

**MINUTES
CITY COUNCIL MEETING
MONDAY, OCTOBER 19, 2009**

CALL TO ORDER Mayor 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 A moment of silence was held in remembrance of Dr. Robert Reed, former Mayor of the City of Grover Beach, who had also served on the Grover Beach Traffic Committee.

FLAG SALUTE The flag salute was led by Mark DiGirolamo, an 8-year-old, 3rd grade student at Grover Heights Elementary School.

ROLL CALL

City Council: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals were present.

City Staff: City Manager Perrault, City Attorney Koczanowicz, City Clerk McMahon, Administrative Services Director Chapman, Interim Community Development Director Beck, and Police Chief Copsey were also present.

Also present was City Engineer Garing.

CLOSED SESSION ANNOUNCEMENTS

City Attorney Koczanowicz read the following announcement - On Monday, October 5, 2009 after meeting in Closed Session regarding:

1. Conference with Legal Counsel – Existing Litigation
Pursuant to Government Code Section 54956.9(a)
Santa Maria Valley Water Conservation District v. City of Santa Maria, etc., et al,
and Related Cross-Actions: Santa Clara Superior Court Case No. CV 770214.
2. Conference with Legal Counsel - Anticipated Litigation
Significant exposure to litigation pursuant to subdivision (b) of
Section 54956.9: One (1) potential case

the City Council reconvened into open session, and announced there were no reportable actions taken.

AGENDA REVIEW

Action: Upon unanimous consensus, the Council adopted the agenda as presented.

CEREMONIAL CALENDAR

1. **Proclamation Declaring the Week of October 23 - 31, 2009 as "Red Ribbon Week".**

Mayor Shoals read and presented the Proclamation to Police Chief Copsey.

PRESENTATIONS

2. **American Red Cross Disaster Preparedness Presentation.**

Mayor Shoals called upon the representative from the San Luis Obispo Chapter of American Red Cross, "Carolyn Jo", who provided an overview of the county-wide program to coordinate systematic emergency response efforts between government agencies and other organizations. She then distributed information regarding emergency preparedness.

PUBLIC COMMUNICATIONS The Mayor opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council but were not listed on the agenda.

- A. Penny Rappa, Executive Director for Habitat for Humanity of San Luis Obispo, announced that the dedication ceremony to celebrate four affordable homes constructed at 5th Street and Longbranch Avenue in Grover Beach would be held on Saturday, December 19, 2009.

- B. Police Chief Copsey announced that the annual Cops and Kids Field Day would be held on Sunday, November 1, 2009, with seventeen participating agencies and free admission.

PUBLIC HEARINGS

3. Establishment of Four Underground Utility Districts. *(Continued Public Hearing from the City Council Meeting of September 21, 2009.)*

Mayor Shoals read the title to the foregoing item, declared the continued Public Hearing open, and deferred to staff for a report. For the information of those present, City Engineer Garing reviewed the purpose and process for establishing underground utility districts, and described meetings held between staff and the participating utility companies to qualify four proposed underground utility districts identified as follows:

- Exhibit A - South County Transit Hub District;
- Exhibit B - West Grand Avenue, Gateway to the Pacific District;
- Exhibit C - City Hall & Longbranch Avenue Demonstration Project District; and
- Exhibit D - 16th Street Park District.

He stated that at the time of a conversion project, property owners would have some obligation to participate in the conversion by ensuring that individual meters were prepared to receive the underground service. Property owners would be eligible for up to \$1,500 in reimbursement for expenses incurred to complete the electric conversion by PG&E. However, telephone and television utilities would complete the conversion at the building at no expense to the property owner. Utility companies would have the responsibility of undergrounding the service line for up to 100 feet from the transmission line. City Engineer Garing also outlined options to expedite the undergrounding of utilities on West Grand Avenue. He then responded to questions regarding cost estimates for meter conversions.

Brief discussion was held regarding PG&E tariff rules and recent efforts by the City to expedite the undergrounding process.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. There was no response and he closed the Public Hearing.

Action: It was m/s by Council Members Peterson/Bright to adopt Resolution No. 09-71 establishing four underground utility districts as shown in Exhibits A through D to the Resolution. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 09-71: A Resolution of the City Council of the City of Grover Beach, California, Establishing Four Underground Utility Districts within City Limits.

Action: Upon unanimous consensus, the Council: 1) authorized proceeding with PG&E tariff Rule 20B for the underground utility district labeled "Exhibit B" on West Grand Avenue, specifically from 2nd Street to the ocean; and 2) approved scheduling future Council discussion regarding extending a segment of the underground utility district on Longbranch Avenue from 12th Street to 14th Street.

CONSENT AGENDA

Council Member Mires requested that Consent Agenda Item No. 8 be pulled for separate discussion. It was m/s by Council Member Bright/Mayor Shoals to approve Consent Agenda Item Nos. 4, 5, 6, 7, and 9, as recommended. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

4. Treasurer's Report for the Period October 1 - 14, 2009.

Action: Approved as submitted.

5. Third Quarter 2009 Business Tax Certificate Report - List of new Business Tax Certificates issued for the period July - September 2009.

Action: Received and filed.

6. Minutes of the Special City Council Meeting of June 8, 2009.

Action: Approved the minutes as submitted.

7. Animal Control Services Agreement Renewal - Consideration of continuing an existing agreement for animal control and field services with the County of San Luis Obispo for a twelve-month period.

Action: Adopted Resolution No. 09-72 and authorized the Mayor to execute the agreement on behalf of the City.

Resolution No. 09-72: A Resolution of the City Council of the City of Grover Beach, California Approving the First Amendment to the Contract for Animal Services with the County of San Luis Obispo.

9. Adoption of a Resolution Authorizing PacificWest Energy Solutions, Inc., to Submit Applications on Behalf of the City.

Action: Adopted Resolution No. 09-73 and authorized the Mayor to sign all necessary documents.

Resolution No. 09-73: Resolution of the Grover Beach City Council Authorizing PacificWest Energy Solutions, Inc., to Submit Applications on Behalf of the City of Grover Beach to Support Modernization of City Facilities to Achieve Energy Efficiency and Cost Savings.

REGULAR BUSINESS

10. Consideration of a Resolution Supporting the Location of a Facility to Serve the Homeless in the South County.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Perrault reviewed the request received from the People's Kitchen and the Five Cities Homeless Coalition for the Council to adopt a resolution in support of creating a facility in the South County area to serve the homeless. He described the City-sponsored meeting held in February 2008 with other South County agencies to discuss the issue of homelessness. He also stated that City representatives had attended the Board of Supervisors meeting in June 2009 to endorse the County's 10-Year Plan to End Homelessness, and had expressed the City's expectations that implementation of the 10-Year Plan would include a facility located in the South County area. He then responded to questions from the Council.

Brief discussion was held regarding the recent disclosure of a private donation specifically designated for creating a homeless services facility in the South County area.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Betsy Ehrler, representing the People's Kitchen and the Five Cities Homeless Coalition, clarified that County officials were aware of the private donation for a homeless services center; however, the donation was a separate matter from the County's efforts regarding the 10-Year Plan.

Penny Rappa, Executive Director, Habitat for Humanity of San Luis Obispo, spoke in support of local efforts to address the needs of the homeless, citing the City of San Luis Obispo's involvement with the Prado Day Center and the Maxine Lewis Shelter. She encouraged a coordinated effort by all agencies to complement the County's 10-Year Plan.

There were no further public comments received.

Brief discussion was held regarding past efforts by the City to address the issue of homelessness in the South County area.

Action: It was m/s by Council Members Mires/Peterson to adopt Resolution No. 09-74. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 09-74: A Resolution of the City Council of the City of Grover Beach, California, Supporting the Location of a Homeless Services Center within the South County Area of Grover Beach, Arroyo Grande, Pismo Beach, Oceano, and the Surrounding Unincorporated Area Of San Luis Obispo County.

11. Status Report - Water Resources.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, City Engineer Garing provided an overview of the City's total available sources of water, primarily from ground water and surface water, as referenced in the Urban Water Management Plan (UWMP) adopted in March 2006. He stated that the amount of water allocated for ground water pumping and available through agricultural conversion was controlled by an agreement referred to as the "Gentleman's Agreement" developed in 1983 between the Cities of Grover Beach, Arroyo Grande, Pismo Beach, and the Oceano Community Services District. The intent of that agreement was to ensure that the safe yield of the underlying water basin was not compromised. He explained that conversion of agricultural land to other uses resulted in a credit to the City for the decrease in water consumed by the new use. An additional water source came from Lopez Lake, which was managed by the County, with the associated costs passed along to municipal users.

City Engineer Garing described the City's current water usage as being between 87% and 92% of its allocation. According to the UWMP, the City's projected build out population of 16,268 would occur by the year 2025, at which time additional water would be needed. However, demand for water had remained static over the past few years, limited growth had occurred due to the current economic difficulties, and the demand for water had therefore not increased as originally anticipated. He then outlined the results from a recent feasibility study conducted by the City regarding potential options for additional water sources through: a) continued water conservation efforts, b) extending the Lake Nacimiento Pipeline, c) construction of a desalination plant, d) raising the Lopez Spillway, e) wastewater reclamation, and/or f) purchasing State Water from the County.

He also described the settlement agreement to the Santa Maria Valley Ground Water Litigation that included a requirement to monitor the groundwater basin. As part of the monitoring process, sampling would be conducted of four sentry wells located along the coast from Pismo Beach to just south of Oceano. He noted that the sentry wells have been in place since the 1970s and were previously monitored inconsistently. Recent test results indicated the possibility of sea water intrusion in one well located in Oceano, while the water quality in the other three wells showed no indication of deterioration.

City Engineer Garing then outlined a list of recommended activities to continue groundwater monitoring and identify water source options. He and City staff then responded to questions from the Council regarding test data from the County-owned sentry wells and estimated costs for the various alternative water sources presented.

Brief discussion was held regarding significant cost increases over the past several years for managing Lopez Lake, retaining a consultant to review water rates, and contacting PG&E regarding possible use of storage tank water from its desalination plant.

Action: Upon unanimous consensus: 1) the report was received and filed, and 2) the Council authorized staff to proceed with the following activities:

- continue with groundwater monitoring;
- continue to pursue water source options;
- continue to work on the spillway rise;
- continue efforts regarding the temporary purchase of State Water;
- continue pursuing use of reclaimed water;
- retain additional engineering assistance necessary to assist with Zone 3 activities; and
- continue working with the "Northern Cities" to identify any additional water sources.

12. Authorization to Proceed with a Water Rate Study Update.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. For the information of those present, Administrative Services Director Chapman provided an overview of continuing cost increases associated with the operation of Lopez Dam and the Water Treatment Plant of approximately \$500,000 over the past three years for Lopez Zone 3. She pointed out that water consumption rates were trending downwards, due in part to water reduction programs. Water revenues were therefore lower. She also stated that expenses for the Water Enterprise account in FY 10 were estimated to exceed revenues. If the trend continued, further negative fiscal impacts were expected for FY 11.

Administrative Services Director Chapman stated that the last water rate study was conducted in 2005. The last water rate increases occurred in February 2007 and July 2007. At the time of the 2005 water rate study, costs for the operation and maintenance of Lopez Lake were estimated to not exceed \$379,300 in FY 09. However, actual costs in FY 09 were \$715,059. Due to increasing costs to operate the Lopez Water Treatment Plant by the Lopez Zone 3 participants, an update to the water rate study was being recommended. She then responded to questions from the Council.

City Attorney Koczanowicz confirmed that conducting a detailed water rate study was the recommended course of action in the event a rate increase was questioned.

Discussion was held regarding the new treatment plant that was originally anticipated to be more cost-effective and the technical difficulties that occurred resulting in significant cost increases.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter. There were no public comments received.

Action: It was m/s by Mayor Pro Tem Nicolls/Mayor Shoals to adopt Resolution No. 09-75 amending the Annual Appropriation Resolution to appropriate \$24,600 for the retention of Tuckfield and Associates to conduct a water rate study update. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 09-75: A Resolution of the City Council of the City of Grover Beach Adopting the 2nd Amendment to the FY 10 Annual Appropriation Resolution No. 09-53 by Appropriating \$24,600 for an Update to the Water Rate Study Conducted in 2005.

PULLED CONSENT AGENDA ITEMS

Mayor Shoals called for discussion Item No. 8.

8. Electronic Bill Presentment and Payment Service.

Upon question, Administrative Services Director Chapman explained that a convenience fee would be charged to any customer using this utility payment service. The City would initially subsidize the program until a sufficient number of transaction fees were collected to offset program costs. She pointed out that one drawback of the program might be that

disconnection of service could still occur if payment was made less than 72 hours prior to the shut-off date. A warning statement regarding this restriction would appear on the NetBill website.

Action: It was m/s by Council Member Peterson/Mayor Pro Tem Nicolls to adopt Resolution No. 09-76 appropriating \$10,000 from the Water Fund to implement the NetBill Electronic Bill Presentment and Payment Services for utility billing. The motion carried on the following roll call vote:

AYES: Council Members Bright, Mires, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 09-76: A Resolution of the City Council of the City of Grover Beach Adopting the 3rd Amendment to the FY 10 Annual Appropriation Resolution No. 09-53 by Appropriating \$10,000 for Implementation of Netbill Electronic Bill Presentment and Payment Service.

Recess: Upon consensus of the City Council, the meeting recessed at 8:09 p.m. to the Joint City Council/Improvement Agency meeting, which was also scheduled for this same evening.

Reconvene: At 8:43 p.m., the meeting reconvened with all Council Members present.

COUNCIL COMMITTEE REPORTS

Council Member Bright stated that she had nothing to report.

Council Member Mires stated that he had nothing to report.

Mayor Pro Tem Nicolls provided reports on meetings of the South San Luis Obispo County Sanitation District and the San Luis Obispo Countywide 10-year Plan to End Chronic Homelessness.

Council Member Peterson stated that she had nothing to report.

Mayor Shoals provided reports on meetings of the San Luis Obispo Council of Governments (SLOCOG), the San Luis Obispo Regional Transit Authority (SLORTA), the South County Area Transit (SCAT), and the Fire and Emergency Services Oversight Committee. He also provided an update regarding conceptual plans and schematics being developed for the beach front lodge and conference center project.

CITY COUNCIL MEMBER ITEMS

None at this time.

COUNCIL COMMUNICATIONS

- A. Council Member Peterson announced that Habitat for Humanity of San Luis Obispo was still seeking volunteers to assist with the construction of four affordable housing units at Longbranch Avenue and South 5th Street in Grover Beach.
- B. Mayor Shoals announced that State Parks would be conducting a public workshop on Thursday, October 22, 2009 at the Ramona Garden Community Center to discuss the potential sale of County-owned land to the State for off-highway recreational vehicular use.

He then commented on the lack of adequate media coverage by local television and newspapers regarding special events and meetings in the City.

Mayor Shoals also commented on the Council's commitment to modernize City facilities, including replacement of the damaged carpet in the main corridor at City Hall and repairing the sidewalk area near the main entrance.

CITY MANAGER'S REPORTS AND COMMENTS

None at this time.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

At 8:58 p.m., the Council met in Closed Session regarding the following item:

- 1. Public Employee Performance Evaluation**
Pursuant to Government Code Section 54957
Employee: City Manager

Closed Session Announcements: At 9:07 p.m., Mayor Shoals reconvened the meeting in open session with all Council Members present, and announced there were no reportable actions taken during Closed Session.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 9:07 p.m.

/s/JOHN P. SHOALS, MAYOR

Attest:

/s/DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 03/15/09)