



AGENDA

CITY COUNCIL MEETING
Tuesday, December 1, 2015 – 7:00 p.m.
City Council Chambers

Meeting Location
El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Mark Friedman – Mayor

Mayor Pro Tem Greg Lyman
Councilmember Jan Bridges

Councilmember Janet Abelson
Councilmember Gabriel Quinto

ROLL CALL

7:00 p.m. CONVENE CITY COUNCIL MEETING

1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE – Councilmember Gabriel Quinto.

2. COUNCIL / STAFF COMMUNICATIONS (*Reports of Closed Session, commission appointments and informational reports on matters of general interest which are announced by the City Council & City Staff.*)

3. ORAL COMMUNICATIONS FROM THE PUBLIC

All persons wishing to speak should sign up with the City Clerk. Remarks are typically limited to 3 minutes per person. The Mayor may reduce the time limit per speaker depending upon the number of speakers. Kindly state your name and city of residence for the record. Comments regarding non-agenda, presentation and consent calendar items will be heard first. Comments related to items appearing on the Public Hearing or Policy Matter portions of the Agenda are taken up at the time the City Council deliberates each action item. Individuals wishing to comment on any closed session scheduled after the regular meeting may do so during this public comment period or after formal announcement of the closed session.

4. PRESENTATIONS - None

5. ADOPTION OF THE CONSENT CALENDAR – Item Nos. 5A through 5D

A. Minutes for Approval

Approve the November 17, 2015 Special City Council Closed Session and Regular City Council meeting minutes.

B. Proclamation Observing December 1, 2015 as World AIDS Day

Approve a proclamation in observance of December 1, 2015 and remembering the impacts that HIV and AIDS have had to our community.

C. Power Charge Indifference Adjustment Exit Fee Charged to Community Choice Aggregation Customers

Adopt a resolution and send a letter to the California Public Utilities Commission (CPUC) requesting that it reject a proposed increase to the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers and re-examine the fairness and reasonableness of the PCIA.

D. Tree Committee Appointment

Approve a Tree Committee recommendation to appoint Robert J. Hrubes to the Tree Committee, effective December 14, 2015.

6. PUBLIC HEARINGS – None

7. POLICY MATTERS

City Council Reorganization

Annual election of City Council Officers.

8. COUNCIL ASSIGNMENTS/LIAISON REPORTS

Mayor and City Council communications regarding local and regional liaison assignments and committee reports.

9. ADJOURN REGULAR CITY COUNCIL MEETING

The next City Council meeting is Tuesday, December 15, 2015 at 7:00 p.m. in the City Council Chambers, 10890 San Pablo Avenue, El Cerrito, California.

The City of El Cerrito serves, leads and supports our diverse community by providing exemplary and innovative services, public places and infrastructure, ensuring public safety and creating an economically and environmentally sustainable future.

- Council Meetings can be heard live on FM Radio, KECG – 88.1 and 97.7 FM and viewed live on Cable TV - KCRT-Channel 28 and AT&T Uverse Channel 99. The meetings are rebroadcast on Channel 28 the following Thursday and Monday at 12 noon, except on holidays. Live and On-Demand Webcast of the Council Meetings can be accessed from the City's website <http://www.el-cerrito.org/ind-ex.aspx?NID=114>. Copies of the agenda bills and other written documentation relating to items of business referred to on the agenda are on file and available for public inspection in the Office of the City Clerk, at the El Cerrito Library and posted on the City's website at www.el-cerrito.org prior to the meeting.
- In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk, (510) 215-4305. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title I).
- ***The Deadline for agenda items and communications*** is eight days prior to the next meeting by 12 noon, City Clerk's Office, 10890 San Pablo Avenue, El Cerrito, CA. Tel: 215-4305 Fax: 215-4379, email cmorse@ci.el-cerrito.ca.us
- IF YOU CHALLENGE A DECISION OF THE CITY COUNCIL IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE COUNCIL MEETING. ACTIONS CHALLENGING CITY COUNCIL DECISIONS SHALL BE SUBJECT TO THE TIME LIMITATIONS CONTAINED IN CODE OF CIVIL PROCEDURE SECTION 1094.6.
- The City Council believes that late night meetings deter public participation, can affect the Council's decision-making ability, and can be a burden to staff. City Council Meetings shall be adjourned by 10:30 p.m., unless extended to a specific time determined by a majority of the Council.

EL CERRITO CITY COUNCIL

MINUTES

REGULAR CITY COUNCIL MEETING
Tuesday, November 17, 2015 – 7:00 p.m.
City Council Chambers

Meeting Location

El Cerrito City Hall
10890 San Pablo Avenue, El Cerrito

Mark Friedman – Mayor

Mayor Pro Tem Greg Lyman
Councilmember Jan Bridges

Councilmember Janet Abelson
Councilmember Gabriel Quinto

ROLL CALL

Councilmembers Abelson, Bridges, Lyman, Quinto and Mayor Friedman all present.

7:00 p.m.

CONVENE REGULAR CITY COUNCIL MEETING

Mayor Friedman convened the regular City Council meeting at 7:00 p.m.

- 1. PLEDGE OF ALLEGIANCE TO THE FLAG OR OBSERVATION OF MOMENT OF SILENCE** was led by Mayor Pro Tem Lyman.
- 2. COUNCIL / STAFF COMMUNICATIONS** – No comments.
- 3. ORAL COMMUNICATIONS FROM THE PUBLIC**

Cordell Hindler, Richmond, Park Plaza Neighborhood Association, said he still has concerns about El Cerrito Police driving on his street. Mr. Hindler expressed appreciation for Chief Moir's email to him on the subject and suggested that the City Attorney and staff research Albany's ordinance regarding police moving out of zone. Mr. Hindler invited all to attend the Contra Costa Theatre's new show – The Secret Garden.

Al Miller, El Cerrito, reported on the Police Department's Community Clean-up day which took place on November 14. It was a very successful event attended by 8-10 police officers and 20-25 people, including youngsters, representatives from the Human Relations Commission, Crime Prevention Committee, and the El Cerrito branch of the NAACP.

Tom Panas, El Cerrito, informed the City Council that the Fred T. Korematsu Middle School campus will open to students on March 28, 2016. A special dedication ceremony at the school is being planned for January 30, 2016, which is also Fred Korematsu Day. Mr. Korematsu's daughter, Karen will be present. Mr. Panas also reported that he attended the Senior Resource Fair at the Senior Center. Mr. Panas thanked staff and said the event was a great success.

Dave Weinstein, Trail Trekkers, stated that the Music for Madera Open Space fundraising festival raised \$3,264 for maintenance of the property. Although the festival was not well

attended it yielded a significant contribution. Mr. Weinstein said he was informed that it costs the city approximately \$4,000/year to cut the grass in the open space area and make other improvements so the donation really helps. The Trail Trekkers probably won't do this event again but is trying to figure out the best way to raise money to cut the grass and maintain the property. It may be folded into the Hillside Festival.

4. PRESENTATION

Fiscal Year 2014-15 and 2015-16 Budget Update

Receive an update on year-end results for Fiscal Year 2014-15 that ended on June 30, 2015 and an update on revenue and expenditure trends for the first three months of the current fiscal year 2015-16 through September 30, 2015.

Presenter: Lisa Malek-Zadeh, Finance Director.

Speakers: Cordell Hindler, Richmond, asked for clarification regarding personnel costs.

Kevin O'Neil, El Cerrito business owner, Well Grounded Tea & Coffee Bar, asked whether data related to sales tax was accurate and also inquired about the decline in business license tax referenced in the budget update.

Action: Received presentation.

5. ADOPTION OF THE CONSENT CALENDAR – Item Nos. 5A through 5F

Moved, seconded (Lyman/Bridges) and carried unanimously to approve Consent Calendar Item Nos. 5A, 5C, 5E and 5F in one motion as indicated below. Consent Calendar Item Nos. 5B and 5D were removed from the Consent Calendar by Mayor Friedman at the request of Mayor Pro Tem Lyman.

A. Minutes for Approval

Approve the November 3, 2015 Special Concurrent City Council/Redevelopment Agency Successor Agency meeting – Closed Session and Regular City Council meeting minutes.

Action: Approved minutes.

B. Ordinance Establishing a Local Minimum Wage

First reading approved by unanimous vote on November 3, 2015.

Adopt Ordinance No. 2015–09 amending the El Cerrito Municipal Code (ECMC) Title 6 (“Business Permits and Regulations”) by adding a new Chapter 6.95 (“City Minimum Wage Standards”).

Mayor Pro Tem Lyman stated that he asked the item to be removed from the Consent Calendar for the purpose of considering removal of one step increase and reducing the number of increases between now and 2017.

Speakers: Cordell Hindler, Richmond, said he is happy to see an increase in the minimum wage and encouraged the City Council to adopt the ordinance.

Jessica LaMaack/Lynam, California Restaurant Association, stated that Association members are very anxious about the increase, particularly being hit two times in one year. Ms. Lynam urged consistency, proposed an alternative rate increase timeline and stated that there are many facets involved in running a business in addition to salaries such as forecasting, business planning, bank loans, payroll tax, workers compensation taxes and other details. A \$1.50 increase represents a 17% increase in costs the first year, decreases by percentage in subsequent years and allows both employers and employees to better plan the future.

Gordon Messer, new El Cerrito business owner, Batteries and Bulbs, asked the City Council to think about filling the vacancies on San Pablo Avenue. A \$15/hour wage increase is counterintuitive to trying to get the vacancies filled. There are nine empty storefronts between the Theater and City Hall. Mr. Messer summarized the costs involved in building

out and permitting an existing space and starting a new business and said he is happy to share any other information regarding the cost of doing business in El Cerrito. Mr. Messer says he has four employees, excluding himself. The business is open 81 hours per week. Two employees are full-time and two are part-time. Payroll, including taxes is \$10,400 per month.

Lisa Martinengo, El Cerrito, home based business owner, stated that she was perturbed by the statements made at the November 3 meeting characterizing raising the minimum wage as a moral issue. No one wants to see poverty exist. No one wants to see people struggling to make ends meet. There is no provision in the ordinance as proposed, for small independent businesses who are trying their best to stay afloat. President Obama proclaimed November as National Entrepreneurship Month with November 17 as National Entrepreneur Day. Ms. Martinengo queried why there is a rush in pushing the ordinance through and asked the City Council to listen to the business neighbors who might have to close or hike up prices, slow down [consideration of the ordinance], consider the Berkeley Chamber of Commerce's proposals regarding including exceptions for very small businesses and establish a date to revisit the plan or compile data to see if the desired results have occurred.

Kevin O'Neal, El Cerrito, Well Grounded Tea and Coffee Bar, stated that his employees make on average, \$13.00/hour not including tips. Mr. O'Neal stated that the current budget shows a 6.5% decrease in business licenses. Mr. O'Neal said he is concerned about raising the minimum wage because it hits retail and restaurants especially hard and is also duplicating a state bureaucracy at the small town level. Additionally, the City will need to pay not only its own minimum wage workers and increase city payroll costs but will also add more work for staff that is already operating at a reduced level. Mr. O'Neal also questioned the calculations contained in the UC Berkeley, Institute for Research on Labor and Employment Center on Wage and Employment Dynamics (CWED) impact study and stated that he believes the savings in the report attributed to retention and efficiency are based on a false assumption. Mr. O'Neal asked the City Council to make an exception for small businesses.

Jen Komaromi, El Cerrito, co-owner of Well Grounded Tea & Coffee Bar and JennyK, stated that she is concerned about how the ordinance is moving forward and that many business owners are not aware of the minimum wage proposal. The California Restaurant Association, rather than a city mailing, alerted her husband, Kevin O'Neal, about the proposed ordinance. Mailings did not occur until late September. Ms. Komaromi stated that she feels the ordinance is being rushed through and she does not understand why. She is also concerned about lay-offs.

Nicholas Arzio, El Cerrito, Vice-President of the El Cerrito Democratic Club, stated that the Democratic Club had passed a resolution asking the City Council to pass a local minimum wage ordinance with dollar amounts and annual increases no lower than those set forth in the City of Richmond's ordinance and to enact it by January 2016. The City of Emeryville implemented its minimum wage within 30 days. Mr. Arzio said this shows that it is possible to implement a minimum wage quickly and that no one will argue that the large employers can afford to pay an increased minimum wage.

Marianna Moore, Director, Ensuring Opportunities to End Poverty Campaign in Contra Costa County, thanked the City Council and everyone for their work on the ordinance. Ms. Moore said she is proud of the conversation that occurred in the city and stated that she believes small businesses will be resilient. Ms. Moore encouraged the City Council to stay the course with the ordinance.

Action: Removed from the Consent Calendar at the request of Mayor Pro Tem Lyman. Moved, seconded (Quinto/Abelson) and carried unanimously to adopt Ordinance No. 2015-09. *Effective July 1, 2016.*

C. Human Rights Day and Month Proclamation

Approve a proclamation declaring December 10, 2015 as Human Rights Day and December as Human Rights Month in the City of El Cerrito, and encouraging all residents to study and

promote the ideas contained in the Universal Declaration of Human Rights to the end that freedom, justice, and equality will flourish and be made available to all.

Action: Approved proclamation.

D. Annual Review of Financial Policies

Adopt a resolution approving changes to the City's Comprehensive Financial Policy and Investment Policy and rescinding and replacing Resolution No. 2012-13.

Action: Removed from the Consent Calendar at the request of Mayor Pro Tem Lyman. Moved, seconded (Lyman/Bridges) and carried unanimously to adopt Resolution No. 2015-70 and rescind Resolution No. 2012-13.

E. Amendments to the City Classification Plan and Resolution No. 2014-22 for Management and Confidential Employees

Adopt a resolution amending the City's Classification Plan and Resolution No. 2014-22 as follows: 1) Establish the classification and salary for the position of Senior Human Resources Analyst; and 2) Modify the control points for management and confidential employees.

Action: Adopted Resolution No. 2015-71.

F. Quarterly Cash & Investment Report

Receive and file the City's Quarterly Investment Report for the period ending September 30, 2015.

Action: Received and filed.

6. PUBLIC HEARINGS

Proposed Integrated Waste Management Fees and East Bay Sanitary Garbage & Green Waste Collection and Processing Rates

Staff requests that Council take the following actions: 1) Conduct a public hearing and upon conclusion adopt a resolution setting Integrated Waste Management (IWM) Fees, effective January 1, 2016; and 2) Upon closure of the public hearing, adopt a resolution reaffirming the calculation of and continuing in effect, the maximum allowable rates as identified in the attached resolution, for the collection of garbage and green waste, effective January 1, 2015.

Presenter: Maria Sanders, Environmental Services and Operations Division Manager.

Mayor Friedman opened the public hearing. One speaker.

Cordell Hindler, Richmond, encouraged the Council to support the resolutions.

Moved, seconded (Lyman/Bridges) and carried unanimously to close the public hearing.

Actions: Moved, seconded (Lyman/Quinto) and carried unanimously to adopt Resolution No. 2015-72 setting Integrated Waste Management (IWM) Fees, effective January 1, 2016.

Moved, seconded (Lyman/Bridges) and carried unanimously to adopt Resolution No. 2015-73 reaffirming the calculation of and continuing in effect, the maximum allowable rates as identified in the attached resolution, for the collection of garbage and green waste, effective January 1, 2015.

7. POLICY MATTERS – None

8. COUNCIL LOCAL AND REGIONAL LIAISON ASSIGNMENT REPORTS

Mayoral and City Council communications regarding local and regional liaison assignments and committee reports.

Councilmember Bridges stated that the Design Review Board recently conducted a hearing regarding window frames and panes for the Creekside development project.

Mayor Pro Tem Lyman reported that he participated in the West County Integrated Waste Management Authority Board's meeting last week in which the Board discussed setting post collection rates for other jurisdictions.

Councilmember Abelson reported on her attendance at the Self-Help Counties Coalition Conference – Focus on the Future. There is concern that state and federal funding for local transportation projects is not keeping pace with needs.

Mayor Friedman reported that he and Councilmember Quinto attended the Citizens for Eastshore Parks 30th Anniversary Celebration at the Berkeley Marina. Former El Cerrito Mayor, Norman La Force, was one of the honorees.

9. ADJOURNED REGULAR CITY COUNCIL MEETING at 8:38 p.m. in memory of those who have lost their lives to terrorist violence in Lebanon, Iraq and France in recent days.

SUPPLEMENTAL REPORTS AND COMMUNICATIONS

Item No. 4 Fiscal Year 2014-15 and 2015-16 Budget Update

1. Powerpoint presentation – *Submitted by Lisa Malek-Zadeh, Finance Director.*

Item No. 6 Proposed Integrated Waste Management Fees and East Bay Sanitary Garbage & Green Waste Collection and Processing Rates

2. Powerpoint presentation – *Submitted by Maria Sanders, Environmental Services and Operations Manager.*

Other:

3. Comments regarding Korematsu Middle School dedication – *Submitted by Tom Panas, El Cerrito.*

***EL CERRITO CITY COUNCIL PROCLAMATION
OBSERVING DECEMBER 1, 2015 AS WORLD AIDS DAY***

WHEREAS, 2015 marks the 27th Anniversary of World AIDS Day; and

WHEREAS, first observed in 1988, World AIDS Day was initiated by health ministers from around the world who called for a spirit of social tolerance and a greater awareness of HIV/AIDS on an international scale; and

WHEREAS, Contra Costa County Health Services has been tracking HIV & AIDS cases among residents for more than 30 years. From 1980 to 2012, the County estimates that there are 1290 residents in the County who are living with HIV; another 1290 living with AIDS; and 2061 residents who have died of HIV and AIDS combined; and

WHEREAS, according to the Centers for Disease Control, more than 1.2 million people in the United States are living with HIV infection, and almost 1 in 8 (12.8%) are unaware of their infection; and

WHEREAS, the Centers for Disease Control estimates that 658,507 people died of AIDS through 2012; and

WHEREAS, gay, bisexual, and other men who have sex with men, particularly black/African American MSM, are most seriously affected by HIV. By race, blacks/African Americans face the most severe burden of HIV; and

WHEREAS, public outreach and education about HIV and AIDS such as wearing a red ribbon, continues to be a vital tool to bringing more awareness about this global epidemic.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of El Cerrito does hereby observe December 1, 2015 as World AIDS Day in the City of El Cerrito and remembers the impacts that HIV and AIDS have had to our community.

Dated: December 1, 2015

Mark Friedman, Mayor



AGENDA BILL

Agenda Item No. 5(C)

Date: December 1, 2015

To: El Cerrito City Council

From: Maria Sanders, Operations + Environmental Services Manager
Yvetteh Ortiz, Public Works Director/City Engineer

Subject: Power Charge Indifference Adjustment Exit Fee Charged to Community Choice Aggregation Customers

ACTIONS REQUESTED

Adopt a resolution and send a letter to the California Public Utilities Commission (CPUC) requesting that it reject a proposed increase to the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers and reexamine the fairness and reasonableness of the PCIA.

BACKGROUND

Marin Clean Energy (MCE), a local government Joint Powers Authority (JPA), provides low-carbon electricity at competitive rates for residents and businesses in member cities. This arrangement is known as Community Choice Aggregation (CCA). On January 6, 2015, the City Council adopted a CCA Program Ordinance (Ordinance No. 2015-02), which authorized the implementation of a CCA Program in El Cerrito and approved the Joint Powers Authority Agreement with MCE. Electricity customers in El Cerrito that chose not to opt out of the CCA started receiving electricity from MCE in June of 2015.

PG&E imposes exit fees on CCA customers. PG&E's exit fee, called the Power Charge Indifference Adjustment (PCIA), is billed monthly and is based on kilowatt-hour use. In the past two years, MCE customers have spent over \$32 million in PCIA fees. The PCIA fee is intended to cover any losses incurred by PG&E from customers departing their system after PG&E had already entered into power contracts to cover its power needs. However, when a customer chooses another provider, such as MCE, PG&E can and does sell the excess electricity it bought for that customer. Depending on market conditions, PG&E may earn or lose money when it sells the power. If PG&E does not earn money through the sale of the excess power, the PCIA fee is intended to fairly compensate PG&E for that loss. Whenever PG&E makes a profit on the sale of departing load, the proceeds are tracked in a separate PCIA account.

Currently, PG&E has accumulated more than \$1 billion in the PCIA account from earning money on the market when selling the excess power left by customers exiting the system. All of this \$1 billion was accumulated before the launch of MCE in 2010, mainly from "Direct Access" customers--those who are large enough to directly enter into their own electricity contracts. Since that time, wholesale electricity prices have

dipped, and PG&E has lost money when it has sold the excess energy. The PCIA is increasing due to the high cost of contracts that were made before CCA customers left PG&E generation service.

Historically, there has been much discussion as to whether PG&E is accurately forecasting departing loads of CCA customers. In a January 12, 2012 decision, http://docs.cpuc.ca.gov/PublishedDocs/WORD_PDF/FINAL_DECISION/157640.PDF the CPUC found that PG&E did not properly plan its procurement for the departure of MCE's electric load. Nevertheless, PG&E's planning assumptions resulted in excess energy procurement, which inflated and continues to inflate the PCIA fee and requires CCA customers to pay for over-procurement by PG&E.

ANALYSIS

In a rate application proceeding (Application 15-06-001) currently before the California Public Utility Commission (CPUC), PG&E is proposing to increase the PCIA exit fee by an estimated 100% from 2015 to 2016. PG&E's current PCIA methodology most heavily impacts residential customers. Moreover, PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program for low-income customers, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

In the same proceeding, PG&E proposed to close its PCIA Account with over \$1 billion in accumulated funds, essentially absorbing the funds into the corporation. MCE has asked the CPUC to instead apply some of the \$1 billion to mitigate the impact of the 2016 PCIA increase on its customers. An increase in the PCIA fee and failure to use PCIA windfalls to offset future PCIA fees undermine the economic competitiveness of CCA programs throughout the State by inflating electric costs for CCA customers.

On November 13, 2015, the CPUC released a Proposed Decision ("Decision Adopting Pacific Gas and Electric Company's 2016 Electric Procurement Cost Revenue Requirement Forecast") <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M155/K876/155876836.PDF> that indicates it will be approving PG&E's proposed PCIA increase. The Commission also rejected MCE's request to apply funds from the PCIA account to offset PCIA fee increases, directed PG&E to not close the account, and indicated it will further examine this account next year. The CPUC is expected to take a final vote on these issues at its December 17 meeting.

MCE is requesting that member agencies pass a resolution and send a letter prior to the December 17 meeting, urging the CPUC to examine the fairness and reasonableness of the PCIA and to apply some of the \$1 billion to offset the PCIA fees customers pay. The resolution is designed to support any future action that MCE may take regarding the fairness and reasonableness of the PCIA in 2016.

STRATEGIC PLAN CONSIDERATIONS

Advocating for the fair and reasonable application of the PCIA supports the ability of CCAs in providing member communities with clean energy at competitive rates. This

Agenda Item No. 5(C)

supports the following City of El Cerrito Strategic Plan goal and objective: Goal F: Foster Environmental Sustainability Citywide (*Implement the City's Climate Action Plan, including facilitating greater adoption of clean energy*).

ENVIRONMENTAL CONSIDERATIONS

There is no direct environmental impact with this action. However, if the CPUC were to implement the fair and reasonable application of the PCIA, CCAs throughout the State will continue to provide member communities with clean energy at increasingly competitive rates, thereby supporting greater adoption of clean energy.


FINANCIAL CONSIDERATIONS

There is no financial obligation associated with the requested action.

LEGAL CONSIDERATIONS

There are no legal issues associated with the requested action.

Reviewed by:



Scott Hanin, City Manager

Attachments:

1. Resolution
2. Letter to CPUC President Picker and CPUC Commissioner Florio

RESOLUTION 2015–XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CERRITO REQUESTING THE CALIFORNIA PUBLIC UTILITY COMMISSION TO REJECT A PROPOSED INCREASE IN THE POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) FEE ON COMMUNITY CHOICE AGGREGATION CUSTOMERS AND TO REEXAMINE THE FAIRNESS AND RESONABLENESS OF THE PCIA

WHEREAS, the City of El Cerrito is committed to elevating the quality of life for its residents, businesses, and electricity consumers by pursuing innovative public policies that advance sustainable development, environmental justice, and economic prosperity; and

WHEREAS, on January 6, 2015, the City Council adopted Ordinance No. 2015–02 joining Marin Clean Energy (MCE), a regional Joint Powers Authority and California’s first Community Choice Aggregation (CCA) program, in order to provide all electricity consumers with competitively-priced renewable energy options; and

WHEREAS, CCA customers pay Investor Owned Utilities (IOUs), such as PG&E, an exit fee known as the Power Charge Indifference Adjustment (PCIA), which is designed for the IOUs to recover the cost of purchasing electricity for consumers who depart from their energy supply portfolio by choosing a local CCA’s service options; and

WHEREAS, the California Public Utilities Commission (CPUC) found in Decision 12-01-033 that PG&E did not properly plan its procurement for the departure of MCE’s electric load, and this excess energy procurement inflates the PCIA and requires CCA customers to pay for over-procurement by the IOU; and

WHEREAS, the PCIA fee undermines the economic competitiveness of Community Choice Aggregation programs throughout the State of California by inflating electric costs for CCA customers; and

WHEREAS, PG&E has received a benefit from departing loads of more than One Billion Dollars (\$1,000,000,000) and had planned to absorb this benefit by retiring the account where it is held instead of passing it along to CCA departing load customers; and

WHEREAS, PG&E is presently requesting an increase of approximately 100% to the residential PCIA fee from the CPUC in Application 15-06-001, and is also the only utility in California levying the PCIA fee upon low-income qualified CARE program participants.

Agenda Item No. 5(C)
Attachment 1

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of El Cerrito that it hereby requests that the California Public Utilities Commission: 1) Reject PG&E's proposed increase to the PCIA; 2) Re-examine the fairness and reasonableness of the PCIA on CCA customers, and particularly those who rely on low-income assistance programs, such as CARE; and 3) Direct PG&E to use revenue already received for departing loads before imposing costs on CCA customers.

BE IT FURTHER RESOLVED, that the City Clerk is directed to send this resolution and a letter from the Mayor of El Cerrito to the President of the CPUC and other CPUC Commissioners expressing El Cerrito's concern with the fairness and reasonableness of the PCIA.

BE IT FURTHER RESOLVED, that this Resolution shall become effective immediately upon passage and adoption.

I CERTIFY that at a regular meeting on December 1, 2015, the City Council passed this resolution by the following vote:

AYES:	COUNCILMEMBERS:
NOES:	COUNCILMEMBERS:
ABSTAIN:	COUNCILMEMBERS:
ABSENT:	COUNCILMEMBERS:

IN WITNESS of this action, I sign this document and affix the corporate seal of the City of El Cerrito on December XX, 2015.

Cheryl Morse, City Clerk

Approved:

Mark Friedman, Mayor



OFFICE OF THE MAYOR
MARK FRIEDMAN

Attachment 2

December 1, 2015

The Honorable California Public Utilities Commission President Michael Picker
The Honorable California Public Utilities Commissioner Mike Florio
505 Van Ness Avenue
San Francisco, CA 94102

RE: The Power Charge Indifference Adjustment Proposed Increase in A.15-06-001

Dear President Picker and Commissioner Florio,

On behalf of the City of El Cerrito, we wish to express our deep concern regarding the proposed 100% increase by PG&E of the Power Charge Indifference Adjustment (PCIA) exit fee charged to Community Choice Aggregation (CCA) customers in Application 15-06-001. As a member-community of Marin Clean Energy (MCE), California's first CCA program, our City and our citizens will be profoundly impacted by the proposed increase.

In the past two years, MCE customers have collectively paid more than \$32 million in PCIA fees. MCE customers are projected to pay more than \$30 million in PCIA fees in 2016 alone, without including the latest increases submitted by Pacific Gas & Electric (PG&E). In addition, PG&E is currently seeking to retire an account with \$1 billion in excess PCIA fees. We urge the Commission to consider using a some portion of this account to help mitigate the impact of 2016 PCIA fees charged to customers.

The fairness and reasonableness of the PCIA fee and how it is applied to CCA customers must be examined. In early 2012, through Decision 12-01-033, the Commission found that PG&E did not properly plan for the loss of CCA electric load. This poor planning can inflate the PCIA costs that CCA customers must pay. Moreover, the PCIA methodology most heavily impacts residential customers and PG&E is the only utility in the state to levy PCIA fees on customers on the utility bill discount program, California Alternate Rates for Energy (CARE). CARE customers throughout MCE service territory are projected to pay more than \$2 million in 2016 with the proposed 95% increase to the PCIA.

Our citizens have led the state in achieving Governor Brown's ambitious renewable energy goals. They should not be penalized for being the early adopters of innovative renewable energy programs. We therefore respectfully urge the California Public Utilities Commission to reject PG&E's proposed increase and apply a portion of the excess \$1 billion account towards PCIA fees for CCA customers.

Sincerely,

Mark Friedman
Mayor, City of El Cerrito



AGENDA BILL

Agenda Item No. 5(D)

Date: December 1, 2015

To: El Cerrito City Council

From: Stephen Prée, Environmental Programs Manager/ City Arborist
Maria Sanders, Interim Operations + Environmental Services Manager
Yvetteh Ortiz, Public Works Director/City Engineer

Subject: Tree Committee Membership Recommendation

ACTION REQUESTED

Approve a Tree Committee recommendation to appoint Robert J. Hrubes to the Tree Committee, effective December 14, 2015.

DISCUSSION

Robert Hrubes has attended more than three regular monthly meetings of the Tree Committee since June 2015. On November 9, 2015, he submitted an application to serve on the Tree Committee. The Committee has become familiar with Dr. Hrubes contributions and perspective during open discussions at meetings; after he expressed his interest in serving the City on the Tree Committee, members voted unanimously to recommend to Council that Dr. Hrubes be appointed as a member.

Dr. Hrubes received his Ph.D. in Wildland Resource Science from the University of California, Berkeley, performed research and management planning for the USDA Forest Service for 15 years, and has conducted professional third-party sustainability audits of forestry operations around the world since 1990. He has expressed a strong identity and pride in El Cerrito as his home.

If the Council approves this recommendation, the number of Committee members will be eight out of a total possible membership of fifteen, as established by Council.

STRATEGIC PLAN CONSIDERATIONS

The work of the Tree Committee helps the City realize the following goals of the El Cerrito Strategic Plan:

- Goal C to “Deepen a sense of place and community identity”
- Goal F to “Foster environmental sustainability citywide”

As stated in its enabling Resolution 2007-96, the Tree Committee was established to assist the City in its “stewardship of its urban forest, including establishing a citywide

commitment to a healthy, growing forest, and creating a coordinated, high quality forestry management program.”

Reviewed by:



Scott Hanin, City Manager

Attachments:

1. Robert Hrubes Application



**December 1, 2015
Regular City Council Meeting**

**Agenda Item No. 5(D)
Tree Committee Appointment
Attachment 1 – Robert Hrubes Application**

Hardcopies are available for review at:

Office of the City Clerk
10890 San Pablo Avenue
El Cerrito, CA
(510) 215-4305

and

The El Cerrito Library
6510 Stockton Avenue
El Cerrito, CA



Agenda Item No. 7

ELECTION OF CITY COUNCIL AND REDEVELOPMENT AGENCY OFFICERS

Adopted: November 19, 1990

Revised: July 7, 1997

In order to fairly rotate the offices of Mayor and Mayor Pro Tem of the City Council and Chair and Vice-Chair of the Redevelopment Agency among the five members of the Council and Agency, this policy is established.

CITY COUNCIL

A newly elected council member, who is not an incumbent, will serve a minimum of one year on the Council before qualifying to serve as Mayor.

Mayor Pro Tem will replace the outgoing Mayor.

Mayor Pro Tem will be the council member who has received the highest number of votes, compared to the other council members elected at the same time. This process continues until all council members elected in the same year have served as mayor.

An appointed council member shall join the rotation only after first being elected.

Newly elected and re-elected council members are added onto the existing order of rotation in the order of the number of votes received, from the highest number of votes to the lowest.

A council member may decline to serve as Mayor Pro Tem. This will drop the council member back one position in the rotation.

This format will be followed except in unusual or exceptional cases. The Council has the ultimate discretion to elect or not elect any council member for any office.