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CITY OF SAN DIEGO COUNCIL DOCKET



COUNCIL PRESIDENT

Sherri Lightner • First District

COUNCIL PRESIDENT PRO TEM

Marti Emerald • Ninth District

COUNCILMEMBERS

Lorie Zapf • Second District
Todd Gloria • Third District
Myrtle Cole • Fourth District
Mark Kersey • Fifth District
Chris Cate • Sixth District
Scott Sherman • Seventh District
David Alvarez • Eighth District

Andrea Tevlin
Independent
Budget Analyst

Jan Goldsmith
City Attorney

Liz Maland
City Clerk

Council Chambers, 12th Floor, City Administration Building

Tuesday, November 17, 2015

**AGENDA FOR THE
REGULAR COUNCIL MEETING OF
TUESDAY, NOVEMBER 17, 2015, AT 10:00 AM
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

This information will be made available in alternative formats upon request, as required by the Americans with Disabilities Act (ADA), by contacting the City Clerk at (619) 533-4000 or <mailto:cityclerk@sandiego.gov>. Requests for disability-related modifications or accommodations required to facilitate meeting participation, including requests for auxiliary aids, services or interpreters, require different lead times. Please keep this in mind and provide as much advance notice as possible in order to ensure availability. Assistive Listening Devices (ALDs) are available in Council Chambers upon request.

Pursuant to California Senate Bill 343 (Section 54957.5(b) of the Brown Act), late-arriving documents related to City Council meeting agenda items which are distributed to the legislative body prior to and during the Council meeting are available for public review in the Office of the City Clerk on the second floor of the City Administration Building, 202 C Street, San Diego, CA 92101. This relates to those documents received after the agenda is publicly noticed and during the 72 hours prior to the start of the meeting. Please note: Approximately one hour prior to the start of the Council Meeting, the documents will be available just outside Council Chambers in the lobby of the 12th floor of the City Administration Building in a binder labeled “SB 343.” Late-arriving materials received during the City Council meeting are available for review by making a verbal request of City Clerk staff located in Council Chambers.

NOTE: The public portion of the meeting will begin at 10:00 a.m. The City Council will meet in Closed Session this morning from 9:00 a.m. – 10:00 a.m. Copies of the Closed Session agenda are available in the Office of the City Clerk.

ROLL CALL

PLEDGE OF ALLEGIANCE

APPROVAL OF COUNCIL MINUTES

The Council Minutes of the following meetings will be approved by Unanimous Consent unless pulled for discussion:

10/19/2015

10/20/2015

PROCLAMATIONS/CEREMONIAL ITEMS

NOTE: The following Proclamations will be presented in Council Chambers and approved by Unanimous Consent unless pulled for discussion.

ITEM-30: Police and Emergency Services Appreciation Night (P.A.E.S.A.N.) Day.

PRESENTED BY COUNCIL PRESIDENT PRO TEM EMERALD AND COUNCILMEMBER ZAPF:

Proclaiming November 17, 2015, to be "Police and Emergency Services Appreciation Night (P.A.E.S.A.N.) Day" in the City of San Diego.

ITEM-31: Doc Jacobs Day.

PRESENTED BY COUNCILMEMBER KERSEY:

Proclaiming November 17, 2015, to be "Doc Jacobs Day" in the City of San Diego.

ITEM-32: National Aviation History Month.

PRESENTED BY COUNCILMEMBER CATE:

Proclaiming November, 2015, to be "National Aviation History Month" in the City of San Diego and, as such, honors the San Diego County Regional Airport Authority for its outstanding leadership and for its many contributions and achievements to the City of San Diego and the aviation industry.

ITEM-33: Labrador Rescuers Day.

PRESENTED BY COUNCIL PRESIDENT PRO TEM EMERALD:

Proclaiming November 17, 2015, to be "Labrador Rescuers Day" in the City of San Diego.

NOTE: The following Proclamations will NOT be presented in Council Chambers. They will be approved by Unanimous Consent unless pulled for discussion.

ITEM-34: Ken Jeong Day.

COUNCILMEMBER GLORIA'S RECOMMENDATION:

Proclaiming November 7, 2015, to be "Ken Jeong Day" in the City of San Diego.

ITEM-35: Professor Freida A. Brown Day.

COUNCILMEMBER COLE'S RECOMMENDATION:

Proclaiming November 12, 2015, to be "Professor Freida A. Brown Day" in the City of San Diego.

NON-AGENDA PUBLIC COMMENT

This portion of the agenda provides an opportunity for members of the public to address the Council on items of interest within the jurisdiction of the Council. (Comments relating to items on today's docket are to be taken at the time the item is heard.)

Per Section 22.0101, Rule 2.6.2, of the San Diego Municipal Code, comments are limited to two minutes per speaker. Speakers may not allocate their time to other speakers. If there are eight (8) or more speakers on a single issue, the maximum time allotted for that issue will be sixteen (16) minutes. Non-Agenda Public Comment is limited to 30 minutes during the Tuesday morning Council session. Any remaining speakers will be given an opportunity to speak after Council concludes the remaining agenda items for that day. Speaker order will generally be decided on a first-come, first-served basis. However, in the event that there are more than 15 Non-Agenda Public Comment speakers on a particular Tuesday, priority may be given to speakers who have not addressed the legislative body during "Non-Agenda Public Comment" at the last regularly scheduled Council meeting.

MAYOR, COUNCIL, INDEPENDENT BUDGET ANALYST, CITY ATTORNEY, CITY CLERK COMMENT

UPDATES ON PENDING LEGISLATION (MAYOR'S OFFICE)

SPECIAL ORDERS OF BUSINESS

None.

ADOPTION AGENDA, CONSENT ITEMS

The Consent items listed beginning on the next page are considered to be routine, and the environmental documents have been considered. These items are indicated on the docket by a preceding asterisk (*). Because these items may be handled quickly, if you wish to be heard submit your Request to Speak from prior to the start of the meeting.

REQUESTS FOR CONTINUANCE

The Council will consider requests for continuance in the morning or afternoon, based on when the item was noticed to be heard.

ADOPTION AGENDA, CONSENT ITEMS
ORDINANCES INTRODUCED AT A PREVIOUS MEETING, READY FOR DISPENSING
WITH THE READING AND ADOPTION:

* ITEM-50: Solar Power & Services Agreement for City Sites. (Citywide.)

ITEM DESCRIPTION:

The Environmental Services Department is proposing to install solar photovoltaic energy generation systems at 25 City sites, which consists of 9 building rooftop and 19 parking canopy type systems. All of the systems will be installed, owned and operated through a third party Solar Power and Services Agreement with SunEdison Government Solutions, LLC. Completion of this project will result in significant annual energy cost savings for the City. A planned second phase of solar installations will include an additional 40 sites.

CITY COUNCIL'S RECOMMENDATION:

Adopt the following ordinance which was introduced on 11/03/2015, Item 330. (Council voted 9-0):

(O-2016-22)

Authorizing the Mayor, or his designee, to execute a Schools Project for Utility Rate Reduction (SPURR) Master Confirmation Solar Power and Services Agreement with SunEdison Government Solutions, LLC, for that company to own, install, operate and maintain solar photovoltaic electric generating systems at 25 City Sites for a period of twenty years, and for the City to purchase the electricity from the solar power generating systems, on terms and conditions provided in the Agreement, together with any reasonably necessary modifications or amendments thereto which do not increase project scope or cost and which the Mayor shall deem necessary from time to time in order to carry out the purposes and intent of this Agreement;

Authorizing the Chief Financial Officer to expend funds required to be paid under the Solar Power and Services Agreement for electricity and environmental attributes furnished by SunEdison Government Solutions, LLC, at each of the 25 discrete City Sites, and more particularly in accordance with the Special Conditions applicable to each discrete City Site, subject to Section 3;

Declaring that subject to the conditions of this Section, the amounts authorized to be paid by Section 2 shall be construed to be reauthorized annually each fiscal year for a period of twenty years from the effective date of the Solar Power and Services Agreement; those conditions being that the payments shall be paid from the applicable annual City departmental energy budgets for each City Site for a total amount not exceed \$1.5 million annually; shall be contingent upon the adoption of the Fiscal Year 2017 Annual Appropriation Ordinance and the Annual Appropriation Ordinance for each fiscal year thereafter; and shall be contingent upon the Chief Financial Officer first furnishing one or more certificates certifying that the funds necessary for expenditure are, or will be, on deposit in the City Treasury;

Authorizing the City Auditor and City Comptroller, upon advice from the administering department, to transfer excess funds, if any, from the annual appropriation for any one City Site facility to any other City Site facility under the Agreement, or to the appropriate reserves.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

ADOPTION AGENDA, CONSENT ITEMS

ORDINANCES TO BE INTRODUCED WITH RESOLUTIONS TO BE ADOPTED:

- * ITEM-60: Second Amendment to Lease at 9370 Chesapeake Drive, San Diego, CA 92123. (Kearny Mesa Community Area. District 6.)

ITEM DESCRIPTION:

This action is to approve a Second Amendment to the City's existing lease with Ruffin-SD, LLC, at 9370 Chesapeake Drive in San Diego, CA 92123 for office space currently occupied by the Storm Water Pollution Prevention Program. The Second Amendment will allow the Storm Water Pollution Prevention Program to expand into an additional 6,486 RSF of office space located in Suite 150 on the first floor.

STAFF'S RECOMMENDATION:

Introduce the following ordinance and adopt the resolution:

Subitem-A: (O-2016-41)

Introduction of an Ordinance authorizing the Mayor, or his designee, to execute and deliver that certain Second Amendment to Lease between Ruffin-SD, LLC, a Limited Liability Company, as Lessor, and the City of San Diego as lessee;

Authorizing the Chief Financial Officer to appropriate and expend funds up to \$780,857 (\$80,950 for FY16 and \$699,907 for FY17-FY20) for the purpose of executing and carrying out the terms of the Second Amendment to Lease from the General Fund No. 100000, Cost Center No. 9912001112, General Ledger No. 512217, contingent upon the approval of the Appropriation Ordinances for the appropriate fiscal years and the Chief Financial Officer furnishing a certificate certifying that funds necessary for expenditure are, or will be, on deposit with the City Treasurer.

NOTE: 6 votes required pursuant to Section 99 of the City Charter.

Subitem-B: (R-2016-241)

Determining that the Project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Existing Facilities), and that an exception to the exemption does not apply;

Determining that an exception to the exemption as set forth in CEQA Guidelines Section 15300.2 does not apply.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The Expansion Space lease is set to commence on approximately January 1, 2016. The starting lease rate is \$1.85 per rentable square foot per month, full service gross, and prorata share of electricity for the space. The first rate increase is scheduled for June 1, 2016 and every year thereafter at a fixed 3%. In addition to the annual fixed rent increase, beginning in 2017 and each year thereafter, the City may incur additional rent cost for increases in operating expenses over and above the 2016 Base Year on its prorata share.

Fiscal Considerations are stated below.

FY 16 \$ 80,950

FY 17 \$168,506

FY 18 \$175,512

FY 19 \$182,519

FY 20 \$173,370

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

This item was heard at the Smart Growth and Land Use Committee meeting on October 28, 2015.

ACTION: Motion by Councilmember Sherman, second by Councilmember Gloria, to recommend Council adopt the resolution and ordinance.

VOTE: 3-0; Zapf-yea, Gloria-yea, Sherman-yea, Alvarez-not present.

San Diego Ordinance O-20430, November 25, 2014, authorizing the First Amendment to Lease with Ruffin-SD, LLC.

San Diego Ordinance O-19686, November 20, 2007, authorizing the original six-year Lease.

Thompson/Villa

Primary Contact\Phone: Brad Bennett\619-236-6191, MS 51A

Secondary Contact\Phone: Aurora Brown\619-236-6124, MS 51A

City Attorney Contact: Ables, Melissa D.

ADOPTION AGENDA, CONSENT ITEMS

RESOLUTIONS:

- * ITEM-100: Euclid Avenue Improvements (Landscape) - Maintenance Agreement with City Heights Town Council. (City Heights Community Area. District 9.)

ITEM DESCRIPTION:

Approve the Agreement between City of San Diego and City Heights Town Council for the maintenance of the landscaping for Euclid Avenue Improvements.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2016-184)

Authorizing the Mayor, or his designee, to execute a Maintenance Agreement with the City Heights Town Council, a Nonprofit Corporation, whereby the Town Council will undertake the maintenance obligations for the landscape elements of the Euclid Avenue Improvements, CIP S-00886, Euclid Avenue Gateway Improvements Project (Project) at its sole expense.

Subitem-B: (R-2016-218)

Determining that the Project is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301;

Determining that an exception to the exemption as set forth in CEQA Guidelines Section 15300.2 does not apply.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS: N/A

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

On January 27, 2004, Council adopted Resolution No. R-298822 accepting up to \$100,000 from City Heights Redevelopment tax increment funds to assist the City implementation of the Euclid Avenue Streetscape Project and on November 30, 2004, Council approved Resolution No. R-299915 authorizing the award of the construction contract to HTA Construction in the amount not to exceed \$557,481.30, and increasing the FY 05 CIP Budget for Euclid Avenue Streetscape Project by 262,210 for the purpose of providing funds for construction and other related administrative costs.

This item was heard at the Public Safety and Livable Neighborhoods Committee meeting on September 23, 2015.

ACTION: Motion by Councilmember Gloria, second by Councilmember Cate, to recommend Council adopt the resolution and agreement.

VOTE: 4-0; Emerald-yea, Cate-yea, Gloria-yea, Cole-yea.

Nagelvoort/Gomez

Primary Contact\Phone: Abi Palaseyed\619-533-4654, MS 908A
Secondary Contact\Phone: Jamal Batta\619-533-7482, MS 908A
City Attorney Contact: Jung, Jeremy A.

* ITEM-101: Agreements Between the City and Six Recognized Employee Organizations Related to Plan Amendments to SPSP and SPSP-H.

ITEM DESCRIPTION:

The City must amend the Supplemental Pension Savings Plan (SPSP) and Supplemental Pension Savings Plan-H (SPSP-H) (collectively, the Plans) to comply with State and Federal tax laws, and to maintain the tax-qualified status. At the same time, the City made a number of Substantive Discretionary Amendments to the Plans. The Parties have met and conferred in good faith with all six Recognized Employee Organizations in accordance with the Meyers-Milias-Brown Act (MMBA) regarding the proposed Substantive Discretionary Amendments to the Plans, and have reached agreement with all.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2016-191)

Approving and ratifying the Agreement between the City of San Diego and American Federation of State, County and Municipal Employees, Local 127 (AFSCME Local 127) Related to Amendments to the Supplemental Pension Savings Plan and Supplemental Pension Savings Plan-H, under the authority of the Meyers-Milias-Brown Act (MMBA) and Council Policy 300-06.

Subitem-B: (R-2016-193)

Approving and ratifying the Agreement between the City of San Diego and California Teamsters Local 911 (Teamsters Local 911) Related to Amendments to the Supplemental Pension Savings Plan and Supplemental Pension Savings Plan-H, under the authority of the MMBA and Council Policy 300-06.

Subitem-C: (R-2016-190)

Approving and ratifying the Agreement between the City of San Diego and the Deputy City Attorneys Association (DCAA) Related to Amendments to the Supplemental Pension Savings Plan and Supplemental Pension Savings Plan-H, under the authority of the MMBA and Council Policy 300-06.

Subitem-D: (R-2016-192)

Approving and ratifying the Agreement between the City of San Diego and International Association of Fire Fighters Local 145 (Local 145) Related to Amendments to the Supplemental Pension Savings Plan and Supplemental Pension Savings Plan-H, under the authority of the MMBA and Council Policy 300-06.

Subitem-E: (R-2016-194)

Approving and ratifying the Agreement between the City of San Diego and the San Diego Municipal Employees Association (MEA) Related to Amendments to the Supplemental Pension Savings Plan and Supplemental Pension Savings Plan-H, under the authority of the MMBA and Council Policy 300-06.

Subitem-F: (R-2016-195)

Approving and ratifying the Agreement between the City of San Diego and the San Diego Police Officers Association (POA) Related to Amendments to the Supplemental Pension Savings Plan and Supplemental Pension Savings Plan-H, under the authority of the MMBA and Council Policy 300-06.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS: N/A

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

SPSP and SPSP-H Plan Amendments to be considered by the City Council prior to this action.

von Kalinowski/Villa

Primary Contact\Phone: Judy von Kalinowski\619-236-6313

Secondary Contact\Phone: Karen DeCrescenzo\619-235-5802

City Attorney Contact: Story Parks, Roxanne

* ITEM-102: Amendment and restatement of the Supplemental Pension Savings Plan (SPSP) and SPSP-H (Hourly) Plan documents.

ITEM DESCRIPTION:

Adopt by two Resolutions the Amended and Restated City of San Diego Supplemental Pension Savings Plan (SPSP) and the Amended and Restated City of San Diego Supplemental Pension Savings Plan-H. The SPSP Plan is for full time benefitted employees originally hired Prior to July 1, 2009. The SPSP-H (Hourly) Plan is for no standard hour employees and full time employees originally hired after July 20, 2012. These Amended and Restated Plans include changes required to comply with State and Federal law, as well as discretionary changes. The attached Report to Council provides details of the changes.

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2016-166)

Approving the Amended and Restated City of San Diego Supplemental Pension Savings Plan (SPSP), effective December 1, 2015;

Declaring that beginning with the pay period ending December 18, 2015, the City will “pick up” the full amount of each Participant’s biweekly Mandatory Employee Contributions, as permitted by Internal Revenue Code Section 414(h)(2) and in accordance with Revenue Ruling 2006-43 and any subsequent Internal Revenue Service guidance, and that the passage of this Resolution constitutes official action, as required by Revenue Ruling 2006-43.

Subitem-B: (R-2016-167)

Approving the Amendment and Restatement of the City of San Diego Supplemental Pension Savings Plan H-Hourly (SPSP-H) effective December 1, 2015;

Declaring that beginning with the pay period ending December 18, 2015, the City will “pick up” the full amount of each Participant’s biweekly Employee Contribution, as permitted by Internal Revenue Code Section 414(h)(2) and in accordance with Revenue Ruling 2006-43 and any subsequent Internal Revenue Service guidance, and that the passage of this Resolution constitutes official action, as required by Revenue Ruling 2006-43.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS: None.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

Not applicable.

Canizal/Lewis

Primary Contact\Phone: Nancy Stadille\619-236-6575, MS 51B

Secondary Contact\Phone: Estella Montoya\619-533-6107

City Attorney Contact: Story Parks, Roxanne

* ITEM-103: Fiscal Year 2015 State Homeland Security Grant Program (SHSP). (Citywide.)

ITEM DESCRIPTION:

This action seeks authorization to accept, appropriate, and expend \$276,852 and any additional funding in FY2015 State Homeland Security Grant Program (SHSP) funding from the California Governor's Office of Emergency Services via the County of San Diego Office of Emergency Services. This funding supports the San Diego Police Department by providing equipment to enhance its capabilities in interoperable communications, information technology, physical security for critical infrastructure, tactical response to terrorism incidents, and search and rescue.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2016-209)

Authorizing the Mayor, or his designee for, and on behalf of the City of San Diego, to apply for, and accept \$276,852, and any additional grant funding in FY 2015 State Homeland Security Grant Program (SHSP) funding, from the California Governor's Office of Emergency Services via the County of San Diego's Office of Emergency Services, and to execute all agreements necessary to comply with the grant requirements;

Authorizing the Chief Financial Officer for, and on behalf of the City of San Diego, to appropriate and expend \$276,852, and any additional grant funding in the FY 2015 State Homeland Security Grant Program funding, from the California Governor's Office of Emergency Services via the County of San Diego's Office of Emergency Services, and to execute all agreements necessary to comply with the grant requirements.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

There is no non-federal match or cost share required for participation in the State Homeland Security Grant Program (SHSP). However, this grant is reimbursable in nature, requiring the City to expend funds prior to requesting reimbursement.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

Not Applicable.

Valencia/Chadwick

Primary Contact\Phone: John Valencia\619-533-6763

Secondary Contact\Phone: Katherine Jackson\619-533-6761

City Attorney Contact: Brazier, Noah J.

* ITEM-104: Water Group 942 Easement Acquisition. (Kearny Mesa Community Area. District 6.)

ITEM DESCRIPTION:

This item is to authorize an easement between BACM-2006-5 Kearny Office Limited Partnership (the current owner) and the City of San Diego for a water main located over portions of real property on Assessor Parcel No. 369-020-08 with new 12 and 16-inch pipes. The easement will allow the City to improve water service through the replacement of deteriorated pipes. The property is scheduled to be listed for public auction on December 3, 2015.

STAFF'S RECOMMENDATION:

Adopt the following resolution:

(R-2016-240)

Approving the acquisition of an easement for the construction, operation, and maintenance of public water mains and related utilities over portions of Assessor Parcel No. 369-020-08, in the Kearny Mesa area, along portions of Kearny Villa Road and Kearny Mesa Boulevard;

Authorizing the Mayor, or designee, to execute and deliver the Easement Deed and Agreement and related Escrow Closing Instructions between the City and BACM-2006-5 Kearny Office Limited Partnership, respectively;

Authorizing the Mayor, or designee, to execute any and all documents that are necessary and appropriate to effectuate these transactions and implement these approvals in a form approved by the Office of the City Attorney;

Authorizing the Chief Financial Officer to expend an amount not to exceed \$22,000 from CIP A-KB.00003, Water Main Replacements, Fund 700010 (Water Utility CIP), for the easement acquisition and related escrow costs for the Water Group 942 Project.

STAFF SUPPORTING INFORMATION:

FISCAL CONSIDERATIONS:

The amount of compensation to be paid for the easement will not exceed \$22,000. The funds are available within the existing CIP Budget, specifically WBS B-11038.03.02, and will be sourced from Fund 700010 (Water Utility - CIP Funding Source). Allocated funding shall be used for the purposes of easement acquisition and related expenses.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION: None.

Thompson/Villa

Primary Contact\Phone: Christina Marin\619-533-6509, MS 51A

Secondary Contact\Phone: Barry Sloten\619-236-6724, MS 51A

City Attorney Contact: Bevier, Debra J.

* ITEM-105: Appointments and Reappointments to the Arts & Culture Commission.

MAYOR FAULCONER'S RECOMMENDATION:

(R-2016-233)

Council confirmation of the following appointments and reappointments by the Mayor of the City of San Diego, to serve as members of the Commission for Arts and Culture, for terms expiring as indicated:

<u>NAME</u>	<u>TERM ENDING</u>
Michael Brown (Rancho Bernardo, District 5) (Filling the seat previously held by Joanne Hayakama, who is termed out)	August 31, 2017
Virginia Jackson (Downtown, District 3) (Filling the seat previously held by John Venekamp, who is termed out)	August 31, 2017
Laurie Mitchell (Bankers Hill, District 3) (Reappointment)	August 31, 2017 (Rev. 11/13/15)
Macedonio Arteaga (El Cerrito, District 9) (Reappointment)	August 31, 2017
Larry Baza (Mission Hills, District 3) (Reappointment) (Chair)	August 31, 2017
Vernon Franck (North Park, District 3) (Reappointment)	August 31, 2017

- * ITEM-106: Resolution excusing Councilmember Emerald from Council meetings of: September 22, 2015, October 5, 2015, and October 6, 2015; along with the Environmental Committee on October 7, 2015; and the Charter Review Committee on October 8, 2015.

COUNCIL PRESIDENT PRO TEM EMERALD'S RECOMMENDATION:

Adopt the following resolution:

(R-2016-198)

Excusing Councilmember Emerald from attending the regularly scheduled City Council meetings of September 22, 2015, October 5, 2015, and October 6, 2015; the Environmental Committee meeting of October 7, 2015; and the Charter Review Committee meeting of October 8, 2015.

NOTE: This item is not subject to the Mayor's veto.

- * ITEM-107: Declaring a Continued State of Emergency Regarding the Discharge of Raw Sewage from Tijuana, Mexico.

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2016-100)

Declaring a continued state of emergency to persist relative to the escalated discharge of raw sewage from Tijuana, Mexico, pursuant to California Government Code Section 8630;

Authorizing the Mayor, or his designee, to execute all necessary contracts for the diversion, treatment, and disposal of international raw sewage;

Declaring that the measures previously taken in accordance with Resolution Number R-282544 shall continue to have full force and effect.

- * ITEM-108: Declaring a Continued State of Emergency Due to Severe Shortage of Affordable Housing in the City.

TODAY'S ACTION IS:

Adopt the following resolution:

(R-2016-105)

Declaring a continued state of emergency to exist due to severe shortage of affordable housing in the City of San Diego, pursuant to California Government Code Section 8630;

Declaring that the measures previously taken by the City Council in Resolution Number R-296982 shall continue to have full force and effect.

ADOPTION AGENDA, DISCUSSION, HEARINGS

NOTICED HEARINGS:

This item will be taken in the morning session which is scheduled to begin at 10:00 a.m.

ITEM-330: Potable, Fire and Recycled Water Rate Adjustments and Cost of Service Study.
(Citywide.)

ITEM DESCRIPTION:

This item is to update both potable & recycled water rates. For potable rates, this is a 2015 update to the 2013 Cost of Service Study (Updated COSS) to produce a five year rate case, which includes the increased cost of purchased water due to the San Diego County Water Authority (CWA rate increases (which includes the Metropolitan Water District of Southern California (MWD) rate increases and completion of the Carlsbad Desalination Plant), the initial phase of the City's Pure Water Program, replacement of aging infrastructure, investments in system efficiency, drought response, the State conservation mandate and recovery of required reserve levels. For recycled rates, a Peer Review of the 2013 Recycled Water Pricing Study (Pricing Study) has been completed by Black & Veatch consultants, which provides the option for either a unitary or a zone recycled water rate to accompany the proposed potable and private fire service rates. (Rev. 11/12/15)

STAFF'S RECOMMENDATION:

Adopt the following resolutions:

Subitem-A: (R-2016-91 Cor. Copy) (Rev. 11/12/15)

Accepting that the Water Updated COSS and the proposed potable water adjustments are authorized by the Council, increasing water system revenues by 9.8%, effective January 1, 2016; 6.9%, effective July 1, 2016; 6.9%, effective July 1, 2017; 5.0%, effective July 1, 2018; and 7.0%, effective July 1, 2019, consistent with the Updated COSS, with the San Diego County Water Authority (CWA) component of the rate increase impact to City customers projected to be 2.5% in 2017 and 2018, and 3.0% in 2019; however, the City will only pass through the actual CWA pass through rate impact to the City customers between 0% and 7%, so the CWA pass through will not exceed 7% for each of the Fiscal Years 2017, 2018 and 2019; and

- a. That water base and commodity charge adjustments are authorized, consistent with the Updated COSS; and
- b. That adjustments to the monthly Private Fire Service charges are authorized, consistent with the Updated COSS; and

Accepting that the Recycled Water Pricing Study and the Peer Review Memorandum and the Department recommended Unitary recycled water base fee and commodity charge adjustments are authorized, consistent with the revised Recycled Water Pricing Study per the Peer Review Memorandum;

Declaring that the Report to City Council is received by the City Council and on file in the Office of the City Clerk as Document No._____.

Subitem-B: (R-2016-237 Cor. Copy) (Rev. 11/12/15)

Declaring that the five year rate case will allow the City to maintain financial stability and be consistent with the City's Updated COSS and Pricing Study, which addresses the current cost to produce and distribute recycled water, the increased cost of purchased water due to the San Diego County Water Authority (CWA) rate increases (which includes the Metropolitan Water District of Southern California (MWD) rate increases and completion of the Carlsbad Desalination Plant), the initial phase of the City's Pure Water Program, replacement of aging infrastructure, investments in system efficiency, drought response, the State conservation mandate and recovery of required reserve levels; (Rev. 11/12/15)

Declaring that based on the foregoing findings, the Council of the City of San Diego finds that the water rate increases approved pursuant to Resolution Number R-_____ are not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(b)(4), (5) because this activity is an organizational or administrative activity of a government that will not result in direct or indirect physical changes in the environment.

STAFF SUPPORTING INFORMATION

FISCAL CONSIDERATIONS:

Proposed rates would be for all Potable Water and Recycled Water ratepayers.

PREVIOUS COUNCIL AND/OR COMMITTEE ACTION:

Presented Cost of Service Study Update to the Independent Rates Oversight Committee (IROC) on July 20, 2015 and August 10, 2015.

Presented Cost of Service Study Update to the Environment Committee on August 5, 2015. The Environment Committee forwarded the item to full Council without recommendation and requested additional questions to be answered prior to the Council hearing.

This item was heard at the Environment Committee meeting on August 5, 2015.

ACTION: Motion by Council President Pro Tern Emerald, second by Councilmember Gloria, to forward the resolutions to the City Council without a recommendation, and to request responses to Committee member questions below, along with additional analysis of the concerns of the Committee members, including potential adjustments of the proposed rate structure.

1. What specific efforts has the City undertaken with the state to allow rate flexibility for customers who have answered the state's call to conserve?
2. What is the percent of water use per tier versus the percentage of customers in each tier (i.e. 20% of customers are in Tier 1, but use 15% of water).

3. Please provide the specific language of the indemnity clause in the Black & Veatch Cost of Service Study.
4. Breakdown of Table 3 on page 14 to demonstrate usage over the past two rate cases.
5. An actuarial analysis of the cost of the CIP for the past rate case.
6. Currently proposed CIP costs and timelines.
7. Past two rates cases for the Operation and Maintenance expenses on page 16, Table 6.
8. What is the value of the MWD-CWA credits received by the City for the smaller recycled water customers?

VOTE: 4-0; Alvarez-yea, Gloria-yea, Cate-yea, Emerald-yea.

A Memorandum was provided (September 15, 2015 action) in response to these questions brought up during the Committee hearing. Additionally, we have provided a Report to the City Council to summarize and detail the requested action that was developed subsequent to the Committee hearing.

On September 15, 2015, the Department provided a Staff Report, Final COSS Report, Black & Veatch Peer Review Memorandum, 2015 Proposition 218 Notice of Public Hearing, Raftelis Recycled Water Pricing Study, Memorandum from the City Attorney's Office and a Report from the Office of the Independent Budget Analyst.

Jones-Santos/LoMedico

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NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT