

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

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Regular Meeting – August 21, 2018  
5:30 P.M.  
CITY COUNCIL CHAMBERS

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

The invocation was led by Reverend Robert Hellam.

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

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

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

**AGENDA ITEM 4, ANNOUNCEMENTS BY MAYOR AND CITY ADMINISTRATOR**

The City Administrator announced that Tom Dear from California Infrastructure and Economic Bank (IBank) is available for questions regarding Agenda Item 11B. The Mayor announced that a representative from Jacob's Heart is present, as well as Ron Pierce, Sand City Business owner of Green Gopher. She also mentioned that Jim Heisinger, the City Attorney will be retiring after 30+ years and that the public is welcome to join the Council and Staff after tonight's meeting for some light refreshments.

**AGENDA ITEM 5, COMMUNICATIONS**

5:33 P.M. Floor opened for Public Comment.

Sand City resident Dan Albro commented that he has lived in Sand City for over 12 years, and frequents the beach at least 3x a week to clean up trash and litter. He also cleans it of cigarette butts and debris left over from campfires. For future Council meeting agendas, he would like to see

discussion on what can be done to relieve the trash issue. He suggested placing signage that prohibits littering on the beach. Mr. Albro provided photos for the Council to review.

The Mayor mentioned that the annual beach clean-up will be taking place on September 15, 2018. Residents and businesses will be receiving notice of the event in the next few days, and thanked Mr. Albro for informing the Council.

5:36 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 #257, Precision Porche (auto), 475-C Olympia Avenue
- (2) CUP #345, James Obara, (mobile home), 770 Tioga Avenue
- (3) CUP #370, Save On Cleaners (service business), 840 Playa Avenue
- (4) CUP #378, Carmel Glass Company (contractor), 637-B Ortiz Avenue
- (5) CUP #388, Sanctuary Management Group (recreation), 1855 East Avenue
- (6) CUP # 396, McDonalds Restaurant (food), 990 Playa Avenue
- (7) CUP #497/CDP 09-02, Earthbound Tattoo (tattoo studio), 490-B Orange Avenue
- (8) CUP #523 Classic Kitchen Design (Nettesheim), 495 Shasta Avenue
- (9) CUP #526, Consolidated Electric Distributors CED (wholesale), 425 Orange Avenue
- (10) CUP #551, Pacific Throttle (auto tune), 418 Elder Avenue
- (11) CDP #11-10, Clifton Plumbing (contractor), 1 John Street
- (12) CUP #317, Rick's Upholstery (service business), 713 Dias Street
- (13) CUP #568/CDP #13-04, Shawn Kelley, (service business), 1815 Contra Costa St.
- (14) CUP #605, Precision Plumbing & Heating, David Warren (plumbing), 1738 Hickory St.

B. There was no discussion of the Sand City Council Meeting Minutes, August 7, 2018.

C. There was no discussion of the Police Department Monthly Report, July 2018.

D. There was no discussion of the Public Works Monthly Report, July 2018.

E. There was no discussion of the Response Letter to the 2017-2018 Monterey County Civil Grand Jury Final Report on Homelessness.

- F. There was no discussion of the City **Resolution** amending Resolution SC 18-71, 2018 to Correctly State the Society for the Prevention of Cruelty to Animals for Monterey County (SPCA) Agreement took into effect beginning July 1, 2018 through June 30, 2019.
- G. There was no discussion of the City **Resolution** proclaiming October 3, 2018 as Clean Air Day.
- H. There was no discussion of the City **Resolution** amending a Contract with Michael McCarthy for Human Resources Consulting Services.
- I. There was no discussion of the Denial of Three (3) Claims submitted by Ryan Williams, Carl Rupert, and Fermin Gonzales IV regarding Seaside High School Incident.
- J. There was no discussion of the City **Resolution** honoring James G. Heisinger Jr. for His Contribution and Service of 30 Years as the City Attorney for the City of Sand City and Sand City Redevelopment Agency.

Motion to approve the Consent Calendar items was made by Council Member Blackwelder, seconded by Council Member Hawthorne. 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, PRESENTATION**

- A. **Presentation by Rob Hilton of HF&H Consultants, LLC regarding Senate Bill (SB) 1383 (California Global Warming Solutions Act) Jurisdictional Requirements**

City Planner Charles Pooler announced that he invited Mr. Rob Hilton of HF&H Consultants to make a presentation regarding upcoming requirements of Senate Bill 1383. Mr. Hilton provides review and summaries of Greenwaste Recovery's (GWR) quarterly and annual reports, and consulting services with Monterey Regional Waste Management District.

Rob Hilton presented the upcoming requirements of Senate Bill 1383, the California Global Warming Solutions Act that is based on CalRecycle's May 2018 Draft regulations which will be the biggest change in the waste industry to occur within 30 years. The goal for local agencies like Sand City is to get 25%-50% recyclable materials away from the landfill. SB 1383 focuses on short-lived climate pollutants such as methane emissions generated out of landfills.

The goal by the year 2020 is to remove 50% of the organics that are going into landfills and by the year 2025 to reduce the greenhouse gases in order to meet State climate targets for the overall climate program in California. The State has started as early as they could in the regulatory process so that local agencies, generators, and businesses would know what's coming and have some time to prepare. By January 1, 2022 all of the local requirements will take effect and by 2024 the State will require local agencies to have some form of code enforcement. This would require providing reports on customer behavior related to separating their recyclables and their organic materials. There is expected to be some progressive enforcement process that would instill fines. The Senate Bill has placed requirements around the system, involving local jurisdictions, garbage haulers, generators, and property owners as well as processing facilities that receive the organics. This is the first time the State has set standards for compliance to those who generate waste. Local agencies are required to provide programs, educate people, and follow up with enforcement. Sand City is ahead of the game as the City already provides the 3 container program.

By January of 2022, the City will be required to conduct compliance reviews of all commercial garbage accounts. For those accounts that are not in compliance and continue to violate the the law, a notice of violation letter should be sent and fines assessed when customers refuse to comply. These fines may possibly start at \$50 for violators, and a State imposed fine of \$10,000 could be assessed for local agencies that fail to comply. Fortunately, Sand City's current franchise agreement allows organic materials to be processed through the Monterey Regional Waste Management District (MRWMD) allowing the City to comply with regulatory requirements. The MRWMD may have some additional requirements placed on them by the State in order to comply with their portion of these regulations and are working towards what that would look like.

Mr. Hilton provided information on what Sand City's generators, businesses, and residents are required to do in order to remain within the parameters of state regulations for recyclable materials, yard waste, and organic waste, as well as the City's involvement in enforcing compliance to meet regulatory requirements. Local agencies may need to research funding options with the possibility that local agencies may end up having to raise rates in some way to fund these programs and activities. The state is currently working on finalizing regulatory taxation figures which may be presented by late September. Staff is hopeful that by that time a much better sense of how to define the needs and how to start the planning process is formulated. Fortunately, Sand City is part of a JPA with the Monterey Regional Waste Management District who will be leading a lot of these activities; however, the ultimate responsibility falls on each of the cities, and it is important to ensure that Sand City is connected to that

process. A part of this process may involve expanding the organics capacity, looking at the collection services, and reviewing whether any modifications and/or negotiations are needed with Greenwaste on the collection contract. The City may need to modify the solid waste portion of its Ordinance to include enforcement. These changes to the City Ordinance should include the new requirements and to be adopted by the year 2021.

There was Council discussion regarding costs associated with enforcement and the degree of the JPA's involvement, disposal of excess catered food and non-profit organization's involvement with obtaining and distributing perishable/non-perishable food, the pros/cons of composting solid waste, as well as the City's goals in looking at reducing and/or eliminating its use of plastic materials.

The Mayor thanked Mr. Hilton for the informative presentation.

**B. Presentation by Mayor Carbone to Jacobs Heart**

Mayor Carbone read a resolution from the City Council honoring Jacob's Heart Children's Cancer Support Services in declaration of Childhood Cancer Awareness Month. She presented a donation check to the organizations representative and acknowledged Mr. Ron Pierce, Sand City business owner for his involvement with the organization. The Mayor presented Mr. Pierce a certificate in honor of his son Matthew who battled cancer.

Jacob's Heart representative Anabel Diaz thanked the Council for their contribution and recognition of Jacob's Heart as well as proclaiming September to be National Childhood Cancer Awareness Month. She invited the Council to the Golden Gallup to be held on October 21<sup>st</sup> and to the Kidragous Carnival to be held in the City of Watsonville on September 23<sup>rd</sup>.

**AGENDA ITEM 9, PUBLIC HEARING**

*{Council Members Blackwelder and Hawthorne stepped down from the dais due to a possible conflict of interest by residing within 500 feet of the subject property}*

**A. Consideration and Approval of City RESOLUTION Approving Coastal Development Permit 18-04 for Ioan Szasz Authorizing a Curator Storage, Distributions, and Office Operation at 1 John Street**

City Planner Charles Pooler presented an application submitted by Ioan Szasz to operate a curator, storage and distribution office at 1 John Street. The building is divided into three commercial units and the applicant will occupy the center unit. On-site activities will include office, storage, shipping/receiving, publishing, and sales of artwork. There will be 2

employees, and shipments/deliveries typically via UPS, Fed-EX, and will be infrequent and irregular. Zoning requires two parking spaces for a warehouse, and the proposed use has sufficient parking along the frontage to meet zoning requirements. Hours of operation will be from 9:00 a.m. to 5:00 p.m., Monday through Friday. Loading/unloading activities can be accommodated on-site without traffic interference. There will be no manufacturing, painting, or other production activities on-site. The applicant's use is not anticipated to pose a nuisance and Staff recommends approval of the coastal development permit for the curators operation.

6:23 P.M. Floor opened for Public Comment.

The applicant loan Szasz commented that he has a gallery in Carmel. The use will serve as a warehouse for artwork, books, and serve as a curating location. There will be no publishing activities at the site. The Mayor asked the applicant if he was in agreement with the conditions of the coastal development permit, Mr. Szasz replied that he was in agreement with permit conditions.

6:25 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** approving Coastal Development Permit 18-04 for loan Szasz Authorizing a Curator Storage, Distributions, and Office Operation at 1 John Street was made by Council Member McDaniel, seconded by Council Member Hubler. AYES: Council Members Carbone, Hubler, McDaniel. NOES: None. ABSENT: None. ABSTAIN: Council Members Blackwelder, Hawthorne. Motion carried.

*{Council Members Blackwelder and Hawthorne returned to the dais}*

## **AGENDA ITEM 10, OLD BUSINESS**

### **A. Progress report on Desalination Plant and Sand City Water Supply New Wells Project, Residential Developments, Carroll Property Parking, West Bay Coastal Access Repair, Illicit Discharge Updates, South of Tioga Development, and other Sand City Community programs by City Engineer/City Administrator/City Planner**

City Engineer Leon Gomez reported that the desalination plant produced 10 acre feet for the month of August. Staff had received an additional survey from the City surveyor that will be forwarded to FEHR Engineering so they can continue with the design of the electrical system as part of the Prop 1 Technical Assistance (TA) grant. The City surveyor also completed the topographic survey for Contra Costa and Catalina streets, and has provided that to the TA team.

A survey was conducted during the West End Celebration and the primary

concerns expressed by the community was the water quality of Monterey Bay.

The Dayton residential project is moving forward. There were a few minor comments addressing their last round of plans, and Staff is trying to coordinate with PG&E on the timing for the relocation of the existing pole.

The City has retained a structural engineering consultant to work with the geo-technical engineer on the West Bay repair project to incorporate a retaining wall design to support the observation platform that is currently under way. Once that sheet pile wall is designed it will be integrated into the budget plans. The plans will be submitted to the Coastal Commission and then to FEMA. Staff will be meeting with Cal-Am and their new staff to update them on the project which would require sending them the environmental documentation and engineers estimate all over again. The good news resulting out of that conference is that the City may anticipate additional funding for the project from \$75,000 to \$110,000.

The City Administrator, Police Chief and Public Works Foreman were provided conceptual plans for the Carroll Property parking, as well as an estimate. A meeting will be held this week to discuss its coordination with the Prop 1 project. There may be a possibility of constructing 25 parking stalls on that property.

Staff has requested the engineer's plans for the Graniterock facility repairs. Graniterock may be in the process of retaining an engineer to get that designed and submitted to the City for our review.

The City of Seaside also informed Staff that they will be conducting some major maintenance and cleaning of the sewer lines in Seaside and Sand City. This may not occur for another two months and will possibly require road closures for a few days. Staff has been invited by Seaside to the pre-bid meeting for that work to ask any pertinent questions and how the maintenance may affect the City.

An encroachment permit from PG&E was received to conduct demolition and removal of the existing overhead and gas-electric meters as part of the South of Tioga project, and should commence later this month through December of this year.

There was Council discussion regarding the esthetic appeal of the improvements made to the City of Seaside's Broadway Avenue and what aspects can be incorporated into Sand City's street improvement projects.

## **AGENDA ITEM 11, NEW BUSINESS**

- A. Consideration of City RESOLUTION Authorizing the Execution of an Agreement with Vibeke Norgaard to Provide City Attorney Services**

City Administrator Todd Bodem reported that Jim Heisinger, the current City Attorney will be retiring on September 1, 2018 and served Sand City for over 30 years. He has secured his successor and has trained Vibeke Norgaard to take the reins upon his impending retirement. Ms. Norgaard comes highly educated, is well liked, and responsive to City Staff. The proposed agreement would provide ordinary legal services to the City for a retainer of \$10,500 per month, plus a health insurance allowance similar to what the city pays for optional members. A list outside of ordinary legal costs and considered as extraordinary legal services will be charged at \$250 an hour. The Budget and Personnel Committee met on August 8th and have recommended approval of authorizing an agreement with Ms. Norgaard beginning September 1, 2018 through June 30, 2019 as stated within the contract.

Mr. Heisinger commented that his official retirement date is September 1, 2018.

Council Member Hawthorne commented that retaining Ms. Norgaard's services would be the best action as Jim has served as her mentor. Jim has over 30 years of experience working with the City and has been an important and integral part of the City's development.

6:39 P.M. Floor opened for Public Comment.

Ms. Norgaard commented that she is very honored that the Council is considering her services. She has received good training from Mr. Heisinger and is open to any questions the Council may have.

6:39 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** authorizing the Execution of an Agreement with Vibeke Norgaard to Provide City Attorney Services 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.

- B. Consideration of City RESOLUTION Authorizing the Submission of an Application to the California Infrastructure and Economic Development Bank for Financing to Fund the Construction of the Three New Desalination Wells Project; authorizing the incurring of an Obligation Payable to IBank for the Financing to Fund the Three New Desalination Wells Project if IBank Approves the Application, Declaring the City's Official Intent to Reimburse Certain Expenditures from the Proceeds of an Obligation, and Approving Certain other Matters in Connection therewith**



City Administrator Todd Bodem provided a summary of the history of the desalination plant's financing and the construction of the existing wells. Upon completion of well construction, they were expected to produce up to 300 acre feet per year as originally stated in the lease agreement with California American Water. Due to hydrological conditions, drought coastal erosion, and other factors, well production has been inadequate to produce the 300 acre feet annually. The plant would have to occasionally shut down due to maintenance and cleaning when too much salinity was present. Staff decided to approach the Coastal Commission and has submitted an application for an immaterial amendment to construct up to six (6) additional wells. The Coastal Commission responded to the City's application for an immaterial amendment with the letter entitled Notice of Incomplete Cost to Development. A firm was contracted to conduct some modelling for new wells, and upon obtaining the results of the modelling, the City submitted a Notice of Intent to Issue a new coastal development permit for construction and installation of six (6) new intake wells and pipeline infrastructure, etc. It was originally estimated that the wells would cost approximately \$500,000. Since then the well proposals may cost approximately \$1.7 million. This project may possibly be financed through IBank, an organization that provides funds to government entities for projects. The financing would be over a period of 10 years. Staff will be working on an amended lease agreement with Cal-Am to assist in recovering some costs associated with the additional well construction. Mr. Bodem introduced Tom Dear of IBank.

Tom Dear representing the California Infrastructure and Economic Development Bank (IBank) commented that IBank was formerly a California organization that was funded by the State of California in 1992 and is now a self sustaining organization. IBank provides loans to government entities and has conducted a preliminary review of the transaction. From a financial perspective, IBank has issued what they call an invitation to apply to the City of Sand City. IBank is comfortable with the financing and will be using the general fund as the source of repayment. The financing is considered a 'lease back' transaction. This form of transaction, allowable under state law occurs when new debt is being issued in which the City is not obligated to go out to and get permission from it's constituents. The City has selected a 10-year program to repay the loan upon its acceptance. IBank has a AAA rating and may pass it along to other smaller communities and municipalities to achieve better interest rates.

There was Council discussion regarding how repayment would occur, the interest rate of the loan, how funding would commence upon acceptance of the loan application, the difference between the securing of bonds compared to IBanks financing, and what would happen should the amount requested be for an amount substantially less than proposed.

Council Member Hawthorne expressed his satisfaction with the IBank Program. The Council reviewed the repayment schedule contained in the agenda packet, further discussed details regarding the timeframe upon approval and funding, and the loans primary purpose for construction of the new wells.

7:00 P.M. Floor opened for Public Comment

There was no comment from the Public.

7:00 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** authorizing the Submission of an Application to the California Infrastructure and Economic Development Bank for Financing to Fund the Construction of the Three New Desalination Wells Project; authorizing the incurring of an Obligation Payable to IBank for the Financing to Fund the Three New Desalination Wells Project if IBank Approves the Application, Declaring the City's Official Intent to Reimburse Certain Expenditures from the Proceeds of an Obligation, and Approving Certain other Matters in Connection therewith was made by Council Member Blackwelder, seconded by Council Member Hawthorne. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler, McDaniel. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried

**C. Consideration of City RESOLUTION Establishing Late Payment Penalties for Unpaid Citations for Parking Violations**

Police Chief Brian Ferrante reported that the department desired to create a fee schedule to ensure that individuals issued a citation would pay their fees in a timely manner. The City presently has no penalty for unpaid parking citations. The attached resolution addresses the penalty for those who have been issued a parking citation which allows them 21 days to appeal the citation. If they fail to provide payment, a fee of 50% of the initial amount of the fine for the parking violation will be assessed. Citations that remain unpaid within forty-two calendar days after the issuance of the citation, and have not been subject to review will be charged a minimum fine not to exceed \$100. If the citation still remains unpaid it will be forwarded to the Department of Vehicles (DMV) who would collect the fines for the City.

The Chief provided a history of what occurred in the past when citations were left unpaid. This would ensure that the department would have some mechanism in place in order to collect unpaid citations and have a fine imposed for those who do not pay due to the difficulty and staff time involved trying to track people down.

There was Council discussion regarding the ability to contest the citation, what occurs when motorhomes/RV's are towed away, the probability of those who can not pay their citation due to financial reasons, and how an individual can repossess their impounded vehicle. The Chief provided an explanation of the procedure for release of vehicles, adding that the fee schedule would further serve to cover administrative costs.

7:10 P.M. Floor opened for Public Comment.

There were no comments from the Public.

7:10 P.M. Floor closed to Public Comment.

Motion to approve the City **Resolution** establishing Late Payment Penalties for Unpaid Citations for Parking Violations was made by Council Member Blackwelder, seconded by Council Member McDaniel. AYES: Council Members Blackwelder, Carbone, Hawthorne, Hubler, McDaniel. NOES: None. ABSENT: None. ABSTAIN: None. Motion carried

**D. Consideration of Cancelling the September 4, 2018 City Council Meeting due to the Labor Day Holiday**

There was consensus of the Council to cancel the September 4, 2018 City Council Meeting due to the Labor Day Holiday.

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

Council Member Hawthorne reported on the success of the West End Celebration and reported that the Fashion Show was a big hit. He also spoke with Gaston Georis owner of Cassanova restaurant, inviting him to consider opening a restaurant in Sand City. Mr. Georis welcomed the idea and would consider either purchasing a building or having one built for his restaurant. Mr. Hawthorne suggested holding a public forum for the candidates running for office to allow the public to ask questions.

Mayor Carbone announced the upcoming Beach Clean-up day to be held on Saturday September 15, 2018 from 9:00 a.m. to noon. Staff will be sending out a letter and flyer to residents and businesses for the event. She also thanked Vibeke Norgaard for her assistance with the application and use policy for those who are interested in having a plot at the community garden. She expressed her regrets for not being able to attend the West End Celebration this year, but has heard many positive comments about its success.

**F. Upcoming Meetings/Events**

The Mayor announced the upcoming beach clean-up scheduled for September 15, 2018. The Deputy City Clerk requested that the Council check their emails for the upcoming Monterey Peninsula Chamber's Annual Leadership Luncheon on September 19, 2018.

#### **AGENDA ITEM 12, ADJOURNMENT**

Motion to adjourn the meeting was made by Council Member Hawthorne, seconded by Council Member McDaniel. There was consensus of the Council to adjourn the meeting at 7:21 p.m. to the next regularly scheduled Council meeting on September 18, 2018 at 5:30 P.M.



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Connie Horca, Deputy City Clerk