



January 7, 2016

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager

SUBJECT: CITY MANAGER'S WEEKLY REPORT: December 18, 2015 – January 7, 2016

CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS

- A number of states, including California, are on the verge of losing a federal exemption from complying with national proof-of-identity requirements. The 2005 Real ID Act imposes tougher requirements for proof of legal U.S. residency in order for state driver's licenses to be valid for federal purposes. The law was passed in response to national security concerns after the September 11, 2001, terrorist attacks.

Loss of the federal exemption means that a state's driver's licenses cannot be accepted as ID at military bases and most other federal facilities. The Homeland Security Department is also considering revoking the use of driver's licenses for commercial airplane flights—Homeland Security has said it will provide a 120-day notice before barring people from flights who have driver's licenses from states that are not in compliance or lack a waiver. Thus far, Missouri, Minnesota, New Mexico, and Washington have received notice that their federal exemptions would end effective January 10, 2016.

States were originally required to comply with the Real ID requirements by the end of 2009. However, the federal government repeatedly delayed implementation to give states time to change their driver's license procedures and make the necessary technological improvements. Nearly half the states passed measures opposing the Real ID Act, arguing it amounted to an invasion of privacy and a backdoor attempt to create a standardized national ID Card.

Homeland Security is currently reviewing whether or not it will extend current exemptions beyond January 10, 2016, for Alaska, California, New Jersey, and South Carolina. Nineteen states did recently receive extensions of their exemptions until October 16, 2016.

- Late last month, during day-time hours, Los Angeles County Metro (Metro) started running trains on the Foothill Gold Line Phase 2B extension from Pasadena to Azusa for the purpose of "burning in" the new Kinkisharyo 3010 light rail cars. Metro has been running trains in the late afternoon/evening hours since taking possession of the Foothill Gold Line in September 2015. With the late December change, trains will now run throughout the day and night, Sunday through Thursday.

Metro has also announced that starting mid- to late-January 2016, Pre-Revenue Operations will begin. Pre-Revenue Operations is the final phase of work before passenger service begins; during this period, trains operate on their future schedules. Metro plans to run Foothill Gold Line trains at 12-minute headways (the time between trains) during the morning and afternoon peak periods; less often during the off-peak periods.

Metro will continue to place Ambassadors at varying street crossings to educate the community on light rail train safety. Ambassadors will remain along the Foothill Extension corridor until several months after passenger service begins on March 5, 2016.

Metro asks the public to remember the following safety rules:

- Never walk on the train tracks
 - Never go around lowered gates
 - Obey all warning signs
 - Watch for trains from both directions
- Did you get a drone for Christmas? The Federal Aviation Administration's (FAA) new rules for unmanned aircraft systems (UAS) now require the registration of small drones. To register, go to the FAA's UAS at www.faa.gov/uas/registration. Registration is free for the first 30 days with a rebate, then \$5 after that.

During the registration process, each owner must provide his or her name, home address, and e-mail address. When registration is complete, the web application will generate a Certificate of Aircraft Registration/Proof of Ownership including a unique identification number for the UAS owner, which must be marked on the aircraft. Owners using the model aircraft for hobby or recreation will only have to register once and may use the same identification number for all of their model UAS. The registration is valid for 3 years. All aircraft weighing more than 0.55 pounds (250 grams) and less than 55 pounds (approximately 25 kilograms), including payloads such as on-board cameras, must be registered.

Under the new rule, owners who previously operated an unmanned aircraft exclusively as a model aircraft prior to December 21, 2015, must register no later than February 19, 2016. Owners of any other UAS purchased for use as a model aircraft after December 21, 2015, must register before the first flight outdoors. Owners using the streamlined web-based system must be at least 13 years old to register.

If assistance is needed with registration, UAS owners can email the FAA at UAShelp@faa.gov. Live phone support is also available from 7 a.m. to 5 p.m. Eastern time, 7 days a week at 844-244-3565. There is no need to work with a drone registration company to file an application for a registration number.

The FAA advises that you follow these simple rules when you fly:

- Fly below 400 feet altitude
- Keep your unmanned aircraft in sight at all times
- Never fly near manned aircraft, especially near airports
- Never fly over groups of people, stadiums, or sporting events
- Never fly near emergency response efforts

For more information, [read the FAA press release](#).

- In another sign of changing communication habits, a new survey reveals that more Americans are shunning costly home broadband and using their smartphones to get online.

Eighty percent of U.S. adults had Internet access in 2015, whether through a smartphone or a home Internet connection, up from 78 percent 2 years ago, according to the survey published Monday by the Pew Research Center. But after years of home broadband growth, slightly fewer adults in 2015 got Internet from providers like home phone or cable companies, mostly because it's too expensive for them. The number dropped to 67 percent from 70 percent in the center's 2013 survey. Meanwhile, the number of people relying on smartphones alone for Internet access rose to 13 percent in 2015, up from 8 percent in 2013.

For those without home Internet, 33 percent say the biggest reason is the monthly cost is too high, 10 percent say a computer is too expensive, and 12 percent say they don't need it because a smartphone is sufficient.

The Pew report drew on a September 2013 survey of 6,020 U.S. adults and polls conducted in spring, summer, and fall of 2015 that included 6,687 adults.

- A major local concern under the California Environmental Quality Act (CEQA) has been whether an analysis of the impact of existing environmental conditions on a proposed project is required. The central purpose of CEQA is to analyze a project's adverse impact on the environment. Analyzing the impact of existing environmental conditions has been called "CEQA-In-Reverse." The California Supreme Court, in *California Building Industry Association v. Bay Area Quality Management District*, has now answered this question. In its decision, the Court ruled that CEQA generally does not require the analysis and mitigation of the impact of existing environmental conditions on a project's future users or residents, except in limited circumstances. The Court's decision is expected to have broad implications on environmental analysis in CEQA documents.

The Court's ruling is primarily predicated on the interpretation of Public Resources Code section 21083(c), which states "a project may have a significant effect on the

environment if environmental effects of a project will cause substantial adverse effects on human beings, either directly or indirectly." The Court rejected the argument that the statutory language was broad enough to require the analysis of how existing environmental conditions in the vicinity of a proposed project might adversely impact future residents or users. Instead, using the plain language of section 21083 in conjunction with other relevant CEQA provisions, the Court found the term "environmental effects" means the impacts on a project's users or residents arising from the project's effects on the environment, not the environment's effects on a project.

The Court also addressed the validity of CEQA Guidelines section 15126.2(a), promulgated pursuant to section 21083, directing agencies to consider significant environmental effects a proposed project might cause "by bringing development and people into the affected area." The Court found this guideline consistent with section 21083 to the extent that it requires an agency to evaluate whether a proposed project may exacerbate existing environmental hazards. The Court noted the statutory language emphasizes how the analysis of a project's potential to exacerbate existing conditions is not an exception to, but a direct consequence of, CEQA's core requirement that an agency evaluate a project's impact on the environment.

The Court did, however, invalidate that portion of section 15126.2(a) that states: an "EIR on a subdivision astride an active fault line should identify as a significant effect the seismic hazard to future occupants of the subdivision. The subdivision would have the effect of attracting people to the location and exposing them to the hazards found there." By striking this example from the section, the Court made it clear that CEQA does not require lead agencies to analyze potential impacts from existing hazards on a proposed project where the proposed project would not exacerbate the existing hazard.

The Court did allow that a "CEQA-In-Reverse" analysis is required by certain specific provisions of CEQA. An evaluation of the effects of existing hazards on future users of a proposed project is required under CEQA when the proposed project: is located adjacent to an airport; involves the purchase of a school site or the construction of a new elementary or secondary school; or involves certain types of housing development projects.

The implication of the Court's decision is that CEQA requires an analysis of the existing environment on a project when (1) the proposed project exacerbates impacts from existing environmental hazards; or (2) the analysis is specifically required by statutory language. If a project exacerbates existing environmental hazards, then CEQA requires the analysis and mitigation of those impacts on a project's future users or residents. The ruling does not create a black and white rule on whether CEQA requires the analysis of the impact on a project from sea level rise and flooding due to climate change or toxic air contaminants from adjacent roadways. Instead, the resolution will turn on the factual determination of whether the proposed project would exacerbate these existing environmental conditions.

FIRE DEPARTMENT

Driving in Heavy Rain

- This winter with El Niño upon us, we need to be extra careful as we drive to work, drop off our children at school, shop, and run errands.

In addition to the potentially poor visibility that accompanies most heavy rain, drivers need to protect themselves from hydroplaning. Hydroplaning can occur when a vehicle is traveling too fast in heavy rain conditions, causing the vehicle's tires to travel on a thin layer of water, rather than grip the surface of the road. This has the potential to make steering and braking difficult and could even lead to losing control of your vehicle.

Here are some tips to help you stay safe while driving in heavy rain.

- 1. Check your vehicle.** Make sure your windshield wipers are in good working condition.
- 2. Take your time.** Slowing down is the only way to keep your vehicle from hydroplaning. Also, remember that one of the most dangerous times to drive is soon after it begins to rain, as oils on roadways make for slick conditions. Waiting a few minutes, rather than rushing to your destination, can be a safer plan when it is raining.
- 3. Wipers On! Headlights On!** Turn your headlights on to help other vehicles see you—in California, it's the law when windshield wipers are in use!
- 4. Give other vehicles more space.** Add one to two extra seconds of following time in the rain, which gives you and the cars behind you more time to react to traffic.

HUMAN SERVICES DEPARTMENT

- The 2016 Winter Montclair Youth Basketball League will start its games this Saturday in the Montclair Community Center gymnasium.

Approximately 180 children, between the ages of 6-14, are registered for the program that runs for 7 weeks, plus tournament play. Games are played all day on Saturdays with practices during the week. Come check out Montclair's youth in action!

POLICE DEPARTMENT

- Yesterday afternoon, Chief Mike deMoet and Captain Robert Avels attended the swearing-in ceremony of Rialto Police Chief Randy De Anda. Chief De Anda, a 25-year member of the Rialto Police Department, has taken over as Rialto Chief upon the retirement last month of Chief Tony Farrar.

At Tony Farrar's retirement "Walk of Fame" ceremony held last month, Chief deMoet presented him with a shadowbox of badges from each of the law enforcement agencies in San Bernardino County. The photo, below, captured the shadowbox and members of the San Bernardino County Chiefs and Sheriff Association, of which Chief deMoet is currently vice president. The Association members work closely to improve the quality of law enforcement services countywide. And, as evidenced by the multi-agency response to the December 2 mass-shooting tragedy in San Bernardino, law enforcement agencies are prepared to handle large-scaled incidents effectively.



Chief deMoet is shown speaking at the retirement celebration of Rialto Police Chief Tony Farrar

SUCCESSOR REDEVELOPMENT AGENCY/ MONTCLAIR HOUSING CORPORATION

- Kroger is in the ideal position to beat out other grocery chains in an area that is key to the future of the industry: online sales.

The chain was deemed the best-positioned retail company for online grocery gains in the US by Morgan Stanley in a recent e-commerce survey, beating out companies like Walmart, Target, and Whole Foods.

Kroger got a head start on the competition thanks to key 2014 mergers with Harris Teeter and Vitacost.com. Harris Teeter is a supermarket chain based in Matthews, North Carolina and operates 235 stores in 7 states: North Carolina, South Carolina, Virginia, Georgia, Florida, Maryland, Delaware, and the District of Columbia. Vitacost is an e-commerce company based in Boca Raton, Florida that sells vitamins, supplements, sports nutrition, and organic health and grocery products.

Merging with Harris Teeter gave Kroger access to the grocery company's "Express Lane" technology that allows customers to order online and pick up their purchases at locations. Soon after the acquisition, Kroger began testing its own click-and-collect service, Click List, based on the Express Lane model. Today, the service is available at 184 locations across the nation.

Merging with Vitacost offered Kroger a different online shopping approach. Vitacost insights and technology accelerated Kroger's e-commerce growth by 2 to 3 years, thanks to the company's experience with home delivery. Using tech from Vitacost, Kroger is testing delivery of more than 36,000 health-related and organic products in Denver under the "Live Naturally" platform.

Also important to Kroger's success is the company's ability to gather and analyze data from customers. The company's customer analytics and insight division, called "84.51," is instrumental to the future of Kroger's e-commerce business. Many industry leaders believe the use of 84.51 knowledge can help Kroger refine its e-commerce offerings, likely leading to online grocery share gains.

- In a filing with the Securities and Exchange Commission on Wednesday, Chipotle disclosed that same-store sales, or sales at locations open for at least a year, were down 30 percent last month.

Same-store sales are now expected to decline 14.6 percent in the fourth quarter. The company previously said it expected same-store sales to fall by 8 percent to 11 percent during the quarter.

This decline in sales follows an outbreak of E. coli tied to the restaurant chain, as well as reports of a Norovirus outbreak at a location near Boston College in Massachusetts and one in Simi Valley, California.

Chipotle said sales trends "may be significantly influenced by further developments."

The cause of the E. coli outbreak has not yet been identified.

Earnings per share for the fourth quarter are expected to come in at \$1.70 to \$1.90. According to Bloomberg, expectations, which had already been sharply cut, were for earnings to come in at \$2.49 a share in the fourth quarter.

Chipotle said it expected to incur \$14 million to \$16 million worth of charges related to the E. coli outbreak, including replacing food at some locations and analyzing food samples in labs. After this disclosure, shares of the company were down about 2 percent in premarket trade. In the past 3 months, the stock is off about 40 percent.

Chipotle also disclosed in the filing that it was served with a Federal Grand Jury Subpoena from the U.S. District Court for the Central District of California in connection with an official criminal investigation being conducted by the U.S. Attorney's Office for the Central District of California, in conjunction with the U.S. Food and Drug Administration's Office of Criminal Investigations.

The subpoena requires the company to produce a broad range of documents related to the Chipotle restaurant in Simi Valley that experienced a norovirus incident during August 2015.

The company said it couldn't yet estimate any penalties it might incur related to this investigation.

And so, in addition to sales declining, the latest wrinkle of potential legal liabilities stemming from a Norovirus outbreak in August is yet another layer of bad news for the company, which seems to have had an endless stream of bad things to tell investors in recent months.

On Tuesday, Business Insider's Hayley Peterson, citing research from Credit Suisse, noted that Chipotle's E. coli situation has dragged on longer than similar incidents dealt with by rival companies over the years.

In a note to clients, analysts at Credit Suisse wrote, "One key concern/difference in the Chipotle situation is that the source of the E coli outbreak(s) has yet to be found." This likely makes the recovery process more difficult for Chipotle.

ECS:spa

"Although no one can go back and make a brand new start, anyone can start from now and make a brand new ending."

~ Carl Bard

JANUARY 2016



11	Planning Commission Meeting - Canceled	
12	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
18	Martin Luther King Jr. Day – City Offices Closed	
19	Real Estate Committee Meeting City Hall Conference Room	5:30 p.m.
19	Code Enforcement/Public Safety Committee Meeting City Hall Conference Room	6:15 p.m.
19	City Council Meeting Council Chambers	7:00 p.m.
20	Safety Committee Meeting City Hall Conference Room	10:30 a.m.
21	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
25	Planning Commission Meeting Council Chambers	7:00 p.m.
26	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.