

MINUTES
ADJOURNED SPECIAL JOINT CITY COUNCIL/IMPROVEMENT AGENCY MEETING
THURSDAY, JUNE 2, 2005

CALL TO ORDER Mayor/Chair Shoals called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Mayor/Chair Shoals.

ROLL CALL

City Council/Agency: City Council/Board Members Ashton, Ekbohm, Lieberman, Mayor Pro Tem/Vice Chair Versaw, and Mayor/Chair Shoals were present.

City/Agency Staff: City Manager/Executive Director Anderson, City Attorney/General Counsel Koczanowicz, City Clerk/Agency Secretary McMahon, Administrative Services Director/Agency Finance Officer Chapman, Community Development Director/Deputy Director Raper, Police Chief Copsey, Recreation Manager Petker, and Public Works Superintendent Ford were also present.

Also present was Clayton Tuckfield of Tuckfield and Associates.

PUBLIC COMMUNICATIONS Mayor/Chair Shoals opened the floor to any member of the public for comment on any items described in this agenda. There were no public comments received at this time.

PUBLIC HEARING

CC/IA-1. Proposed FY 06 Budget and Utility User Fee Adjustments for Water Rates.

Mayor/Chair Shoals declared the public hearing open and deferred to staff for a report.

Utility Rate Study:

Administrative Services Director/Finance Officer Chapman presented the results of the Utility Rate Study, conducted by Tuckfield and Associates, regarding tiered water rates. Clayton Tuckfield, Tuckfield and Associates, gave a summary of: 1) system overview, 2) financial plan/revenues; 3) rate structures; and 4) impact fees.

Due to requested further documentation from Administrative Services Director/Finance Officer Chapman on this matter, Mayor/Chair Shoals called to hear the presentation of the Police Department's proposed budget for FY 06.

Police Department:

Police Chief Copsey gave an overview of the proposed budget and expenditure summary, discussed department goals, reductions in staff as well as supplies and services, and postponement of capital to reduce costs in the coming fiscal year. Discussion was held regarding:

- participation in the County's Narcotics Task Force;
- mutual interagency assistance of motor officers for specific events during the year;
- status report on current vacancies and the recruitment process;
- suspension of non-essential services at this time, such as the DARE program;
- fuel costs and establishing a vehicle replacement program; and
- a status report on discussions with other South County agencies regarding the issue of shared dispatch services for police/fire.

No public comments were received regarding this portion of the proposed budget.

Utility Rate Study: *(continued)*

Referencing a PowerPoint presentation, Clayton Tuckfield resumed his overview of the Utility Rate Study. Discussion followed, with the consultant and staff responding to questions and focused on:

- average residential water consumption;
- the process to appeal the proposed fee, which would require the property owner(s) to provide an engineer's report to determine whether a credit should be applied; or the Council/Agency could establish a revised database for "impervious areas" such as buildings, patios, and driveways;
- Impact Fees for water meter replacements to be paid through new developments only;
- state legislation currently being proposed to amend Proposition 218 and exempt Utility User Fees from the requirement of voter approval for services regarding water, sewer, storm water, and compliance with the National Pollutant Discharge Eliminations System (NPDES);
- installation of storm drains on South 13th Street and Mentone Avenue to reduce run-off and recharge water level reserves; and
- a further explanation of funds advanced to Enterprise Funds from the Redevelopment Agency, Water Conservation Fund, and Community Development Block Grant funds for capital projects.

Water:

Discussion was held regarding:

- water conservation efforts;
- the necessity to begin water meter replacements in FY 06 due to faulty readings and mechanical problems with existing meters, the City's water allocation already approaching 95% usage, improving citizen awareness of household water usage, improving household water conservation efforts, and changing technology to meet meter reading requirements;
- debt financing options to phase in meter replacements over the next three-year period;
- comparison of water rates in other jurisdictions and proposed new rates that would increase for all commercial and residential customers by 30%;
- establishing a tiered water rate system to encourage high-end users to conserve;
- other critical improvement projects funded through the Water Fund, such as the Lopez Dam Retrofit Project and water line and valve replacements in the City.

Action: Upon consensus of the City Council/Improvement Agency, no changes were recommended for FY 06 Budget assumptions regarding Water or Capital Expenditures, and staff was directed to incrementally raise residential rates using the "4-block tier rate" schedule and commercial rates at \$1.92 per each 100 cubic foot unit

Wastewater:

Discussion was held regarding:

- no increases in wastewater rates proposed for FY 06;
- maintenance and repairs required for trunk lines located along Highway One, and initiating discussion with the Oceano Community Services District to share the cost of repairing those trunk lines.

Action: Upon consensus of the City Council/Improvement Agency, staff was directed to place any repairs to trunk lines located along Highway One in contingency, and to conduct negotiations with the Oceano Community Services District before commencing any repairs to trunk lines located along Highway One.

Recess: Upon consensus of the City Council/Improvement Agency, the meeting recessed at 9:06 p.m.

Reconvene: At 9:19 p.m., the meeting reconvened with all Council/Board Members present.

Community Development Department:

Community Development Director/Deputy Director Raper gave an overview of the proposed department budget and expenditure summary. Discussion was held regarding:

- projects funded with Community Development Block Grant (CDBG) funds, an overview of the public hearing grant application and federal reporting requirement process, previous Council direction to eliminate granting projects with smaller dollar amounts and instead recommend larger dollar amounts to organizations on a rotating basis, and that

all new contracts for CDBG funds now include the requirement for organizations to spend the money within 18 months;
- local street improvements; and
- a status report on the PD Overlay Project.

Utilities:

Public Works Superintendent Ford gave an overview of the proposed budget for the Utilities Division. Discussion was held regarding:
- the Pavement Management Program.

Action: Upon consensus of the City Council/Improvement Agency, no changes were recommended to this portion of the proposed budget.

Other FY 06 Budget Issues:

Discussion was then held regarding legal expenses.

Council/Board Member Ashton distributed a document regarding legal fees and suggested all legal fees be combined into only one section of the budget.

Brief discussion was held regarding calculation errors contained in the hand-out, and previous Council/Improvement Agency direction to staff to allocate legal expenses specifically to the programs incurring the costs rather than under one program and line item.

Discussion was then held regarding costs for consultants.

Action: Upon consensus of the City Council/Improvement Agency, staff was directed to continue the presentation for Capital Improvements to the Special Joint City Council/Improvement Agency Meeting of Wednesday, June 15, 2005; and to schedule approving the FY 06 Budget in concept at that same meeting.

ADJOURNMENT

At 10:29 p.m. Mayor/Chair Shoals adjourned the meeting.

CITY COUNCIL:

/s/ JOHN P. SHOALS, MAYOR

Attest: /s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg September 19, 2005)

IMPROVEMENT AGENCY:

/s/ JOHN P. SHOALS, CHAIR

Attest: /s/ DONNA L. McMAHON, AGENCY SECRETARY
(Approved at IA Mtg September 19, 2005)