate the monthly load by on- and off- peak blocks and over the calendar year. The peak and off peak volumes are consistent with hourly statewide consumption patterns. King City's load profiles and shapes are not expected to present extraordinary power procurement concerns.



## Modeling Results

Static forecasting results in positive King City CCE Headroom in all years over a 10 year horizon. In the first chart below, the Headroom is represented by the purple bars. The blue bars capture non-bypassable PG&E charges such as distribution, transmission and the PCIA. The blue bar decreases due to expected changes to PCIA eligible resources and market-based pricing benchmarks occurring beyond 2025, and changes to DWR Bond charges. The green bars represent operations and maintenance fees based on Pilot's turnkey service pricing. The red bars represent power supply costs. Power supply costs represent the bulk of CCE expense. The sum of all of the bars equals total CCE revenues when rates are set equivalent to PG&E rates.

The next chart provides a more granular representation of the Headroom forecast.



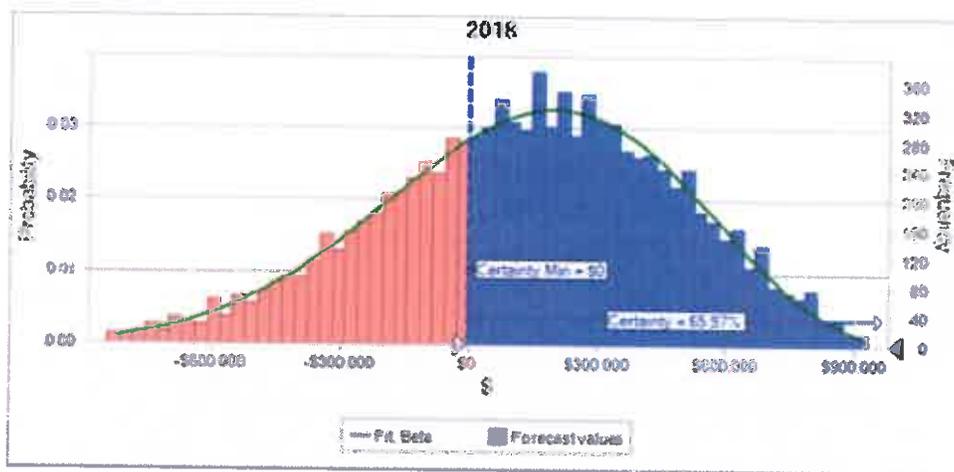
Probabilistic forecasting for the King City CCE was derived using 10,000 trials that varied assumptions including power prices, PG&E non-bypassable charges and opt-out rates.

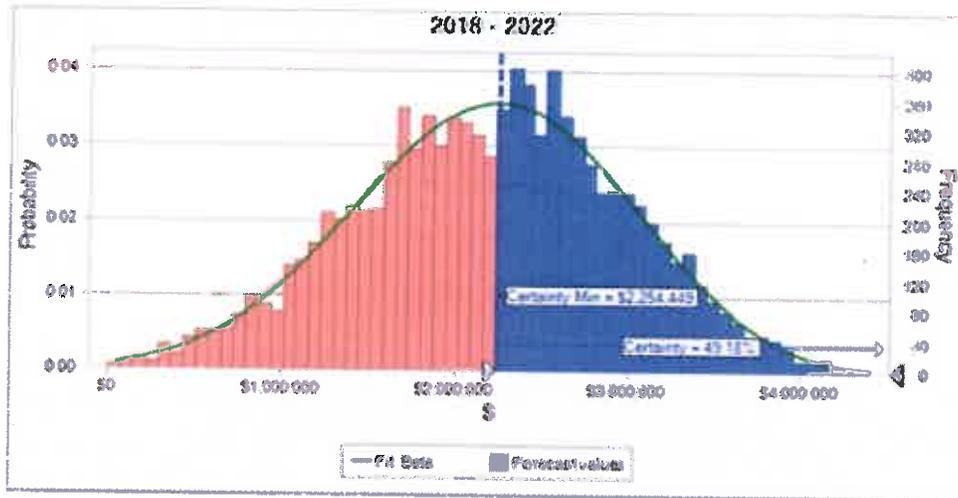
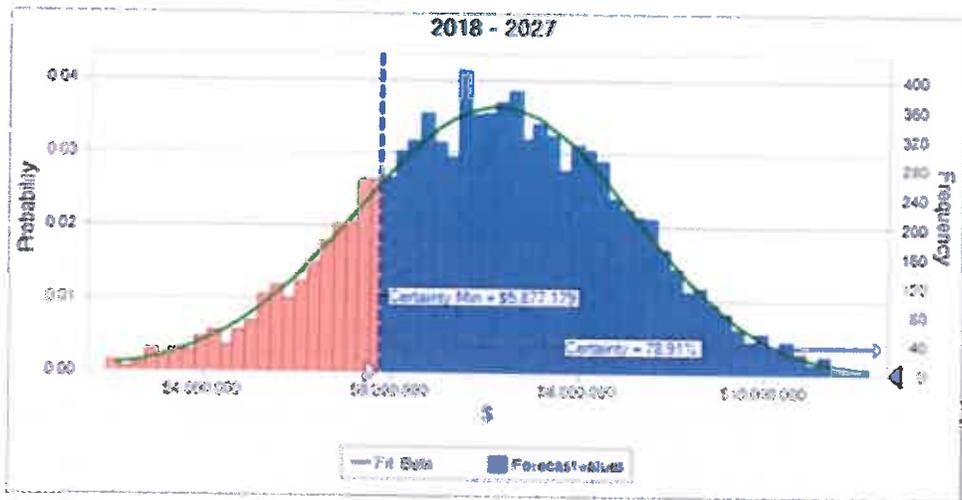
**First Year:** 65.97% probability of positive Headroom,  
with a range between -\$1,066,229 to \$932,106.

**Five Years:** 49.18% probability of \$2,254,449 in cumulative Headroom,  
with a range between -\$645,845 to \$4,671,622.

**Ten Years:** 78.91% probability of \$5,877,179 in cumulative Headroom,  
with a range between \$1,992,139 and \$11,940,882.

A graphical output of the probabilistic forecasting is provided below.





## COMPARISON OF KING CITY AND JPA CCE COSTS AND REVENUES

Community Choice Energy Overhead Cost Comparison

	King City	Sonoma Clean Power	Marin Clean Power
Data Management and Call Center	\$58,780	\$2,902,250	\$3,674,000
Consulting and General Services	\$129,938	\$1,290,000	\$1,231,000
Legal	\$43,313	\$395,000	\$817,000
Communications	\$33,962	\$1,211,000	\$986,000
Personnel	\$40,000	\$2,736,000	\$5,251,000
General and Administrative	\$0	\$460,000	\$846,000
<b>Total Overhead Costs</b>	<b>\$305,993</b>	<b>\$8,994,250</b>	<b>\$12,805,000</b>
<b>Total Revenues</b>	<b>\$2,593,386</b>	<b>\$148,020,136</b>	<b>\$181,351,000</b>
<b>Overhead/Percentage of Revenues</b>	<b>12%</b>	<b>6%</b>	<b>7%</b>

Power Supply Cost Comparison

	King City	Sonoma Clean Power	Marin Clean Power
Power Supply	\$2,009,662	\$133,748,000	\$159,033,000
<b>Total Revenues</b>	<b>\$2,593,386</b>	<b>\$148,020,136</b>	<b>\$181,351,000</b>
<b>Power Supply/Percentage of Revenues</b>	<b>77%</b>	<b>90%</b>	<b>88%</b>

Total Power Supply and Overhead Costs

	King City	Sonoma Clean Power	Marin Clean Power
Overhead	\$305,993	\$8,994,250	\$12,805,000
Power Supply	\$2,009,662	\$133,748,000	\$159,033,000
<b>Total</b>	<b>\$2,315,655</b>	<b>\$142,742,250</b>	<b>\$171,838,000</b>
<b>Total Revenues</b>	<b>\$2,593,386</b>	<b>\$148,020,136</b>	<b>\$181,351,000</b>
<b>Overhead and Power Supply/ Percentage of Revenues</b>	<b>89%</b>	<b>96%</b>	<b>95%</b>



City Council and Board of Supervisors Summary of Ordinance Readings		
** Designates Passage of 1st and 2nd Ordinance Readings-Per Agreement, JPA formed after 3 jurisdictions pass 2nd reading of ordinance		
Jurisdictions	1st Reading of Ordinance	2nd Reading of Ordinance
County of Santa Cruz **	2/28/2017 @ 9:00 am <b>PASSED</b>	3/7/2017 @ 9:00 am <b>PASSED</b>
Capitola **	2/9/2017 @ 7:00 pm <b>PASSED</b>	2/23/2017 @ 7:00 pm <b>PASSED</b>
Santa Cruz **	2/28/17 @ 2:30 pm <b>PASSED</b>	3/14/2017 @ 2:30 pm REGULAR AGENDA <b>PASSED</b>
Scotts Valley **	2/1/17 @ 6:00 pm <b>PASSED</b>	2/15/2017 @ 6:00 pm <b>PASSED</b>
Watsonville **	2/14/2017 @ 5:00 (Continued to 2/28 @ 5:00 pm) <b>PASSED</b>	3/14/2017 @ 5:00 pm CONSENT AGENCA <b>PASSED</b>
County of Monterey **	3/7/2017 @ 1:30 pm <b>PASSED</b>	3/21/2017 @ 9:00 am CONSENT AGENDA <b>PASSED</b>
Carmel	3/21/2017 @ 4:30 pm <b>PASSED</b>	4/4/2017 @ 4:30 pm
Del Rey Oaks	2/28/17 @ 6:00 pm <b>PASSED</b>	3/28/2017 @ 6:00 pm REGULAR AGENDA
Gonzales **	3/6/17 @ 6:00 pm <b>PASSED</b>	3/20/17 @ 6:00 pm REGULAR AGENDA <b>PASSED</b>
Greenfield	3/28/17 @ 6:00 pm	4/11/2017 @ 6:00 pm
King City	2/28/17 @ 6:00 pm <b>PASSED</b>	3/28/2017 @ 6:00 pm
Marina **	2/22/2017 @ 5:30 pm <b>PASSED</b>	3/7/2017 @ 5:30 pm <b>PASSED</b>
Monterey **	3/7/17 @ 7:00 pm <b>PASSED</b>	3/21/2017 @ 4:00 pm CONSENT AGENDA <b>PASSED</b>
Pacific Grove	3/15/17 @ 6:00 pm PUBLIC FORUM	4/19/17 @ 6:00 pm
Salinas **	3/21/2017 @ 4:00 pm REGULAR AGENDA <b>PASSED</b>	Not necessary because of their charter and unanimous vote on the first reading
Sand City **	3/7/2017 @ 5:30 pm <b>PASSED</b>	3/21/17 @ 5:30 pm REGULAR AGENDA <b>PASSED</b>
Seaside **	2/16 JPA & Reso <b>PASSED</b> 3/2 ordinance @ 7:00 pm <b>PASSED</b>	3/16/2017 @ 7:00 pm REGULAR AGENDA <b>PASSED</b>
Soledad **	2/15/2017 @ 5:30 pm <b>PASSED</b>	3/1/2017 @ 5:30 pm <b>PASSED</b>
County of San Benito **	2/7/17 @ 9:00 am <b>PASSED</b>	2/21/2017 @ 9:00 am <b>PASSED</b>
Hollister **	2/6/2017 @ 6:30 pm <b>PASSED</b>	2/21/2017 @ 6:30 pm <b>PASSED</b>
San Juan Bautista **	2/21/17 @ 6:00 pm <b>PASSED</b>	3/21/2017 @ 6:00 pm REGULAR AGENDA <b>PASSED</b>



Item No. 11(A)

REPORT TO THE CITY COUNCIL

**DATE: MARCH 28, 2017**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: STEVEN ADAMS, CITY MANAGER**

**RE: CONSIDERATION OF ALTERNATIVES TO ADDRESS ISSUES  
RELATED TO LONG-TERM STAYS IN TRANSIENT  
OCCUPANCY BUSINESSES**

**RECOMMENDATION:**

It is recommended the City Council direct staff to prepare an ordinance regarding transient occupancy long-term stays for Council consideration and provide direction on options to incorporate in the ordinance.

**BACKGROUND:**

The City has experienced a number of issues and complaints related to use of existing lodging facilities for long-term stays rather than short-term visitors, which include the following:

- Loss of transient occupancy tax revenues given that stays over 30 days are exempt from transient occupancy taxes;
- Loitering, litter and other negative impacts affecting adjacent businesses;
- Overcrowding of rooms;
- Loss of rooms available for tourists and short-term visitors, who are needed to support local businesses and the local economy;
- Use of parking lots for food service, large storage containers, and other uses other than parking, as well as oversized vehicle parking on adjacent streets;
- Lack of adequate maintenance of the structures and appearance of local lodging facilities.

At the same time, staff recognizes that lodging facilities depend upon long-term stays to be economically viable, especially during off-peak periods. Provisions allowing long-term stays are also important to provide facilities to house

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temporary workers for contractors and other businesses. However, lodging facilities are typically not designed to provide adequate amenities for ongoing housing, especially large groups of individuals and/or families. Rooms have little or no kitchen facilities, little or no common living space areas other than the bedroom, small bathrooms with minimal storage space for supplies, etc.

As a result, the City Attorney's Office has prepared an analysis regarding issues and options related to the regulation of lodging businesses and stays. Staff has then prepared options for Council consideration available to address each of the specific issues that have been identified above. These options were presented to and supported by the Code Enforcement Advisory Committee. If directed to proceed, the next step will be for staff to prepare an Ordinance for Council consideration with the specific items selected by Council to include.

**DISCUSSION:**

Limiting Long Term Occupancy

Setting a maximum length of stay for visitors at all hotels and motels could increase transient occupancy tax revenue, better maintain availability of transient lodging, ensure hotels and motels are used in the manner intended by the City's current zoning ordinance, and help hotels and motels comply with applicable Health and Safety Code standards. However, it also may negatively impact the economic viability of hotels and motels and restrict the ability of businesses to provide temporary lodging for employees assigned to projects and services in King City.

The City can enact an ordinance limiting an occupant's length of stay to 30 days. The ordinance would make it "unlawful for any hotel, motel or motor hotel to rent or let, or otherwise provide for compensation, any room therein to any person, firm, partnership, corporation, association or other business entity for thirty (30) or more consecutive days." The ordinance's purpose would be to ensure the continued availability of transient lodging within the City and to ensure recovery of all applicable TOT tax revenue. A violation of the ordinance would constitute a misdemeanor subject to imposition of a \$1,000.00 fine per day for each violation and/or imprisonment for up to six months in the county jail.

Long term occupants may attempt to circumvent the limitation by checking out and then immediately checking back in. To alleviate this problem, the City could restrict the number of days an occupant can stay over a 180 day period. For example, the City can make it unlawful for any hotel, motel or motor hotel to rent or let, or otherwise provide, any room therein to any person, firm, partnership, corporation, association or other business entity for thirty (30) or more

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consecutive days, or for more than sixty (60) total days in any one hundred and eighty (180) consecutive day period.

Another potential problem with enacting the limitation is addressing multiple guests staying in the same room. Any hotel, motel, or motor hotel may simply allow the guests to rotate which individual is registered for the room every thirty days. To combat this issue, the City can make it unlawful for any hotel, motel or motor hotel to rent or let, or otherwise provide, any room to the same individual or group of individuals twice in a twenty-four (24) hour period. The City can require all hotels, motels, and motor hotels to dispose of or remove the previous occupants property prior to the next occupant checking in. Additionally, the City can require all hotels, motels, and motor hotels to clean the rooms prior to the new occupant checking in.

The City may also consider possible exemptions from the length of stay limitation. For example, any hotel, motel, or motor hotel that has a minimum of seventy-five (75) guests rooms and a restaurant located upon the property could qualify for a conditional use permit to exceed the thirty (30) day occupancy limitation. Another option, the City could allow hotels, motels, and motor hotels to exceed the occupancy limitation if long term occupants only account for a certain percentage of their total occupancy rate.

Lastly, the City could include a grandfather clause that allows residents currently using hotels, motels, and motor hotels as long term housing to be exempt from the new ordinance.

It is recommended a variety of these options be combined in order to balance the needs of hotels and motels, businesses with temporary lodging needs, visitors, and the community at-large. It is recommended the Council consider enacting a restriction limiting hotel and motel stays to 30 days. However, to address the needs of the hotels, motels, and workers, it is recommended that visitors in 50% of rooms in each hotel be allowed to check in and out each 30 days for up to 180 days. This would address the need for workers temporarily assigned to this area, but restrict the rooms from being used for permanent housing.

#### Restrictions on Use of Parking Lots

Staff is drafting an Ordinance to establish a new temporary use permit process. In addition to other purposes, it could be used to address the issue of inappropriate uses of parking lots. Under a temporary use permit process, use of facilities such as parking lots for any purpose other than their intended use will require a temporary use permit from the City. If appropriate, the City can issue the permit, but can also place restrictions on the activity. For example, if a

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business wants to place a storage unit in a parking lot, a permit could be issued to allow that use, but could also restrict the time period allowed and require it to be placed in a location not visible to the public. Furthermore, activities such as food service could be restricted.

Overcrowding of Rooms

Staff has received reports that hotels are replacing furniture with bunk beds to accommodate more people per room. Hotels are not designed for this type of occupancy. Staff believes it will cause deterioration to the condition of the facilities, as well as potential health and safety issues. Many jurisdictions limit the number of adults per room in hotels and motels. It is recommended city Council consider establishing a limit of adults allowed per hotel and motel room.

Parking

The City has received a number of complaints regarding bus parking on River Drive. The primary concern is the difficulty in traveling on the narrow street with buses parked on both sides of the street. Staff recommends the City Council consider establishing restrictions on the size of vehicles on one side of the street to ensure there is adequate clearance.

Public Notification

All hotel and motel operators were notified regarding the scheduling of this agenda item.

**COST ANALYSIS:**

There will be some immediate cost impact to prepare the necessary ordinances and enforcement actions. However, an ongoing revenue increase is anticipated from transient occupancy taxes.

**ALTERNATIVES:**

The following alternatives are provided for Council consideration:

1. Provide staff direction on items to include in preparing an Ordinance;
2. Delay action until more public feedback is obtained;
3. Delay consideration until more agricultural employee housing is developed;
4. Direct staff to prepare an Ordinance, but do not apply it to any long-term stays currently under way;

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5. Do not direct staff to prepare an Ordinance and allow long-term stays in all hotels and motels;
6. Provide staff other direction.

Approved by:

  
\_\_\_\_\_  
Steven Adams, City Manager