

REGULAR MEETING

SAND CITY COUNCIL

AND

**SUCCESSOR AGENCY OF THE FORMER
REDEVELOPMENT AGENCY**

AGENDA

SAND CITY COUNCIL CHAMBERS

TUESDAY, DECEMBER 19, 2017

5:30 P.M.

AGENDA
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY

Regular Meeting – December 19, 2017
5:30 P.M.

CITY COUNCIL CHAMBERS
Sand City Hall, One Pendergrass Way, Sand City, CA 93955

1. **INVOCATION**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR**
5. **PUBLIC COMMENT**

Members of the public may address the City Council/Successor Agency on matters not appearing on the City Council/Successor Agency Agenda at this time for up to three minutes. In order that the City Clerk may later identify the speaker in the minutes of the meeting, it is helpful if speakers state their names. Public comments regarding items on the scheduled agenda will be heard at the time the time the item is being considered by the City Council/Successor Agency.

The City Council Chambers podium is equipped with a portable microphone for anyone unable to come to the podium. If you need assistance, please advise the City Clerk as to which item you would like to comment on and the microphone will be brought to you.

- A. Written
- B. Oral

6. **CONSENT CALENDAR**

The Consent Agenda consists of routine items for which City Council approval can be taken with a single motion and vote. A Council member may request that any item be placed on the Regular Agenda for separate consideration.

- A. Approval of Sand City Council Meeting Minutes, November 21, 2017
- B. Approval of Sand City Council Meeting Minutes, December 5, 2017
- C. Acceptance of Public Works Monthly Report, November 2017
- D. Acceptance of Police Department Monthly Report, November 2017
- E. Approval of City Donation/Contribution
 - 1) Arts Habitat - \$250

7. **CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR**

8. **PUBLIC HEARINGS**

- A. Consideration of City RESOLUTION Approving Coastal Development Permit 17-05 Authorizing a Floral Design Workshop at 2-C John Street

9. **OLD BUSINESS**

- A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by the City Engineer/Community Development Director/City Administrator

10. **NEW BUSINESS**

- A. Consideration of City RESOLUTION Confirming Members of the Sand City Arts Committee and New Appointment of Chairperson Gregory Hawthorne, and Committee Members Kierstyn Berlin, Kayhan Ghodsi, and Shelby Hawthorne
- B. Consideration of City RESOLUTION Authorizing the Mayor and City Administrator to Serve as Sand City's Monterey Bay Community Power Authority Liaisons
- C. Comments by Council Members on Meetings and Items of interest to Sand City
- D. Upcoming Meetings/Events
1) Confirmation of Future Dates for 2018 Sand City Events

11. **CLOSED SESSION**

- A. City Council/Agency Board to adjourn to Closed Session:
1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9
a. Security National Guarantee, Inc. v. Evariste Group, LLC (no. SCV-259904)
- B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act.

12. **ADJOURNMENT**

Next Scheduled Council Meeting:
Tuesday, January 16, 2018

**Sand City Council Agenda
12.19.17 Council Meeting**

**5:30 P.M.
Sand City Council Chambers
1 Pendergrass Way, Sand City**

This is intended to be a draft agenda. The City reserves the right to add or delete to this agenda as required.

The current Sand City agenda is available in PDF format on our website at:

www.sandcity.org/agenda

If you have a request for a disability-related modification or accommodation, including auxiliary aids or services, which will allow you to participate in a Sand City public meeting, please call the City Clerk at (831) 394-3054 extension 220, or give your written request to the City Clerk at One Pendergrass Way, Sand City, CA 93955 at least 48 hours prior to the scheduled meeting to allow the City Clerk time to arrange for the requested modification or accommodation.

AGENDA ITEM

6A

**MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY**

Regular Meeting – November 21, 2017
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Carbone opened the meeting at 5:30 p.m.

The Pledge of Allegiance was led by Commander Vito Graziano.

Present: Mayor Mary Ann Carbone
Vice Mayor Blackwelder
Council Member Hubler
Council Member McDaniel
Council Member Hawthorne

Staff: Todd Bodem, City Administrator
Jim Heisinger, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Connie Horca, Deputy City Clerk/Admin. Assistant

AGENDA ITEM 4, ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR

Mayor Carbone distributed a handout on her activities and meetings she has attended within the last 2 weeks. She also thanked the City Administrator for his report.

There was no report from the City Administrator.

AGENDA ITEM 5, PUBLIC COMMENT

5:32 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:32 P.M. Floor closed to Public Comment.

AGENDA ITEM 6, CONSENT CALENDAR

A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending continued operation of the Use Permits to the City Council based on the finding that they are in compliance with their permits. There was no discussion

regarding the following use permits.

- 1) CUP #328/CDP 88-01, Granite Rock (construction), 1755 Del Monte Blvd
 - 2) CUP #478, Signature Nails (sales/service), 824 Playa Avenue
 - 3) CDP 09-05, Coastal Fabrication, (welding/fabrication), 755 Redwood Avenue
 - 4) CUP #534, Big Sur Marathon, (storage), 570 California Avenue
- B. There was no discussion of the Sand City Council Meeting Minutes, November 7, 2017.
- C. There was no discussion of the Public Works Monthly Report, October 2017.
- D. There was no discussion of the Police Department Monthly Report, October 2017.
- E. There was no discussion of the Sand City Joint Powers Financing Authority **Resolution** Confirming its Officers.
- F. There was no discussion of the City **Resolution** recognizing November 2017 as Alzheimer's Brain Awareness Month.

Motion to approve the Consent Calendar items was made by Council Member Hawthorne, seconded by Council Member Hubler. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler, McDaniel. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 7, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 8, OLD BUSINESS

- A. **Progress report on Public Works projects, South of Tioga project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator.**

City Engineer Leon Gomez reported that the desalination plant was inoperable for most of the month of November due to maintenance and turbidity at the plant. CalAm has been loading new calcite into the contactor and flushing system components due to turbidity. The plant should resume operation this week. Intera has sent a draft of their technical memorandum to CalAm and finalizing some initial comments. Based on the modeling work to date, the best location for the new wells is on Sand Dunes Drive, south of Bay Avenue. Once the memorandum is received the City will provide its comments before it gets finalized. As part

of the State Water Board Prop 1 grant for technical assistance, Sand City was granted up \$230,000. Staff held a meeting last Thursday with the consultant team, members of Watershed Health, Low Impact Development Initiative, Kanon Engineering Group, and another landscape consultant who has been involved in LID green infrastructure for City projects. The grant would cover technical assistance over the next 8-10 months. In 2018, four projects would be assessed and a preferred project will be chosen for the City to consider. The City's matching contribution would be 5%. A benefit is that this grant may possibly cover soils testing and long term infrastructure study for LID to develop a profile for the City. Mr. Gomez suggested sending out a letter to City businesses of best management practices to remind them of the City's ordinance regarding illicit discharge. The contractor is repairing the catch basin for the Hickory Street project and a few other items. The developer for the Catalina Lofts project has resubmitted plans which are currently under review by staff. A meeting was held with the property owner for the undergrounding of utilities regarding the single family residential unit at Oceanview and Fell Street. The property owner has consulted with staff to communicate that the undergrounding may stop the project due to costs in relocating the poles. A meeting was held with the current project consultant and contractor for the Monterey Bay Shores project to discuss rough grading of the site. Based on their preliminary schedule, they estimate starting the end of January or early February.

Mayor Carbone thanked Staff for the good work in acquiring the technical assistance grant.

AGENDA ITEM 9, NEW BUSINESS

A. Comments by Council Members on Meeting and Items of Interest to Sand City

Council Member Hubler received information from Mayor Carbone regarding Christmas gift distribution to Sand City residents. Anyone who would like to help, deliver, or wrap is welcome to participate.

Council Member Hawthorne received information for the Tree Lighting Ceremony and Awards Banquet.

B. Upcoming Meetings/Events

There were no RSVP's for upcoming events.

AGENDA ITEM 10, CLOSED SESSION

5:48 P.M.

A. City Council/Agency Board to adjourn to Closed Session:

- 1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9
 - a. Security National Guarantee, Inc. v. Evariste Group, LLC (no SCV-259904)

6:59 P.M.

- B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act

The City Council met in closed session regarding the matter on the agenda and gave direction to their City Attorney.

AGENDA ITEM 11, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member McDaniel to the next regularly scheduled Council meeting on Tuesday, December 5, 2017 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 7:00 p.m.

The Mayor wished everyone a Happy Thanksgiving and reminded the Council to pick up their business cards at City Hall.

Connie Horca, Deputy City Clerk

AGENDA ITEM

6B

**MINUTES
JOINT SAND CITY COUNCIL AND SUCCESSOR AGENCY
OF THE REDEVELOPMENT AGENCY**

Regular Meeting – December 5, 2017
5:30 P.M.
CITY COUNCIL CHAMBERS

Mayor Carbone opened the meeting at 5:30 p.m.

The invocation was led by Reverend Jason Yarbrough.

The Pledge of Allegiance was led by Police Chief Brian Ferrante.

Present: Mayor Mary Ann Carbone
Vice Mayor Blackwelder
Council Member Hubler {excused absence}
Council Member McDaniel
Council Member Hawthorne

Staff: Todd Bodem, City Administrator
Jim Heisinger, City Attorney
Leon Gomez, City Engineer
Brian Ferrante, Police Chief
Linda K. Scholink, Director of Administrative Services/City Clerk

AGENDA ITEM 4, ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR

The Mayor referred to the City Administrator's report and mentioned the great turn out at the Tree Lighting Ceremony. The Monterey Fire Department will be visiting children throughout the City on December 16th and invited the Council to join. The Mayor distributed a handout on activities she participated in.

AGENDA ITEM 5, PUBLIC COMMENT

5:32 P.M. Floor opened for Public Comment.

There was no comment from the Public.

5:32 P.M. Floor closed to Public Comment.

AGENDA ITEM 6, CONSENT CALENDAR

- A. Conditional Use Permits (CUP) and Coastal Development Permits (CDP) are subject to annual review by the City Council and City staff. Upon review of each of the following Use Permits, staff is recommending

continued operation of the Use Permits to the City Council based on the finding that these uses are in compliance with their permits. There was no discussion of the following use permits.

- (1) CUP #186,236,286, Gene's Auto Body (automotive shop), 531-A Shasta/ 524-A Elder Avenue
- (2) CUP #394, Frank D'Aquanno (automotive), 477 Redwood Avenue
- (3) CUP #425, Glastonbury, Inc. (equipment store & rent), 495-A Elder Avenue
- (4) CUP #480, Video Ranch (office, video production), 1793 Catalina Avenue
- (5) CDP #07-07, Ga-Ga (hair salon), 490 Orange Avenue
- (6) CUP #422, Garza Plumbing (contractor), 351-A Orange Avenue
- (7) CUP #574, Ringer Electric (Photo Studio), 613-C Ortiz Avenue
- (8) CDP #01-05, Guistiniani (Masonry contractor), 698 Ortiz Avenue

- B. There was no discussion of the City/Successor Agency Monthly Financial Report, October 2017.
- C. There was no discussion of the City **Resolution** authorizing Health Care Benefit Changes for the 2018 Contract Year.
- D. There was no discussion of the City **Resolution** approving a Service Agreement with Steve Vagnini and Budget for the 2018 West End Celebration.

Motion to approve the Consent Calendar items was made by Council Member Blackwelder, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Carbone, Hawthorne, McDaniel. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

AGENDA ITEM 7, CONSIDERATION OF ITEMS PULLED FROM CONSENT CALENDAR

There were no items pulled from the Consent Calendar.

AGENDA ITEM 8, PUBLIC HEARING

- A. **Presentation on and Consideration of the Audited Financial Statements for the Year ended June 30, 2017 and Independent Auditor's Report by Therese Courtney and Mike Nolan of Hayashi & Wayland (10 minutes)**

- 1) Approval of City RESOLUTION Accepting the Audited Financial Statements for the Year Ended June 30, 2017 and Independent Auditor's Report**

The City Administrator reported on the highlights of the City's financial position at the close of the year ending June 30, 2017. The city's total net position increased by \$745,000 since fiscal year 2015-16 reflecting a

decrease of \$1.4 million net change in fund balances. An increase in sales revenue by 2.2% and property tax value by 4.13% is reflected from April through June the same time last year. When significant deficiencies and material weaknesses are identified during the audit, the Auditor is required to communicate them to the City in writing. A letter was not required for the year ended June 30, 2017. The auditors are present to provide a detailed overview.

Mike Nolan of Hayashi and Wayland reported that Hayashi & Wayland have been working with the City for a number of years. A meeting was held with the Budget Committee to receive their input as part of the audit procedures, as well as meeting with the City Administrative Staff. Should material deficiencies of internal controls be detected, a letter would be required. This year, a letter was not required. The audit process went smoothly, and Staff was very cooperative and supportive. Ms. Courtney will provide more information regarding the City's future liabilities.

Therese Courtney of Hayashi and Wayland reported that Page 11 of the City's Net Position depicts the financial position of Sand City which reflects all assets and liabilities. The assets exceeded the liabilities by \$23 million with approximately \$2.4 million available in unrestricted funds. The Statement of Activities shows the expenses to operate the City's activities leaving a positive net position of \$745,000. Ms. Courtney reported on the cash fund balance and a loss of \$1.4 million due to Other Post Employment Benefit (OPEB) costs and that the loss is reflected on the balance sheet as an expense. There are new pronouncements and the City will have to recognize its entire OPEB obligation which is expected to several million dollars. This will have to be reflected on financial statements beginning in 2018. Ms. Courtney answered several questions for Council Member Hawthorne regarding the City's role in meeting the OPEB obligations, how some City's employees pay a portion into their post-employment benefit, and the purpose of Public Employees' Pension Reform Act (PEPRA). City Attorney Jim Heisinger explained that the City's health benefit is paid by the City which follows into retirement adding to the OPEB costs.

Mayor Carbone summarized the economic factors on page 9 that depicts the fiscal year's revenues, and positive growth for the City relating to future developments and projects.

5:55 P.M. Floor opened to Public Comment.

There was no comment from the Public.

5:55 P.M. Floor closed to Public Comment.

Council Member Hawthorne thanked the Auditor's for the report, and City Staff for their work involved in keeping track of Sand City's finances.

Motion to approve the City **Resolution** accepting the Audited Financial Statements for the Year Ended June 30, 2017 and Independent Auditor's Report was made by Council Member Hawthorne, seconded by Council Member McDaniel. AYES: Council Members Blackwelder, Carbone, Hawthorne, McDaniel. NOES: None. ABSENT: Council Member Hubler. NOES: None. ABSTAIN: None. Motion carried.

AGENDA ITEM 9, OLD BUSINESS

A. Progress report on Public Works projects, South of Tioga Redevelopment project, Coastal projects, and other Sand City community programs by City Engineer/Community Development Director/City Administrator

City Engineer Leon Gomez reported that the desalination plant produced 3 acre feet of water for the month of November primarily due to calcite in the contactors. The plant has been mostly inoperable due to maintenance and repair. A draft report was received from Intera yesterday for the new intake wells project. Staff will review the report this week and provide recommendations to the City Administrator. The consultant team is moving forward with Task 3 for the Prop 1 Technical Assistance grant. These tasks involve defining the City's objectives and priorities, identify project types, conduction of a high level analysis, and define relevant water resource characteristics. A memorandum will be provided to Staff for review, with results brought to the Council in late January or early February.

Council Member Blackwelder mentioned the flooding issues that occur along Ortiz Avenue and other parts of the City. He is hopeful that suggestions to remedy the flooding during heavy rains is part of the conversation with the consultant team.

Staff provided the final certificate of occupancy for lots 4, 6 & 7 to the developer of the Bungalows Project. Lots 5, 8, 9 & 10 are left. A new power pole was installed near lot 10, and undergrounding along Oceanview Avenue will be conducted. The Dayton project has proposed alternatives to the relocation of the power pole involved with their project. It would cost a great deal of funds for them to do so. Staff asked the applicant to come up with 2 or 3 alternatives to move the pole. As part of the CDBG grant funding, Staff is looking into an ADA accessible parking for Calabrese Park.

AGENDA ITEM 10, NEW BUSINESS

A. Comments by Council Members on Meetings and Items of interest to Sand City

Council Member Hawthorne inquired about funds for the West End

Celebration that could be used towards other events involving the arts, such as the fashion show. City Administrator Bodem suggested that during the West End Committee meeting, suggestions and ideas can be entertained for the 2018 event. Mayor Carbone commented that she would like to officially appoint Council Member Hawthorne as the new Arts Committee Chair. This will be brought before the Council at a future meeting.

B. Consideration of Cancelling Future City Council meeting

PURPOSE: It is proposed that the City Council cancel the City Council meeting scheduled for January 2, 2018 to minimize conflict with the Christmas and New Year's Holiday closure of City Hall, December 25, 2017 – January 1, 2018

Mayor Carbone commented that due to City Hall closure during the holidays that the Council considers cancelling the first meeting in January 2018.

Motion to cancel the City Council meeting scheduled for January 2, 2018 was made by Council Member Hawthorne, seconded by Council Member McDaniel. AYES: Council Members Blackwelder, Carbone, Hawthorne, McDaniel. NOES: None. ABSENT: Council Member Hubler. ABSTAIN: None. Motion carried.

C. Upcoming Meetings/Events

There were no RSVP's from the Council. Mayor Carbone reminded the Staff and Council of the Awards Banquet to be held on Friday.

AGENDA ITEM 11, CLOSED SESSION

6:15 P.M.

A. City Council/Agency Board to adjourn to Closed Session:

- 1) To confer with Legal Counsel regarding pending litigation in accordance with Section 54956.9
 - a. Security National Guarantee, Inc. v. Evariste Group, LLC. (No. SCV-259904)

6:40 P.M

B. Re-adjourn to Open Session to report any action taken at the conclusion of Closed Session in accordance with 54957.1 of the Ralph M. Brown Act

The City Council met with the City Attorney on the litigation item on the agenda and took no action.

AGENDA ITEM 12, ADJOURNMENT

Motion to adjourn the City Council meeting was made by Council Member Blackwelder, seconded by Council Member McDaniel to the next regularly scheduled Council meeting on Tuesday, December 19, 2017 at 5:30 p.m. There was consensus of the Council to adjourn the meeting at 6:44 p.m.

Linda K. Scholink, City Clerk

AGENDA ITEM

6C

Public Works
Monthly Activity Report
November 2017

This report is to inform you of the activities and projects being accomplished by the City of Sand City Public Works Department.

Routine Public Works Functions:

- Clean City Hall offices, Police Department, kitchen and bathrooms.
- Check city for any needed repairs.
- Blow leaves and debris from City Hall and Park. Keep park bathroom clean.
- Remove weeds around City Hall and Park.
- Supervise Hope Crew to maintain city streets.
- City vehicle maintenance. (Gassing up city vehicles, washed, and frequent oil changes)
- Water plants inside City Hall.
- Pick up fruit and bagels daily for City Hall.
- Set up Council Chambers for meetings.
- Check the city for homeless encampments and loose shopping carts.
- Fill out Daily reports and a monthly report.
- Open and lock up the corporation yard at the end of the day and turn on the back porch light.
- Better Management Practices. (keeping our eyes open for illicit discharges or any waste going into the storm drains)
- Blowing the bike paths and emptying the trash cans citywide.
- Take the truck to the dump with citywide trash and street spoils.
- Water the trees citywide.
- Send the well readings to the City Engineer.
- Clean the city streets with the street sweeper, fill tanks with gas, diesel, and water, clean out the hopper, wash the outside after every use, and take all the spoils to the dump.

Special Public Works Functions:

- Emptied the trash citywide.

- Checked on the irrigation at the Contra Costa mural because of the water bill and fixed 2 of the 4 problems.
- Went through the timer at City Hall that irrigates Calabrese Park, fixed more sprinkler heads, and wires at the valve boxes.
- Filled out numerous purchase orders and had them signed.
- Ordered more bollard covers for Sand Dunes Dr. at Fastenal and picked up our 55 gallon drum opener.
- Turned in the monthly report.
- Went to Fashion Streaks and ordered a reflective jacket for Mark.
- Went to Ornamental Iron Unlimited to get a bill on work that was done on the gate at the Carroll building.
- Buried the well line near the park that was uncovered for the electrical box to go in on the new houses on Pendergrass Way.
- Pulled out weeds, dead plants, and trimmed some plants around City Hall and the Police Department.
- Went through 3 monthly reports and proper paper work to get a quarterly done for the city engineer on the MRSWMP report.
- Took a W9 to Ornamental Iron to be filled out and brought it back to Devon to have on file.
- Took the dump truck to the dump.
- Went through files at the corporation yard and filed them accordingly.
- Mark went to Red Wing to get boots along with new rain gear from West Marine.
- Emptied all the trash citywide.
- Met with the city engineer and opened all the storm grates for him to inspect on the work that MPE did on the Hickory project.
- Took the backhoe on the Upper Ridge bike path North of Playa and removed a bollard that was knocked over. Knocked all the concrete off the bollard. Dug a hole with the backhoe and put the bollard back in. Back filled the bollard and removed the concrete.
- Did the Costco shopping and put all the stuff away along with items from Office Depot.
- Picked up 2 chainsaws that were serviced and dropped off 2 pole saws that need service at Del Rey Gardens.
- Picked up drip irrigation supplies from Martins and fixed the broken pieces at the Contra Costa mural and turned the water back on.
- Cleaned the sand around the Police Department shed and around the bathroom outside City Hall.
- Mark walked around the upper part of Granite Rocks water tanks with the city engineer and city manager.

- Picked up an electrical box from CED and dug around a bollard on the upper ridge bike path to install it.
- Shoveled sand out of curb line along Sand Dunes, Tioga, West Bay, and California.
- Went to Target to check on the candy canes for the Christmas tree lighting and purchased them.
- Checked at Smart and Final and Lucky's for the prices on the hot cocoa and spiced cider for the Christmas tree lighting.
- Looked through paper work for uniform services between Cintas and Ameripride.
- Purchased reflectors for bollards on Dias.
- Contacted the Waste Water treatment facility about a water leak coming from one of their hoses and they were going to fix it.
- Purchased the hot cocoa and spiced cider from Lucky's.
- Went to Fastenal to pick up the 4 bollards for Sand Dunes Dr.
- Ordered the lights for the power broom.
- Installed 2 red solar flashing lights on barricades.
- Lowered the flags at half-staff city wide for the shooting in Texas.
- Emptied the trash city wide and took the truck to the dump.
- Loaded all the spoils in the dump truck and took it to the dump.
- Installed the 4 plastic bollards at the corner of Sand Dunes and Tioga.
- Installed 3 red solar flashing lights on barricades along with 3 new stop signs.
- Did research on a transfer pump 55 gallon tank that is portable for the backhoe, power broom, and generator behind the police department.
- Brought the targets cardboard to Laguna Seca for the Police Department and went back to pick up all the bullet casings along with the targets and cardboard and put them away in storage.
- Dug around the tree wells on Hickory to locate the pipe chases for upcoming landscape for irrigation. Found all the chases except one in which the city engineer will contact MPE to locate it. Removed some gravel with shovels into the backhoe and dumped it in the back of the dump truck. Covered the holes with plywood, sand bags, and barricades along with caution tape.
- Spoke with Kevin from the Big Sur building on California about a delivery truck that damaged one of the established New Zealand Christmas trees and that it will need to be fixed and they offered to fix it.
- Raised the flags from half-staff city wide from the shooting in Texas.
- Branches trimmed off of directional sign at the end of Sand Dunes at Tioga

- Responded to report of sewer smell at Catalina and Olympia. Due to a water leak from Cal-Am up the street, water was flowing into the storm drain disrupting stagnated water. Cal-Am notified of leak and City of Seaside contacted to clean out both storm drains on Olympia
- Emptied the trash city wide and took the truck to the dump.
- Picked up two chainsaw pole saws from being serviced at Del Rey Gardens, with the previous two regular chainsaws previously serviced. Staff is ready for winter storms if needed.
- City of Seaside arrived with their Vactor truck after yesterday's report of the sewer smell. Both storm drain grates were removed and both vaults were vacuumed out of silt and sludge and then hosed down. The pipe under the street was jetted clean with pressurized water. Grates were reinstalled and both drains are ready for winter.
- New safety meeting paper work and binders arrived along with OSHA compliance catalog. Staff will start holding safety meetings every month.
- Picked up the plant material for the Hickory Street landscape project and placed in the corp. yard for storage until planting begins.
- City of Seaside assisted Sand City staff with clean out of the large storm drain vault at the end of West Bay Street and two storm drains located on sand Dunes Drive. All three catch basins were cleaned of sand, silt and debris using Seaside's Vactor truck and two of their staff.
- City Streets were swept and cleaned last night with the sweeper.
- Put an updated list together of Police vehicles with recent mileage, will drop off at Ford to verify next required service date or mileage of vehicles.
- Tested all the Christmas lights and made a list of which ones need replacing.
- Reserved 2 drink containers from A to Z for the Christmas tree lighting.
- Went to Home Depot to get prices on Christmas lights.
- Took apart a light fixture for the Christmas lights and re wired another flood light fixture to work.
- Cut 2 cypress trees along Catalina that were encroaching in the street, loaded the dump truck, and took the truck to the dump.
- Contacted Green Waste about the solar flashing barricade lights that don't work and they need to be disposed of as hazardous waste.
- Checked all the storm drains citywide because of the first rain and cleared the leaves from the inlets.
- Emptied all the trash citywide.
- Threw away all the type 3 barricades that were junk and saved 5.
- Recycled all the legs for the type 3 barricades at the corporation yard.

- Loaded all the aluminum signs and brass along with e waste and took them to A & S metals and the dump.
- Moved a bike locker to the back of the corporation yard.
- Cleaned off all the barricades with signs on them and relocated them to the other side of the corporation yard.
- Cleaned up homeless trash behind East between St. John and Mike Morris's house.
- Picked up the tow behind lift from Rental Depot and changed all the banners citywide to holiday banners.
- Put all the Christmas lights on the Christmas tree with the tow behind lift.
- Connected a wiring harness kit on the power broom for lights.
- Went to Olympia and Orange with the city engineer to check on an illicit discharge.
- Reported an illicit discharge to the city engineer from the desalination plant.
- Sanded all the brackets for the Christmas decorations on the roof. Put all the brackets, plywood, 4 x 4's, sand bags and Christmas decorations on the roof with the backhoe and the tow behind lift.
- Put all the ornaments on the Christmas tree with the tow behind lift.
- Tried using the tow behind lift to reach the top of the flag poles on Contra Costa and brought the lift back to Rental Depot.
- Shoveled sand out of the curb line along Sand Dunes Dr., West Bay, and Tioga.
- Got the street sweeper ready.
- Emptied all the trash city wide and took it to the dump.
- Swept curbs and gutters city wide
- Installed the LED flashing beacon on power broom
- Assembled new swing sets and installed onto structure in park
- Called out for a fallen limb into the street behind Mc Donald's on Playa. Cut up limb and cleaned up the area
- Met with M.P.E. at Hickory Street to locate irrigation sleeve in planter
- Reported (7) seven street lights that are inoperative to PG&E. Five street lights are on Playa, the other two are on California. One light over the Playa MST bus stop is a resident complaint
- Emptied all the trash city wide and took it to the dump.
- Put all the Christmas decorations in the council chambers and put them on a remote to be easily turned on.
- Blew around City Hall.
- Emptied all the trash citywide.
- Went on the roof of City Hall and had to fix a set of characters that fell down due to the wind and put more screws in the brackets.

- Installed lights around the outside of City Hall, mural, and the outside bathroom and plugged them in the photo cells.
- Went to Home Depot to pick up more Christmas decorations.
- Put together a snowman and a polar bear and installed them at City Hall along with all the other decorations. Connected the Christmas tree, Calabrese lights, spotlights, and all the other decorations into photo cells.
- Got the street sweeper ready.
- Put reflectors on the bollards at Dias.
- Met with MPE to check on the sleeve for the irrigation.
- Checked on the water issue at City Hall.
- Connected the Christmas lights at City Hall into photo cells.
- Went to Cardinale & Wright to pick out a Christmas tree and have it sprayed with fire retardant.
- Picked up bags of garbage at the end of Ellis and loaded it in the dump truck.
- Picked up the Christmas tree and brought it to City Hall. Also we decorated the tree and attached the garland.
- Took the dump truck to the dump.
- Removed shopping carts off the bike path.
- Replaced barricades with delineators along Hickory.
- Started digging and connecting irrigation lines at Hickory and California.
- Dug 5 yards of dirt out around the new tree wells at Hickory and California to add mulch for plants.

AGENDA ITEM

6D

SAND CITY POLICE DEPARTMENT MONTHLY REPORT

DATE: 6-Dec-17

TO: THE HONORABLE MAYOR AND CITY COUNCIL MEMEBERS

FROM: BRIAN FERRANTE, CHIEF OF POLICE

SUBJECT: POLICE ACTIVITY FOR THE MONTH OF November 2017

This report presents a condensed overview of the Sand City Police Department's operational and administrative activities. It is an approximate analysis and not conclusive.

CRIMINAL OFFENSES REPORTED

	THIS MONTH	LAST MONTH	YEAR TO DATE	LAST YEAR TO DATE
Homicide	0	0	0	0
Rape	0	0	0	0
Robbery	0	1	8	3
Assault/Battery	1	1	14	6
Battery (spousal)	0	1	2	7
Burglary (commercial)	0	0	17	4
Burglary (residential)	0	0	1	0
Burglary (vehicle)	0	0	0	2
Theft (petty)	6	11	185	122
Theft (grand)	0	0	9	13
Theft (vehicle)	0	0	3	7
Vandalism	0	3	23	9
Arson	0	0	0	0
Forgery/Counterfiting	3	2	12	3
Fraud/Embezzlement	1	1	49	17
Health&Saftey code	14	9	240	56
Business&Professions Vio	1	3	15	0
TOTAL	26	32	578	249

ARREST

Adult Felony	4	4	70	144
Adult Misdemeanor	9	9	270	172
Juvenile Felony	0	0	2	0
Juvenile Misdemeanor	1	0	11	10
Warrants	11	13	389	119
Drunk Driving	1	1	5	8
TOTAL	26	27	747	453

	THIS MONTH	LAST MONTH	YEAR TO DATE	LAST YEAR TO DATE
CITATIONS				
Traffic Violations	16	11	251	154
Parking Violations	20	24	760	434
Sand City Muni Code	0	1	12	28
Warrants	8	7	228	67
TOTAL	44	43	1251	683

TRAFFIC ACCIDENTS				
Non- Injury	2	7	60	52
Injury	0	0	0	1
Fatal	0	0	0	0
Hit/Run/ (property damage)	0	0	5	9
TOTAL	2	7	65	62

MISCELLANEOUS CALLS FOR SERVICE				
Alarm (commercial)	15	8	172	102
Security checks (commercial)	0	0	12	18
Security/welfare check	15	31	351	163
Animal Complaints	2	3	58	49
Suicide Attempts	0	0	0	2
Suicide Complete	0	0	0	1
Vehicle (tow/abatement)	0	0	10	27
Medical Emergencies	7	3	135	100
Fire Emergencies	2	1	14	23
Civil/Peace Disturbances	13	11	613	175
TOTAL	54	57	1365	660

Peace Disturbances: Includes complaints of transients, family, landlord/tenant, neighbor and customer disputes.

ALL OTHER CALLS FOR SERVICE				
Complaint Initiated	78	64	1452	939
Officer Initiated	50	49	823	1057
TOTAL	128	113	2275	1996

AGENDA ITEM

6E

Memo

To: City Council
From: Todd Bodem, City Administrator
Date: December 11, 2017
Subject: Review of City Contribution/Donation

Attached is a request from one organization for support and contribution for Fiscal Year 2017-18. After reviewing this request, the following donation is recommended:

- Arts Habitat - \$250

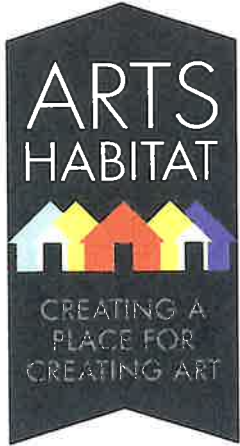
If any Council member wants to discuss this request or to propose a different contribution, then this item should be pulled from the consent calendar for discussion with the full Council.

The following finding is specified in the annual City/Successor Agency Budget: *"The Sand City Council finds that it is a valid public purpose and in the best interest of this small city to support and participate in various community programs and activities of the larger Monterey Peninsula area. This support includes not only the City's financial contributions outlined in the attached pages but also the active involvement/participation by council members, city staff, Sand City businesses and citizens. This is Sand City's pledge and commitment of support for the larger regional community in which it is an active and dedicated member".*

RECEIVED

NOV 27 2017

November 2017



Dear Friends of Arts Habitat;

CITY OF SAND CITY

Thank you for your support connecting and collaborating with artists and arts organizations in Monterey County. Your contributions help us foster a dynamic, growing arts community, while leading the way to a thriving center for the arts at East Garrison at the former Fort Ord. For over 25 years, the goal has always been to create affordable live/work space for artists, and the need is as great as ever. East Garrison is still growing at a great clip and building can't keep up with demand for houses in Phase II of the project. The Arts District will be built in Phase III. Our work with the County, the developer, and Artspace Projects, Inc. continues.

Please consider making a donation to Arts Habitat and make it possible for us to continue our work for artists and the arts community of Monterey County. Your Arts Habitat donation supports staff time, office rental, publications, and advertising. Please review the enclosed remittance envelope, choose your gift level, and return it with your check, or donate on line at ArtsHabitat.org.

We hope you took part in the 27th Annual Monterey County Artists Open Studio Tour, a collaborative event offered free to the public. This was the second year that Arts Habitat presented a successful Tour, with greater attendance and better art sales for many artists. Because many artists lack studios, or work in spaces not suitable for the public, several artists took advantage of the fourteen Tour locations provided by Arts Habitat, illustrating the on-going need for affordable, accessible, space. Much appreciation to Carl Cherry Center for the Arts, Hidden Valley Music Seminars, Elkhorn Slough Foundation's Porter Ranch House, National Steinbeck Center, the 8 winery members of the River Road Wine Trail Association, and Century Communities for two model homes at East Garrison.

We added two events to the lead-up to the Tour this year by presenting Arts in Progress evenings at the Center for Photographic Art, in Carmel, and at the National Steinbeck Center, in Salinas. The first featured a panel of photographers talking about their survival tactics as artists, facilitated by Brian Taylor, Executive Director of CPA; the second featured artist Jose Ortiz and his team of muralists, of Hijos del Sol Arts Productions, talking about their experiences as artists and as educators in the schools.

We have begun planning for next year's Tour, making it bigger and better still. Please mark your calendars for September 29, 30, October 6 and 7; the first weekend focusing on coastal, Peninsula and Carmel Valley locations, the second weekend for Salinas, Salinas Valley, South and North County locations.

We hope you donate; or contact us to become an official sponsor of the 2018 Monterey County Artists Open Studio Tour.

Sincerely,
 Martha Manson, President Arts Habitat
 On behalf of our staff and board of directors

Board Members

Martha Manson
President

Nick Papadakis
First Vice President

Steven Bradford
Second Vice President

Marsha Lubow
Treasurer

Clara C. Matos Hughes
Secretary

Darbie Holman

Anna Christoules

Administrative

Sherraine Jones

831.624.6111

Staff@ArtsHabitat.org

Mailing Address

Arts Habitat

P.O. Office Box 221487

Carmel, CA 95022

Web Address

www.ArtsHabitat.org

Executive Director

Christie

Richard Mayer

Board Directors Emeriti

Mary Susan

Marianne Fournier

Ron Kagan

David Wagner

AGENDA ITEM

8A

CITY OF SAND CITY

STAFF REPORT

DECEMBER 5, 2017
(For City Council Review on December 19, 2017)

TO: Mayor and City Council
FROM: Charles Pooler, City Planner
SUBJECT: Coastal Development Permit for Floral Design Workshop at 2-C John St.

BACKGROUND

An application was submitted by Agnieszka Kazmierzak of Unskripted Design (the "Applicant") for coastal development and approval to use an existing 462 square foot commercial space at 2 John Street (Unit C) (the "Subject Property") as a floral design workshop with accessory office and storage (the "Proposed Use"). The Applicant designs and prepares floral arrangements for private, corporate, and wedding events. The Subject Property is located within a non-appealable Coastal Planned Mixed Use (CZ-MU-P) zoning district, requiring coastal development permit approval. The proposed use qualifies as a Categorical Exemption under State CEQA Guidelines (Section 15301).

Site Description:

The Subject Property is 50-feet wide and 80 feet deep, with a three story masonry block building. The Applicant's unit is on the lowest ground floor facing John Street while the upper levels face and are accessed from Contra Costa Street. In front of the Applicant's unit is compacted gravel pavement to serve as parking. There is a compressed gravel area in front of the Applicant's unit that can accommodate parking. There are also eleven off-street parking spaces in front of the adjacent building under the same ownership as the Subject Property. Existing utilities (i.e. gas, electric, water, sewer, etc.) are available to service the Proposed Use at the intended location.

DISCUSSION & ANALYSIS

Project Description:

The Applicant intends to establish and operate a floral design and arrangement workshop within an existing 462 square foot commercial space fronting John Street. The Applicant specializes in floral arrangements for private, commercial, and wedding events. The Applicant will have a flower cooler within the unit, a work table, and shelving for products. Client meetings at the site will be by appointment. The Applicant will be the only full-time employee, but there will be part time employees on an as-needed basis for larger projects. This is anticipated to be an exceptionally low impact operation.

Land Use: The Subject Property has a General Plan land use and Zoning Map designation of "Mixed-Use" with a Coastal Zone overlay. Floral design workshops are not specifically listed in the Mixed-Use zoning regulations; however, the actual activity proposed falls into several categories that are listed; "service commercial", "light manufacturing", and "art/crafts studios". Furthermore, Section 18.13.040.P includes those uses the City Council finds to be consistent with the goals and policies of the General Plan. The Proposed Use does introduce a professional customer service business encouraged for the Mixed-Use District consistent with General Plan Policy 2.1.1. Due to the Coastal Zone overlay of the Subject Property, approval of the Proposed Use requires a Coastal Development Permit.

Hours of Operation: The Applicant's intended hours of operation are 10:00 a.m. to 6:00 p.m. Wednesday through Saturday. As this is anticipated to be an exceptionally low impact use, staff recommends allowing this operation to commence at 7:00 a.m. and cease at 6:00 p.m. Monday through Friday and commence at 10:00 a.m. and cease at 6:00 p.m. on Saturdays. This provides the Applicant greater operational flexibility without any foreseen negative impacts to adjacent properties. All shipping and receiving and loading and unloading activities should only occur during these times. Office activity by the Applicant at the Subject Property within the unit beyond these hours is acceptable.

Parking: The Applicant's unit is approximately 462 square feet, which will be used for storage, office, and product design and assembly activities. The Applicant states that she will be the only full-time employee with part time employees for large scale projects. The Zoning Code requires one (1) parking space for a manufacturing use based upon a 1/700 parking ratio. This is the same parking requirement applied to "service commercial" uses throughout the City. There is compacted gravel pavement in front of the Applicant's Unit that can serve as parking. This permit should require the Subject Property's owner to maintain this space for the Applicant's parking; which would require the trash dumpsters to be moved over where there remains adequate space.

Company Vehicle: The Applicant uses her personal car for product deliveries to clients. This vehicle is taken home each night and will not be stored at the Subject Property. There are no other company vehicles or trailers.

Loading/Unloading: The Applicant estimates two flower vendors will deliver to her location each week. These will be in small vans. No large scale truck deliveries are anticipated. The paved area in front of the Applicant's unit and the abutting buildings is sufficient to accommodate loading/unloading activities. There will also be UPS and similar delivery services, which typically have a quick drop-off/pick-up times that are anticipated to have no major impact. All deliveries to and from the Subject Property should only occur during permit specified hours of operation; which should be a condition of permit approval.

Trash: The Subject Property does not provide an enclosure to screen trash bins or dumpsters. There are usually unscreened dumpsters in close proximity to the

Applicant's unit at the northern paved end of the former John Street right-of-way, now under ownership by Bella Mare Investments (the Subject Property's owner). Staff was informed by Greenwaste Recovery (the City's franchised waste hauler) that plant clippings from a floral shop qualifies as "Yard Waste", for which the hauler provides specific collection bins and service to promote waste diversion. The permit should require the Applicant to contact Greenwaste Recovery for a yard waste container of sufficient size and collection service to collect disposed plant material generated by the Proposed Use consistent with California waste diversion guidelines (see Permit Condition No. 11).

Impacts: The Proposed Use is considered a low impact activity, and no excessive noise, dust, fumes, odors, or other detrimental impacts are anticipated from the Proposed Use. The paved area in front of the unit is sufficient to accommodate off-street loading and unloading activities by the anticipated small vans. The permit should contain the standard conditions requiring all storage for the Proposed Use be maintained within the building.

Signs: The Applicant does not intend to have a commercial sign at this time. If at some future date, the Applicant chooses to have a commercial sign, it would then require review and approval by the City's Design Review Committee in the issuance of a sign permit prior to the installation of any such sign. This should be a condition of permit approval.

Water:

Staff's interpretation of the MPWMD regulations is that a floral design and arrangement workshop (the Proposed Use) qualifies as a Group I category low water use. The site has credit based upon a Group I use; therefore, no additional water credit is deemed necessary. The permit should contain standard language stating that approval of the permit does not grant the Applicant and/or property owner any right or privilege to any allocation of water from the City or other Agency.

Advisory Agencies:

Information on the Proposed Use was circulated to the City's advisory agencies (Police, Fire, Building, County Health, Sanitation, and Engineering Departments). No comments were received at the time of preparing this report.

RECOMMENDATION

Staff recommends **APPROVAL** of the coastal development permit, authorizing the Applicant's floral design workshop at the Subject Property.

Findings for Approval:

1. The Proposed Use is compatible with the Planned Mixed-Use (MU-P) zoning district and the existing neighboring land uses, as conditioned.
2. The Proposed Use is not anticipated to create any potential detrimental impacts to the surrounding area or the City as a whole.
3. There is sufficient off-street parking to accommodate the Proposed Use.
4. No allocation of water from Sand City is anticipated for the Proposed Use, subject to

MPWMD verification.

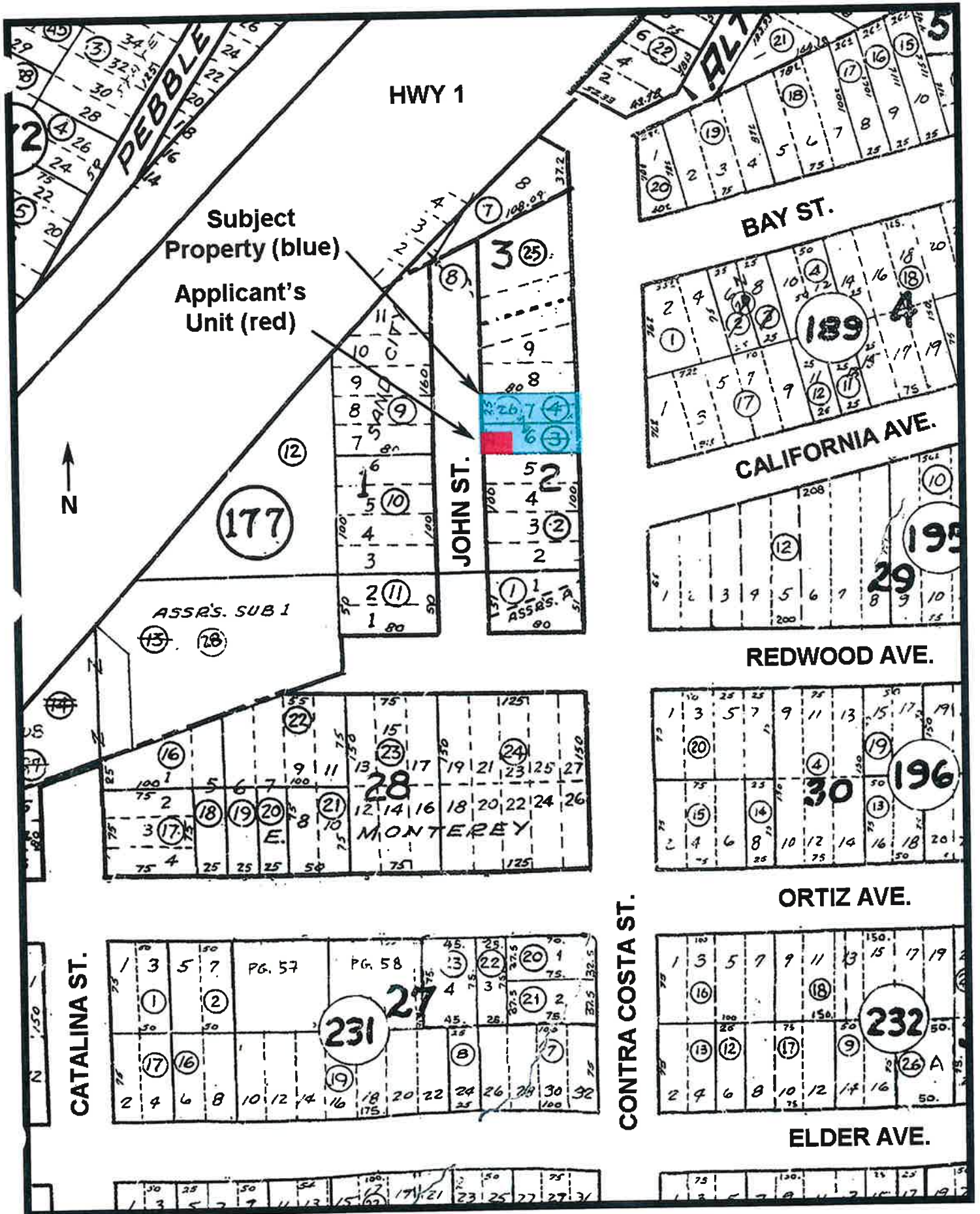
5. Adequate utilities (water, gas, electricity, etc.) are available to facilitate the proposed use.
6. The project qualifies as a categorical exemption, under State CEQA Guidelines, Section 15301.

Exhibits:

- A. Location Map
- B. Aerial Map
- C. Site Photograph (via Google Earth)
- D. Site Plan/Floor Plan
- E. Neighborhood Site Plan & Parking
- F. Applicant's Letter of Intent
- G. Applicant's Website Excerpts

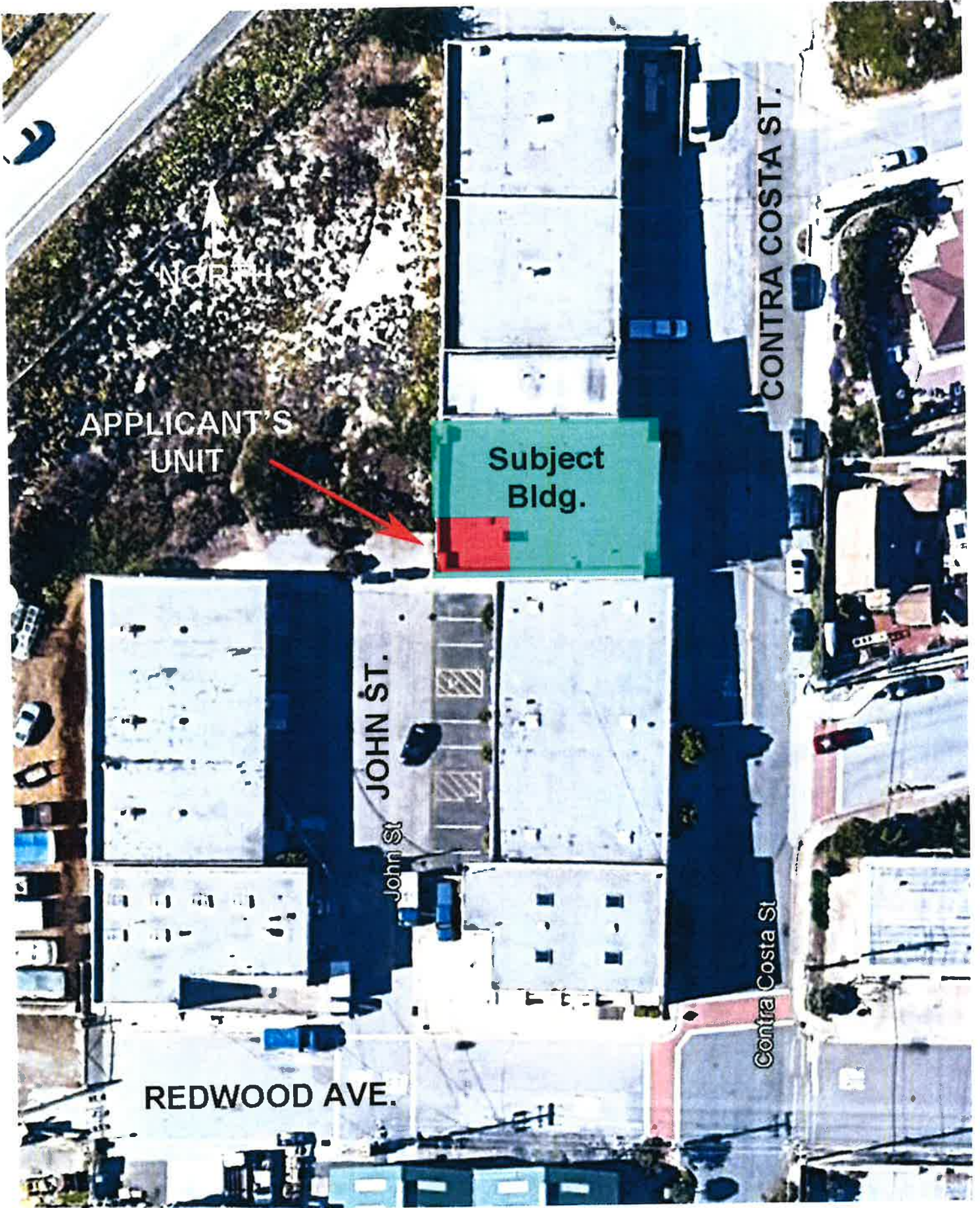
Attachments:

- Draft Resolution to approve CDP 17-05

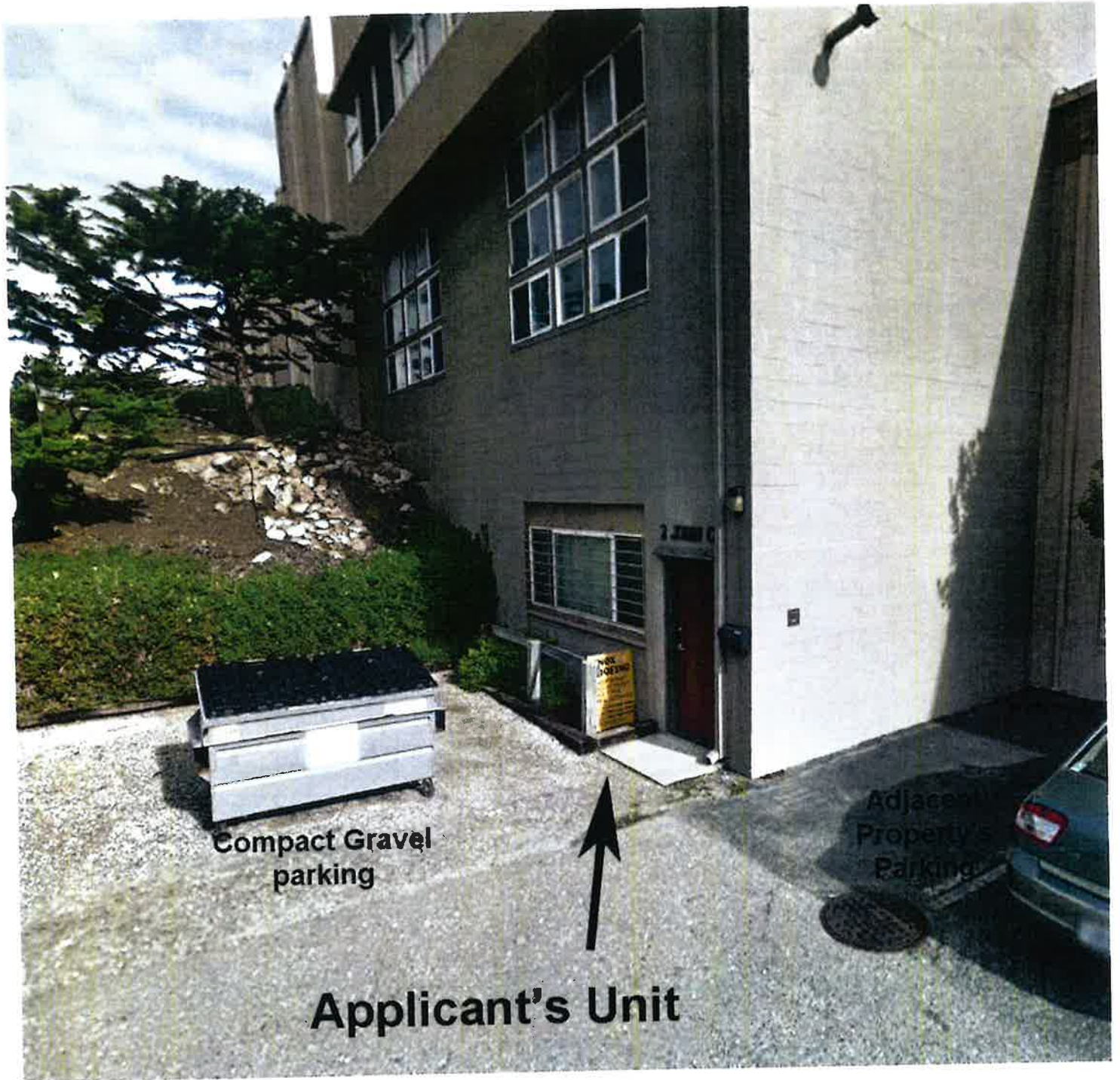


Location Map

EXHIBIT A



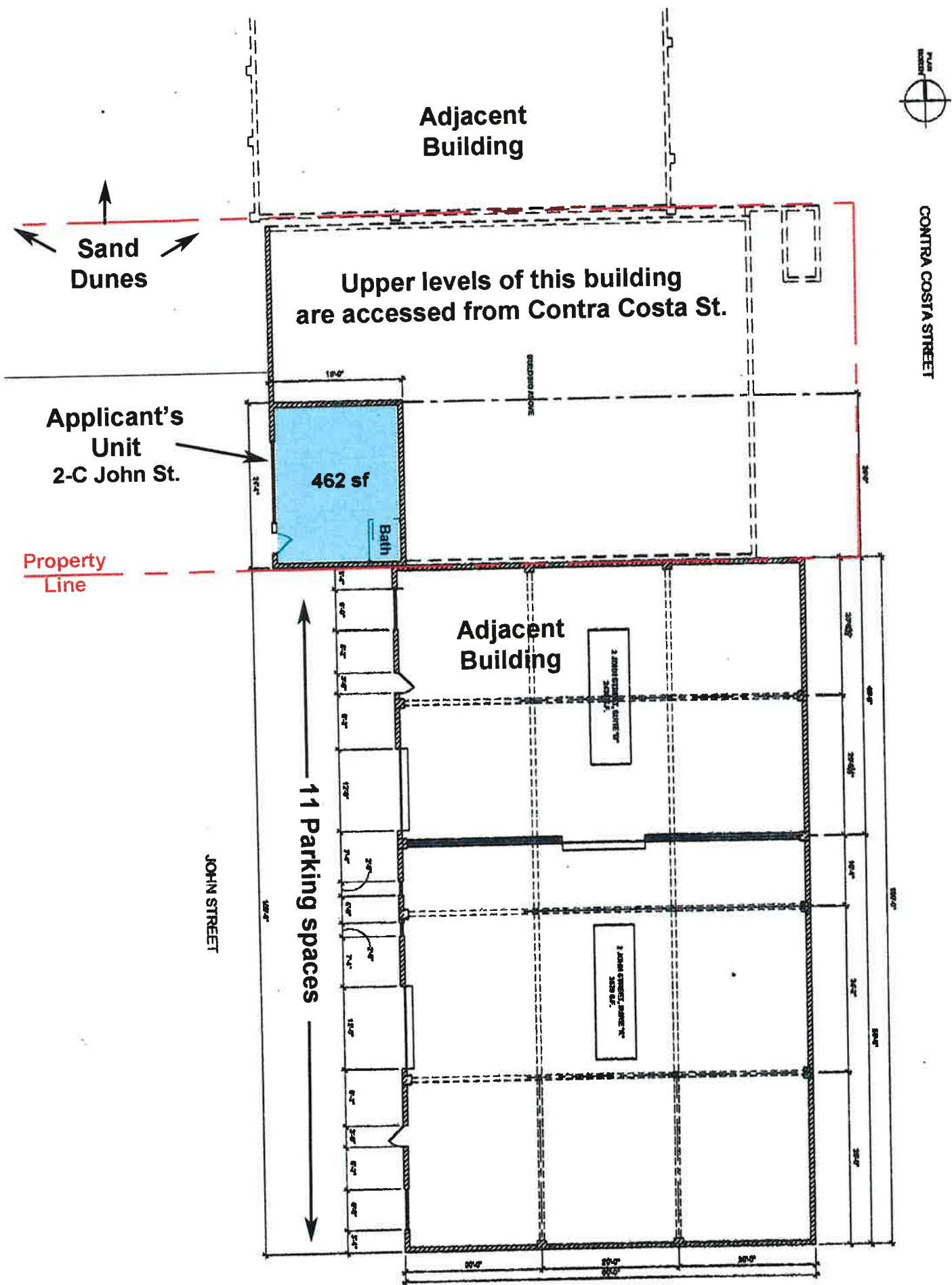
Aerial Map



Compact Gravel
parking

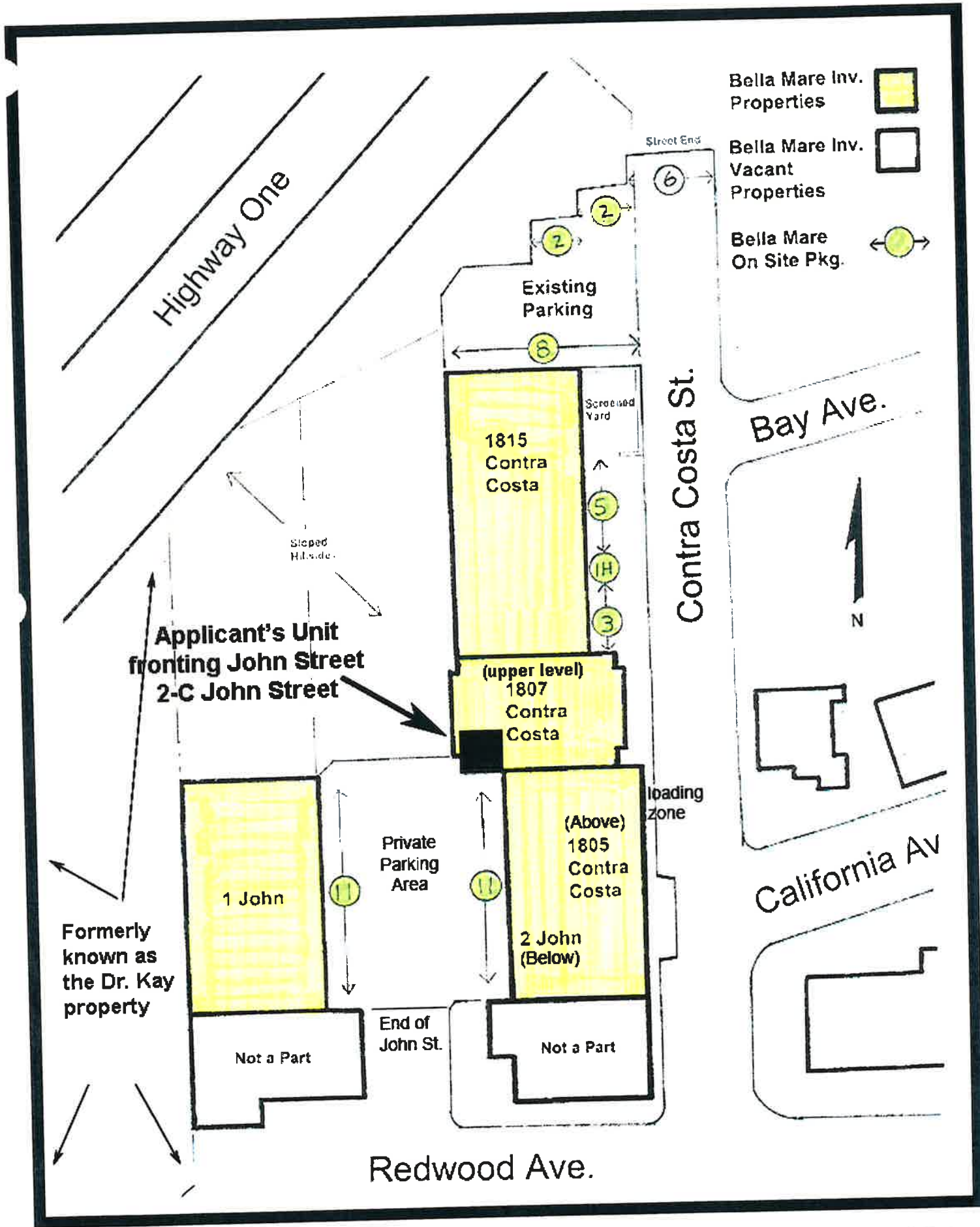
Adjacent
Property's
Parking

Applicant's Unit



Site Plan / Floor Plan

EXHIBIT D



LETTER OF BUSINESS INTENT

November 27th, 2017

Unskripped Design
43 Miramonte Road
Carmel Valley, CA
93924

Charles Pooler
1 Pendergrass Way
Sand City, CA
93955

Dear Mr. Pooler,

It is with great pleasure that I write to you in regards to being considered for my business's approval to join the Sand City community.

UNSKRIPTED DESIGN is a floral and event design business I started in April of 2015. Due to its growth I would like to move my business to Sand City as I have always liked the artistic and industrial feel the area provides. I found the right space located at 2 John Street, unit C and, believe this property would be the perfect fit for my business. I also feel that my venture would be a great addition to the Sand City industrial/artist community, as I am an artist who's medium are flowers.

At UNSKRIPTED DESIGN I provide clients with gorgeous and unique floral décor. I create original looks to fit each occasion, from private and corporate events to weddings. I am also the floral designer at Bernardus Lodge and Spa located in Carmel Valley, CA, and I will be designing their weekly changing displays at the Sand City location.

The hours of operations will be Tues - Sat 10am to 6pm, and client meetings will be by appointment. I will be the only full time employee, and have sub contractors help me with larger projects. I will be making my deliveries with the one company car and will have a few vendors each week come by the shop. My floor plan is simple with a table, shelving and a flower cooler. No structural changes are required and my business in clean and low impact.

I very much appreciate your time and consideration and am very hopeful and excited to be joining the Sand City Community!

Sincerely,
Agnieszka Kazmierczak
Owner/Designer

EXHIBIT F

unSkRiPTEd deSigN

services

about

latest

LUXURY FOR LIFE LESS SKRIPTED

At unSkRiPTEd deSigN we provide the following services:

Home Deliveries - Whether it is a special occasion or a weekly addition to enhance your living space, we deliver exquisite flowers to your home. Due to demand, this exclusive service is limited to select clients.

Office Deliveries - Flowers make a great first impression to customers, clients and the work space in general. Our unique arrangements can set your business apart and make it memorable.

Stylistic work - If you have a photo shoot or special event that needs to be designed or stylized, we provide a professional eye for detail while ensuring a striking conceptual impression.

Weddings - We create the floral look of your dreams that reflects your personality and design preferences.

Events - We can develop a unique design which elevates and personalizes your event with original touches and exceptional style.



email aga@unskripteddesign.com

phone 831 521 5765

po box 222462 carmel ca 93922

EXHIBIT G

unSkRiPTEd deSigN

services

about

latest

LUXURY FOR LIFE LESS SKRIPTED

Agnieszka Kazmierczak is the owner of unSkRiPTEd deSigN. Aga, as she is known by her nick name, is a designer with a background in interdisciplinary design studies. Having lived in Poland, Italy, Canada and the United States, her design style was heavily influenced by being exposed to so many different cultures throughout her life. Loving color, unique combinations and textures, she prefers mixing rare and unusual flowers with gorgeous classic pieces while still maintaining an instinctual balance with form and texture. Her goal with every client is straight forward and sincere: have a clear understanding of their needs and deliver a high quality product that is beautifully designed and best captures the customer's needs with a unique and elevated conceptual approach.

"For me, designing is as much about intuition as execution. My best work comes when I have an intuitive understanding and connection with what a client is looking for or trying to create. I love taking an idea from a client, and integrating it with my own perceptions and creativity. When that happens, something original and genuine comes through in the design. My focus is on the details, whether small or large, as I feel that makes all the difference in executing a vision and delivering an exceptional product."

Agnieszka is passionate about sourcing the highest quality and freshest products directly from local growers. She feels fortunate to have developed close relationships with the best floral growers and suppliers in one of the most fertile and productive areas in the world, which just happens to surround her home in Carmel Valley, California.

Aga's design experience includes working in couture fashion, set design, displays

Her design displays can be experienced a

Bernardus Lodge & Spa. Her past clients include Sacks Productions, Post Ranch Inn, McLaren car group, Mercedes-Benz and many other private events.



email aga@unskripteddesign.com

phone 831 521 5765

po box 222462 carmel ca 93922

CITY OF SAND CITY

RESOLUTION SC _____, 2017

**RESOLUTION OF THE CITY COUNCIL OF SAND CITY APPROVING
COASTAL DEVELOPMENT PERMIT 17-05 AUTHORIZING A
FLORAL DESIGN WORKSHOP AT 2-C JOHN STREET**

WHEREAS, Agnieszka Kazmierrzak of Unskripted Design (the "Applicant") submitted an application to the City of Sand City (the "City") for coastal development permit approval to establish and operate a floral design and arrangement workshop (the "Use") within an approximate 462 square foot commercial unit at 2 John Street, Unit C (portion of APN 011-177-026) in Sand City (the "Subject Property"); and

WHEREAS, the proposed Use at the Subject Property, of the described scale and intensity, is considered compatible with and appropriate for a mixed-use neighborhood of the West End District, as defined by the City's General Plan and Zoning Ordinance; and

WHEREAS, the proposed Use, within the Subject Property's commercial building, will not require an allocation of water under the current regulations of the Monterey Peninsula Water Management District (M.P.W.M.D.); and

WHEREAS, the proposed Use within an existing commercial building qualifies as a Categorical Exemption under CEQA (California Environmental Quality Act) Guidelines, Section 15301; and

WHEREAS, the City Council of the City of Sand City, on _____, 2017, has found and determined that the proposed floral design and arrangement workshop, as identified by the Applicant and appropriately conditioned, will not adversely impact the character of the surrounding neighborhood, nor be injurious or detrimental to adjoining properties or the rights of the owners therein, and Coastal Development Permit 17-05 shall be granted upon the conditions hereinafter set forth; and

WHEREAS, the City Council of the City of Sand City has accepted the findings for approving Coastal Development Permit (CDP) 17-05 as outlined in the City staff report, dated December 5, 2017.

NOW THEREFORE, the City Council of the City of Sand City hereby grants and issues Coastal Development Permit (CDP) 17-05 upon the following terms and conditions:

1. Coastal Development Permit (CDP) 17-05 is not valid, and the use of the Subject Property by the Applicant shall not commence unless and until two copies of the Resolution/Permit, signed by the permittee and the landowner, acknowledging receipt of the Permit and acceptance of the terms and conditions, is returned to the City's Planning Department. Failure to return said signed/executed documents may be grounds for termination of said Permit.

2. CDP 17-05 is for the express purpose of authorizing a floral design and arrangement workshop, including office and storage activities associated with the approved Use, within a 462 square foot portion of an existing commercial building at 2 John Street, Unit C (portion of APN 011-177-026) in Sand City. There shall be no expansion to the scope or intensity of this operation beyond that use authorized by CDP 17-05 without either an amendment of said Permit or the issuance of a new permit. All service, office, storage, and other activities associated with this use shall be maintained within the Applicant's unit of the building at all times, or as otherwise specified by CDP 17-05.
3. Termination: If the use authorized by CDP 17-05 violates any term, condition, and/or requirement of said Permit, a public hearing may be scheduled by the City to consider amending or revoking said Permit. The Applicant and Subject Property's owner shall be notified of any such public hearing, and provided an opportunity to address the City Council prior to any action to amend or terminate said Permit.
4. Hours of Operation: Authorized hours of operation shall only occur between 7:00 a.m. to 6:00 p.m. Monday through Friday and 10:00 a.m. to 6:00 p.m. on Saturdays. Office hours by employees is allowed beyond these hours provided that such activity does not pose a nuisance to surrounding units and/or properties. All loading/unloading activities and shipments/delivery activities shall only occur during this Permit's authorized hours of operation.
5. Parking: A minimum of one (1) off-street parking space shall be provided by the Subject Property's owner to the Applicant in front of the Applicant's unit for the Applicant's exclusive use.
6. Commercial Vehicle Parking: The Applicant shall not park company owned vehicles or trailers (hitched or unhitched) on City streets at any time unless they are actively involved with loading/unloading as authorized by CDP 17-05. Otherwise, such vehicles may be subject to City parking citation in accordance with Municipal Code Chapter 10.08.
7. Deliveries/Shipments: Deliveries/shipments and/or loading/unloading activities of inventory and/or products related to the Applicant's operation at Subject Property shall only occur in the paved area of the former, and now abandoned, John Street.
8. Storage: There shall be no storage of any inventory item, or other material, equipment, packaging, crate, pallet, vehicle, debris, or any other item associated with the Use outside the building. All storage for this Use shall be maintained within the building unless otherwise allowed by CDP 17-05. A yard waste bin for the Applicant may be kept outside with the other existing trash dumpsters within the abandoned section of John Street.
9. Maintenance: The Subject Property shall be maintained in a clean, orderly, weed-free, and litter-free condition. There shall be no storage of waste material or debris on-site, except as allowed in CDP 17-05. The Applicant and/or Subject Property's owner shall

be responsible for maintenance and upkeep of the Applicant's leased area for the duration of the allowed use.

10. Signs: Signs on the exterior of the building or anywhere on the Subject Property, identifying the Applicant's approved Use at this location, shall be reviewed and approved by the Sand City Design Review Committee (DRC) prior to the establishment of any sign at this site. The Applicant shall not place any free-standing sign anywhere within City limits without Planning Department approval.
11. Waste: The Applicant shall contact Greenwaste Recover, the City's franchised waste hauler, to acquire a yard waste bin of sufficient size to collect all organic plant waste generated by this operation. Trash, litter, boxes, crates, debris, or other used and/or discarded materials generated by this operation shall be stored in an appropriate waste collection bin or dumpster. Said bin(s) or dumpster(s) shall be maintained either within the building or down at the paved end of the former John Street right-of-way. No dumpsters or bins are allowed along the Contra Costa Street frontage. The Subject Property's owner may create a trash enclosure within the abandoned section of John Street only after approval by the City's Planning Department. The Applicant shall implement recycling and yard waste collection through the City's franchised waste hauler as part of this operation's regular routine when feasible.
12. Water Runoff: The Applicant and activities associated with the approved Use shall not create water run-off within the City in accordance with Chapter 13.05 of the Sand City Municipal Code regarding Storm Water Management. There shall be no washing of the Applicant's company or private vehicles on the premises or within City streets.
13. Water: Approval of CDP 17-05 does not grant the Applicant and/or Subject Property's owner any right and/or privilege to any allocation of water credit by the City of Sand City, or other agency. If the Monterey Peninsula Water Management District (MPWMD) determines that additional water allocation from the City is required, the Applicant shall make a request to the City of which if the City denies an allocation of water, then CDP 17-05 would then be subject to termination by the City.
14. Local/Regional Compliance: All requirements of the City's contracted Building and Fire Departments, Code Enforcement Officer, the City Engineer, the Seaside County Sanitation District, Monterey Bay Unified Air Pollution Control District, and Monterey County Health Department, shall be implemented to the satisfaction of each department. Police Department requirements pertaining to security and law enforcement shall be implemented to the satisfaction of the City's Police Chief.
16. Air District: The Applicant shall be responsible for complying with applicable rules and regulations of the Monterey Bay Unified Air Pollution Control Agency. Failure to comply shall be sufficient grounds for City termination of CDP 17-05.
17. Nuisance/Abatement: Use of the Subject Property by the Applicant shall be conducted in such a way that it does not constitute a nuisance to neighboring tenants, properties,

or the surrounding neighborhood. The Applicant and approved Use shall implement all mitigation necessary to inhibit any noise, vibration, dust, odors, parking overflow, traffic impedence, and/or other negative impacts that this operation may or will generate. The roll-up doors of the Applicant's unit shall remain closed when fabrication or material cutting activities generate noise audible beyond the building. Failure to effectively implement any mitigation to abate all negative impacts generated by this use may be adequate grounds for the City to amend or terminate CDP 17-05. If the City Council finds at any time that any use and activity of the Subject Property constitutes a nuisance, or is otherwise detrimental to the neighborhood or to the community, such activity shall be discontinued or modified as may be required by the City. Failure to comply with such direction may result in the revocation of CDP 17-05.

18. If the City determines that any term or condition of CDP 17-05 has been violated, written notice shall be issued, that if such violation is not corrected or removed within a specified time, a public hearing may then be scheduled where the City Council may consider revoking CDP 17-05, and may then order said Permits revoked.
19. Interpretation: Any questions of intent or interpretation regarding any condition within CDP 17-05 shall be resolved by the City Planner and/or the Community Development Director.
20. The issuance of CDP 17-05 shall not supersede or override any requirements of any other City, County, State, or Federal agency.
21. Indemnification: To the extent permitted by the law, the Applicant shall indemnify and hold harmless the City, its City Council, its officers, employees, and agents (the "indemnified parties") from and against any claim, action, or proceeding brought by a third party against the indemnified parties and the applicant to attack, set aside or void, any permit or approval authorized hereby for the Use, including (without limitation) reimbursing the City for its actual attorney's fees and cost incurred in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its own choice.
22. Business License: The Applicant shall acquire, maintain, and annually renew a Sand City business licence for the duration of this approved use within Sand City. Failure to maintain a current business licence may be sufficient grounds for termination of CDP 17-05.

PASSED AND ADOPTED by the City Council of Sand City this __ day of December, 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTEST:

Mary Ann Carbone, Mayor

Linda K. Scholink, City Clerk

This is to certify that the Coastal Development Permit (CDP 17-05) contain the conditions specified by the City Council in approving these Permits.

Charles Pooler, City Planner

APPLICANT ACCEPTANCE (CDP 17-05)

The Coastal Development Permit is hereby accepted upon the express terms and conditions hereof, and the undersigned agrees to strictly conform to and comply with each and all of the said terms and conditions.

DATED: _____

BY: _____

Applicant

CONSENT OF OWNER (CDP 17-05)

Consent is hereby granted to the permittee to carry out the terms and conditions of this Coastal Development Permit.

DATED: _____

BY: _____

Property Owner

AGENDA ITEM

10A

MEMO

To: Honorable Mayor and City Council Members
From: Todd Bodem, City Administrator
Date: December 12, 2017
Subject: Resolution of the City Council of Sand City Confirming Members of the Sand City Arts Committee: Chairperson Greg Hawthorne, Kayhan Ghodsi, Kierstyn Berlin, Shelby Hawthorne, and Dawn Peters

Background

In 1995, City of Sand City established the Arts Committee; with its structure and organization, consisting of five members.

The Arts Committee has not held a meeting for almost an entire year. In early 2017, most of the members of the Arts Committee resigned except for Dawn Peters who has agreed to remain as a Committee member. More recently, Craig Hubler resigned. Gregory Hawthorne wishes to replace Craig Hubler as Chairperson, and is recommending the following new members be added: Kierstyn Berlin, Kayhan Ghodsi, and Shelby Hawthorne.

If confirmed, terms for the newly appointed Sand City Arts Committee members will be through January 31, 2019 subject to annual reappointment by the City Council. The Committee members will follow the policy outlined in Resolution SC 95-73, (1995).

A draft resolution, for Council consideration is attached for new appointments to the Arts Committee as discussed in this report.

Staff Recommendation

It is recommended that the City Council adopt the attached Resolution.

CITY OF SAND CITY

RESOLUTION SC _____, 2017

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY
CONFIRMING MEMBERS OF THE SAND CITY ARTS COMMITTEE AND NEW
APPOINTMENT OF CHAIRPERSON GREGORY HAWTHORNE, AND COMMITTEE
MEMBERS KIERSTYN BERLIN, KAYHAN GHODSI, AND SHELBY HAWTHORNE**

WHEREAS, Resolution SC 95-73, (1995) attached hereto as Exhibit A establishes the structure and organization of the Sand City Arts Committee; and

WHEREAS, the Sand City Arts Committee is a body of at least five (5) members that seek to create a cohesive alliance with the community to bring a mental vision and commitment of the arts; and

WHEREAS, all existing members; including Chairperson Craig Hubler, have resigned from the Arts Committee, except Dawn Peters, who has agreed to remain as an active member; and

WHEREAS, new Chairperson Gregory Hawthorne, and Committee members Kierstyn Berlin, Kayhan Ghodsi, and Shelby Hawthorne are committed to this community, the love for the arts, and have expressed their interest in participating on the Sand City Arts Committee; and

WHEREAS, the City Council shall dissolve existing Sand City Arts Committee membership terms, and reassign Dawn Peters and all new Committee member terms through January 31, 2019 subject to reappointment annually thereafter; and

WHEREAS, Arts Committee members shall uphold, and are subject to, the Brown Act regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City as follows:

1. Membership for the Sand City Arts Committee will be through January 31, 2019 subject to annual appointment and/or reappointment annually thereafter;
2. The Sand City Arts Committee will follow the policy and recommendations outlined in Resolution SC 95-73, (1995);

3. The following have been recommended as the official Sand City Arts Committee members: Chairperson Gregory Hawthorne, Kierstyn Berlin, Kayhan Ghodsi, Shelby Hawthorne, and Dawn Peters.

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Sand City, this ___ day of December, 2017 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mary Ann Carbone, Mayor

ATTEST:

Linda K. Scholink, City Clerk

EXHIBIT A

CITY OF SAND CITY

RESOLUTION SC 95-73 (1995)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY ESTABLISHING THE SAND CITY ART COMMITTEE

WHEREAS, the City Council of the City of Sand City believes it is in the community's interest to establish and maintain a supportive program for artistic endeavors within Sand City; and

WHEREAS, the City Council wants to establish an Art Committee to assist in organizing a supportive program for the arts in Sand City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City as follows:

1. That an Art Committee is hereby created to assist in the organization and maintenance of a community arts program in Sand City as specified below --
 - a. The Art Committee will be comprised of 5 members that are appointed by the Mayor and ratified by the City Council.
 - b. It will take a minimum of 3 members to be present to conduct a meeting and/or carry out business.
 - c. The Committee members will be selected from the City's art community.
 - d. The City Administrator, or designee, will serve as an advisor to this Committee. The Public Works Maintenance Supervisor will assist the Art Committee in its activities.
 - e. The Art Committee will serve on a volunteer basis with no financial compensation.
 - f. Any routine City expenditures required for Committee functions are subject to City Administrator review and approval. Significant expenditures, project or programs will require Budget Committee review and approval.

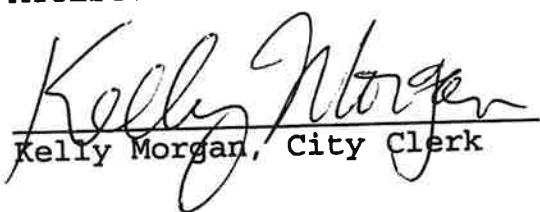
2. That the Arts Committee will have the following general functions and responsibilities --
 - a. To promote and enhance art programs and interests in Sand City.
 - b. To develop recommendations for and to advise the City Council/Redevelopment Agency on artistic matters in Sand City.
 - c. To supervise and coordinate the activities, programs, and exhibits of the Sand City Art Gallery.

Resolution SC 95-73

- d. To organize special or annual art events, projects or programs in Sand City subject to City Council review and approval.
- e. To solicit support and contributions for art programs in Sand City.

PASSED AND ADOPTED BY THE SAND CITY COUNCIL this 5th day of December, 1995 by the following vote:

AYES: Councilmembers Kline, Morris, Lewis, Pendergrass
NOES: None
ABSTAINED: None
ABSENT: Councilmember Hansen

ATTEST:

Kelly Morgan, City Clerk

APPROVED:

David K. Pendergrass, Mayor

I certify, under oath, that the above is a true and correct copy of official records on file at City Hall.

ATTEST: _____
Deputy City Clerk

Date

AGENDA ITEM

10B

MEMO

To: Honorable Mayor and City Council Members
From: Todd Bodem, City Administrator
Date: December 11, 2017
Subject: Consider adopting a Resolution authorizing the Mayor and City Administrator to serve as Sand City's Monterey Bay Community Power Authority Liaisons

Introduction

Five years ago, all 21 Association of Monterey Bay Area Government (AMBAG) members agreed to participate in the feasibility study of forming a local community choice energy agency, with Santa Cruz County acting as the lead agency and raising all of the necessary money. A regional project development advisory committee was formed to guide the study with cost/benefit findings.

On March 17, 2017, the City passed a Resolution approving the Joint Powers Agreement (JPA) establishing the Monterey Bay Community Power (MBCP). On March 21, 2017, the City passed an Ordinance authorizing implementation of a Community Choice Aggregation (CCA) program. Lastly, on August 1, 2017, the City passed a Resolution authorizing an agreement between the County of Monterey and the City of Sand City as part of the Monterey County Cities regarding a credit guaranty for Monterey Community Power.

Background

The Monterey Bay Community Power is a regional project among local government agencies that aims to provide electricity to residents and businesses throughout Monterey, San Benito, and Santa Cruz Counties through the Community Choice Energy model. Established by State law AB 117, Community Choice Energy enables communities to choose clean-source power at a cost equivalent to PG&E while retaining PG&E's role in maintaining power lines and providing customer service. The Community Choice Energy model helps ensure local economic vitality because money from rates paid by local customers stays local. Surplus revenues that would normally flow to PG&E will stay in the community to help fund renewable energy projects, create jobs, and stimulate the economy.

The Monterey Bay Community Power Authority (MBCP) Joint Powers Agreement (JPA) has been established and a Policy Board and Operating Board comprised of Mayor's and City Manager's from various cities is now functioning. Members of the MBCP share various power to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

The cities within Monterey County who are members of the MBCP are City of Carmel-by-the-Sea, City of Gonzales, City of Greenfield, City of Marina, City of Monterey, City of San Jose, City of San Luis Obispo, City of San Simeon, City of Seaside, and the City of

Soledad. The Monterey Coastal cities of Marina, Seaside, and Sand City have a seat/vote on the MBCP.

Joint Powers Agreement Governance and Internal Organization

The governing bodies of the Authority consist of a Policy Board of Directors ("Policy Board") and an Operations Board of Directors ("Operations Board").

The Policy Board consists 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 within those counties becomes a signatory to the Agreement. The Policy Board selected to represent the Monterey Coastal cities of Marina, Seaside, and Sand City is Mayor Bruce Delgado from the City of Marina.

The Operations Board of Directors must be the Senior Executive/County Administrative Officer of the County that is the signatory to the Agreement, or Senior Executive/City Manager from any municipality that is the signatory to the Agreement. City Manager Layne Long serves on the Operations Board representing the Monterey Coastal cities of Marina, Seaside, and Sand City.

Sand City Liaisons

Since the Policy and Operations Board meetings are open to the public, Mayor Mary Ann Carbone suggested that Sand City representatives attend the regularly scheduled meetings of both Boards in order to apprise the Sand City Council and its citizens on the status of this newly formed entity.

Staff Recommendation

Staff recommends approval of a Resolution authorizing Mayor Mary Ann Carbone as Sand City's Policy Board liaison and City Administrator Todd Bodem as Sand City's Operations Board of Directors liaison to the Monterey Coastal cities of Marina, Seaside, and Sand City.

Attachment

1. Resolution authorizing the Mayor and City Administrator to serve as liaisons to the Monterey Bay Community Power Authority.

**CITY OF SAND CITY
RESOLUTION SC _____, 2017**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY
AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR SERVE AS SAND CITY'S
MONTEREY BAY COMMUNITY POWER AUTHORITY LIAISONS**

WHEREAS, on April 2, 2013, the City of Sand City passed **Resolution SC 13-33 2013** attached hereto as Exhibit A to explore the creation of a Community Choice Aggregation (CCA) program for 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, on March 7, 2017, the City of Sand City passed **Resolution SC 17-16 2017** attached hereto as Exhibit B approving the Joint Powers Agreement (JPA) establishing the Monterey Bay Community Power (MBCP); and

WHEREAS, on March 21, 2017, the City of Sand City passed **Ordinance SC 17-01 2017** attached hereto as Exhibit C authorizing implementation of a CCA program; and

WHEREAS, on August 1, 2017, the City of Sand City passed **Resolution SC 17-69 2017** attached hereto as Exhibit D authorizing a MOA regarding a credit guaranty for Monterey Bay Community Power; and

WHEREAS, the JPA establishing the MBCP consists of a Policy Board of Directors ("Policy Board") and Operations Board of Directors ("Operations Board") from the three Counties of Monterey, Santa Cruz, and San Benito that becomes a signatory to the Agreement; and

WHEREAS, the Policy and Operations Boards who represent the Monterey Coastal cities of Marina, Seaside, and Sand City is Marina Mayor Bruce Delgado and City Manager Layne Long; and

WHEREAS, even though the City of Sand City is represented by the Board members of the coastal cities, it is prudent for the City of Sand City to appoint liaisons to attend the Policy and Operations Board meetings in order to report back to the City Council and its citizens status updates of the formation of the MBCP.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City to authorize the Mayor and City Administrator to serve as liaisons to the MBCP.

PASSED AND ADOPTED by the City Council of the City of Sand City on this _____, day of December, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

ATTEST:

Mary Ann Carbone, Mayor

Linda K. Scholink, City Clerk

EXHIBIT A

CITY OF SAND CITY
RESOLUTION SC 13-33, 2013

RESOLUTION OF THE CITY COUNCIL OF SAND CITY CONFIRMING PARTICIPATION
IN THE COMMUNITY CHOICE AGGREGATION PROJECT DEVELOPMENT ADVISORY
COMMITTEE

WHEREAS, the City of Sand City has demonstrated its commitment to increasing energy efficiency in its desalination project and elsewhere, and to supporting more broad availability and use of local renewable power sources within Sand City; and

WHEREAS, Community Choice Aggregation (CCA) is a program through which local governments assume responsibility for providing electrical power to residential and commercial customers within their jurisdiction in partnership with Pacific Gas & Electric Company; and

WHEREAS, the City of Sand City has identified CCA as a potential strategy that could be very effective in assisting Sand City in meeting its greenhouse gas reduction targets; and

WHEREAS, CCA, if determined to be technically and financially feasible, could provide substantial environmental and economic benefits to residents and businesses in Sand City; and

WHEREAS, the feasibility stage of the CCA program will not involve any funding by the City of Sand City as it is being funded by the Community Foundation of Santa Cruz.


NOW, THEREFORE, BE IT RESOLVED that the City Council of Sand City hereby agrees, acknowledges and authorizes the following.

- (1) The City of Sand City agrees to participate in an inter-jurisdictional effort to investigate the Feasibility of a Community Choice Aggregation (CCA) program to operate within the Monterey Bay region without obligating the expenditure of any funding, unless separately authorized in a future action by the City Council.
- (2) The City Council authorizes the City Administrator to participate as a member of the Project Development Advisory Committee (PDAC).
- (3) The City Administrator is authorized to allow the CCA PDAC and its technical consultants to request energy usage load data from PG&E so it may be analyzed as part of the feasibility study.
- (4) Adoption of this resolution does not bind or otherwise obligate the City of Sand City to participate in the Community Choice Aggregation program should it be formed.

PASSED AND ADOPTED by the City Council of Sand City on this 2nd day of April, 2013 by the following vote:

AYES: Council Members Blackwelder, Carbone, Hubler, Kruper, Pendergrass
NOES: None
ABSTAIN: None
ABSENT: None

ATTEST:


Linda K. Scholink, City Clerk

APPROVED:

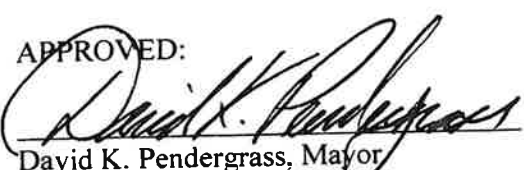

David K. Pendergrass, Mayor

EXHIBIT B

CITY OF SAND CITY
RESOLUTION SC 17-16, 2017

**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 SAND CITY,
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 Sand City passed **Resolution SC 13-33, 2013** attached hereto as Exhibit A 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 B, under which the City of Sand City 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 Sand City 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. 17-01, 2017, an Ordinance of the City of Sand City authorization the implementation of a Community Choice Aggregation (CCA) Program.

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

PASSED AND ADOPTED, at a regular meeting of the City Council of the City of Sand City, this 7th day of March, 2017 by the following votes:

AYES:	Council Members Blackwelder, Carbone, Hubler, Kruper
NOES:	Council Member Pendergrass
ABSENT:	None
ABSTAIN:	None

APPROVED:


David K. Pendergrass, Mayor

ATTEST:


Linda K. Scholink, 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

Monterey Bay Community Power Authority
Of
Monterey, Santa Cruz and San Benito Counties

Signature Page

City of Sand City

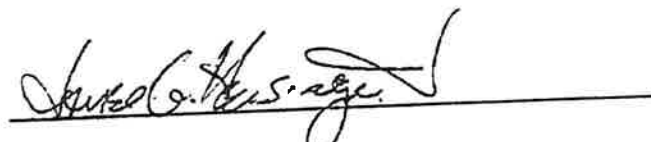


Mayor David K. Pendergrass



Date

APPROVED AS TO FORM:



City Attorney Jim Heisinger

**City of Sand City
ORDINANCE NO 17-01, 2017**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAND CITY AUTHORIZ-
ING IMPLEMENTATION OF A COMMUNITY CHOICE AGGREGATION PROGRAM**

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 Tri-County Region;
- 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

Sand City Ordinance No. 17-01, 2017

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

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Sand City 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 business-ees and residents within the City of Sand City with a choice of power providers and with the benefits described above, the City Council of the City of Sand City 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. 17-16, 2017**.

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 Administrator'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.

Sand City Ordinance No. 17-01, 2017

PASSED AND ADOPTED, by the City Council and Sand City, this 21st day of March, 2017 by the following vote :

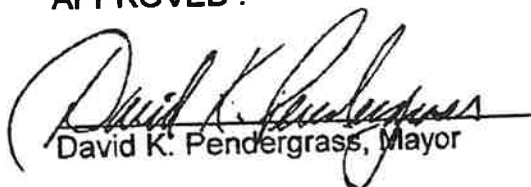
AYES :

NOES :

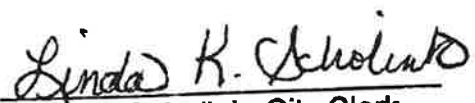
ABSTAIN :

ABSENT :

APPROVED :


David K. Pendergrass, Mayor

ATTEST :


Linda K. Scholink, City Clerk

**CITY OF SAND CITY
RESOLUTION SC 17-69, 2017**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY
AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT
BETWEEN THE COUNTY OF MONTEREY AND THE CITY OF SAND CITY AS PART
OF MONTEREY COUNTY CITIES REGARDING A CREDIT GUARANTY FOR
MONTEREY BAY COMMUNITY POWER**

WHEREAS, on April 2, 2013, the City of Sand City passed Resolution SC 13-33, 2013 attached hereto as Exhibit A to explore the creation of a Community Choice Power Aggregation (CCA) program for 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, on March 7, 2017, the City of Sand City passed Resolution SC 17-16, 2017 attached hereto as Exhibit B approving the Joint Powers Agreement (JPA) establishing the Monterey Bay Community Power (MBCP); and

WHEREAS, on March 21, 2017, the City of Sand City passed Ordinance SC 17-01, 2017 attached hereto as Exhibit C authorizing implementation of a CCA program; and

WHEREAS, Section 5.3.4 of the JPA has a Credit Guarantee Requirement; and

WHEREAS, the City of Sand City proportional share of the Credit Guarantee requirement is estimated to be 3.03% which is approximately \$90,909.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City authorizes the Mayor to execute the Memorandum of Agreement between the County of Monterey and the City of Sand City as part of Monterey County Cities regarding Credit Guaranty for Monterey Bay Community Power attached hereto as Attachment 1.

PASSED AND ADOPTED by the City Council of the City of Sand City on this 1st, day of August, 2017, by the following vote:

AYES: Council Members Blackwelder, Carbone, Hubler, Hawthorne, McDaniel
NOES: None
ABSENT: None
ABSTAIN: None

APPROVED:


Mary Ann Carbone, Mayor

ATTEST:


Linda K. Scholink, City Clerk

Memorandum of Agreement

Between the County of Monterey and Monterey County Cities

Regarding Credit Guaranty for Monterey Bay Community Power

This Memorandum of Agreement is made and entered into this 1st day of August 2017 by and among the County of Monterey ("County"), City of Carmel-by-the-Sea, City of Gonzales, City of Greenfield, City of Marina, City of Monterey, City of Pacific Grove, City of Salinas, City of Sand City, City of Seaside, and the City of Soledad (referred to individually as "City" and collectively as "the Cities"). The County and Cities are hereinafter referred to collectively as the "Parties".

RECITALS

- A. The Monterey Bay Community Power Authority (MBCP) is a joint powers agency formed on February 21, 2017 by and among the cities and counties listed on Exhibit A to this Agreement. The members of MBCP share various powers common to each member under California law, including but not limited to the power to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.
- B. The cities within Monterey County who are members of MBCP are City of Carmel-by-the-Sea, City of Gonzales, City of Greenfield, City of Marina, City of Monterey, City of Pacific Grove, City of Salinas, City of Sand City, City of Seaside, and the City of Soledad (the "Cities").
- C. MBCP requires start-up and initial working capital up to an estimated \$3,000,000 (three million dollars).
- D. MBCP is negotiating with River City Bank to receive a non-revolving line of credit of up to \$3,000,000 (three million dollars) for the startup and initial working capital (the "Loan").
- E. River City Bank requires a non-revolving credit guaranty ("Credit Guaranty") from one or more of the members of MBCP to guarantee, on a pro-rata basis, the Loan and any enforcement costs. This Credit Guaranty was contemplated in the Joint Exercise of Powers Agreement Relating to and Creating the Monterey Bay Community Power Authority of Monterey, Santa Cruz, and San Benito Counties ("JPA Agreement").
- F. The JPA Agreement at section 5.3.4 provides that the Credit Guaranty shall be a shared responsibility and will be distributed on a per-seat basis with shared seat members dividing the Credit Guarantee among the cities sharing those seats; the MBCP Policy and Operations Boards are each composed of eleven seats, so each seat is responsible for one-eleventh (1/11th) of the Credit Guaranty.

G. Under the terms of the Credit Guaranty proposed by River City Bank, the Counties of Monterey, San Benito and Santa Cruz (the "Counties") will provide a pro-rata share of the Credit Guaranty to River City Bank, as follows (Pro-rata Share):

1. Monterey County: \$1,363,636 (45.45%)
2. San Benito County: \$545,455 (18.18%)
3. Santa Cruz County: \$1,090,909 (36.36%).

If the County grants the Credit Guaranty, which will be in substantially the same form as Exhibit B, the County will agree to guarantee its pro-rata share of principal and interest on the Loan and River City Bank's enforcement costs. While the Counties have agreed to the pro-rata shares, the actual dollar amount which the County may be called upon to provide pursuant to the Credit Guaranty will depend on the amount of credit utilized by MBCP (which shall not exceed \$3 million), the accrued interest on the Loan, and River City Bank's enforcement costs, if any. It is understood that each of the Counties will provide only its Pro-Rata Share of the Credit Guaranty and will not be liable for the other two counties' Pro-Rata Share of the Credit Guaranty.

- H. Although the County of Monterey is providing the Credit Guaranty to River City Bank up front on behalf of the County and the Cities, each of the city members of the MBCP within the County of Monterey remain responsible for its proportional share of the Credit Guarantee.
- I. The purpose of this Agreement is to commit each of the Cities to provide its proportional share of the Credit Guaranty upon the terms set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The County of Monterey agrees to provide the Credit Guaranty to River City Bank on behalf of itself and the Cities, provided that each City agrees to provide its proportional share of the Credit Guaranty (the "Credit Support Obligation") to the County in accordance with the terms of this Agreement.
2. Each of the Cities' Credit Support Obligation is set forth in Exhibit C, attached hereto and incorporated herein by reference. The Credit Support Obligation is a percentage share of the Credit Guaranty: City of Salinas will be responsible for 9.09% of the Credit Guaranty, and each of the Cities that share a MBCP seat will be responsible for 3.03% of the Credit Guaranty. The dollar amounts shown in Exhibit C are estimates based on a total Credit Guaranty of \$3 million; however, the actual dollar amount required to fulfill each City's Credit Support Obligation could exceed or be less than the dollar amounts in Exhibit C because the dollar amount will be contingent on the amount of credit advanced to MBCP (which shall not exceed \$3 million), the interest accrued, and River City Bank's expenses. It is understood that each City is agreeing to provide its percentage share.

3. In the event that River City Bank collects upon its Credit Guaranty from the County, the County shall calculate the City's Monetary Obligation for each City and provide thirty (30) days written notice to each City of that City's Monetary Obligation. The City's Monetary Obligation shall be equal to that City's share, as determined by that City's Credit Support Obligation, of the total sum provided by the County to River City Bank to fulfill the Credit Guaranty (City's Monetary Obligation). (For example, the City of Salinas' Monetary Obligation will be equal to 9.09% of the total dollar amount River City Bank collects from the Counties pursuant to the Credit Guaranty.)
4. Each of the Cities hereby agrees that, if River City Bank collects upon its Credit Guaranty from the County of Monterey, each City, within thirty (30) days of receipt of notice of City's Monetary Obligation, shall reimburse the County by depositing funds equivalent to the City's Monetary Obligation with the County.
5. As a means of securing payment of each City's Monetary Obligation, each City hereby authorizes the County to withhold each City's Monetary Obligation from property taxes collected on behalf of each City in the event and to the extent that reimbursement has not been paid by that City pursuant to Paragraph 4 of this Agreement. Following written notice to the City of the City's Monetary Obligation, and after property taxes are collected but prior to distribution to the various agencies, the County will deduct the City's Monetary Obligation before distribution of property taxes. This deduction shall occur no sooner than 31 days after notification by the County to the City and shall continue until paid in full. No fees will be charged by the County for administrative services relating thereto.
6. This Agreement shall take effect upon execution by the County and all of the Cities. This Agreement shall remain in effect until terminated in writing by the County. The County shall terminate this Agreement when both following events have occurred: A) the Credit Guaranty to River City Bank has been terminated and is no longer in effect and the County has been released from all obligations thereunder; and B) all amounts due from the Cities to the County under this Agreement, if any, have been collected by the County.
7. Notices required under this Agreement shall be delivered to the addresses listed below. Delivery of notice shall be by personal delivery or by certified mail or other mail delivery service that enables tracking and acknowledgement of receipt. E-mail may be used for informal communications. Each Party shall provide prompt written notification to the other Parties of any change to the contact information and address listed below.

For County:

Lew Bauman
County Administrative Officer
168 West Alisal Street, 3d floor

Salinas, CA 93901
Phone: (831) 755-5113

For City of Carmel-by-the-Sea:

Chip Rerig
City Administrator
P.O. Box CC
Carmel-by-the-Sea, CA 93921
Phone: (831) 620-2000

For City of Gonzalez:

Rene L. Mendez
City Manager
P.O. Box 647
Gonzales, CA, 93926
Phone: (831) 675-5000

For City of Greenfield:

Jaime Fontes
City Manager
City of Greenfield
P.O. Box 127
Greenfield, CA 93927
Phone: (831) 674-5591

For City of Marina:

Layne Long
City Manager
211 Hillcrest Ave
Marina, CA 93933
Phone: (831) 884-1281

For City of Monterey:

Mike McCarthy
City Manager
580 Pacific Street
Monterey, CA 93940
Phone: (831) 646-3799

For City of Pacific Grove:

Ben Harvey
City Manager
300 Forest Ave. 2nd Floor
Pacific Grove, CA 93950
Phone: (831) 648-3106

For City of Salinas:

Ray Corpuz
City Manager
200 Lincoln Ave
Salinas, CA 93901
Phone: (831) 758-7201

For City of Sand City:

Todd Bodem
City Administrator
1 Sylvan Park
Sand City, CA 93955
Phone: (831) 394-3054 x212

For City of Seaside:

Craig Malin
City Manager
440 Harcourt Avenue
Seaside, CA 93955
Phone: (831) 899-6701

For City of Soledad:

Michael McHatten
City Manager
248 Main St.
P.O. Box 156
Soledad, CA 93960
Phone: (831) 223-5016

8. This Agreement may be amended or modified only by an instrument in writing signed by all of the Parties.
9. The Parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

10. Time is of the essence in each and all of the provisions of this Agreement.
11. The County and Cities agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
12. Any individual executing this Agreement on behalf of a party represents and warrants that he or she is duly authorized to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
13. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A	MBCP members
Exhibit B	Form of Credit Guaranty
Exhibit C	Credit Support Table

14. If any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the portions of this Agreement not held to be unconstitutional or invalid.
15. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the County and each of the Cities have caused this Agreement to be executed by their duly-authorized representative as of the day and year written below.

COUNTY OF MONTEREY

Chairperson of the Board of Supervisors

Date

APPROVED AS TO FORM:

Office of the County Counsel

Date

CITY OF CARMEL-BY-THE-SEA

Mayor Steve Dallas

Date

CITY OF GONZALES

Mayor Maria Orozco

Date

CITY OF GREENFIELD

Mayor John P. Huerta, Jr.

Date

CITY OF MARINA

Mayor Bruce Delgado

Date

CITY OF MONTEREY

Mayor Clyde Roberson

Date

CITY OF PACIFIC GROVE

Mayor Bill Kampe

Date

CITY OF SALINAS

Mayor Joe Gunter

Date

CITY OF SAND CITY

Mary Ann Carbone
Mayor Mary Ann Carbone

Aug 2, 2017
Date

CITY OF SEASIDE

Mayor Ralph Rubio

Date

CITY OF SOLEDAD

Mayor Fred Ledesma

Date

Exhibit A
MBCP Members

County of Santa Cruz

City of Santa Cruz

City of Watsonville

City of Capitola

City of Scotts Valley

County of Monterey

City of Salinas

City of Monterey

City of Pacific Grove

City of Carmel

City of Seaside

City of Marina

City of Sand City

City of Soledad

City of Greenfield

City of Gonzales

County of San Benito

City of Hollister

City of San Juan Bautista

**EXHIBIT B
NON-REVOLVING CREDIT GUARANTY**

This NON-REVOLVING CREDIT GUARANTY is made effective as of _____
("Guaranty") by the County of [] (the "Non-Revolving Credit Guarantor") in favor and for
the benefit of Lender under the Credit Agreement (each as hereinafter defined).

RECITALS

A. Pursuant to a certain credit agreement dated as of [] (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof in effect, the "Credit Agreement") by and between Monterey Bay Community Power ("Borrower") and River City Bank ("Lender"), Lender has agreed to make certain Advances to Borrower. Capitalized terms not defined herein have the meanings ascribed to them in the Credit Agreement.

B. It is a requirement under Section 8.2 (a) of the Credit Agreement that the Non-Revolving Credit Guarantor shall execute and deliver a Guaranty and that this Guaranty shall be in full force and effect.

C. This Guaranty is given by the Non-Revolving Credit Guarantor in favor of Lender to guaranty all of the Obligations of Borrower under the Non-Revolving Credit in accordance with the terms of the Credit Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Non-Revolving Credit Guarantor hereby agrees as follows:

1. Guaranty. (a) To induce Lender to make the Advances upon the terms and conditions set forth in the Credit Agreement, and in consideration thereof, the Non-Revolving Credit Guarantor hereby unconditionally and irrevocably severally (based on Non-Revolving Credit Guarantor's percentage responsibility set forth on Exhibit A attached hereto (each a "Guarantor's Share")) (i) guarantees to Lender and its successors, transferees and assigns, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) and at all times thereafter of the Obligations of Borrower (including amounts which would become due but for the operation of the automatic stay under Section 362(a) of the United States Federal Bankruptcy Code of 1978, as amended, or any state bankruptcy statute) under the Non-Revolving Credit; and (ii) agrees to pay any and all reasonable expenses (including reasonable attorneys' fees and disbursements and expert witnesses' fees and disbursements) which may be paid or incurred by Lender in enforcing any rights with respect to, or collecting, any or all of the Obligations under the Non-Revolving Credit and/or enforcing any rights with respect to, or collecting against, Non-Revolving Credit Guarantor under this Guaranty (collectively, the "Guaranteed Obligations").

(b) Non-Revolving Credit Guarantor agrees that this Guaranty constitutes a guaranty of payment when due and not of collection and waives any right to require that any resort be had by Lender to any security held for payment of any of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of Lender in favor of Borrower or any other Person.

(c) No payment or payments made by Borrower or any other Person or received or collected by Lender from any other Person by virtue of any action or proceeding or any set off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Non-Revolving Credit Guarantor hereunder which shall, notwithstanding any such payment or payments other than payments made to Lender by a Non-Revolving Credit Guarantor or payments received or collected by Lender from a Non-Revolving Credit Guarantor, remain liable for Guarantor's Share of the Guaranteed Obligations until the Guaranteed Obligations are indefeasibly paid in full in cash or cash equivalents.

(d) Non-Revolving Credit Guarantor understands, agrees and confirms that this is a guaranty of payment when due and not of collection and that Lender may, from time to time, enforce this Guaranty up to the full amount of Guarantor's Share of the Guaranteed Obligations owed to Lender without proceeding against any other Person, against any security for the Guaranteed Obligations, against any other guarantor or under any other guaranty covering the Guaranteed Obligations.

2. Waiver by Non-Revolving Credit Guarantor. Until the payment and satisfaction in full of all Guaranteed Obligations and the expiration or termination of any commitment to lend by Lender under the Credit Agreement, Non-Revolving Credit Guarantor hereby waives absolutely and irrevocably any claim which it may have against Borrower or any or its respective Affiliates by reason of any payment to Lender, or to any other Person pursuant to or in respect of this Guaranty, including any claims by way of subrogation, contribution, reimbursement, indemnity or otherwise.

Non-Revolving Credit Guarantor further agrees that Non-Revolving Credit Guarantor's liability as guarantor shall not be impaired or affected by any renewals or extensions which may be made from time to time, with or without the knowledge or consent of Non-Revolving Credit Guarantor of the time for payment of interest or principal under the Credit Agreement or by any forbearance or delay in collecting interest or principal under the Credit Agreement, or by any waiver by Lender under the Credit Agreement or any other Loan Documents, or by Lender's failure or election not to pursue any other remedies it may have against Borrower or Non-Revolving Credit Guarantor, or by any change or modification in the Credit Agreement or any other Loan Document, or by the acceptance by Lender of any additional security or any increase, substitution or change therein, or by the release by Lender of any security or any withdrawal thereof or decrease therein, except that payment in full of the indebtedness shall automatically release Non-Revolving Credit Guarantor of its obligations under this Guaranty, or by the application of payments received from any source to the payment of any obligation other than the indebtedness even though Lender might lawfully have elected to apply such

payments to any part or all of the indebtedness (in which case Non-Revolving Credit Guarantor will be automatically released), or by the failure or invalidity of, or any defect in, the Credit Agreement, or by any legal disability or other defense of Borrower, or by the cessation, limitation or termination from any cause whatsoever of any of the Obligations under the Credit Agreement, except upon payment in full of the indebtedness (in which case Non-Revolving Credit Guarantor will be automatically released), or by the application by Borrower of the proceeds of the Advances for purposes other than the purposes represented by Borrower to Lender or intended or understood by Lender or Non-Revolving Credit Guarantor, it being the intent hereof that Non-Revolving Credit Guarantor shall remain liable for its ratable share of obligations hereunder to the extent of Guarantor's obligations provided herein, notwithstanding any act or thing which might otherwise operate as a legal or equitable discharge of a surety. Non-Revolving Credit Guarantor hereby waives any and all rights or defenses based on, and understands and agrees that Non-Revolving Credit Guarantor's liability as guarantor shall not be impaired or affected by, an election of remedies by Lender, even though that election of remedies, such as a non-judicial foreclosure with respect to security for a guaranteed obligation, has destroyed Non-Revolving Credit Guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the California Code of Civil Procedure or otherwise, or the foreclosure of any of the security for the Advances, including without limitation the security described in any Security Agreement, or Non-Revolving Credit Guarantor's right to a fair value hearing under Section 580a of the California Code of Civil Procedure, it being intended that this Guaranty shall survive the realization upon any of the security for the Advances, including without limitation the security described in the Security Agreement, including without limitation non-judicial foreclosure, where applicable, and notwithstanding any defense, right, or claim that any such foreclosure satisfied the obligations secured thereby. Non-Revolving Credit Guarantor agrees that the payment of all sums payable under the Credit Agreement or any of the other Loan Documents or any part thereof or other act which tolls any statute of limitations applicable to the Credit Agreement or the other Loan Documents shall similarly operate to toll the statute of limitations applicable to Non-Revolving Credit Guarantor's liability hereunder. Without limiting the generality of the foregoing or any other provision hereof, Non-Revolving Credit Guarantor expressly waives to the extent permitted by law any and all rights and defenses that Non-Revolving Credit Guarantor may have if Borrower's debt is secured by real property. This means, among other things: (1) Lender may collect from a Non-Revolving Credit Guarantor without first foreclosing on any security for the Advances (whether such security is real or personal property) pledged by Borrower; and (2) if Lender forecloses on any real property security pledged by Borrower (including without limitation the real property described in a Deed of Trust), (A) the amount of the Indebtedness may be reduced only by the price for which that security is sold at the foreclosure sale, even if the security is worth more than the sale price, and (B) Lender may collect from Non-Revolving Credit Guarantor even if Lender, by foreclosing on the real property security, has destroyed any right Non-Revolving Credit Guarantor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Non-Revolving Credit Guarantor may have if Borrower's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure, and/or Sections 2787 to 2855, inclusive, 2899 and 3433 of the California Civil Code, or any of such sections. Non-Revolving Credit Guarantor

further understands and agrees that Lender may at any time enter into agreements with Borrower to amend and modify the Credit Agreement, Loan Agreement, Security Agreement or other Loan Documents, and may waive or release any provision or provisions of the Credit Agreement, Loan Agreement, Security Agreement and other Loan Documents or any thereof, and, with reference to such instruments, may make and enter into any such agreement or agreements as Lender and Borrower may deem proper and desirable, without in any manner impairing or affecting this Guaranty or any of Lender's rights hereunder or Non-Revolving Credit Guarantor's obligations hereunder.

3. **Consent by Non-Revolving Credit Guarantor.** Non-Revolving Credit Guarantor hereby consents and agrees that, without the necessity of any reservation of rights against Non-Revolving Credit Guarantor and without notice to or further assent by Non-Revolving Credit Guarantor, any demand for payment of any of the Guaranteed Obligations made by Lender may be rescinded by Lender and any of the Guaranteed Obligations continued, and the Guaranteed Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guaranty therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by Lender; and the Credit Agreement or other guaranty or documents in connection therewith, or any of them, may be amended, modified, supplemented or terminated, in whole or in part, as Lender may deem advisable from time to time; and any guaranty or right of offset may be sold, exchanged, waived, surrendered or released, all without the necessity of any reservation of rights against Non-Revolving Credit Guarantor and without notice to or further assent by Non-Revolving Credit Guarantor, which will remain bound hereunder, notwithstanding any such renewal, extension, modification, acceleration, compromise, amendment, supplement, termination, sale, exchange, waiver, surrender or release. Lender shall have no obligation to protect, secure, perfect or insure any property at any time held as security for the Guaranteed Obligations. When making any demand hereunder against Non-Revolving Credit Guarantor, Lender may, but shall be under no obligation to, make a similar demand on Borrower, any other Person who at any time guarantees or pledges any assets to secure the Guaranteed Obligations, or any one or more of them (a "Credit Party") or any such other guarantor, and any failure by Lender to make any such demand or to collect any payments from such other Credit Party or any such other guarantor or any release of such other Credit Party or any such other guarantor or of Non-Revolving Credit Guarantor's obligations or liabilities hereunder shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of Lender against Non-Revolving Credit Guarantor hereunder. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

4. **Waivers; Successors and Assigns.** Non-Revolving Credit Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice of or proof of reliance by Lender upon this Guaranty or acceptance of this Guaranty, and the Guaranteed Obligations shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guaranty, and all dealings between Non-Revolving Credit Guarantor and any other Credit Party, on the one hand, and Lender, on the other hand, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. Non-Revolving Credit Guarantor waives diligence, presentment,

protest, demand for payment and notice of default or non-payment to or upon any Credit Party or Non-Revolving Credit Guarantor with respect to the Guaranteed Obligations. This Guaranty shall be construed as a continuing, absolute and unconditional guaranty of payment without regard to the validity, regularity or enforceability of the Credit Agreement, the other Loan Documents, any of the Guaranteed Obligations or any guaranty therefor or right of offset with respect thereto at any time or from time to time held by Lender and without regard to any defense (other than the defense of payment), set-off or counterclaim which may at any time be available to or be asserted by any Credit Party against Lender, or by any other circumstance whatsoever (with or without notice to or knowledge of Non-Revolving Credit Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Guaranteed Obligations, or of Non-Revolving Credit Guarantor under this Guaranty, in bankruptcy or in any other instance, and the obligations and liabilities of Non-Revolving Credit Guarantor hereunder shall not be conditioned or contingent upon the pursuit by Lender or any other Person at any time of any right or remedy against any Credit Party or against any other Person which may be or become liable in respect of all or any part of the Guaranteed Obligations or against any collateral security or Guaranty therefor or right of offset with respect thereto. This Guaranty shall be a primary obligation of Non-Revolving Credit Guarantor to secure the payment of the Guaranteed Obligations and Lender shall have no obligation whatsoever to seek payment of the Guaranteed Obligations from Borrower in the event an Event of Default has occurred and is continuing. This Guaranty shall remain in full force and effect and be binding in accordance with and to the extent of its terms upon Non-Revolving Credit Guarantor and the successors and assigns thereof, and shall inure to the benefit of Lender, and their respective successors, transferees and assigns (including each holder from time to time of Guaranteed Obligations), until all of the Guaranteed Obligations and the obligations of Non-Revolving Credit Guarantor under this Guaranty shall have been satisfied by indefeasible payment in full in cash or cash equivalents, notwithstanding that from time to time during the term of the Credit Agreement any Credit Party may be released from all of its Guaranteed Obligations thereunder.

5. Effectiveness; Reinstatement. This Guaranty shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guaranteed Obligations is rescinded or must otherwise be restored or returned by Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Credit Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Credit Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

6. Payments of Guaranteed Obligations. Non-Revolving Credit Guarantor hereby guarantees that its Guarantor's Share of the Guaranteed Obligations will be paid for the benefit of Lender without set-off or counterclaim in lawful currency of the United States of America at the office of Lender located at 2485 Natomas Park Drive, Sacramento, California 95833. Non-Revolving Credit Guarantor shall make any payments required hereunder within thirty (30) calendar days of receipt of written notice thereof from Lender; provided, however, that such written notice may only be sent after the occurrence and during the continuation of an Event of Default and provided, further, however, that the failure of Lender to give such notice shall not affect Non-Revolving Credit Guarantor's obligations hereunder.

7. **Representations and Warranties.** To induce Lender to enter into the Credit Agreement and to make the Advances thereunder, Non-Revolving Credit Guarantor represents and warrants to Lender that, as to Non-Revolving Credit Guarantor, the following statements are true, correct and complete on and as of the date hereof:

(a) **Organization and Qualification; Authority; Consents.** Non-Revolving Credit Guarantor is a City or County duly organized, validly existing under and operating pursuant to the laws of the State of California, has full and adequate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying unless the failure to be so licensed or qualified would not have a material adverse effect on its business, operations or assets. Non-Revolving Credit Guarantor has full right and authority to enter into this Guaranty and to perform each and all of the matters and things herein provided for; and this Guaranty does not, nor does the performance or observance by Non-Revolving Credit Guarantor of any of the matters or things herein or therein provided for, contravene any provision of law or any organizational document of Non-Revolving Credit Guarantor or any covenant, indenture or agreement of or affecting Non-Revolving Credit Guarantor or any of its Properties. The execution, delivery, performance and observance by Non-Revolving Credit Guarantor of this Guaranty and any other instruments and documents executed by Non-Revolving Credit Guarantor in connection with this Guaranty do not and, at the time of delivery hereof, will not require any consent or approval of any other Person, other than such consents and approvals that have been given or obtained.

(b) **Legal Effect.** This Guaranty constitutes a legal, valid and binding agreement of Non-Revolving Credit Guarantor, enforceable in accordance with its terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable remedies if equitable remedies are sought.

(c) **Litigation.** There is no litigation or governmental proceeding pending, nor to the knowledge of Non-Revolving Credit Guarantor threatened in writing, against Non-Revolving Credit Guarantor which if adversely determined would result in any material adverse change in the financial condition, Properties, business or operations of Non-Revolving Credit Guarantor.

(d) **Compliance with Laws.** Non-Revolving Credit Guarantor is in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to its Properties or business operations (including, without limitation, laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Non-Revolving Credit Guarantor. Non-Revolving Credit Guarantor has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action

could have a material adverse effect on the financial condition, Properties, business or operations of Non-Revolving Credit Guarantor.

(e) Other Agreements. Non-Revolving Credit Guarantor is not in default under the terms of any covenant, indenture or agreement of or affecting Non-Revolving Credit Guarantor or any of its Properties, which default if uncured would have a material adverse effect on the financial condition, Properties, business or operations of Non-Revolving Credit Guarantor.

8. Covenants. Non-Revolving Credit Guarantor agrees that so long as any credit is available to or in use by Borrower under the Credit Agreement, except to the extent compliance in any case or cases is waived in writing by Lender:

(a) Financial Reports. Non-Revolving Credit Guarantor shall maintain a standard system of accounting in accordance with GAAP and shall furnish to Lender and its duly authorized representatives any publicly available information respecting the business and financial condition of Non-Revolving Credit Guarantor as Lender may reasonably request.

(b) Compliance with Laws. Non-Revolving Credit Guarantor shall comply in all respects with the requirements of all laws, rules, regulations, ordinances and orders applicable to or pertaining to its Properties or business operations, non-compliance with which could have a material adverse effect on the financial condition, Properties, business or operations of Non-Revolving Credit Guarantor or could result in a Lien upon any of its Property.

(c) Notices of Claims and Litigation. Non-Revolving Credit Guarantor shall promptly inform Lender in writing of (1) all material adverse changes in Non-Revolving Credit Guarantor's financial condition and (2) all existing litigation and all written threats of litigation, claims, investigations, administrative proceedings or similar actions affecting Non-Revolving Credit Guarantor which could materially affect the financial condition of Non-Revolving Credit Guarantor.

9. Expenses. If: (a) this Guaranty is placed in the hands of an attorney for collection or is collected through any legal proceeding; (b) an attorney is retained to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditors' rights and involving a claim under this Guaranty; or (c) an attorney is retained to represent Lender in any proceedings whatsoever in connection with this Guaranty and Lender prevails in any such proceedings, then Non-Revolving Credit Guarantor shall pay to Lender (as the case may be) upon demand Non-Revolving Credit Guarantor's Share of all reasonable attorney's fees, costs and expenses incurred in connection therewith (all of which are referred to herein as "Enforcement Costs"), in addition to all other amounts due hereunder, regardless of whether all or a portion of such Enforcement Costs are incurred in a single proceeding brought to enforce this Guaranty as well as the other Loan Documents.

10. No Waiver. No failure to exercise and no delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise

thereof, or the exercise of any other power or right. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.

11. **Notices.** All notices, demands, instructions or other communications required or permitted to be given to or made upon any party hereto shall be given in accordance with the provisions of the Credit Agreement and at the address set forth therein or as provided on the signature page hereof.

12. **Amendments, Waivers, etc.** No provision of this Guaranty shall be waived, amended, terminated or supplemented except by a written instrument executed by Non-Revolving Credit Guarantor and Lender.

13. **GOVERNING LAW.** THIS GUARANTY SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

14. **CONSENT TO JURISDICTION AND SERVICE OF PROCESS.** ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST NON-REVOLVING CREDIT GUARANTOR WITH RESPECT TO THIS GUARANTY AGREEMENT SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE COUNTY OF SACRAMENTO, CALIFORNIA, AND BY EXECUTION AND DELIVERY OF THIS GUARANTY AGREEMENT NON-REVOLVING CREDIT GUARANTOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

15. **Counterparts.** This Guaranty and any amendments, waivers, consents or supplements may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

[remainder of page intentionally left blank]

County of []

By: _____

Its: _____

EXHIBIT A
GUARANTOR'S SHARE

<u>Guarantor</u>	<u>Guarantor's Share of the Obligations</u>
County of Santa Cruz	36.36%
County of Monterey	45.46%
Total	81.82%

Exhibit C
Credit Support Table

Proposed Monterey Bay Community Power Credit Allocation by Jurisdiction				
		Seats on Board	Credit Support	
			Percentage	Amount
<u>Santa Cruz County</u>				
1	County of Santa Cruz	1.00	9.09%	\$ 272,727
2	City of Santa Cruz	1.00	9.09%	272,727
3	Watsonville	1.00	9.09%	272,727
Santa Cruz Cities Rotating				
4	Capitola	0.50	4.55%	136,364
5	Scotts Valley	0.50	4.55%	136,364
Subtotal - Santa Cruz County		4.00	36.36%	\$ 1,090,909
<u>Monterey County</u>				
6	County of Monterey	1.00	9.09%	\$ 272,727
7	Salinas	1.00	9.09%	272,727
Monterey Coastal Cities Rotating				
8	Marina	0.33	3.03%	90,909
9	Seaside	0.33	3.03%	90,909
10	Sand City	0.33	3.03%	90,909
Monterey Peninsula Cities Rotating				
11	Pacific Grove	0.33	3.03%	90,909
12	Carmel	0.33	3.03%	90,909
13	City of Monterey	0.33	3.03%	90,909
Salinas Valley Rotating				
14	Greenfield	0.33	3.03%	90,909
15	Soledad	0.33	3.03%	90,909
16	Gonzales	0.33	3.03%	90,909
Subtotal - Monterey County		5.00	45.45%	\$ 1,363,636
<u>San Benito County</u>				
17	County of San Benito	1.00	9.09%	\$ 272,727
San Benito Cities Rotating				
18	Hollister	0.50	4.55%	136,364
19	San Juan Bautista	0.50	4.55%	136,364
Subtotal - San Benito County		2.00	18.18%	\$ 545,455
Total		11.00	100.00%	\$ 3,000,000

AGENDA ITEM

10D



CONFIRMATION OF FUTURE DATES FOR 2018 SAND CITY EVENTS

Mayor's Luncheon
Friday, March 2, 2018

City Barbeque
Saturday, May 19, 2018

West End Celebration
Friday, August 24, 2018 – Kick off Concert
Saturday, August 25, 2018
Sunday, August 26, 2018

Tree Lighting Ceremony
Friday, November 30, 2018

Annual Awards Banquet
Friday, December 7, 2018

Register Early! Hotel rooms are limited!

January 17-19, 2018
HYATT REGENCY, SACRAMENTO

Registration and Housing Deadline:
Friday, January 5, 2018

www.cacities.org/events | Check out our mobile app
facebook.com/leagueofcities | @CaCities

NEW MAYORS & Council Members Academy



General Information

All attendees must register for the conference prior to reserving a hotel room. Registration is not complete until full payment is received. The League is unable to accept purchase orders. Once registration is complete, you will be directed to the housing reservations page. Please see Hotel Information & Reservations below for additional information.

- For online registration, go to www.cacities.org/events and select 'New Mayors and Council Members Academy'.
- To request a mail-in registration form, contact mdunn@cacities.org.

Registration must be received by Friday, January 5. After this date, please register onsite if space is still available.

COSTS/FEES

Full registration includes electronic access to all program materials, admission to all sessions, two breakfasts, two lunches, and a Wednesday evening legislative reception.

Full Conference

Elected Officials and City Staff.....	\$575
Non-Member City Elected Officials and City Staff.....	\$1575
Spouse Registration (Wednesday reception only).....	\$35

The spouse fee is restricted to persons who are not city or public officials, are not related to any League Partner or sponsor, and would have no professional reason to attend the conference. It includes admission to Wednesday's legislative reception only. There is no refund for the cancellation of a spouse registration. It is not advisable to use city funds to register a spouse.

CANCELLATIONS

Refunds of rate paid, minus \$75 processing charge, will be made for cancellations submitted in writing to mdunn@cacities.org and received by Friday, January 5. There are no refunds for cancellations after this date. Substitutions can be made onsite.



If you require special accommodations related to facility access, transportation, communication and/or dietary requests, please contact our Conference Registrar at mdunn@cacities.org by Friday, January 5, 2018.

HOTEL INFORMATION & RESERVATIONS

Hotel reservation changes, date modifications, early check-out, or cancellations made prior to **Friday, January 5** must be done through the online reservation link you received when registering for the conference. Use your confirmation/acknowledgement number to access your reservation to make changes. Once the January 5 deadline has passed, please contact the hotel directly with any changes or cancellations. Please note that any hotel cancellations after the housing deadline has passed may incur a financial penalty of a minimum one-night room charge or attrition fees.

Hotel reservations at the conference rate are available for confirmed conference registrants, speakers, exhibitors, and sponsors only.

Hyatt Regency Sacramento

1209 L Street, Sacramento, CA 95814

Hotel Rate (per night): \$175 - Single/Double Occupancy (plus tax and fees)

Valet parking: \$29 per day / Self-parking: \$20 per day (subject to change without notice)

PLEASE NOTE: The information you provide to the League when registering for a League conference or meeting may be shared with the conference or meeting hotel(s). The hotel(s) will also share with the League the information you provide to the hotel(s) when you make your hotel reservation for the conference or meeting. The information shared between the League and the hotel(s) will be limited to your first name, last name and dates/length of stay in the hotel.

inda Scholink

From: City_clerks <city_clerks-bounces@lists.cacities.org> on behalf of Meghan McKelvey <mmckelvey@cacities.org>
Sent: Wednesday, November 08, 2017 5:02 PM
To: 'City_managers@lists.cacities.org'; City_clerks@lists.cacities.org
Cc: Jennifer Whiting
Subject: [City_clerks] Registration Open - 2018 New Mayors and Council Members Academy
Attachments: Registration Open - NMCMA 2018.docx; Untitled attachment 00094.txt



REGISTRATION OPEN!
New Mayors & Council Members Academy
January 17 – 19, 2017 – Hyatt Regency Sacramento

The time has come to send your newly elected officials to the New Mayors & Council Members Academy, January 17 – 19, 2018, at the Hyatt Regency in Sacramento. Online Registration is now open! Don't miss your chance to register early and secure your spot for this important event.

This conference is a must attend for newly elected officials, and for legal and practical framework in which city officials operate. Delve local government taught by subject matter experts and seasoned



veterans who would like a refresher course on the basic into critical training on important, fundamental topics for elected officials.

Your full conference registration will include admission for the following:

- Two and a half days of important educational sessions, with pertinent information for newly elected city officials, including AB 1234 Ethics Training.
- Wednesday lunch and reception, Thursday breakfast and lunch, and Friday breakfast.
- Electronic access to all program materials.

For more information and updates, visit www.cacities.org/mayorscouncilled.

For Attendees

2017 Session Materials

- [01. Basics Boot Camp](#)
- [02. Effective Advocacy & Key City Issues](#)
- [03. Your Legal Powers and Obligations](#)
- [04. Policy Role in Land Use Planning](#)
- [05. Relationship Between City Council and City Manager Staff - Duggan](#)
- [06. Communications and the New Media - Castillo](#)
- [07. Financial Responsibilities. City Revenues Workshop](#)
- [08. How to Build and Maintain the Public's Trust Practical Ethics and the Law \(AB1234 Training\)](#)
- [09. Your Role as a Local Elected Official](#)
- [10. Understanding Your City's Departments](#)
- [11. Mayors and Council Members Leadership Academy Torch Program](#)
- [12. Acronyms in Local Government](#)
- [13. Additional Resources](#)
- [2017 Full Resource Guide](#)

2016 Session Materials

- [01-Effective-Advocacy-Key-City-Issues](#)
- [02-Basics-Boot-Camp](#)
- [03-Your-Legal-Powers-Obligations](#)
- [04-Policy-Role-Land-Use-Planning](#)
- [05-Relationship-Between-Council-Manager-Staff](#)
- [07-Financial-Responsibilities](#)
- [08-2016-Elections](#)
- [09-How-to-Build-and-Maintain-the-Public-s-Trust-AB1234](#)
- [10-Additional-Resources](#)
- [Additional-Materials](#)
- [Complete Resource Guide](#)

2015 Session Materials

- 2015-Advocacy-Powerpoint-Presentation
- 2015-Resource-Guide
- 1-Effective-Advocacy-and-Key-City-Issues
- 2-Basics-Boot-Camp
- 3-Your-Legal-Powers-and-Obligations
- 4-Policy-Role-in-Land-Use-Planning
- 5-Relationship-Between-City-Council-and-City-Manager-Staff
- 6-Communications-and-the-New-Media
- 7-Financial-Responsibilities-City-Revenues-Workshop
- 8-How-to-Build-and-Maintain-the-Public-s-Trust
- 9-Your-Role-as-an-Elected-Official
- 10-Understanding-Your-City-s-Departments
- 11-Mayor-and-Council-Members-Academy
- 12-Acronyms-in-Local-Government
- 13-Additional-Resources

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For Attendees

For Sponsors

For Presenters

All attendees must register for the conference online prior to reserving a hotel room. Registration is not complete until full payment is received. The League is unable to accept purchase orders. Once registration is complete, you will be directed to the housing reservations page.

Full Registration Includes:

- Admission to educational sessions as well as Wednesday evening reception.
- Electronic access to all program materials
- One breakfast and two lunches

Online Registration (credit card) - Register Now

Mail-in Registration (pay by check) - contact mdunn@caities.org to request a registration form.

After your registration for the conference is received and processed, a confirmation email will be sent containing the links for housing reservations.

Full Conference Registration Fees

City Delegate	\$ 475
City Staff/Officials	\$ 1475
Nonmember City	
Partner/Sponsor/All Others	\$ 635
Company/Consultant/League Partner/All Others	

NOTE: Conference registration is required to attend sessions, meals and reception.

One-Day Registration

City Delegate	\$ 275
City Staff/Officials	\$ 1275
Nonmember City	
Partner/Sponsor/All Others	\$ 525
Company/Consultant/League Partner/All Others	

Optional Registration Add-ons

(non-refundable)

- Guest Reception Only Registration - \$50
Guest/Spouse fee is restricted to persons who are not city or public officials, are not related to any League Partner or sponsor, and would have no professional reason to attend the conference. Rate includes admission to Wednesday's reception only. There is no refund for the cancellation of a guest/spouse registration. It is not advisable to use city funds to register a guest/spouse.

CHAMPIONS OF THE ARTS GALA



A Benefit for Youth Arts Education
Saturday, February 3, 2018
5 pm to 9 pm
Hyatt Regency Monterey Hotel & Spa

Reception and Silent Auction
Gourmet Dinner
Awards and Special Performances
Live Auction and Dancing

BUTCH LINDLEY, Auctioneer

For tickets, please RSVP with the enclosed card
or visit arts4mc.org/champions