



CITY OF DEL REY OAKS

650 CANYON DEL REY RD. · DEL REY OAKS, CALIFORNIA 93940
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AGENDA
JOINT MEETING OF
THE CITY OF DEL REY OAKS CITY COUNCIL AND
REDEVELOPMENT AGENCY
TUESDAY, JANUARY 24, 2012 AT 6:00 P.M.
CHARLIE BENSON MEMORIAL HALL, CITY HALL

1. **6:00 P.M. - ROLL CALL** – *Agency/Council Members*
2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC COMMENTS:**
Anyone wishing to address the City Council or Agency on matters not appearing on the Agenda may do so now. The public may comment on any other matter listed on the Agenda at the time the matter is being considered. There will be a time limit of not more than three minutes for each speaker. No action will be taken on matters brought up under this item and all comments will be referred to staff.
4. **CONSENT AGENDA:** *Action Items*
 - A. **MINUTES:**
 1. December 27, 2011, Regular RDA and City Council Meeting
 2. December 14, 2011 Regular Planning Commission Meeting
 - B. **MONTHLY REPORTS:**
 1. Claims, December 2011
 2. Financial, December 2011
 3. Fire Department Response Report, December 2011
 4. Police Activity Report, December 2011
5. **OLD BUSINESS: None**

6. **NEW BUSINESS:** *Action Items*
- A. Joint Powers Authority Agreement between the six (6) Peninsula cities to form water Joint Powers Authority.
 - B. Consider Resolution 2012-01, Appointing Del Rey Oaks as the Successor Agency to the Redevelopment Agency Affordable Housing Agency.
7. **STAFF REPORTS:**
- A. City Manager Report
 - 1. Mid-Year Budget Review
8. **MAYOR AND COUNCIL REPORTS**
9. **CORRESPONDENCE:**
- A. Monterey Regional Waste Management District, Highlights of the Board Meeting December 2011
 - B. Letter from the Food Bank of Monterey County
10. **CLOSED SESSION:** As permitted by Government Code Section 54956 et. seq. the Council may adjourn to a Closed Session to consider specific matters dealing with certain litigation, personnel, or labor/real property negotiations
- A. Existing litigation pursuant to Government Code Section 54956.9(a), City of Del Rey Oaks v. Federal/JER Associates, LLC et al., Monterey County Superior Court Case No. M107509.
11. **SET NEXT MEETING DATE:** Establish **Tuesday, February 28, 2012**, at **6:00 P.M.** as the date and time of the Council’s next regular meeting.
12. **ADJOURNMENT**

Information distributed to the Council at the meeting becomes part of the public record. A copy of written material, pictures, etc. must be provided to the secretary for this purpose. All enclosures and materials regarding these agenda items are available for public review at the Del Rey Oaks City Hall, 650 Canyon Del Rey Road, Del Rey Oaks.

**REGULAR MEETING OF THE CITY OF DEL REY OAKS CITY COUNCIL
CONVENED AT 6:00 P.M. ON TUESDAY, DECEMBER 27, 2011 IN THE
CHARLES BENSON MEMORIAL HALL, CITY HALL**

Present: Council Members Zuccaro, Allion, Vice Mayor Clark
Absent: Council Member Cecilio and Mayor Edelen
Also present: City Attorney Callihan, City Manager Dawson and Deputy City Clerk Carvalho

Meeting came to order at 6:00 p.m. and roll call was taken.

PLEDGE OF ALLEGIANCE: Led by Council Member Allion

PUBLIC COMMENT:

George Jaksha, Planning Commission Chairman: Wants to know if the City can address all the RV's, boats, and trailers parked in the street and in the driveways. There didn't use to be very many and now we have more and more.

CONSENT AGENDA:

A. Minutes

1. October 25, 2011, Regular RDA and City Council Meeting
2. November 15, 2011 City Council Meeting Cancellation notice
3. October 12, 2011, Regular Planning Commission Meeting
4. November 9, 2011 Regular Planning Commission Meeting

B. Monthly Reports:

1. Claims, December 2011
2. Financials, December 2011
3. Fire Department Response Report, December 2011
4. Police Activity Report, December 2011

Council Member Allion: Pulled Item B.2. and asked the City Manager to go over some of the good news we received.

City Manager Dawson: Stated we received property tax in December and came in 2 ½% above last year and received sales tax which are up over 20% from last year. He will have a mid year budget report at the January meeting.

Motion: Council Member Allion
Second: Council Member Zuccaro
Public Comment: None
Motion passed: 3-0

OLD BUSINESS: None

NEW BUSINESS:

The Council considered **ITEM 6.A**, A Resolution of the City Council of the City of Del Rey Oaks Canvassing the November 8, 2011, City/School/Special District Election.

City Attorney Callihan: This is the last step in Measure S, the one cent sales tax which passed in November.

Motion: *Council Member Allion*
Second: *Council Member Zuccaro*
Public Comment: *None*
Motion passed: *3-0*

The Council considered **ITEM 6.B**. Consider Resolution 2011-17, A Resolution of the City Council of the City of Del Rey Oaks Authorizing the City Manager to Execute Agreements with the State Board of Equalization for Implementation of a Local Transactions and Use Tax.

City Manager Dawson: This resolution gives the City Manager permission to sign the agreement with the county to collect the 1 cent tax.

Motion: *Council Member Zuccaro*
Second: *Council Member Allion*
Public Comment: *None*
Motion passed: *3-0*

STAFF REPORTS:

City Manager/Executive Director Dawson: Commended the Council on the passage of Measure S. He announced that Council Member Allion has been appointed to the League of California Cities, Revenue and Taxation Policy Committee. The holiday party was at Tarp's and was a great success. He stated he is really looking forward to working with the Council and the staff this coming year, he feels that 2012 will be a banner year for Del Rey Oaks.

COUNCIL REPORTS:

Council Member Allion: Nothing to report.

Council Member Zuccaro: Nothing to report

Vice Mayor Clark: She stated that she was unable to make any of her meetings due to illness. She wanted to congratulate George Jaksha on becoming the Chairman of the Planning Commission. The holiday party for the Citizen's Action group was a huge success and noticed a lot more kids which is great! Asked if anyone knows of anyone that needs meals delivered please let us know.

Public Comment:

George Jaksha: Stated he likes seeing kids be able to ride their bikes around the neighborhoods when lots of other neighborhoods don't have the ability to do that. He feels that Del Rey Oaks has a very homey feeling.

Council Member Allion: Announced George Jaksha's retirement after 41 years with the Navy Post Graduate School.

Vice Mayor Clark: Announced Correspondence and announced closed session and opened public comment:

Existing litigation pursuant to Government Code Section 54956.9(a),
City of Del Rey Oaks v. Federal/JER Associates, LLC et al., Monterey
County Superior Cour Case No. M107509.

Public Comment: None

6:13 p.m.: Adjourned Meeting to go into closed session.

6:16 p.m.: Convened into closed session.

6:30 p.m.: Adjourned from closed session into open session and reported the following:

City Manager Dawson: Announced that the item on the agenda was discussed and direction was given to staff, no action was taken.

6:31 p.m.: Adjourned Meeting

Next meeting: Tuesday, **January 24th, 2012**, 6 p.m.

Approved

Signature

Date

**REGULAR MONTHLY MEETING DEL REY OAKS PLANNING
COMMISSION WEDNESDAY, DECEMBER 14, 2011 AT 6:00 P.M.
CHARLIE BENSON MEMORIAL HALL**

Present: Commissioner Thayer, Weir, Lucido, Hayworth, Ventimiglia, Larson
and Chairman Jaksha

Absent: None

Also Present: City Manager Dawson and Deputy City Clerk Minami

PLEDGE OF ALLEGIANCE: Lead by Chairman Jaksha

Chairman Jaksha announces that since item 6.C., 826 Portola Drive wasn't flagged; the item will not be discussed tonight. The item will be on the January agenda.

CONSENT AGENDA:

The Commission considered **ITEM 4.A.**, Planning Commission Meeting Minutes, November, 2011.

Motion by Commissioner Thayer to approve, seconded by Commissioner Lucido.

There were no comments received

Motion passed 7-0

PUBLIC COMMENT:

None

REPORTS:

The Commission considered **ITEM 5.A.** Building Activity Report, November 2011

Report was accepted.

Commissioner Ventimiglia: Asked for follow up on the letter that was mailed to the owners of 800 Portola Drive, in regard to the maintenance.

City Manager Dawson: Staff will follow up.

NEW BUSINESS:

The Commission considered **ITEM 6.A.**,

Project Name: Bill Westphal

File Number: ARC 11-11/CUP 11-10

Site Location: 10 Boronda Way

Planning Area: APN#012-491-001

Environmental Status: Categorically Exempt

Project Description: Requesting Architectural Review and Conditional Use Permit to build a 4'6" (open rail) fence around front courtyard with a 7' high trellis over existing walkway. Materials and colors to match existing residence.

Recommended Action: Analyze provided material, make appropriate findings and give direction to staff.

Commissioner Larson steps down, because he owns property within 500 feet of the project.

Bill Westphal, Applicant: Wants more privacy, than just 3 feet high. Ranch style fence.

Commissioner Thayer: Likes the ranch style look.

Commissioner Weir: What kind of landscaping?

Bill Westphal, Applicant: Very simple, drought resistant. Olive trees, etc.

Commissioner Ventimiglia: What are the fence height requirements?

Commissioner Lucido: The pink hand outlines the fence height requirements.

Commissioner Thayer: Doesn't understand the 3' fence rule.

Motion by Commissioner Ventimiglia to approve item #6.A: Bill Westphal, ARC #11-11/CUP #11-10, 10 Boronda Way, APN #012-481-017, Environmental Status is Categorically Exempt, to build a 4'6" high (open rail) fence around front courtyard with a 7' high trellis over existing walkway, *seconded by Commissioner Weir.*

Motion passed 6-0

Public Comment:

None

Commissioner Larson returns to the dais.

The Commission considered **ITEM 6.B.**,

Project Name: Jim and Kristin Clark

File Number: ARC 11-12

Site Location: 988 Via Verde

Planning Area: APN#012-541-15

Environmental Status: Categorically Exempt

Project Description: Requesting Architectural Review to expand size of window to 48"x48" (from 48"x36") to match others on the same wall. Materials and colors to match existing residence.

Recommended Action: Analyze provided material, make appropriate findings and give direction to staff.

Applicant is not present.

Commissioner Thayer: Why is this being heard tonight?

Deputy City Clerk Minami: The size of the window is changing.

Commissioner Weir: Commends the applicant for following the process, a lot of people don't.

Commissioner Lucido: Why is the window in consideration so small?

Deputy City Clerk Minami: It was originally a kitchen window and now it is a dining room window.

Motion by Commissioner Lucido to approve item #6.B: Jim and Kristin Clark, ARC #11-12, 988 Via Verde, APN #012-541-15, Environmental Status is Categorically Exempt, to expand size of window to 48" x 48" (from 48" x 36") to match others on the same wall, seconded by Commissioner Weir.

Motion passed 7-0

Public Comment:

None

OLD BUSINESS: None

ANNOUNCEMENTS/COMMENTS:

Commissioner Weir: Would like someone from the City to look at the drainage problem she has at her home that comes down from Carlton Drive, every time it rains. In the past, her husband has dug a drain to ease the flooding, but can't do that type of work any longer. The house has flooded several times.

Commissioner Ventimiglia: Drain system there?

City Manager Dawson: Yes, and the intersection has been addressed, but staff will take a look at this as well.

Commissioner Hayworth: Will not be able to go the Holiday Dinner, but will come by for lunch.

Commissioner Lucido: Regrets not able to make the dinner, but at least it is because of work.

Commissioner Thayer: His parents celebrated 65th Wedding Anniversary.

Chairman Jaksha: Commends Kristin Clark and Pam Lichtanski for all of their hard work, putting on the Santa’s Workshop. It was a huge success.

Thanks Officer Matt Young for painting City Hall, looks great. He is going to Hawaii on the 17th and retiring on Jan. 3rd.

Commissioner Ventimiglia: The deck at 26 Los Encinos that was approved looks great.

NEXT MEETING: Wednesday, January 11, 2012 at 6:00 p.m.

6:30 p.m. Meeting Adjourned

Approved: _____

CITY OF DEL REY OAKS
Claims Report
 December 2011

	Date	Num	Name	Memo	Amount
AFLAC					
Total AFLAC	12/28/2011	12598	AFLAC	Premiums-employee paid-INV. 852457 (DEC PREMIUM)	<u>281.80</u> 281.80
AT&T CAL NET 2					
Total AT&T CAL NET 2	12/05/2011	12555	AT&T CAL NET 2	PHONE SEPT 2011	217.29
	12/28/2011	12599	AT&T CAL NET 2	PHONE OCT 2011	<u>236.93</u> 454.22
BAY SERVICE AUTOMOTIVE					
Total BAY SERVICE AUTOMOTIVE	12/05/2011	12556	BAY SERVICE AUTOMOTIVE	AUTO MAINTENANCE AND REPAIR #80	94.71
	12/14/2011	12581	BAY SERVICE AUTOMOTIVE	AUTO MAINTENANCE AND SMOG INSPECTIONS OCT 2011	<u>340.42</u> 435.13
CALIFORNIA-AMERICAN WATER					
Total CALIFORNIA-AMERICAN WATER	12/05/2011	12557	CALIFORNIA-AMERICAN WATER	9/21/11-10/20/11 WATER	<u>253.30</u> 253.30
CENTRAL COAST TREE AND TIMBER SERV					
Total CENTRAL COAST TREE AND TIMBER SERV	12/14/2011	12582	CENTRAL COAST TREE AND TIMBER SERV	VOID: REMOVE LARGE PINE AND OAK- 8/9, 8/10 AND 8/11/11-PRINTED IN ERROR	1,034.46
	12/14/2011	12582	CENTRAL COAST TREE AND TIMBER SERV	VOID: REMOVE LARGE PINE AND OAK- 8/9, 8/10 AND 8/11/11-PRINTED IN ERROR	
	12/28/2011	12600	CENTRAL COAST TREE AND TIMBER SERV	REMOVE LARGE PINE AND OAK- 8/9, 8/10 AND 8/11/11	<u>1,990.00</u> 1,990.00
CITY OF SALINAS, ATTORNEY SERVICES					
Total CITY OF SALINAS, ATTORNEY SERVICES	12/05/2011	12558	CITY OF SALINAS, ATTORNEY SERVICES	SEPT 2011 CITY ATTORNEY SERVICES-INV 234140	1,034.46
	12/14/2011	12583	CITY OF SALINAS, ATTORNEY SERVICES	VOID: NOV 2011 CITY ATTORNEY SERVICES-REF. #235905/printed in error	
	12/14/2011	12583	CITY OF SALINAS, ATTORNEY SERVICES	VOID: NOV 2011 CITY ATTORNEY SERVICES-REF. #235905/printed in error	
	12/28/2011	12601	CITY OF SALINAS, ATTORNEY SERVICES	OCT 2011 CITY ATTORNEY SERVICES-REF. #234686	<u>1,017.22</u> 2,051.68
CO-POWER					
Total CO-POWER	12/06/2011	12554	CO-POWER	VOID: Printer Error	4,045.64
	12/06/2011	12554	CO-POWER	VOID: Printer Error	<u>2,012.82</u> 6,058.46
	12/14/2011	12554	CO-POWER		
	12/28/2011	12602	CO-POWER	JAN . 12 DELTA DENTAL PREMIUM	
COMCAST HIGH SPEED INTERNET					
Total COMCAST HIGH SPEED INTERNET	12/05/2011	12559	COMCAST HIGH SPEED INTERNET	INTERNET OCT 2011	71.36
	12/28/2011	12603	COMCAST HIGH SPEED INTERNET	INTERNET 11/10-12/9	<u>71.36</u> 142.72
COMMUNITY HOSPITAL OF MTY					
Total COMMUNITY HOSPITAL OF MTY	12/05/2011	12560	COMMUNITY HOSPITAL OF MTY	BLOOD	<u>40.00</u> 40.00
CONSOLIDATED ELECTRICAL					
Total CONSOLIDATED ELECTRICAL	12/05/2011	12561	CONSOLIDATED ELECTRICAL	CM VEHICLE	<u>77.12</u> 77.12
ENTERSECT CORPORATION					
Total ENTERSECT CORPORATION	12/28/2011	12604	ENTERSECT CORPORATION	INV. 40136 POLICE ONLINE SERVICE-SEPT 2011	<u>79.00</u> 79.00

CITY OF DEL REY OAKS
Claims Report
 December 2011

	Date	Num	Name	Memo	Amount
FIRST AMERICAN REAL ESTATE SOLUTIONS					
Total FIRST AMERICAN REAL ESTATE SOLUTIONS	12/05/2011 12/28/2011	12562 12605	FIRST AMERICAN REAL ESTATE SOLUTIONS FIRST AMERICAN REAL ESTATE SOLUTIONS	METRO SCAN- ADDRESS SERVICE-SEPT 2011 METRO SCAN- ADDRESS SERVICE-OCT 2011	104.17 104.17 <u>208.34</u>
FIRST CHOICE SERVICES					
Total FIRST CHOICE SERVICES	12/14/2011	12584	FIRST CHOICE SERVICES	Coffee and condiments	80.15 <u>80.15</u>
FIRST NATIONAL BANK CHARGE					
Total FIRST NATIONAL BANK CHARGE	12/30/2011	EFT123011	FIRST NATIONAL BANK CHARGE	BANK FEES	183.42 <u>183.42</u>
GLOBALSTAR USA					
Total GLOBALSTAR USA	12/05/2011	12563	GLOBALSTAR USA	SATELITE PHONE	26.78 <u>26.78</u>
GOLDFARB & LIPMAN					
Total GOLDFARB & LIPMAN	12/14/2011	12585	GOLDFARB & LIPMAN	INV 101111-OCT 2011, MONTHLY INSTALLMENT AGAINST BALANCE	5,727.00 <u>5,727.00</u>
HOME DEPOT CRC					
Total HOME DEPOT CRC	12/14/2011	12586	HOME DEPOT CRC	ACCT. # 6035 3220 0248 6219	376.16 <u>376.16</u>
I.M.P.A.C.GOVERNMT SER					
Total I.M.P.A.C.GOVERNMT SER	12/14/2011	12587	I.M.P.A.C.GOVERNMT SER	ACCT. 4246044555649524 NOV 2011	1,210.31 <u>1,210.31</u>
IE SOLUTIONS					
Total IE SOLUTIONS	12/28/2011	12606	IE SOLUTIONS	INV. 11-1140 INTERVIEW WITH AUDITORS	75.00 <u>75.00</u>
Intuit					
Total Intuit	12/30/2011	EFT W2s	Intuit	INTUIT W:2s	34.31 <u>34.31</u>
JAMES DE CHALK					
Total JAMES DE CHALK	12/14/2011 12/14/2011 12/14/2011	12588 12588 12593	JAMES DE CHALK JAMES DE CHALK JAMES DE CHALK	VOID: OCT 2011-MUST REPRINT, PRINTER ERROR VOID: OCT 2011-MUST REPRINT, PRINTER ERROR OCT 2011	300.00 <u>300.00</u>
KELLY-MOORE PAINT CO.INC					
Total KELLY-MOORE PAINT CO.INC	12/28/2011	12607	KELLY-MOORE PAINT CO.INC	SUPPLIES	34.58 <u>34.58</u>
LAVARATO & DARLING, INC.					
Total LAVARATO & DARLING, INC.	12/05/2011 12/14/2011 12/14/2011 12/14/2011	12564 12589 12589 12594	LAVARATO & DARLING, INC. LAVARATO & DARLING, INC. LAVARATO & DARLING, INC. LAVARATO & DARLING, INC.	CITYDRO INV 3370 VOID: CITYDRO INV 3427 PRINTER ERROR VOID: CITYDRO INV 3427 PRINTER ERROR CITYDRO INV 3427	10,217.70 <u>7,742.15</u> <u>17,959.85</u>

CITY OF DEL REY OAKS
Claims Report
 December 2011

	Date	Num	Name	Memo	Amount
M&S BUILDING SUPPLY, INC.					
Total M&S BUILDING SUPPLY, INC.	12/28/2011	12608	M&S BUILDING SUPPLY, INC.	SUPPLIES FOR P.D. OCT 2011	141.63 141.63
MARTINS' IRRIGATION SUP					
Total MARTINS' IRRIGATION SUP	12/05/2011	12565	MARTINS' IRRIGATION SUP	IRRIGATION SUPPLIES	7.14 7.14
MINAMI, KAREN L					
Total MINAMI, KAREN L	12/12/2011	12579	MINAMI, KAREN L	Wellness Reimbursement	44.00
	12/12/2011	12580	MINAMI, KAREN L	Wellness Reimbursement	160.00 204.00
MONTEREY AUTO SUPPLY INC.					
Total MONTEREY AUTO SUPPLY INC.	12/28/2011	12609	MONTEREY AUTO SUPPLY INC.	AUTO AND TRACTOR EQUIPMENT	234.00 234.00
MONTEREY BAY TECHNOLOGIES					
Total MONTEREY BAY TECHNOLOGIES	12/05/2011	12566	MONTEREY BAY TECHNOLOGIES	IT SERVICES RETAINER AUG 2011	350.00 350.00
MTRY BAY OFFICE PRODUCTS					
Total MTRY BAY OFFICE PRODUCTS	12/05/2011	12567	MTRY BAY OFFICE PRODUCTS	INV. 115776-CONTRACT COVERGE FOR THE 6/10/11-9/9/11OVERAGE PERIOD	229.30 229.30
MTRY CTY EMERGENCY SERV					
Total MTRY CTY EMERGENCY SERV	12/14/2011	12590	MTRY CTY EMERGENCY SERV	VOID: PRINTER ERROR TENS fee.	
	12/14/2011	12590	MTRY CTY EMERGENCY SERV	VOID: PRINTER ERROR TENS fee.	
	12/14/2011	12595	MTRY CTY EMERGENCY SERV	TENS fee. paid to avoid 5% penalty of deducting dispatch service from property taxes.	698.00 698.00
NEXTEL COMMUNICATION					
Total NEXTEL COMMUNICATION	12/05/2011	12568	NEXTEL COMMUNICATION	NEXTEL RADIO- CLK/PW/PD/CM	435.30 435.30
OFFICE DEPOT					
Total OFFICE DEPOT	12/28/2011	12610	OFFICE DEPOT	Misc Office Supplies	162.59 162.59
OFFICE EQUIPMENT FINANCE SERVICES					
Total OFFICE EQUIPMENT FINANCE SERVICES	12/28/2011	12611	OFFICE EQUIPMENT FINANCE SERVICES	LEASE PAYMENT AND YEARLY PROPERTY TAX FOR COPIER-NOV 11	540.22 540.22
P.E.R.S.-HEALTH					
Total P.E.R.S.-HEALTH	12/05/2011	12569	P.E.R.S.-HEALTH	HEALTH PREMIUM DEC 2011	12,436.20 12,436.20
PG&E					
Total PG&E	12/14/2011	12591	PG&E	VOID: GAS 9/14/11-10/13/11 ELEC 9/14/11-10/24/11-PRINTER ERROR	
	12/14/2011	12591	PG&E	VOID: GAS 9/14/11-10/13/11 ELEC 9/14/11-10/24/11-PRINTER ERROR	
	12/14/2011	12596	PG&E	GAS 9/14/11-10/13/11 ELEC 9/14/11-10/24/11	2,421.92 2,421.92

CITY OF DEL REY OAKS
Claims Report
December 2011

Date	Num	Name	Memo	Amount
PG&E-GJM&218				
12/05/2011	12570	PG&E-GJM&218	6817283169-2	36.48
12/14/2011	12592	PG&E-GJM&218	VOID: 6817283169-2 PRINTER ERROR	
12/14/2011	12592	PG&E-GJM&218	VOID: 6817283169-2 PRINTER ERROR	
12/14/2011	12597	PG&E-GJM&218	6817283169-2	74.86
				<u>111.34</u>
Total PG&E-GJM&218				
PITNEY BOWES PURCHASE POWER				
12/05/2011	12571	PITNEY BOWES PURCHASE POWER	POSTAGE ACCT. 8000900003463050	255.05
				<u>255.05</u>
QuickBooks Payroll Service				
12/14/2011		QuickBooks Payroll Service	Monthly processing fee for December 2011	69.00
12/14/2011		QuickBooks Payroll Service	No state fee for CA for December 2011	
12/14/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	28,198.49
12/15/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	3,959.00
12/15/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	508.72
12/15/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	508.72
12/15/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	1,264.29
12/15/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	257.24
12/29/2011		QuickBooks Payroll Service	Fee for 18 employee(s) paid	27.00
12/29/2011		QuickBooks Payroll Service	Fee for 15 direct deposit(s) at \$1.25 each	18.75
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	302.74
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	0.60
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	93.15
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	9.06
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	9.06
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	38.75
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	26.25
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/13/2011	7.50
12/29/2011		QuickBooks Payroll Service	Fee for 12 employee(s) paid	18.00
12/29/2011		QuickBooks Payroll Service	Fee for 11 direct deposit(s) at \$1.25 each	13.75
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/28/2011	28,589.79
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/28/2011	4,345.00
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/28/2011	506.24
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/28/2011	506.24
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/28/2011	1,448.13
12/29/2011		QuickBooks Payroll Service	Created by Payroll Service on 12/28/2011	290.50
				<u>71,015.97</u>
Total QuickBooks Payroll Service				
SHRED-IT				
12/05/2011	12572	SHRED-IT	SHREDDING SERVICE-AUG. 2011/INV.7677159702	52.50
				<u>52.50</u>
Total SHRED-IT				
SUNSTAR MEDIA				
12/05/2011	12573	SUNSTAR MEDIA	WEBSITE MONTHLY WEB SERVICE PER CONTRACT	95.00
				<u>95.00</u>
Total SUNSTAR MEDIA				
TERMINIX				
12/05/2011	12574	TERMINIX	PEST CONTROL AND MAINTENANCE-8/2011	59.00
				<u>59.00</u>
Total TERMINIX				
VSP				

CITY OF DEL REY OAKS
 Claims Report
 December 2011

Date	Num	Name	Memo	Amount
12/05/2011	12575	VSP	VISION PLAN DED 2011	160.64
				160.64
				<u>127,689.13</u>

Total VSP

TOTAL

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL

2 Quarters Ended Dec 31, 2011

	Actual Total FY 2011-2012	Budget FY2011-2012	% of Amount Budget
Revenue			
PROPERTY TAXES			
P/T-SECURED	\$ 185,015.32	\$ 341,618.00	54%
P/T-UNITARY TAX	\$ 3,151.00	\$ 5,666.00	56%
P/T-UNSECURED	\$ 13,486.13	\$ 13,736.00	98%
P/T-SB813	\$ 2,736.62	\$ 2,850.00	96%
P/T-PRIOR SECURED	\$ 9,554.52	\$ 16,652.00	57%
PROPERTY TAX - VLF	\$ 55,461.00	\$ 115,208.00	48%
P/T-INT/PENAL	\$ 191.52	\$ 176.00	109%
P/T - ADMINISTRATIVE FEE	\$ -	\$ (7,946.00)	0%
TOTAL PROPERTY TAXES	269,596.11	487,960.00	55.25 %
OTHER TAXES			
SALES TAX	\$ 124,456.00	\$ 275,468.00	45%
SALES TAX IN LIEU - 3-FLIP	\$ 44,669.44	\$ 80,969.00	55%
Sales Tax - Add On	\$ 201,003.18	\$ 446,166.00	45%
COP MONIES	\$ 50,000.00	\$ 100,000.00	50%
PROPERTY TRANSFER TAX	\$ -	\$ 3,360.00	0%
GAS FRANCHISES	\$ 211.62	\$ 4,944.00	4%
ELECTRIC FRANCHISES	\$ 434.54	\$ 16,497.00	3%
GARBAGE FRANCHISES	\$ 22,512.12	\$ 40,467.00	56%
CABLE TV FRANCHISES	\$ 11,888.18	\$ 24,212.00	49%
WATER FRANCHISES	\$ -	\$ 7,873.00	0%
SEWER IMPACT	\$ -	\$ 8,615.00	0%
TOTAL OTHER TAXES	455,175.08	1,008,571.00	45.13 %
LICENSES & PERMITS			
BUSINESS LICENSES	\$ 168,667.48	\$ 174,397.00	97%
BUILDING PERMITS	\$ 7,837.30	\$ 8,288.00	95%
PLAN CHECK FEES	\$ 2,526.78	\$ 3,715.00	68%
STREET OPENING PERMITS FEES	\$ 400.00	\$ 630.00	63%
PLUMBING PERMITS	\$ 300.00	\$ 1,764.00	17%
ELECTRICAL PERMITS	\$ 400.00	\$ 735.00	54%
SB 1473 STATE SURCHG ON PERMITS	\$ 31.00	\$ -	
OTHER LICENSES/PERMITS	\$ 68.43	\$ 500.00	14%
TOTAL LICENSES & PERMITS	180,230.99	190,029.00	94.84 %
FINES & FORFEITURES			
VEHICLE CODE FINES	\$ 8,619.16	\$ 17,073.00	50%
TOTAL FINES & FOREITURES	8,619.16	17,073.00	50.48 %
INTEREST EARNED			
INTEREST EARNED	\$ 508.37	\$ 2,755.00	18%
TOTAL INTEREST EARNED	508.37	2,755.00	18.45 %

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL

2 Quarters Ended Dec 31, 2011

OTHER AGENCY REVENUE			
MOTOR VEHICLE LICENSE FEE(MVLF)	\$ 3,487.71	\$ 5,106.00	68%
HOPTR	\$ 353.30	\$ 1,276.00	28%
PROP 172	\$ 5,169.34	\$ 6,410.00	81%
GRANTS	\$ -	\$ 8,000.00	0%
TRAFFIC CONGESTION RELIEF-AB438	\$ -	\$ 4,337.00	0%
POLICE GRANTS OTHER AGENCIES	\$ -	\$ 8,400.00	0%
TOTAL OTHER AGENCY REVENUE	9,010.35	33,529.00	26.87 %
CURRENT SERVICES			
USE PERMITS	\$ 2,890.00	\$ 4,436.00	65%
MAPS/PUBLICATIONS	\$ 260.00	\$ 163.00	160%
RENTAL INCOME	\$ 1,701.00	\$ 9,824.00	17%
POLICE REPORTS	\$ 726.00	\$ 854.00	85%
PROPERTY INSPECTIONS	\$ 500.00	\$ 1,995.00	25%
POLICE SERVICES	\$ 11,270.00	\$ 15,398.00	73%
PUBLIC EVENTS	\$ 57,250.00	\$ 47,544.00	120%
MISCELLANEOUS SERVICES	\$ 12,337.31	\$ 7,545.00	164%
PD DONATIONS	\$ 3,187.45	\$ 5,250.00	61%
TOTAL CURRENT SERVICES	90,121.76	93,009.00	96.90 %
PARKS/RECREATION			
PARK RENTAL	\$ 1,570.00	\$ 5,460.00	29%
RV RENTAL PARKS	\$ 14,960.00	\$ 25,846.00	58%
TOTAL PARKS & RECREATION	16,530.00	31,306.00	52.80 %
OTHER			
GAS TAX 2107	\$ 5,022.54	\$ 18,864.00	27%
GAS TAX 2106	\$ 4,167.25	\$ 7,618.00	55%
GAS TAX 2107.5	\$ 2,001.86	\$ 1,050.00	191%
GAS TAX 2105	\$ 4,009.76	\$ 7,960.00	50%
TOTAL OTHER	15,201.41	35,492.00	42.83 %
Total Revenue	\$ 1,044,993.23	1,899,724.00	55%

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL

2 Quarters Ended Dec 31, 2011

Expenditures			
Payroll & Benefits			
OVERTIME	\$ 6,972.79	\$ 20,000.00	35%
PAYROLL	\$ 444,974.48	\$ 843,528.00	53%
COUNCIL MEMBER STIPEND	\$ 3,000.00	\$ 6,000.00	50%
RESERVES PAYROLL	\$ 14,034.42	\$ 30,000.00	47%
PERS	\$ 21,234.70	\$ 157,260.00	14%
MEDICARE	\$ 6,827.09	\$ 12,000.00	57%
DENTAL EXPENSE	\$ 12,308.23	\$ 29,019.00	42%
HEALTH INS	\$ 78,561.33	\$ 165,864.00	47%
VISION INS	\$ 1,135.96	\$ 1,581.00	72%
WORKERS COMP	\$ 113,909.39	\$ 175,000.00	65%
WELLNESS PROGRAM	\$ 2,639.21	\$ 8,000.00	33%
UNIFORM ALLOWANCE	\$ 4,500.00	\$ 5,500.00	82%
TOTAL PAYROLL & BENEFITS	\$ 710,097.60	\$ 1,453,752.00	49%
Payroll Expenses			
Payroll Expenses	\$ 1,014.54	\$ 1,951.00	52%
TOTAL PAYROLL EXPENSES	\$ 1,014.54	\$ 1,951.00	52%
Bank Service Charges			
Bank Service Charges	\$ 1,591.75	\$ 1,583.00	101%
TOTAL BANK SERVICE CHARGES	\$ 1,591.75	\$ 1,583.00	101%
SUPPLIES			
MATERIALS/SUPPLY	\$ 10,096.34	\$ 21,500.00	47%
AMMUNITION (PD Donation Pd for most)	\$ 6,516.86	\$ 5,000.00	130%
OFFICE SUPPLIES	\$ 5,765.01	\$ 12,000.00	48%
SPECIAL SUPPLY POLICE	\$ 2,068.17	\$ 5,000.00	41%
TOTAL SUPPLIES	\$ 24,446.38	\$ 43,500.00	56%
UTILITIES & SERVICES			
REPAIR/MAINTENANCE	\$ 12,852.24	\$ 24,315.00	53%
STREET SWEEPING	\$ 2,497.78	\$ -	
GABILAN CREW	\$ 3,367.05	\$ 2,052.00	164%
UTILITIES/PGE	\$ 6,111.60	\$ 7,252.00	84%
UTILITIES/WATER	\$ 1,371.87	\$ 2,470.00	56%
TELEPHONE / INTERNET	\$ 4,709.12	\$ 13,791.00	34%
WEBSITE DESIGN & MAINTENANCE	\$ 475.00	\$ 4,500.00	11%
POSTAGE / SHIPPING	\$ 1,446.52	\$ 1,837.00	79%
TRAVEL/CONFERENCE	\$ 3,198.54	\$ 11,298.00	28%
MEMBER/DUES/CONTRIBUTIONS	\$ 4,228.08	\$ 9,573.00	44%
AD/PROMOTION CITY CNCL	\$ 1,845.30	\$ 2,111.00	87%
LEGAL ADVERT NON-DEPT	\$ 119.00	\$ 215.00	55%
MEETING CITY CNCL	\$ 334.32	\$ 952.00	35%
BOOK/PERIODICAL	\$ -	\$ 140.00	0%
TOTAL UTILITIES & SERVICES	\$ 42,556.42	\$ 80,506.00	53%

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL
2 Quarters Ended Dec 31, 2011

OUTSIDE SERVICES			
TRAINING POLICE	\$ 7,375.00	\$ 8,632.00	85%
OTHER PERMITS PW/ENGR	\$ 6,160.75	\$ 3,735.00	165%
LIABILITY/PROP NON-DPT	\$ 6,004.40	\$ 25,000.00	24%
CONTRACTUAL AUDIT	\$ 28,113.56	\$ 25,000.00	112%
DATA PROCESSING	\$ 2,747.15	\$ 3,850.00	71%
CONTRACTUAL SVCS PLANNING	\$ 10,229.41	\$ 2,500.00	409%
CONTRACTUAL SVCS - LEGAL	\$ 82.00	\$ 9,992.00	1%
CONTRL RETAINER LEGAL	\$ 6,547.09	\$ 10,360.00	63%
JANITORIAL FUND	\$ 1,875.00	\$ 3,250.00	58%
RADIO DISPATCH POLICE	\$ 40,106.00	\$ 38,260.00	105%
COMM HUM SERV NON-DEPT	\$ 3,100.00	\$ 3,057.00	101%
TOTAL OUTSIDE SERVICES	\$ 112,340.36	\$ 133,636.00	84%
AUTO OPERATION			
AUTO OPS - SUPPLIES / EQUIP	\$ 415.16	\$ 1,160.00	36%
AUTO OPS - FUEL	\$ 12,466.40	\$ 18,393.00	68%
AUTO REPAIR/MAINTENANCE	\$ 10,593.82	\$ 9,357.00	113%
AUTO LEASE PAYMENTS	\$ 12,249.59	\$ 12,250.00	100%
TOTAL AUTO OPERATION	\$ 35,724.97	\$ 41,160.00	87%
POLICE AND FIRE			
FUND JAIL & PRISONER	\$ 211.34	\$ 1,238.00	17%
ACJIS SYSTEM POLICE	\$ 1,845.54	\$ 5,405.00	34%
ANIMAL REGULATION FIRE	\$ 654.48	\$ 2,724.00	24%
FIRE SEASIDE	\$ 60,149.30	\$ 116,000.00	52%
TOTAL POLICE & FIRE	\$ 62,860.66	\$ 125,367.00	50%
STREETS & STORM WATER			
S.M.I.P.	\$ 39.51	\$ 51.00	77%
SB 1473	\$ 18.90	\$ -	
STREET LIGHTING	\$ 8,522.69	\$ 14,163.00	60%
STORM WATER PROJECT - PHASE 4	\$ -	\$ 5,480.00	0%
TOTAL STREETS & STORM WATER	\$ 8,581.10	\$ 19,694.00	44%
TOTAL EXPENDITURES	\$ 999,213.78	\$ 1,901,149.00	53%
Total Revenue	\$ 1,044,993.23		
Total Expenditures	\$ 999,213.78		
Total Operating Revenue Less Expenditures this fiscal year to date	\$ 45,779.45		

CITY OF DEL REY OAKS
FISCAL YEAR 2011/2012 BUDGET VS ACTUAL
 2 Quarters Ended Dec 31, 2011

CAPITAL OUTLAY FOR FISCAL YEAR 2011-2012			
Other Income			
Portola/Carlton (Prop 1B) CIP	\$ -	\$ 400,000.00	0%
Total Other Income	\$ -	\$ 400,000.00	0%
Other Expenses			
CAPITAL OUTLAY	\$ -	\$ -	
PORTOLA / CARLTON (PROP 1B)	\$ -	\$ 400,000.00	0%
Total Other Expenses	\$ -	\$ 400,000.00	0%

**CITY OF DEL REY OAKS
CASH FUNDS BALANCE REPORT
AS OF DECEMBER 31, 2011**

CITY OF DEL REY OAKS		
CASH BALANCES AS OF DECEMBER 31, 2011		
	1000 · GENERAL CHECKING	\$350,710.66
	1008 · LAIF CITY - 246	\$134,753.72
	Total City Checking/Savings	\$485,464.38
REDEVELOPMENT AGENCY		
CASH BALANCES AS OF DECEMBER 31, 2011		
	10-1001 · GENERAL CHECKING	\$0.00
	10-1003 · DUFFY EIR/CEQA CHECKING	\$0.00
	10-1002 · LAIF RDA ACCOUNT	\$413.21
	Total RDA Checking/Savings	\$413.21
	GRAND TOTAL CASH BALANCES	\$485,877.59



FIRE DEPARTMENT
1635 Broadway Avenue
Seaside, CA 93955

Telephone (831) 899-6790
FAX (831) 899-6261

January 2, 2012

Chief Langford
Del Rey Oaks City Hall
650 Canyon Del Rey
Del Rey Oaks, CA 93940

Dear Chief Langford:

Enclosed is a copy of the response reports for the Seaside Fire Department response to Del Rey Oaks for the period of December 1, 2011 through December 31, 2011.

The City of Del Rey Oaks will be billed for the following incident numbers:

Incident #
11-0002066
11-0002092
11-0002194
11-0002245

There are a total of four fire calls for the month of December. If you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Failauga".

Melissa Failauga
Facility Receptionist
CC: File

Seaside Fire Department

Incident List by Alarm Date/Time

Alarm Date Between {12/01/2011} And {12/31/2011}
and District = "029 "

Incident-Exp#	Alm Date	Alm Time	Location	Incident Type
11-0002066-000	12/02/2011	00:15:00	1025 PORTOLA DR /Del Rey	500 Service Call, other
11-0002072-000	12/02/2011	12:56:00	CANYON DEL REY BLVD & VIA	600 Good intent call, Other
11-0002084-000	12/04/2011	00:04:00	6 CARLTON DR /Del Rey Oak	611 Dispatched & cancelled en ro
11-0002092-000	12/05/2011	02:42:00	1072 PALOMA RD /Del Rey O	321 EMS call, excluding vehicle
11-0002168-000	12/15/2011	21:08:00	441 CANYON DEL REY BLVD	611 Dispatched & cancelled en ro
11-0002174-000	12/16/2011	16:27:00	6 CARLTON DR /Del Rey Oak	611 Dispatched & cancelled en ro
11-0002194-000	12/18/2011	13:21:00	815 CANYON DEL REY BLVD /	745 Alarm system activation, no
11-0002210-000	12/20/2011	14:15:00	800 PORTOLA DR /Del Rey O	611 Dispatched & cancelled en ro
11-0002214-000	12/21/2011	12:01:00	800 PORTOLA DR /Del Rey O	622 No incident found on arrival
11-0002227-000	12/24/2011	04:16:00	447 CANYON DEL REY BLVD	740 Unintentional transmission e
11-0002245-000	12/26/2011	17:50:00	867 PORTOLA DR /Del Rey O	5312 Smoke/Odor Investigation
11-0002272-000	12/29/2011	22:45:00	1003 PORTOLA DR /Del Rey	611 Dispatched & cancelled en ro

Total Incident Count

1/2 4 Calls Total



Del Rey Oaks Police Department
 Monthly Report of Activity
 Dec – 2011
 Completed By: Ron Langford, COP

ARRESTS

		Year End
<i>Felony Arrests</i>		06
<i>Misdemeanor Arrests</i>	05	54
<i>Warrant Arrests (OJ)</i>		08
TOTAL ARRESTS	05	68

REPORTS FILED:

13	191
-----------	-----

BURGLARIES:

		Year End
<i>Residential</i>	01	04
<i>Commercial</i>		01
<i>From Locked Vehicle</i>		04
<i>Other</i>		03
TOTAL BURGLARIES	01	12

GRAND & PETTY THEFTS:

		Year End
<i>Residential</i>		
<i>Commercial</i>		
<i>Shoplifting</i>	01	30
<i>From Motor Vehicle</i>		05
<i>Other</i>		
TOTAL THEFTS	01	35

CITATIONS ISSUED:

		Year End
<i>Traffic Citations Issued</i>	44	333
<i>Parking Citations Issued</i>		
<i>Admin Citations Issued</i>		
TOTAL CITATION ISSUED	44	333

Year End

<i>Simple Assault</i>		04
<i>Domestic Violence</i>		03
<i>Weapon Involved</i>		
TOTAL ASSAULTS	00	07

TRAFFIC ACCIDENTS:

Year End

<i>Non-Injury Accidents</i>	01	26
<i>Injury Accidents</i>	01	06
TOTAL ACCIDENTS	02	32

TOWED & STORED VEHICLES:

Year End

01	30
-----------	----

ALARMS:

Year End

<i>Residential</i>		
<i>Commercial</i>		
TOTAL ALARMS	00	00

DUI ENFORCEMENT:

Year End

03	21
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CITY OF DEL REY OAKS

650 CANYON DEL REY RD. · DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 · FAX (831) 394-6421

TO: Honorable Mayor and Members of City Council

FROM: Daniel Dawson, City Manager

MEETING DATE: January 24, 2012

SUBJECT: Forming the Monterey Peninsula Regional Water Authority; authorizing the Mayor to sign the joint exercise of powers agreement to form the Authority and appointing the Mayor and Vice Mayor as the initial director and alternate.

RECOMMENDATIONS:

1. Authorize the Mayor to sign a joint exercise of powers agreement to form the Monterey Peninsula Regional Water Authority ("Authority"), joining Del Rey Oaks with the cities of Carmel-by-the-Sea, Monterey, Seaside, Sand City, and Pacific Grove (collectively the "Peninsula Cities").
2. Appoint the Mayor as the initial Del Rey Oaks director and the Vice Mayor as the initial alternate.

BACKGROUND

The water supply to customers within the City, which is supplied by the California-American Water Company ("Cal-Am"), is subject to severe and increasing restrictions as a result of both a cease and desist order ("CDO") issued by the California State Water Resources Control Board, limiting withdrawals from the Carmel Valley Groundwater Basin, and a judicial order limiting withdrawals from the Seaside Groundwater Basin. Pursuant to the CDO, Cal-Am will be required to cease all but 3,376 acre-feet of diversions from the Carmel River Valley in 2016, which if implemented without a replacement water supply project, will result in catastrophic water shortages for the City.

Agenda Item No. 6.A.

To obtain replacement water to offset these reductions, Cal-Am applied for and was granted a certificate of public convenience and necessity from the California Public Utilities Commission in December 2010 to participate in a private/public water project, commonly referred to as the Regional Desalination Project ("Regional Project"). Since that approval was granted, multiple impediments have arisen that have delayed and threatened the viability of the

Regional Project. Even before the impediments arose, concerns had been expressed by the Council and members of the community concerning the merits of the Regional Project as compared to potential alternatives, governance of the Regional Project, the costs of the water that would be supplied, and the need for representation that is directly accountable to the Cal-Am customers who would receive water from the Regional Project. Given the impediments that have arisen, it is questionable whether the Regional Project can succeed.

After considerable discussion and deliberation by the Mayors of the Peninsula Cities, the Mayors determined that it is in the best interest of the Peninsula Cities to form a 6-city joint powers authority, pursuant to Government Code sections 6500, *et seq.* The Authority would accomplish two fundamental purposes:

1. Undertake joint actions to advance the timely development of the Regional Project or one or more alternative water supply projects to ensure a continued adequate supply of water; and
2. Provide a public forum for deliberation and participation in the governance of such water supply projects that includes representation directly accountable to the customers served by Cal-Am.

The Joint Exercise of Powers Agreement (“Agreement”) that would form and govern the operation of the Authority is drafted to provide flexibility for the Authority to achieve these goals. If the present impediments to the Regional Project are resolved such that the Regional Project remains a viable water supply solution, the Authority will provide an open and deliberate process for the Cities to express their views and concerns as the Regional Project proceeds. The Authority could also assume a substantial role in the governance and management of the Regional Project should the agreements pertaining to the Regional Project be so amended.

If the Regional Project ceases to be viable, the Authority may provide a means for the Peninsula Cities to pursue the development of one or more alternative replacement water supply projects to resolve the impending shortages. One or more alternative water projects could be undertaken directly by the Authority on its own or in cooperation with other public agencies and Cal-Am. Further, the Authority could assume a direct role in the design, financing, and construction of the alternative projects, or simply provide a contribution to project oversight with others undertaking the direct development role. In short, the Authority would be organized to allow the full range of opportunities for the Peninsula Cities to foster timely development of one or more replacement water supply projects, seek measures to reduce the cost of water to the rate payers, and provide direct accountability to the Cal-Am customers within the Peninsula cities.

There are a number of issues that deserve additional discussion among the cities, including the ability of a given city to pursue a water project on its own, the potential expansion of the Authority to include the Monterey Peninsula Water Management District and/or the Monterey

Regional Water Pollution Control Agency (both of which have key water supply projects underway or on the drawing boards), refinements to the approach to governance, and disincentives to withdraw from the Authority, among others. Such issues will be addressed in subsequent months, with the results brought back to the Council for consideration. With the formation of the Authority, discussions concerning these issues and water supply solutions for the peninsula generally, will occur in noticed, public meetings, enabling the public to provide input. The resolution of some of these issues will almost undoubtedly involve changes to the Agreement, which would require the Council's consideration and approval. It is recognized that the Agreement will continue to evolve as mutual progress is achieved.

The City Manager has participated with the Mayor in discussions pertaining to potential strategies concerning how best to advance the Regional Project, or if necessary, alternative projects, and has also participated in the drafting and refinement of the Agreement. The formation of the Authority appears to be the best strategy acceptable throughout the peninsula to advance the City's interest in ensuring that a prudent and cost-efficient water supply project is timely developed to avoid the severe water supply restrictions facing the City. The Mayor and City Manager recommend this authorization as an important step in solving the long-standing water supply deficiency on the Monterey Peninsula.

The Carmel City Council passed this item on Tuesday, January 10; the agreement as discussed was also approved last week by the respective City Councils of Monterey, Pacific Grove and Sand City with Seaside hearing the item after this writing.

Russ McGlothlin, of Brownstein Hyatt Farber Schreck, LLP, drafted the proposed agreement. The six Mayors wish to have Mr. McGlothlin continue to provide the cities with uniform advice on issues related to the regional water project over the coming months. Chris Callihan continues to serve the City well on overall water matters and will ensure that the advice being given to the six cities continues to best meet the interests of Del Rey Oaks.

All of the efforts so far in the development of the cities' involvement in the regional water project, as well as the development of the JPA, have been undertaken by the six city mayors. As this has been proceeding over numerous months, involving many discussions and extensive deliberation, and as the first meeting of the JPA board needs to be scheduled and held within 30 days of the approval of the agreement by the six cities (Section 7.1), it makes sense for Mayor Edelen to be Del Rey Oaks's initial appointed director. To do otherwise would disrupt continuity and potentially weaken the ability of Del Rey Oaks to effectively represent its rate payers at the initial meetings. (The Mayors of the other five cities have all expressed their interest in being the initial director for their cities.) If the Mayor is unable to attend a meeting of the JPA board, it is recommended that the appointed alternate be the Mayor pro tem, to also ensure that Del Rey Oaks's views are given the strongest possible consideration.

FISCAL IMPACT

The Agreement is drafted to provide the revenues necessary for the Authority's operations, but it also includes provisions to appropriately limit the Cities' financial exposure. The Authority will require certain minimal operating funds to ensure compliance with the Brown Act and the Joint Exercise of Powers Act. This level of funding should be sufficient for the Authority if its undertakings are limited to the Authority's initial role, which will largely be limited to participation in the oversight/governance of the Regional Project or its alternative.

The Agreement provides that each of the Peninsula Cities will bear financial responsibility only for contributions to the Authority's financial requirements in an amount proportionate to their respective weighted voting (determined by the three-year weighted average receipt of water from Cal-Am). In addition, any jurisdiction can remove itself from the JPA at any time if it deems that the JPA is moving in the wrong direction, requires too much staff time, or too much of other city resources. Staff believes this approach is reasonable and protects the City from excessive financial exposure.

Funds necessary for the costs of the JPA and associated legal advice will be programmed from other funds appropriated in the legal services budget. No additional appropriation will be necessary.

ATTACHMENTS

1. Proposed joint exercise of powers agreement forming the Monterey Peninsula Regional Water Authority
2. Average Water Consumption, by Jurisdiction

Respectfully submitted,

Daniel Dawson
City Manager

JOINT EXERCISE OF POWERS AGREEMENT

by and among

THE CITY OF CARMEL-BY-THE-SEA

THE CITY OF DEL REY OAKS

THE CITY OF MONTEREY

THE CITY OF PACIFIC GROVE

THE CITY OF SAND CITY

and

THE CITY OF SEASIDE

creating the

MONTEREY PENINSULA REGIONAL WATER AUTHORITY

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**JOINT EXERCISE OF POWERS AGREEMENT
MONTEREY PENINSULA REGIONAL WATER AUTHORITY**

This **Joint Exercise of Powers Agreement** (“**Agreement**”) is made and entered into as of ___ of January, 2012, by and among the City of Carmel-by-the-Sea, the City of Del Rey Oaks, the City of Monterey, the City of Pacific Grove, the City of Sand City, and the City of Seaside, sometimes referred to herein individually as a “**City**” or “**Member**” and collectively as the “**Cities**” or “**Members**.” Except as otherwise specifically defined in this Agreement, capitalized terms used herein shall have the meanings given to them in Article 1 of this Agreement.

RECITALS

A. Each of the Cities is a public agency located within the Monterey Peninsula in Monterey County, and is duly organized and existing under and by virtue of the laws of the State of California.

B. With minor exceptions, the households and businesses within the Cities receive their water supply from the California American Water Company (“**Cal-Am**”) and those customers within the Cities represent the vast majority of Cal-Am’s customers within its Monterey District.

C. Cal-Am presently obtains the majority of the water that it supplies to the Monterey District from groundwater produced from water wells located within the Carmel Valley Groundwater Basin, and to a lesser extent, groundwater produced from the Seaside Groundwater Basin. In both instances, the amount of water supplies available for distribution have been reduced and will continue to be reduced by administrative and court orders. (*See* State Water Resources Control Board, WR Order 2009-60 [requiring Cal-Am to reduce the amount of water being diverted from the Carmel Valley Groundwater Basin], and Seaside Basin Decision (defined below) [limiting Cal-Am’s right to produce groundwater from the Seaside Groundwater Basin]).

D. The Cities have a common interest in the timely development of one or more water supply projects to ensure that a safe and reliable supply of water is available to replace water supplies lost because of the aforementioned mandatory reductions.

E. The Cities also have a common interest in ensuring that the governance of water supply projects that serve the Cities’ water users includes representation that is directly accountable to those water users.

F. The City of Seaside also operates a small water system (approximately 800 customer connections) within its jurisdiction that it supplies with groundwater produced from the Seaside Groundwater Basin. Seaside’s right to produce groundwater from the Seaside Groundwater Basin has been, and will continue to be, limited by the Seaside Basin Decision. Seaside therefore has a separate interest in the development of a water supply project to the extent that the project may provide water to the City to replace this lost groundwater supply.

G. The timely development of a regional water supply project may best be achieved through the cooperation of the Cities operating through a joint powers agency.

H. The Act (defined below) authorizes the Cities to create a joint powers agency, and to jointly exercise any power common to the Cities and to exercise additional powers granted under the Act.

I. The Act, including the Marks-Roos Local Bond Pooling Act of 1985 (Government Code sections 6584, *et seq.*), authorizes an entity created pursuant to the Act to issue bonds, including under certain circumstances, to purchase bonds issued by, or to make loans to, the Cities for financing public capital improvements, working capital, liability and other insurance needs or projects whenever there are significant public benefits, as determined by the Cities. The Act further authorizes and empowers the Authority to sell bonds so issued or purchased to public or private purchasers at public or negotiated sales.

J. Based on the foregoing legal authority, the Cities desire to create a joint powers authority for the purpose of taking all actions deemed necessary by the joint powers authority to ensure the timely development, financing, construction, operation, repair, and maintenance of one or more water supply projects to replace lost water supplies previously identified; to ensure that the governance of such projects includes representation that is directly accountable to the Cities' residents that are served by such projects; and to undertake any additional related or ancillary actions.

K. The governing board of each City has determined it to be in the Member's best interest and in the public interest that this Agreement be executed and that each City become a participating Member of this Authority.

TERMS OF AGREEMENT

In consideration of the mutual promises and covenants herein contained, the Cities agree as follows:

ARTICLE 1 DEFINITIONS

Unless defined elsewhere in this Agreement, all defined terms used herein, shall have the meaning specified in the definitions set forth in Appendix A to this Agreement, and all such definitions are incorporated herein by reference.

ARTICLE 2 CREATION OF THE AUTHORITY

2.1 Creation of Authority. There is hereby created pursuant to the Act a joint powers agency which will be a public entity separate from the parties to this Agreement and shall be known as the Monterey Peninsula Regional Water Authority. Within 30 days after the effective date of this Agreement and after any amendment, the Authority shall cause a notice of such Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by Government Code section 6503.5. Within 10 days after the effective date of this Agreement, the Authority shall cause a statement of the information concerning the Authority, required by Government Code section 53051, to be filed

with the office of the California Secretary of State and with the County Clerk for the County of Monterey, setting forth the facts required to be stated pursuant to Government Code section 53051(a).

2.2 Purpose of the Authority. Each Member has in common the power to study, plan, develop, finance, acquire, construct, maintain, repair, manage, operate, control, and govern Water Projects either alone or in cooperation with other public or private non-member entities. The purpose of this Agreement is to establish a public entity separate from its Members to jointly exercise some or all of the foregoing common powers, as deemed necessary by the Authority, to: (1) ensure the timely development, financing, construction, operation, repair, and maintenance of one or more Water Projects; and (2) ensure that the governance of such Water Projects includes representation that is directly accountable to the Cities' water users.

ARTICLE 3 TERM

This Agreement shall become effective upon execution by each of the Cities and shall remain in effect until terminated pursuant to the provisions of Article 15 (Withdrawal of Members) of this Agreement.

ARTICLE 4 POWERS

The Authority shall possess the power in its own name to exercise any and all common powers of its members reasonably related to the purposes of the Authority, including but not limited to the following powers, together with such other powers as are expressly set forth in the Act:

4.1. To study, plan, develop, finance, acquire, construct, maintain, repair, manage, operate, control, or govern Water Projects, or any portion thereof, and related works and improvements, either by the Authority alone or in cooperation with other public or private non-member entities.

4.2. To perform other ancillary tasks relating to Water Projects, including without limitation environmental review, engineering, and design.

4.3. To obtain rights, permits and other authorizations for, or pertaining to, Water Projects.

4.4. To purvey water and enter into water supply agreements with its Members or other public or private non-members, including without limitation water supply agreements with Cal-Am.

4.5. To exercise the common powers of its Members to develop, collect, provide, and disseminate information concerning Water Projects to the Members and others, including but not limited to legislative, administrative, and judicial bodies, as well the public generally.

4.6. To make and enter into contracts necessary for the full exercise of its powers.

4.7. To employ, or otherwise contract for the services of, agents, officers, employees, attorneys, engineers, planners, financial consultants, technical specialists, advisors, and independent contractors.

4.8. To accumulate operating and reserve funds for the purposes herein stated.

4.9. To incur debts, liabilities, or other obligations necessary or proper to carry out the purposes of this Agreement.

4.10. To issue bonds, notes, and other forms of indebtedness, and to enter into leases, installment sales, and installment purchase contracts.

4.11. To acquire property and other assets by grant, lease, purchase, bequest, devise, or eminent domain, and to hold, enjoy, lease or sell, or otherwise dispose of, property, including real property, water rights, and personal property, necessary for the full exercise of its powers.

4.12. Receive gifts, contributions, and donations or property, funds, services, and other forms of financial or other assistance from any persons, firms, corporations, or governmental entities, or any other source.

4.13. To invest money that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as local Members, pursuant to Government Code section 53601, as it now exists or may hereafter be amended.

4.14. To apply for, accept, and receive state, federal or local licenses, permits, grants, loans, or other aid and assistance from the United States, the State, or other public agencies or private entities necessary for the Authority's full exercise of its powers.

4.15. To sue and to be sued in its own name.

4.16. To undertake any investigations, studies, and matters of general administration.

4.17. To develop, collect, provide, and disseminate information to the Members and others that furthers the purposes of the Authority.

4.18. To adopt bylaws and other rules, policies, regulations and procedures governing the operation of the Authority consistent with this Agreement.

4.19. To perform all other acts necessary or proper to carry out fully the purposes of this Agreement.

4.20. To organize and/or participate with local agencies to form a water management group to develop and implement an Integrated Water Management Plan pursuant to Water Code sections 10530 *et seq.*

For purposes of Government Code section 6509, the powers of the Authority shall be exercised subject to the restrictions upon the manner of exercising such powers as are imposed on the City of Seaside.

ARTICLE 5 MEMBERSHIP

5.1 Members. The Members of the Authority shall be the City of Carmel-by-the-Sea, the City of Del Rey Oaks, the City of Monterey, the City of Pacific Grove, the City of Sand City, and the City of Seaside, as long as they have not, pursuant to the provisions hereof, withdrawn from this Agreement.

5.2 New Members. Any public agency (as defined by the Act) that is not a Member on the effective date of this Agreement may become a Member upon: (a) the approval of the Board of Directors by a supermajority of at least seventy (70) percent of the votes held among all Directors as specified in Article 8 (Member Voting); (b) payment of a pro rata share of all previously incurred costs that the Board of Directors determines have resulted in benefit to the public agency, and are appropriate for assessment on the public agency; and (c) execution of a written agreement subjecting the public agency to the terms and conditions of this Agreement.

ARTICLE 6 BOARD OF DIRECTORS AND OFFICERS

6.1 Formation of the Board of Directors. The Authority shall be governed by a Board of Directors.

6.2 Duties of the Board of Directors. Subject to the provisions of the Act, the Board of Directors shall be the policymaking body of the Authority. The business and affairs of the Authority, and all of the powers of the Authority, including without limitation all powers set forth in Article 4 (Powers), are reserved to and, shall be exercised by and through the Board of Directors, except as may be expressly delegated to the Executive Director or others pursuant to this Agreement, Bylaws, or by specific action of the Board of Directors.

6.3 Directors. Each Member shall appoint one Director and one Alternate Director to the Board of Directors. Alternate Directors shall have no vote, and shall not participate in any discussions or deliberations of the Board, if the Director is present. If the Director is not present, or if the Director has a conflict of interest which precludes participation by the Director in any decision-making process of the Board, the Alternate Director appointed to act in his/her place shall assume all rights of the Director, and shall have the authority to act in his/her absence, including casting votes on matters before the Board. Each Director and Alternate Director shall be appointed prior to the initial meeting of the Board, as set forth in Section 7.1.

6.4 Requirements. Each Director and Alternate Director shall be an official elected to the governing body of the City he or she represents, and shall have been appointed by resolution of that City's governing body to serve for a term of two years. A Director may be removed during his or her term or reappointed for multiple terms at the pleasure of the member that appointed him or her. No individual Director may be removed in any other manner, including by the affirmative vote of the other Directors.

6.5 Vacancies. A vacancy shall occur when a Director resigns, or is removed by his or her appointing Member, or when he or she ceases to hold office on the legislative body of the Member that appointed him or her. Upon the vacancy of a Director, the Alternate Director shall serve as Director until a new Director is appointed by the Member. Members shall submit any changes in Director or Alternate Director positions to the Executive Director in writing and signed by an authorized representative of the Member.

6.6 Officers. Officers of the Authority shall be a President, Vice President, Secretary, and Treasurer. The Treasurer shall be appointed consistent with the provisions of Section 12.3. The Vice President, or in the Vice President's absence, the Secretary, shall exercise all powers of the President in the President's absence or inability to act. The President, the Vice President, and the Secretary must be Directors.

6.7 Appointment of Officers. Officers shall be elected annually by, and serve at the pleasure of, the Board of Directors. Officers shall be elected at the first Board meeting, and thereafter at the first Board meeting following January 1st of each year. An Officer may serve for multiple consecutive terms. Any Officer may resign at any time upon written notice to the Board, and may be removed and replaced by an affirmative decision of the Board.

6.8 Principal Office. The principal office of the Authority shall be established by the Board of Directors, and may thereafter be changed by the affirmative vote of the Board.

ARTICLE 7 DIRECTOR MEETINGS

7.1 Initial Meeting. The initial meeting of the Board of Directors shall be held in the County of Monterey, California within thirty (30) days of the effective date of this Agreement.

7.2 Time and Place. The Board of Directors shall meet at least quarterly, at a date, time and place set by the Board within the boundaries of the Members, and at such other times as may be determined by the Board.

7.3 Special Meetings. Special meetings of the Board of Directors may be called by the President or by four (4) or more Directors in accordance with the provisions of Government Code section 54956.

7.4 Conduct. All meetings of the Board of Directors, including special meetings, shall be noticed, held, and conducted in accordance with the Ralph M. Brown Act (Government Code sections 54950, et seq.). The Board may use teleconferencing in connection with any meeting in conformance with and to the extent authorized by applicable law.

7.5 Local Conflict of Interest Code. The Board of Directors shall adopt a local conflict of interest code pursuant to the provisions of the Political Reform Act of 1974 (Government Code sections 81000-91014).

ARTICLE 8 MEMBER VOTING

8.1 Quorum. A quorum of any meeting of the Board of Directors shall consist of a majority of the Directors appointed. In the absence of a quorum, any meeting of the Directors may be adjourned by a vote of a majority of Directors present, but no other business may be transacted. For purposes of this Article, a Director shall be deemed present if the Director appears at the meeting in person or telephonically, provided the telephone appearance is consistent with the requirements of the Ralph M. Brown Act.

8.2 Director Votes. Voting by the Board of Directors shall be made on the basis of one vote for each Director, unless one or more Directors requests weighted voting. If weighted voting is requested, then each Director's vote shall be weighted proportionally to the amount of water delivered to Cal-Am customers within each City, as determined on a three-year running average. Accordingly, to determine the weighted vote for each Director, the annual average amount of metered water delivered by Cal-Am during the preceding three years to customers within each City shall be compared to the annual average of the total metered water delivered by Cal-Am during the preceding three years to customers within all of the Cities combined, and the resulting percentages for each City shall represent the weighted vote for each Director representing each respective City. A Director, or an Alternate Director when acting in the absence of his or her Director, may vote on all matters of Authority business unless disqualified because of a conflict of interest pursuant to California law or the local conflict of interest code adopted by the Board of Directors.

8.3 Affirmative Decisions of the Board of Directors. Except as otherwise specified in this Agreement, all affirmative decisions of the Board of Directors shall require the affirmative vote of the majority of all appointed Directors (whether present or not), unless weighted voting is requested, in which case all affirmative decisions by the Board shall require the affirmative vote of the majority of the weighted votes held by all Directors (whether present or not), provided that if a Director is disqualified from voting on a matter before the Board because of a conflict of interest, that Director shall be excluded from the calculation of the total number of Directors, or total number of weighted votes, as applicable, that constitute a majority.

ARTICLE 9 EXECUTIVE DIRECTOR AND STAFF

9.1 Appointment. The Board of Directors shall appoint an Executive Director, who may be, though need not be, an officer, employee, or representative of one of the Members. The Executive Director's compensation, if any, shall be determined by the Board of Directors.

9.2 Duties. The Executive Director shall be the chief administrative officer of the Authority, shall serve at the pleasure of the Board of Directors, and shall be responsible to the Board for the proper and efficient administration of the Authority. The Executive Director shall have the powers designated by the Board, or otherwise as set forth in the Bylaws, if adopted.

9.3 Staff. The Executive Director may employ such additional full-time and/or part-time employees, assistants and independent contractors who may be necessary from time to time to accomplish the purposes of the Authority, subject to the approval of the Board of Directors. Employees of the Authority shall not be deemed employees of any Member. The Authority may contract with a Member or other public agency or private entity for various services, including without limitation those related to the Authority's finance, purchasing, risk management, information technology and human resources. A written agreement shall be entered between the Authority and the Member or other public agency or private entity contracting to provide such service, and that agreement shall specify the terms on which such services shall be provided, including without limitation the compensation, if any, that shall be made for the provision of such services.

9.4 Term and Termination. The Executive Director shall serve until he/she resigns or the Board of Directors terminates his/her appointment.

ARTICLE 10 BYLAWS

If deemed appropriate and necessary, the Board of Directors may cause to be drafted, approve, and amend Bylaws of the Authority to govern the day-to-day operations of the Authority.

ARTICLE 11 ADVISORY COMMITTEES

The Board of Directors may from time to time appoint one or more advisory committees or establish standing or ad hoc committees to assist in carrying out the purposes and objectives of the Authority. The Board shall determine the purpose and need for such committees and the necessary qualifications for individuals appointed to them. Each committee shall include a Director as the chair thereof. Other members of each committee may be constituted by such individuals approved by the Board of Directors for participation on the committee. However, no committee or participant on such committee shall have any authority to act on behalf of the Authority.

ARTICLE 12 ACCOUNTING PRACTICES

12.1 General. The Board of Directors shall establish and maintain such funds and accounts as may be required by generally accepted public agency accounting practices. The Authority shall maintain strict accountability of all funds and report of all receipts and disbursements of the Authority.

12.2 Fiscal Year. Unless the Board of Directors decides otherwise, the fiscal year for the Authority shall run concurrent with the calendar year.

12.3 Appointment of Treasurer and Auditor; Duties. The Treasurer and Auditor shall be appointed in the manner, and shall perform such duties and responsibilities, specified in the Act..

ARTICLE 13 BUDGET AND EXPENSES

13.1 Budget. Within 90 days after the first meeting of the Board of Directors, and thereafter prior to the commencement of each fiscal year, the Board shall adopt a budget for the Authority for the ensuing fiscal year. In the event that a budget is not so approved, the prior year's budget shall be deemed approved for the ensuing fiscal year, and any assessment(s) of contributions of Members approved by the Board during the prior fiscal year shall again be assessed on the Members in the same amount and terms for the ensuing fiscal year.

13.2 Authority Funding and Contributions. For the purpose of funding the expenses and ongoing operations of the Authority, the Board of Directors shall maintain a funding account in connection with the annual budget process. The Board of Directors shall issue assessments for contributions by the Members to fund said account in the amount and frequency determined necessary by the Board. Assessments for Member contributions shall be made by each Member in proportion to the weighted vote of each member as determined pursuant to Section 8.2, and therefore no Member shall be required to make contributions to the Authority in excess of that portion of each assessment that is equivalent to the weighted vote possessed by its Director. Such contributions shall be paid by each Member to the Authority within sixty (60) days of assessment by the Board.

13.3 Return of Contributions. In accordance with Government Code section 6512.1, repayment or return to the Members of all or any part of any contributions made by Members and any revenues by the Authority may be directed by the Board of Directors at such time and upon such terms as the Board of Directors may decide; provided that (1) any distributions shall be made in proportion to the contributions paid by each Member to the Authority, and (2) any capital contribution paid by a Member voluntarily, and without obligation to make such capital contribution pursuant to Sections 13.2, shall be returned to the contributing Member, together with accrued interests at the annual rate published as the yield of the Local Agency Investment Fund administered by the California State Treasurer, before any other return of contributions to the Members is made. The Authority shall hold title to all funds and property acquired by the Authority during the term of this Agreement.

13.4 Issuance of Indebtedness. The Authority may issue bonds, notes or other forms of indebtedness, as permitted under Sections 4.9 and 4.10, provided such issuance be approved at a meeting of the Board of Directors by unanimous vote of the Directors as specified in Article 8 (Member Voting).

ARTICLE 14 LIABILITIES

14.1 Liability. In accordance with Government Code section 6507, the debt, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone, and not the Members.

14.2 Indemnity. Funds of the Authority may be used to defend, indemnify, and hold harmless the Authority, each Member, each Director, and any officers, agents and employees of the Authority for their actions taken within the course and scope of their duties while acting on behalf of the Authority. Other than for gross negligence or intentional acts, to the fullest extent permitted by law, the Authority agrees to save, indemnify, defend and hold harmless each Member from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part, to negligent acts or omissions of the Authority or its employees, officers or agents or the employees, officers or agents of any Member, while acting within the course and scope of a Member relationship with the Authority.

ARTICLE 15 WITHDRAWAL OF MEMBERS

15.1 Unilateral Withdrawal. A Member may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon sixty (60) days' written notice to the Executive Director.

15.2 Rescission or Termination of Authority. This Agreement may be rescinded and the Authority terminated by unanimous written consent of all Members, except during the outstanding term of any Authority indebtedness.

15.3 Effect of Withdrawal or Termination. Upon termination of this Agreement or unilateral withdrawal, a Member shall remain obligated to pay its share of all debts, liabilities and obligations of the Authority required of the Member pursuant to terms of this Agreement, and that were incurred or accrued prior to the effective date of such termination or withdrawal, including without limitation those debts, liabilities and obligations pursuant to Sections 4.9, 4.10 and 13.4. Any Member who withdraws from the Authority shall have no right to participate in the business and affairs of the Authority or to exercise any rights of a Member under this Agreement or the Act, but shall continue to share in distributions from the Authority on the same basis as if such Member had not withdrawn, provided that a Member that has withdrawn from the Authority shall not receive distributions in excess of the contributions made to the Authority while a Member. The right to share in distributions granted under this Section 15.3 shall be in lieu of any right the withdrawn Member may have to receive a distribution or payment of the fair value of the Member's interest in the Authority.

15.4 Return of Contribution. Upon termination of this Agreement, any surplus money on-hand shall be returned to the Members in proportion to their contributions made. The Board of Directors shall first offer any property, works, rights and interests of the Authority for sale to the Members on terms and conditions determined by the Board of Directors. If no such sale to Members is consummated, the Board of Directors shall offer the property, works, rights, and interest of the Authority for sale to any non-member for good and adequate consideration. The net proceeds from any sale shall be distributed among the Members in proportion to their contributions made.

ARTICLE 16 MISCELLANEOUS PROVISIONS

16.1 No Predetermination or Irretrievable Commitment of Resources. Nothing herein shall constitute a determination by the Authority or any of its Members that any action, including without limitation actions relating to Water Projects, shall be undertaken or that any unconditional or irretrievable commitment of resources shall be made, until such time as the required compliance with all local, state, or federal laws, including without limitation the California Environmental Quality Act, National Environmental Policy Act, or permit requirements, as applicable, has been completed.

16.2 Notices. Notices to a Director or Member hereunder shall be sufficient if delivered to the City Clerk of the respective Director or Member and addressed to the Director or Member. Delivery may be accomplished by U.S. Postal Service, private mail service or electronic mail (provided if by electronic mail, a confirmation of receipt is provided by the recipient).

16.3 Amendments to Agreement. This Agreement may be amended or modified at any time only by subsequent written agreement approved and executed by all of the Members.

16.4 Agreement Complete. The foregoing constitutes the full and complete Agreement of the Members. There are no oral understandings or agreements related to the subject matter of this Agreement that are not set forth in writing herein.

16.5 Severability. Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable Federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions hereof shall not be affected thereby, provided however, that if the remaining parts, terms, or provisions do not comply with the Act, this Agreement shall terminate.

16.6 Withdrawal by Operation of Law. Should the participation of any Member to this Agreement be decided by the courts to be illegal or in excess of that Member's authority or in conflict with any law, the validity of the Agreement as to the remaining Members shall not be affected thereby.

16.7 Assignment. Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without the written consent of all other Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void.

16.8 Binding on Successors. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members.

16.9 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

16.10 Singular Includes Plural. Whenever used in this Agreement, the singular form of any term includes the plural form and the plural form includes the singular form.

16.11 Member Authorization. The legislative bodies of the Members have each authorized execution of this Agreement, as evidenced by their respective signatures below.

IN WITNESS WHEREOF, the Members hereto have executed this Agreement by authorized officials thereof on the dates indicated below, which Agreement may be executed in counterparts.

CITY OF CARMEL-BY-THE SEA

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

CITY OF DEL REY OAKS

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

CITY OF MONTEREY

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

CITY OF PACIFIC GROVE

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

CITY OF SAND CITY

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

CITY OF SEASIDE

DATED: _____

APPROVED AS TO FORM:

By: _____
Title: _____

By: _____
Title: _____

APPENDIX A DEFINITIONS

The terms defined in this Appendix A shall for all purposes of this Agreement have the meanings herein specified.

- 1.1 “Act” means the Joint Exercise of Powers Act, set forth in Chapter 5 of Division 7 of Title 1 of the Government Code, sections 6500, *et seq.*, including all laws supplemental thereto.
- 1.2 “Agreement” means this Joint Exercise of Powers Agreement, which creates the Authority.
- 1.3 “Auditor” means the auditor of the financial affairs of the Authority appointed by the Board of Directors pursuant to Section 12.3 of this Agreement.
- 1.4 “Authority” means the joint powers agency created by this Agreement that will be known as the Monterey Peninsula Regional Water Authority.
- 1.5 “Board of Directors” or “Board” means the governing body of the Authority as established by Article 6 of this Agreement.
- 1.6 “Bylaws” means the bylaws, if any, adopted by the Board of Directors pursuant to Article 10 of this Agreement to govern the day-to-day operations of the Authority.
- 1.7 “Director” and “Alternate Director” mean a director or alternate director appointed by a Member pursuant to Section 6.3 of this Agreement.
- 1.8 “Executive Director” means the chief administrative officer of the Authority to be appointed by the Board of Directors pursuant to Article 9 of this Agreement.
- 1.9 “Member” means each party to this Agreement that satisfies the requirements of Article 5 of this Agreement, including any new members as may be authorized by the Board, pursuant to Section 5.2 of this Agreement.
- 1.10 “Monterey Peninsula” means the incorporated area of each of the Cities and the unincorporated area of the County of Monterey, which is within Cal-Am’s Monterey District as established by its tariff granted by the California Public Utilities Commission.
- 1.11 “Officer(s)” means the President, Vice President, Secretary, or Treasurer of the Authority to be appointed by the Board of Directors pursuant to Section 6.7 of this Agreement.
- 1.12 “State” means the State of California.
- 1.13 “Seaside Basin Decision” means the final judgment entered by the Monterey Superior Court in the lawsuit entitled *California American Water Co. v. City of*

Seaside, Monterey County Superior Court, Case No. M66343, together with any and all amendments or modifications to that decision ordered by the court.

- 1.14 “SWRCB Order” means State Water Resources Control Board Order WR Order 2009-60, and any subsequent order concerning Cal-Am’s diversions from the Carmel River Valley that amends or replaces WR Order 2009-60.
- 1.15 “Water Project” means any capital project intended, in whole or in part, to produce water for beneficial use on the Monterey Peninsula, including without limitation projects to replace lost or reduced water supplies as a result of the SWRCB Order or the Seaside Basin Decision, or to comply with the directives or requirements of the SWRCB Order or the Seaside Basin Decision. A Water Project may include, without limitation, wells, diversion infrastructure, conduits, pipes, reservoirs, tanks, pumping plants, desalination plants, water reclamation plants, treatment plants, water conveyance and storage facilities, buildings, and other structures and infrastructure utilized for the diversion, pumping, conveyance, desalination, reclamation, treatment, control, storage, groundwater recharge and delivery of waters for beneficial use within the Monterey Peninsula. “Water Projects” means each and every Water Project, collectively.

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<u>Entity</u>	Consumption (Acre-Feet)			Weighted	
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Average</u>	<u>Vote</u>
Carmel	728.10	681.51	674.02	694.54	9.3%
Del Rey Oaks	165.56	145.82	165.18	158.85	2.1%
Monterey	3,651.64	3,434.57	3,263.11	3,449.77	46.4%
Pacific Grove	1,477.32	1,370.84	1,349.00	1,399.05	18.8%
Sand City	99.84	112.47	80.49	97.60	1.3%
Seaside	<u>1,684.68</u>	<u>1,619.81</u>	<u>1,607.20</u>	<u>1,637.23</u>	<u>22.0%</u>
TOTAL	7,807.15	7,365.02	7,139.00	7,437.06	100.0%
Cities	7,807.15	7,365.02	7,139.00	7,437.06	65.9%
County	3,692.10	3,337.86	3,233.09	3,421.02	30.3%
Other	<u>471.18</u>	<u>404.94</u>	<u>393.77</u>	<u>423.30</u>	<u>3.8%</u>
TOTAL	11,970.43	11,107.82	10,765.86	11,281.37	100.0%

(Note: "Other" excludes Ambler, Ralph Lane, Chualar, and Toro)



CITY OF DEL REY OAKS

650 CANYON DEL REY RD. • DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 • FAX (831) 394-6421

To: City Council

From: Daniel Dawson, City Manager

Date: January 19, 2012

Subject: Election Regarding Successor Housing Agency To Dissolving Redevelopment Agency

Background: On December 29, 2011, the California Supreme Court delivered its decision in the *California Redevelopment Association v. Matosantos* case, finding ABx1 26 (the "Dissolution Act") largely constitutional and AB1x 27 (the "Alternative Redevelopment Program Act") unconstitutional. The Court's bifurcated decision means that all California redevelopment agencies, including the Redevelopment Agency of the City of Del Rey Oaks (the "Redevelopment Agency"), will be dissolved under the constitutional Dissolution Act, and none will have the opportunity to opt into continued existence under the unconstitutional Alternative Redevelopment Program Act.

As a result, the Redevelopment Agency will be dissolved on February 1, 2012. The Redevelopment Agency's non-housing funds and assets will then be turned over to a successor agency (the "Successor Agency") charged with the responsibility of paying off the former Redevelopment Agency's existing debts, disposing of the former Redevelopment Agency's properties and assets to help pay off debts and return revenues to the local government entities that receive property taxes (the "Taxing Entities"), and winding up the affairs of the former Redevelopment Agency. The Redevelopment Agency's affordable housing assets, other than its existing housing fund balance, will be turned over to a successor housing agency (the "Successor Housing Agency") to continue performing affordable housing activities. Pending legislation may allow agencies to retain their existing housing fund balance.

The Dissolution Act provides that the City of Del Rey Oaks (the "City"), as the community that established the Redevelopment Agency, will be the Successor Agency to the former Redevelopment Agency since the City did not take action before January 13, 2012 to not be the Successor Agency.

The Dissolution Act also authorizes the City to elect to become the Successor Housing Agency of the former Redevelopment Agency and to retain the housing assets (other than any existing housing fund balance) and affordable housing functions of the former Redevelopment Agency. If the City does not elect to become the Successor Housing Agency, then the local Housing Authority (or if there is no local Housing Authority, the California Department of Housing and Community Development) will become the Successor Housing Agency.

Analysis: Although the Redevelopment Agency of the City of Del Rey Oaks has limited assets and liabilities, if the City elects not to serve as the Successor Housing Agency, then some other entity outside the City's control will perform various affordable housing functions in the City. Given the Agency's limited assets it is doubtful that significant housing activities will occur either way but to the extent that affordable housing activities do occur, the City is in a better position to oversee these activities rather than the County Housing Authority.

Recommendation: For the reasons set forth above, staff recommends that the City Council adopt the resolution, a copy of which is attached and on file with the City Clerk electing to serve as the Successor Housing Agency to the former Redevelopment Agency, and directing staff to file the appropriate notification of these elections in accordance with the Dissolution Act.

Attachment: Resolution

RESOLUTION NO. 2012-01

RESOLUTION OF THE CITY OF DEL REY OAKS TO ELECT TO RETAIN THE HOUSING ASSETS AND FUNCTIONS PREVIOUSLY PERFORMED BY THE REDEVELOPMENT AGENCY OF THE CITY OF DEL REY OAKS, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176

WHEREAS, Assembly Bill 1X 26 (the "Dissolution Act") and Assembly Bill 1X 27 (the "Alternative Redevelopment Program Act") were enacted on June 28, 2011, to significantly modify the Community Redevelopment Law (Health & Safety Code §33000, et seq.; the "Redevelopment Law"); and

WHEREAS, on August 11, 2011, the California Supreme Court agreed to review the California Redevelopment Association and League of California Cities' petition challenging the constitutionality of the Redevelopment Restructuring Acts; and

.WHEREAS, on December 29, 2011, the California Supreme Court ruled that the Dissolution Act is largely constitutional and the Alternative Redevelopment Program Act is unconstitutional; and

WHEREAS, the Court's decision means that all California redevelopment agencies will dissolve on February 1, 2012 pursuant to the Dissolution Act; and

WHEREAS, the Dissolution Act provides that the city that authorized the creation of the redevelopment agency shall be the "successor agency" to the dissolved redevelopment agency unless the city elects not to serve as the successor agency under Section 34173(d)(1) of the Redevelopment Law; and

WHEREAS, Section 34176(a) of the Redevelopment Law provides that the city that authorized the creation of a redevelopment agency may elect to retain the housing assets and functions previously performed by the former redevelopment agency; and

WHEREAS, the City desires to elect to retain the housing assets and functions previously performed by the Agency in accordance with Section 34176 of the Redevelopment Law.

NOW, THEREFORE, BE IT RESOLVED, the City hereby elects to retain the housing assets and functions previously performed by the Agency in accordance with Section 34176 of the Redevelopment Law.

BE IT FURTHER RESOLVED, that the City Manager, or his or her designee, is hereby directed to file a copy of this resolution with the County Auditor-Controller.

BE IT FURTHER RESOLVED, that the City Manager, or his or her designee, is hereby authorized to take such additional actions, and to execute all documents necessary and appropriate, for the City to transfer the housing assets of the Agency to the City, in its capacity

as successor the housing assets and functions previously performed by the Agency, pursuant to Section 34176 of the Redevelopment Law.

The above and foregoing resolution was duly and regularly passed and adopted at a meeting by the City Council of the City of Del Rey Oaks on the 24th day of January, 2012 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I certify that the foregoing is a true and correct copy of the original resolution on file in the office of the City Clerk of Del Rey Oaks.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official Seal of said City, this 24th day of January, 2012.

Approved:

Jerry B. Edelen, Mayor

Attest:

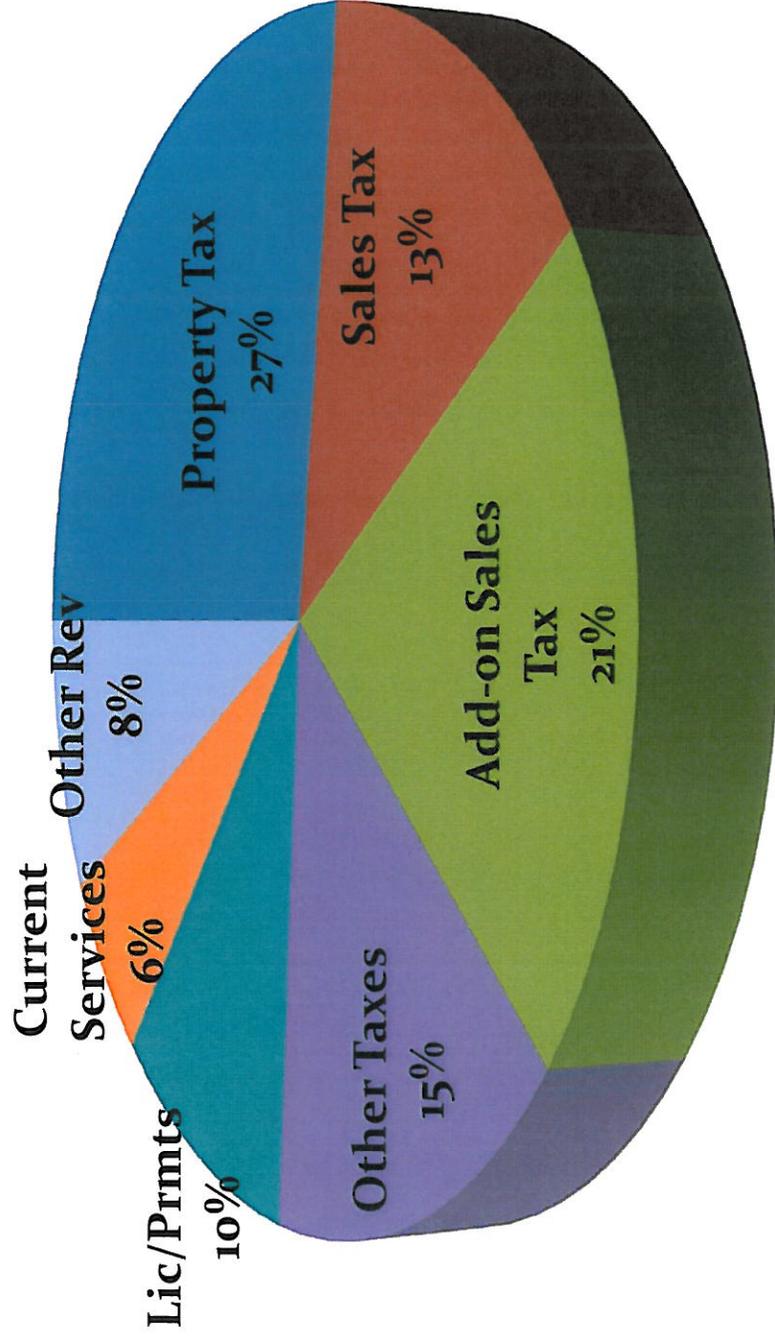
Daniel Dawson, City Clerk



Budget FY 2011/12

- Revenue by Source
- Revenue Timing
- Revenue Flow Chart
- Expenses by Category
- Expense Timing
- Expense Flow Chart

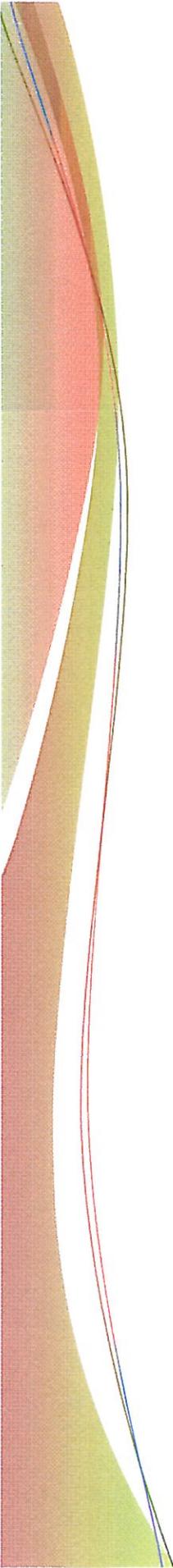
Revenue Sources



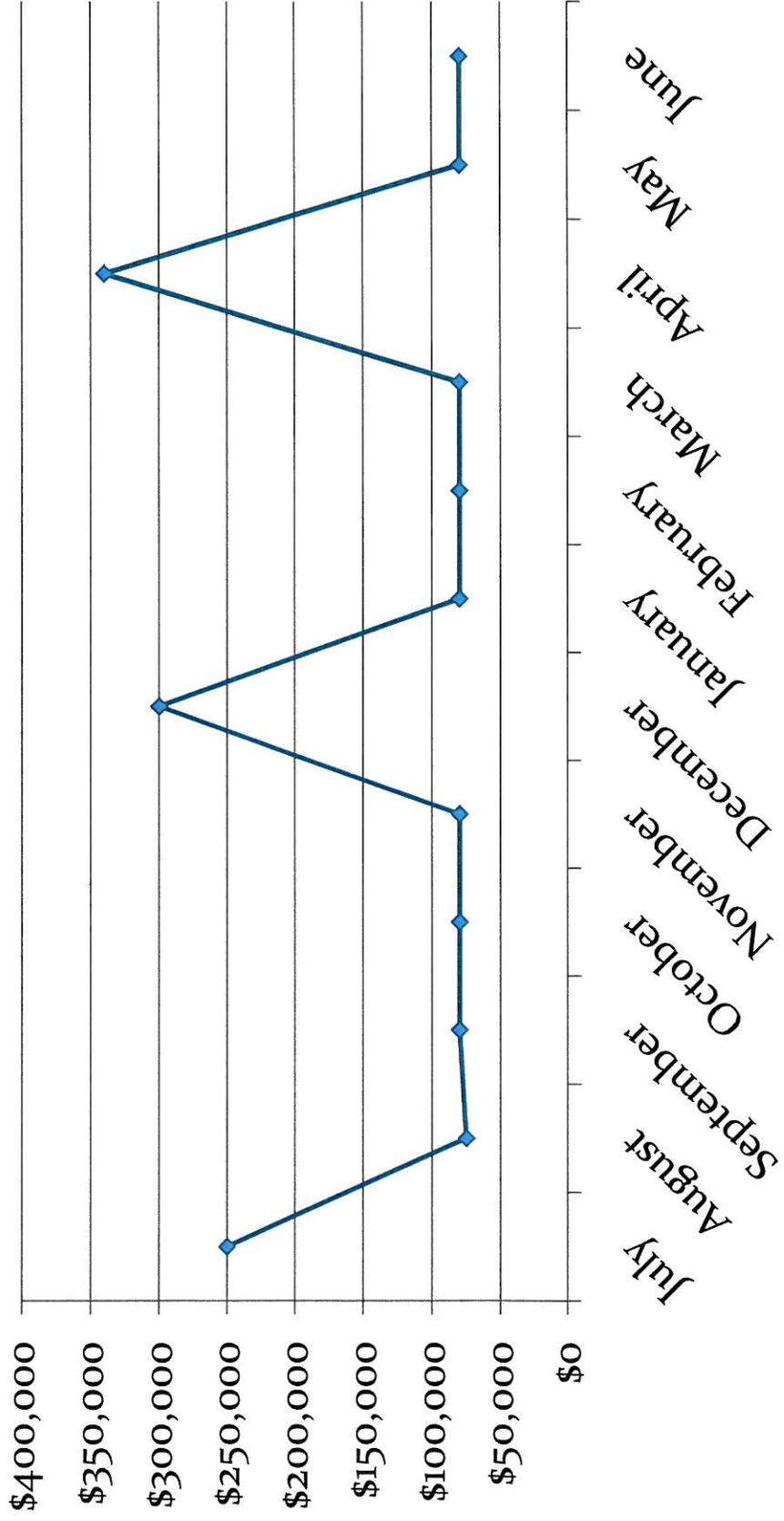


Revenue Timing

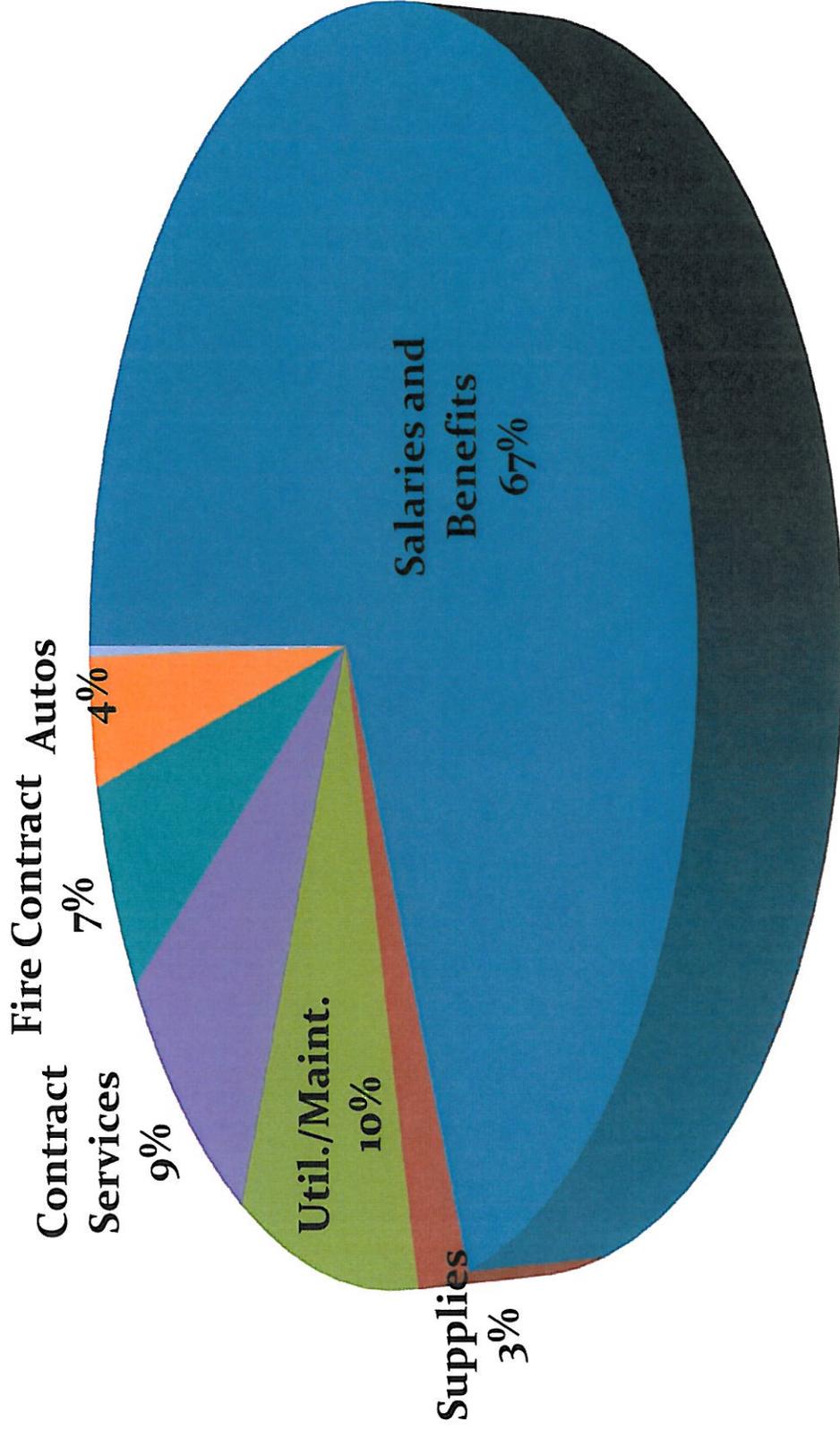
- Property Tax: 50% in December and 50% in April
- Sales and Use Taxes: Monthly
 - 6 week payment delay
 - ie Oct-Nov-Dec (4th Qtr 2011) received mid Feb
 - Oct – Advance
 - Nov – Advance
 - Dec – Actual plus “Clean-up” payment +/-
- Business Licenses: 95% in July
- Franchise Fees: Most in April

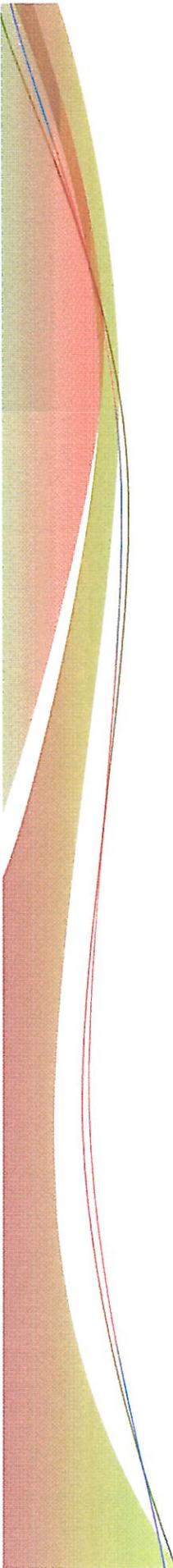


REVENUE FLOW CHART



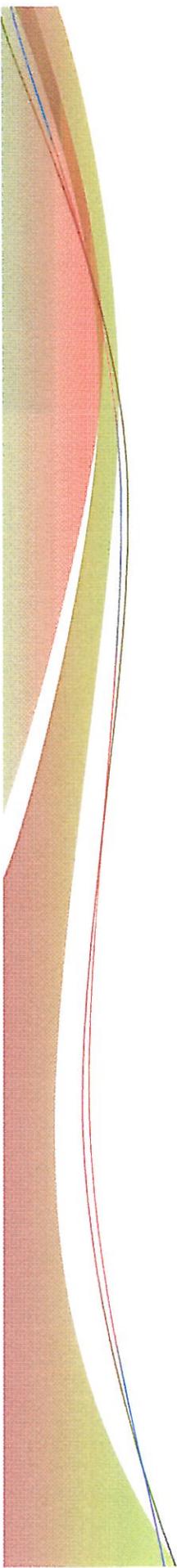
Expenses by Category



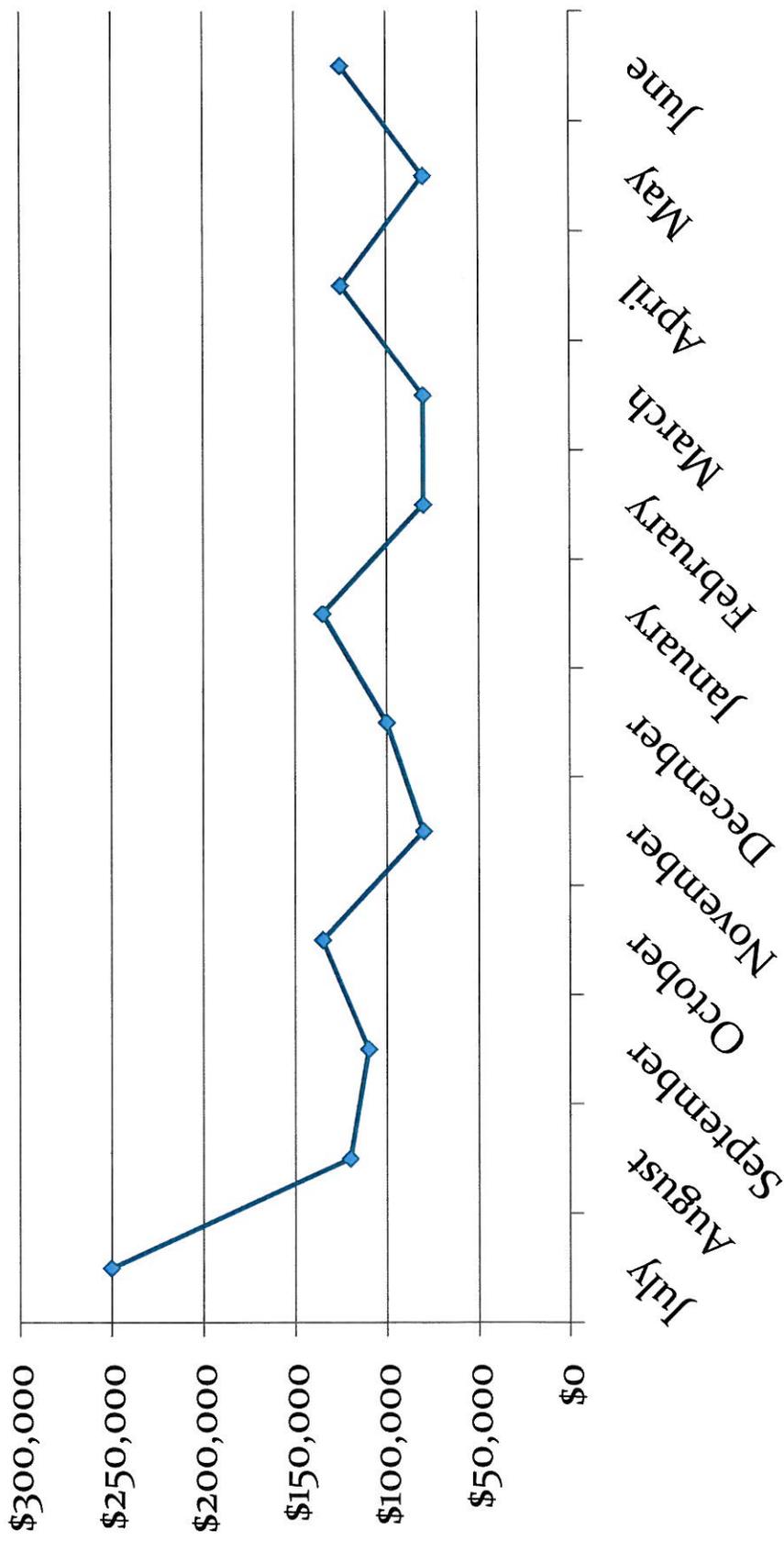


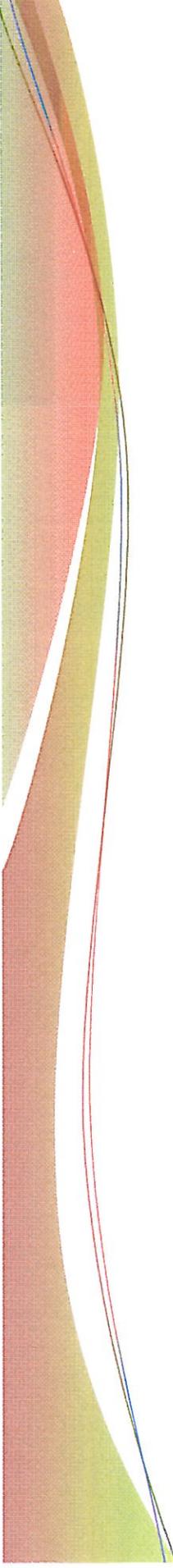
Expense Timing

- County Dispatch Services for Fiscal Year: July
- Insurance Premiums: 35% in July
- Membership Dues: July
- Payroll: Event OT and PD Reserves July/August
- Fire Contract: Quarterly
- Audit Expense: December and January



EXPENSE FLOW CHART





Mid-Year Revenue vs Expense

- Budgeted Revenue: \$950,000
- Actual Revenue: \$1,044,993 5% > Budget YTD
- Budgeted Expenses: \$950,000
- Actual Expenses: \$999,214 3% > Budget YTD

NET Difference: 2% Under Budget at Mid-Year

BOARD OF DIRECTORS

LEO LASKA
CHAIR

SUE McCLOUD
VICE CHAIR

GARY BALES
DAVID PENDERGRASS
LIBBY DOWNEY
JANE PARKER
IAN OGLESBY
BRUCE DELGADO
DENNIS ALLION



WILLIAM MERRY, P.E., BCEE
GENERAL MANAGER/
DISTRICT ENGINEER

TIMOTHY S. FLANAGAN
ASST. GENERAL MANAGER

RICHARD SHEDDEN, P.E.
SENIOR ENGINEER

RICHARD NORTON
ADMIN. SERVICES MGR.

ROBERT WELLINGTON
COUNSEL

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Home of the Surf Clammy Mussel

MEMORANDUM

DATE December 22, 2011
TO: Del Rey Oaks City Council
FROM: Dennis Allion
SUBJECT: Highlights of the December 16, 2011 Board Meeting

The highlights of the meeting are as follows:

- 1) Under consent, the Board authorized the issuance of a Request for Proposals (RFP) for preparation of the Annual Audit for Fiscal Years 2011/2012 through 2013/2014; and a separate RFP for a Waste Characterization Study. The Board also authorized the purchase of a replacement Caterpillar 966K Wheel Loader from Quinn Company of Salinas, CA at a cost of \$371,085.
- 2) Also under consent, a Resolution of Appreciation was adopted by the Board for Administrative Services Manager Richard Norton, who is retiring after 22 years of service with the District.
- 3) After receiving a presentation from Zero Waste Energy LLC, of San Jose, CA, and after discussion, the Board conceptually approved a pilot research and demonstration anaerobic digestion (AD) project for a period of three to five years. The proposed AD pilot project would process 4,000 tons per year of organic material, such as food scraps, yard waste and biosolids, extract the energy in the form of methane, and produce renewable power. The General Manager was authorized to negotiate an agreement and return back to the Board for final approval of the agreement. The Board also requested that staff provide a financial proforma with costs, loss of tip fee revenue, and benefits to the District over the three to five year term of the pilot project.
- 4) The Board reviewed a letter from the City of Monterey in which the City requested that the Board consider developing a mechanism to allow for District member agencies to benefit from the "regional waste" revenue stream. In their letter, the City stated that the benefits could be in the form of paid services for member agencies such as contract street sweeping, litter control, etc. The general consensus of the Board was that the District did not have surplus revenue at this time due to planned capital improvements necessary for required governmental mandates. The Board discussed the matter and on a split vote of 7-2, referred it to the District's Finance Committee for further discussion and preparation of a draft letter response to the City of Monterey, for Board review and consideration at the February Board meeting.

- 5) The Board reviewed a letter received from Monterey County Board of Supervisors Chair Jane Parker encouraging the Boards and staff of the District and the Salinas Valley Solid Waste Authority to enter into joint discussions to consider potential cooperation, collaboration, and partnership options in the near term, but which could lead to consolidation or merger, in order to better serve the Monterey County communities with a more efficient solid waste management system county-wide. General Managers of both agencies will begin meetings to initiate discussions related to the subject content of the letter.

If you have any questions or need more information, please contact General Manager William Merry at 384-5313, or me.

Dennis Allion, Director
Monterey Regional Waste Management District



"To lead community efforts in the awareness and elimination of hunger in Monterey County"

January 12, 2012

City of Del Rey Oaks
650 Canyon Del Rey
Del Rey Oaks, CA 93940

Dear Friends:

Thank you for participating in the Food Bank for Monterey County's 2011 Holiday Food Drive. Over five hundred businesses, schools, libraries, fire stations and communities agencies joined us in raising over 150,000 pounds of food! Thank you!

Obtaining enough food is a daily struggle for thousands of families in Monterey County. We have been serving a record number of families. Your kindness and generosity will allow the Food Bank for Monterey County to continue providing food assistance to needy members of the community throughout the year.

We are very fortunate to have assistance from a caring and dedicated community who are committed to assisting us in the elimination of hunger in Monterey County.

If you and your colleagues would like to learn more about the Food Bank for Monterey County, please consider visiting the Food Bank for a tour of the warehouse, to learn about the Food Bank's programs, and to discuss how we can address hunger in Monterey County.

Please contact Lee Hulquist, our Programs Manager, to arrange a visit. Lee's email is lhulquist@food4hungry.org and the office phone number is (831) 758-1523.

Thank you so very much for your support!

Sincerely,

A handwritten signature in blue ink, appearing to read "Leslie Sunny", is written over a light blue horizontal line.

Leslie Sunny
Executive Director

