

ACTION MINUTES

REGULAR MEETING OF THE CITY COUNCIL TUESDAY, MAY 10, 2016 COUNCIL CHAMBERS, 215 EAST BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

Mayor Hill called the Regular City Council Meeting to order at 6:02 p.m.

2. ROLL CALL

City Council: Council Members Jim Guthrie, Tim Brown, Kristen Barneich, Mayor Pro Tem Barbara Harmon and Mayor Jim Hill were present.

Staff Present: City Manager Dianne Thompson, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Director of Administrative Services Debbie Malicoat, Public Works Director Geoff English, Public Works Supervisor Shane Taylor, Associate Planner Kelly Heffernon, and Police Chief Steven Annibali.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Bob Lund, representing Arroyo Grande in Bloom, led the Flag Salute.

5. AGENDA REVIEW

5.a. Closed Session Announcements

May 10, 2016 Special City Council Meeting:

- a) Public Employee Evaluation pursuant to Government Code Section 54957:
Title: City Attorney
- b) Conference with Labor Negotiator pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager
Represented Employees: Arroyo Grande Police Officers' Association (AGPOA)
- c) Conference with Labor Negotiator pursuant to Government Code Section 54957.6:
Agency Designated Representative: Dianne Thompson, City Manager
Unrepresented Employees: Management Employees

City Attorney Whitham announced the following: a) The City Council concluded the City Attorney evaluation; b) The City Council discussed ongoing labor negotiations with the Police Officers' Association with the City Manager; and c) The City Council did not discuss labor negotiations with the management employees.

April 26, 2016 Regular City Council Meeting:

- a) Public Employee Evaluation pursuant to Government Code Section 54957:
Title: City Attorney

City Attorney Whitham announced that the City Council met in closed session on April 26, 2016 to discuss the parameters and procedures for the City Attorney evaluation.

5.b. Ordinances Read in Title Only.

Council Member Brown moved, Council Member Barneich seconded, and the motion passed unanimously that all ordinances presented at the meeting shall be read by title only and all further readings be waived.

6. SPECIAL PRESENTATIONS

6.a. Mayor's Commendation Recognizing Richard DeBlauw for Providing a Warming Shelter Location for the Homeless this past Winter.

Mayor Hill presented a Mayor's Commendation to Richard DeBlauw. Mr. DeBlauw accepted the Proclamation, thanked the Council, and also recognized Betsy Ehrler for her work at the shelter.

6.b. Honorary Proclamation Declaring May 15-21, 2016 as "National Public Works Week"

Mayor Hill presented an Honorary Proclamation declaring May 15-21, 2016 as "National Public Works Week." Director of Public Works English accepted the Proclamation and acknowledged Public Works Supervisor Shane Taylor and the Public Works staff for their dedication to the City.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public were Linda Osty, who offered an invocation; Richard Waller, referred to a letter by the Mayor to the Federal Trade Commission and requested an explanation; April McLaughlin, referred to the Arroyo Grande In Bloom (AGIB) Symposium being hosted in Arroyo Grande and expressed concern that AGIB representatives would not be staying in Arroyo Grande hotels; Patty Welsh, commented on the City's need for a full service grocery store; Tom Goss, responded to concerns about the America In Bloom Symposium and stated that the Committee tried unsuccessfully to obtain lodging and meeting facilities in Arroyo Grande but nothing was able to accommodate the entire group; Shirley Gibson, Halcyon, shared early history of Arroyo Grande including the number of saloons in the City, how voters wanted a dry town, and referred to the location of the Fire Department; LeAnn Akins, referred to the Arroyo Grande Revenue Plan and stated the City needs more revenue, expressed concern that the proposed programs are not going to bring in much more revenue, encouraged a more business friendly City, and expressed appreciation for the Mayor's involvement in bringing in business; and Caren Ray, suggested that the Council agendaize an informational item regarding the need for a grocery store.

8. CITY MANAGER REPORT:

City Manager Thompson provided a status report on upcoming and recently considered items by the Planning Commission, Traffic Commission, Architectural Review Committee, and Historic Resources Committee; stated she attended the quarterly Village Improvement Association meeting and provided an update on what is going on in the City; reported that the first Coffee with the City Manager was held and that the next meeting will be held on June 6th at Red Dirt Coffee House; commented that staff is continuing to look for ways to support the businesses in

Arroyo Grande and is looking into scheduling another workshop similar to the Google/Yelp Workshop held last month; announced that the City will be conducting a City Services roundtable this summer at one of the Chamber's lunch meetings; and provided an overview of upcoming meeting items.

9. CONSENT AGENDA

Mayor Hill invited public comment on the Consent Agenda items. Speaking from the public was Patty Welsh, referred to Item 9.c. (consultant services for on-call building plan review and inspection services), commented that the City has a Building Official and asked why consultants were needed.

At the request of Mayor Hill, City Manager Thompson explained that the City's Building Official provides necessary services, but that an on-call provider is needed to allow the City to process permits as quickly as possible and without delays of up to a month. No further public comments were received.

Action: Council Member Barneich moved, and Council Member Guthrie seconded the motion to approve Consent Agenda Items 9.a. through 9.c., with the recommended courses of action. The motion passed on the following roll-call vote:

AYES: Barneich, Guthrie, Brown, Harmon, Hill
NOES: None
ABSENT: None

9.a. Consideration of Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period April 16, 2016 through April 30, 2016.

9.b. Consideration of Approval of Minutes.

Action: Approved the minutes of the Regular City Council Meeting of April 26, 2016, as submitted.

9.c. Consideration of Approval of Agreements for Consultant Services for On-call Building Plan Review and Inspection Services.

Action: 1) Approved Agreements for Consultant Services with the following firms for specified on-call building plan review and inspection services: Bureau Veritas North America, Inc; 4Leaf Inc.; California Code Check; and JAS Pacific; and 2) Authorized staff to issue purchase orders for consultant services if the proposal cost is within the City Council approved project or service budget.

10. PUBLIC HEARINGS

None.

11. OLD BUSINESS

11.a. Consideration of Update and Council Direction on the City's Water Supply and Demand Status, Water Use Restrictions, and Water Conservation Incentive Programs.

Recommended Action: 1) Receive and file the updated water supply and demand report; 2) Approve funding plan for water conservation programming as proposed; 3) Receive and file report on status of baseline adjustment form requests; 4) Direct staff to use existing measures in the City's Mandatory Water Use Restrictions Ordinance to direct mandatory plumbing retrofit for commercial properties; and 5) Provide direction to staff regarding options for the potential purchase and use of State Water.

City Manager Thompson provided introductory comments regarding the staff report.

Section A

Public Works Director English provided an overview of recommendations; reviewed the City's Drought Response Timeline from 2011; acknowledged the members of the City's Drought Team; and reviewed the current statewide drought conditions.

Public Works Supervisor Shane Taylor provided an overview of the Lopez Reservoir and agency entitlements, of which Arroyo Grande has 50% of the entitlement; displayed a graph of Historic Storage at Lopez Reservoir; reviewed Lopez Reservoir Storage Projections; reviewed the Low Reservoir Response Plan; reviewed NCMA Groundwater allocation; reviewed network of sentry wells and testing of wells; reviewed percent of total water production by source of supply in 2015; reviewed percent of total water production by source of supply – planned for 2016 & 2017; and provided results of water conservation by Arroyo Grande residents.

Public Works Director English reviewed supplemental water supply projects and reviewed current and projected water supply.

Staff responded to questions from Council.

Mayor Hill called for a break at 7:30 p.m. The Council reconvened at 7:38 p.m.

Section B

Associate Planner Heffernon provided an overview of the City's water conservation programs, public education efforts for water conservation, and water conservation program funding.

Staff responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public were LeAnn Akins, who suggested promoting a native plant initiative; Patty Welsh, agreed with the suggestion of promoting native planting; and Colleen Martin, referred to the Cash for Grass program stating the program only works if the turf is replaced with something that looks nice. No further public comments were received.

Section C

Accounting Manager Cornell presented the baseline adjustment request statistics, including current water restrictions under the Stage 1 reduction requirement; and penalties and enforcement provisions.

Staff responded to questions from Council.

Section D

Public Works Director English presented mandatory water use restriction ordinance modification options and alternatives.

Community Development Director McClish presented building restrictions and recommended triggers, and reviewed build out projected water supply/demand with extended drought conditions.

Staff responded to questions from Council.

Section E

Public Works Director English reviewed options for potential use of State Water.

Staff responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public were Patty Welsh, Arroyo Grande, asked questions regarding the reading of water meters, customers who are repeatedly not meeting water reductions, valid reasons for requesting more water, commercial accounts as it relates to water conservation faucets, build out, timeline of building moratorium, expressed concern about water use in businesses, suggested town hall meetings to discuss the proposed measure, expressed concern regarding where the money will come from to buy State water, and referred to Cambria and their water conservation efforts; Colleen Martin, expressed concerns and suggested changes to the Home Water Audit Form, water bill format, providing relief from penalties, and recommended sending out the baseline letter to residents again; Speaker (did not state name), expressed concern with the Think H2O website and whether it was being updated. No further public comments were received.

Staff responded to questions from Council.

The Water Supply and Demand Report and Report on Status of Baseline Adjustment Form Requests was received and filed. No formal action was taken.

Action: Mayor Pro Tem Harmon moved to approve the funding plan for water conservation programming as proposed. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

AYES: Harmon, Barneich, Guthrie, Brown, Hill
NOES: None
ABSENT: None

Action: Mayor Pro Tem Harmon moved to direct staff to use existing measures in the City's Mandatory Water Use Restrictions Ordinance to direct mandatory plumbing retrofit for commercial properties. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

AYES: Harmon, Barneich, Guthrie, Brown, Hill
NOES: None
ABSENT: None

Action: Mayor Pro Tem Harmon moved to direct staff to begin the implementation and put into motion what was needed to potentially purchase and use State Water by pursuing a voter measure for placement on the ballot in November 2018. Council Member Brown seconded, and the motion failed on the following roll-call vote:

AYES: Harmon, Brown
NOES: Barneich, Guthrie, Hill
ABSENT: None

Action: Council Member Guthrie moved to direct staff to bring back a measure for November 2016 for emergency State water only, for Council consideration. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

AYES: Guthrie, Barneich, Hill
NOES: Brown, Harmon
ABSENT: None

Mayor Hill called for a break at 10:35 p.m. The Council reconvened at 10:40 p.m.

11.b. Consideration of Water and Wastewater Financial Plan and Implementation of Temporary Drought Rates.

Administrative Services Director Malicoat presented the staff report and recommended that the Council: 1) Schedule a public hearing to consider adjustments to water and wastewater rates via drought rates and; 2) Direct staff to prepare and distribute a Proposition 218 notice for the proposed temporary water and wastewater drought rates. Staff responded to questions from Council.

Mayor Hill invited public comment. No public comments were received.

At this time, Mayor Hill noted that pursuant to Council policy, the Council must vote unanimously to continue the meeting past 11:00 p.m.

Action: Council Member Guthrie moved to continue the meeting until 11:30 p.m. Council Member Brown seconded, and the motion passed unanimously by voice vote.

Action: Council Member Guthrie moved to: 1) Schedule a public hearing to consider adjustments to water rates via drought rates, and; 2) Direct staff to prepare and distribute a Proposition 218 notice for the proposed temporary water rate at 11% that would generate \$150,000 for the water neutralization fund. Council Member Brown seconded, and the motion passed on the following roll-call vote:

AYES: Guthrie, Brown, Barneich
NOES: Harmon, Hill
ABSENT: None

Action: Council Member Guthrie moved: to 1) Schedule a public hearing to consider adjustments to wastewater rates via drought rates, and; 2) Direct staff to prepare and distribute a Proposition 218 notice for the proposed temporary Wastewater rate at 10%. Council Member Brown seconded, and the motion passed on the following roll-call vote:

AYES: Guthrie, Brown, Barneich, Harmon, Hill
NOES: None.
ABSENT: None

12. NEW BUSINESS

None.

13. COUNCIL COMMUNICATIONS

Council Member Barneich requested to agendaize an item to discuss implementing a Council policy on letters written by City Council members. Council Member Guthrie concurred.

14. CLOSED SESSION

Mayor Hill announced the City Council would not be meeting in closed session at this time.

15. ADJOURNMENT

Mayor Hill adjourned the meeting at 11:25 p.m.

/s/Jim Hill, Mayor

ATTEST:

/s/Kelly Wetmore, City Clerk

(Approved at CC Mtg 05/24/2016)