



The VOICE

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Did you know...

- There were 4 single family home permits issued in the City of Redding in August 2019, for a total of **68** so far in 2019, and **8** Carr Fire single family rebuild permits issued in August 2019, for a total of **87** so far in 2019. There were **3** permits issued for new commercial buildings in August 2019, for a total of **14** so far in 2019.
- A total of 21 applications were received for the Shasta County Executive Officer (CAO) position, which is open due to the retirement of the current CAO Larry Lees. On September 17th, The County Supervisors agreed to establish a temporary advisory citizen committee composed of ten members, to interview candidates for the position and make recommendations to the Board of Supervisors. Each Board member will appoint 2 members to the committee.
- The City of Redding has expanded their pursuit of a Downtown Internet Utility Master Plan to a **City-wide Plan**, which will better serve the community and provide greater opportunities for businesses in the region with expanded broadband.

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Proposal to End Solar Subsidies in Redding Met With Opposition

At the September 3rd Redding City Council meeting, there was a public hearing to consider approval of a “Net Energy Metering (NEM) successor tariff in accordance with Senate Bill 1, effective January 1, 2020.” That sounds like a mouthful of government-speak...but this is what it actually means:

California Senate Bill 1 (SB1) signed by the Governor on August 1, 2006, required electric utilities (including Redding Electric Utility, or REU) to provide **two** customer subsidies as an **incentive** to install rooftop solar. There was a one-time rebate for the purchase and installation of rooftop solar, and an ongoing subsidy (NEM) in the form of REU purchasing customer excess generation at a rate greater than its cost. The SB1 **one time rebate program ended** on November 7, 2017.

The California **mandated annual subsidy program** requires REU to pay customers the full retail rate for electricity generated by their rooftop solar. That full retail rate (\$0.15) is higher than the value of the electricity sold back to REU, so solar customers can avoid paying the full cost for access to the electric grid during those time when they are not generating enough solar power to meet their electric consumption.

SB1 allows REU to **terminate the annual subsidy** when customer-owned solar production meets or exceeds five percent of REU’s maximum system peak demand. REU reached that cap in April 2019. Therefore, REU is proposing what they call a “successor tariff” that will apply when existing solar generators are transitioned off of the annual subsidy: “Service would be billed monthly at the applicable residential or commercial service, an additional \$10 for capital outlay and replacement would be applied, and a net credit would be applied for any surplus energy transmitted at **\$0.039** per kWh” (which is currently credited at **\$0.15** per kWh). When a customer’s on-site solar generation meets their on-site consumption, they would avoid the full utility retail rate, but when the on-site generation does not meet their on-site consumption, the customer would be charged for service at the **full retail rate**.

Additionally, REU proposed to extend the annual subsidy for existing generators through December 31, 2020, or five years from each generator’s interconnection date, whichever is longer. There is **no provision** to “grandfather “ beyond that date.

There were 40 people who spoke at the public hearing, all in opposition to this proposal. Solar installers and users alike expressed their concerns about such drastic changes that could negatively affect already installed solar investments, and discourage people from choosing solar, which would no longer “pencil out” under the proposal. They asked City Council to delay action on this item, and give the public more time to provide input.

Council voted (4-1) to allow staff to create a study committee of 9 people with both solar and non-solar members that will analyze what it would take for a solar system to “pencil out” on both new and existing remodel homes. That committee has since been established and includes: Richard Christoph, Tim Danielson, Bob Gumm, Gary Blanc, Lori Goyne, David Ledger, Scott Wlodarczyk, Mary Machado, and Fred Castagna. Because the committee was established by Council, the meetings will be subject to the Brown Act, will be video-taped, and will be held at the Council Chambers.

The first committee meeting was held on September 23rd. The committee was quickly informed by staff from REU that their “scope” of discussion has been **limited** to the proposed new NEM rates. This did not sit well with the committee.

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Shasta VOICES Finds Compromise on New Property Fee Protest Procedures

The September 17th Redding City Council meeting agenda had an item (9.14 a) for Council to consider a Resolution amending protest procedures for property related fees. After reading the staff report, a number of issues of concern were identified by Mary Machado from Shasta VOICES, who asked some very pointed questions of staff in the days preceding the Council meeting, asking for clarification and suggesting other options than those offered in the report.

First, the staff report said that the “Adoption of the proposed resolution would **reduce costs** to the Solid Waste, Wastewater, and Water Utilities due to the elimination of the requirement to prepare and mail fee protest ballots to every parcel owner of record and utility fee payer in the City of Redding.” But there were not costs identified in the report.

Second, it further stated that “For property-related fees, **there is no requirement in the law that ballots be prepared by the utility and mailed to each property owner of record and fee payer.** Article 13D of the California Constitution only requires that notice of the public hearing be provided to each parcel owner of record. The notice must include the amount of fee proposed, the basis upon which the fee or charge was calculated, the reason for the fee or charge and the date, time and location of the public hearing on the proposed fee. The proposed resolution and protest procedures retain this process entirely.”

Third, the report went on to explain how ballots in the past have “generally confused the individuals subject to the fee.” When pressed for more clarification on this, City Manager Barry Tippin said the confusion is attributed to including the word “ballot” on the public notice. He said many people felt they needed to submit a vote – yes or no – as in an election. The notice presented did not allow for a yes vote but simply three boxes to be checked for each Utility that the customer wanted to protest. He said “our full intent is to do just as you suggested, make the notice more clear.” However, to avoid confusion and avoid costs to the utilities, the City Attorney recommended that Council approve the Resolution that totally eliminates the need for ballots.

Machado suggested that this was not the proper solution for the utility ratepayers in our community. Why not make the protest ballot less confusing, and include it with the required mailed notice of public hearing? This eliminates the cost and confusion issues for the City, while providing more transparency and inclusion in the protest process for our ratepayers, who ought to be the first priority. She provided sample protest forms for consideration...and City staff also found sample protest forms that they thought would work well in Redding.

City staff, led by Barry Tippin, chose to do what was suggested. He was willing to offer a **compromise to the proposed Resolution** in the form of an added clause to ensure that the intent to provide protest forms is included, but with flexibility for the future. It now states that the form of protest will be approved by Council at the time the public hearing is set:

Section 2. The City Council hereby mandates that the form of public notice to be provided to property owners of record pursuant to the Procedures adopted herein shall be submitted to the City Council for consideration and/or approval at the time that the City Council is requested to set a public hearing for consideration of an increase in property-related fees.

City Adds 3 More CSO's to Police Department

On September 17th, Redding City Council approved the addition of three additional Community Service Officer positions in the Redding Police Department. That will bring the total number of CSO's to eleven, which is just four shy of the highest number of CSO's (which was 15) in the police department dating back to 2008.

The cost of the three CSO positions is about **\$300,000** per year, which includes salaries, benefits and equipment. The current police department budget for fiscal years 2019-2020 and 2020-2021 will have “sufficient savings to cover the cost of the new positions.” These savings are due to persistent police vacancies, various promotions and subsequent backfills, and a **change in the way the department hires people.** In the not-so-distant past, lateral officers with experience from other agencies were recruited and hired to fill vacancies at a much higher salary cost. Now, the lateral recruiting source has dwindled and is no longer a viable way to fill open positions. A higher percentage of new recruits are being hired versus lateral officers, resulting in lower personnel expenses than budgeted. As retirements occur, entry positions are hired instead of “at the top” to replace those positions at a much lower salary cost. Since 2016, 29 new police officers have been hired, with 14 of them being entry level positions.

Previously hired CSO's, who are not sworn officers, have allowed sworn officers more time to accomplish pro-active policing, according to the new Police Chief Bill Schueller. CSO's respond to non-emergency calls, burglary and thefts when there is no active suspect at the scene, and other officer initiated calls that do not require sworn officers to respond. This provides a tremendous benefit, not only to the police department but to the community they serve.

Sales Tax Ordinance Undergoes Revisions After Public Hearing

On August 13th, a draft Ordinance adopting a ***special*** transactions and use (sales) tax in an amount not to exceed ***one percent (1%)*** to be used for funding public safety purposes in both the unincorporated and incorporated areas of Shasta County was unanimously approved by the Shasta County Board of Supervisors. The County was then required to post a public notice and set a public hearing before the proposed Ordinance could be considered for adoption. That public hearing occurred on ***September 10, 2019***.

After listening to those who testified at the public hearing, several changes were made to the draft Ordinance. Here are the most substantive changes:

1. The percentage of allocation from the special tax for the City of Redding is 16.09% of revenues received, however the Board of Supervisors may by unanimous vote to modify the percentage allocation for the City's Program Category. Redding requested and received a clause stating that the percentage of ***allocation shall not be reduced below 14%*** of revenue received. Similarly, the percentage of allocation for the cities of Anderson and Shasta Lake is 1.79%, and they also requested and received a clause stating that the percentage of ***allocation shall not be reduced below 1.56%*** of revenues received.
2. This clause was added: The Board of Supervisors (Board) may require any and all recipients of the revenue from the special tax to make written reports to the Board providing in detail the proposed and actual expenditures by the recipient.
3. The Public Safety Categories for all jurisdictions now include language for the provision of services "by contract or otherwise." This was mainly due to the County's contracts with Cal Fire.
4. ***Conflict resolution services were eliminated*** from the Public Defender Program Category, as those services are provided by private attorneys utilizing a bid process, and paid for appropriately through the General Fund when the District Attorney's Office has a conflict of interest.
5. Language will be included to make it clear that the Jail Health Care Programs will include medication assisted services or similar rehabilitation services.
6. The oversight committee will now include 2 members from the Cities of Anderson and Shasta Lake instead of only one. Therefore, the oversight committee clause will be changed to include at least 9 people (instead of 7) appointed by the Board.
7. Language will be added to include consequences for any violation that occurs with respect to the expenditure plans.

The above revisions (and other minor corrections) will be made to the Ordinance by County Counsel Rubin Cruse. He plans to bring the updated final Ordinance and a Resolution back to the Board of Supervisors on ***October 1, 2019***, for consideration of placing the final Ordinance on the ballot for the March 3, 2020 primary election.

Here is the verbiage of the measure that is proposed to be placed on the ballot for the March 3, 2020 primary election:

Shall Measure ___ (the Shasta County Public Safety Transaction and Use Tax Ordinance) be adopted?

To provide approximately \$31,000,000 annually for specific public safety programs of (1) providing funding for County jail facilities, operations, programs, and services, including alternatives to County jail incarceration, (2) providing funding for law enforcement and emergency services (including fire protection) in the unincorporated areas of Shasta County and in the Cities of Redding, Anderson, and Shasta Lake, (3) providing funding for criminal prosecutions by the District Attorney, for criminal defense by the Public Defender, and for duties of Probation as they relate to adult offenders, the measure allows the County of Shasta to enact a one percent (1%) transactions and use tax throughout the entire county. The measure creates an Oversight Committee and annual audit requirement detailing how the funds have been spent. The tax shall not be used to supplant other funding for the identified specific public safety purposes. The tax will be in effect until reduced or repealed by the Board of Supervisors by a 4/5 vote.

The Resolution will provide the entire text of the Ordinance, but will not be printed in the voter information section of the sample ballot. It will be available at the Elections Office and may also be accessed on the Elections' Office website.

It should also be noted that the citizens group who was pushing to put a 1% general sales tax measure on the March 3, 2020 primary election ballot in the City of Redding has put those efforts on hold. Businessman Chad McCulley, who was spearheading this effort, said the group doesn't want to get in the way of Shasta County's effort, and now supports a countywide tax.

Updated News and Notes

Shasta VOICES is continuing to monitor and follow many issues of interest to our supporters and the community. As part of our efforts to keep you updated and informed, here is a brief update of some of these issues.

Outside Consulting Services Added For Permit Center—Because of a significant increase in building activity, the Redding City Council approved a transfer of \$50,000 from the General Fund Reserve to the Building Division to fund additional consulting services. For the period covering January 1, 2019 through July 31, 2019, the total number of permits is up 24 percent (+424) and total value of projects is about 2.4 times the value of projects compared to the same period in 2018. Due to the Carr Fire rebuilds and damage repairs, followed by the February snowstorm damage repairs, and the issuance of permits for the Veteran's Clinic and SaveMart in mid-August, the City has now exceeded the value of all projects submitted during the entire calendar year of 2018 (\$87,000,000). The expense of \$50,000 is expected to be offset by increased revenues generated by building permit, plan check, and inspection services.

Redding Adds Code Enforcement Positions—On September 3, 2019, Redding City Council approved the addition of one full-time building inspector position and assigning the position to Code Enforcement for short-term rental compliance and neighborhood activities, along with a new or used vehicle for this position. They also increased a part-time Community Work Program Officer position to a full-time position. The costs for these positions will be \$127,130 for fiscal year 2019-2020, and \$146,000 for fiscal year 2020-2021, paid out of the General Fund. These costs will be offset by additional (more than anticipated) revenues received in Transient Occupancy Tax (TOT) and vacation rental permit fees.

Homeowners To Be Exempt From Solar Mandate After Disaster—Governor Newsom has signed a bill (A.B. 178), sponsored by Senator Dahle, that *temporarily* exempts residential buildings from California's new solar mandate in the event of a disaster. Last year, California voted to require solar PV panels to be installed on new low-rise residential buildings starting January 1, 2020, including single-family homes and multi-family buildings of three stories or fewer. This bill specifies that **until January 1, 2023**, "residential construction intended to repair, restore, or replace a residential building damaged or destroyed as a result of a disaster in an area in which a state of emergency has been proclaimed by the Governor, before January 1, 2020, is required to comply with the photovoltaic requirements, if any, that were in effect at the time the damaged or destroyed residential building was originally constructed and is not required to comply with any additional or conflicting photovoltaic requirements in effect at the time of repair, restoration or replacement." This applies when one or more of the following conditions are met: 1) The income of the owner of the residential building is at or below the median income for the county in which it is located; 2) The construction does not exceed the square footage of the property at the time it was damaged; 3) The new construction is located on the site of the home that was damaged; 4) The owner of the residential building did not have code upgrade insurance at the time the property was damaged. Given the extent of the Carr fire in Shasta County and the Paradise fire, this bill should provide some much-needed relief and assistance to those who meet the conditions for this exemption.

Proposal to End Solar Subsidies (continued from Page 1) - Committee members came prepared to discuss the grandfathering issue, potential fixed rate changes, and wholesale power rates, which seem to all be related to the issue of setting rates. When questioned about such a narrow scope, City Manager Barry Tippin stepped in to explain that there will be an agenda item on the **City Council Meeting** agenda for the scheduled **September 30th meeting to "vote" on the issue of "grandfathering" the annual solar subsidy for existing generators**, which REU proposed to end on December 31, 2020 or five years from each generator's interconnection date.

The committee members agreed to participate based on having complete discussions about the multiple issues that are related to solar pricing, and bring back some options to Council based on a thorough vetting in the community. Limiting those discussions will not be helpful. Council may hear from some committee members on September 30th about this.

In the meantime, the City is supposed to still accept applications, with no change to the current tariffs for existing solar customers or anyone who currently applies for solar. Stay tuned for further updates!

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We depend on membership and other contributions.

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Mary B. Machado, Executive Director