



**CITY OF EL PASO DE ROBLES**  
*"The Pass of the Oaks"*

**CITY COUNCIL MINUTES**

**Tuesday, September 16, 2008 7:30 PM**

**MEETING LOCATION: PASO ROBLES LIBRARY/CITY HALL  
CONFERENCE CENTER, 1000 SPRING STREET**

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**PLEASE SUBMIT ALL CORRESPONDENCE FOR CITY COUNCIL PRIOR  
TO THE MEETING WITH A COPY TO THE CITY CLERK**

**7:30 PM – CONVENE REGULAR MEETING**

**CALL TO ORDER** – Downstairs Conference Center

**PLEDGE OF ALLEGIANCE**

**INVOCATION** – Led by Patrick Sheehan

**ROLL CALL** Councilmembers Gary Nemeth, Duane Picanco, Fred Strong, and Frank Mecham, ABSENT: John Hamon

**PUBLIC COMMENTS**

- Walter Kauhn inviting public to attend Pioneer Day festivities, October 11, 2008
- Steve Cass, updating Council on plans for the 2008 Paderewski Festival
- Norma Moye, inviting public to attend upcoming Mainstreet events
- Arthur Patterson, student at PRHS, providing information on new debate club "Junior State of America"

**AGENDA ITEMS TO BE DEFERRED (IF ANY)** - None

**PRESENTATIONS**

By General Consent, Mayor Mecham pulled Item Nos. 6, 7, and 8 from the Consent Calendar and presented each separately.

6. Proclamation designating September 27 2008 as "Creek Day" in Paso Robles.
7. Certificate of Recognition recognizing Don Grove for 35 years as member of City staff in the Public Works Department.

8. Certificate of Recognition recognizing Steve Perkins for 22 years as member of City staff in the Public Works Department.

## **PUBLIC HEARINGS**

1. Community Water Rates & Capacity Charges  
D. Monn, Director of Public Works

The City Council considered the current July 2008 proposals for water rates and capacity charges. Christopher Alakel, Christine Halley contributed to the presentation of the staff report.

Mayor Mecham opened the public hearing. Speaking from the public was Tom Hardwick, Carl Hansen, Clark Rudy, Dale Gustin, and Tom Flynn. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Strong, seconded by Councilmember Nemeth, moved to reject current July 2008 proposals for water rates and capacity charges, and direct staff to initiate alternative water rate and capacity charge proposals for discussion at the October 7, 2008 meeting.

Motion passed by the following roll call vote:

AYES: Nemeth, Picanco, Strong, and Mecham  
NOES:  
ABSTAIN:  
ABSENT: Hamon

***Council adjourned for a 10-minute recess and reconvened at 9:00 PM.***

2. Code Amendment 08-001, Floodplain Management Ordinance  
R. Whisenand, Community Development Director

The City Council approved revisions to Chapter 21.14 of the Municipal Zoning Code, updating the Floodplain Management Ordinance to comply with the most recent regulations included in the National Flood Insurance Program. John Falkenstien, City Engineer, presented the staff report.

Mayor Mecham opened the public hearing. Speaking from the public was Dale Gustin. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Strong, seconded by Councilmember Nemeth, moved to introduce Ordinance No. 948, N.S., amending the Municipal Code Section 21.14 to conform to the National Flood Insurance Program, and set October 7, 2008 for adoption.

Motion passed by the following roll call vote:

AYES: Nemeth, Picanco, Strong, and Mecham  
NOES:  
ABSTAIN:  
ABSENT: Hamon

## CONSENT CALENDAR

Mayor Mecham called for public comments on Consent Calendar items. There were no comments from the public, either written or oral, and the public discussion was closed. Item Nos. 10 and 11 were revised to set the Public Hearing date to November 18, 2008, rather than October 21, 2008 as presented in the staff reports.

3. Approve City Council minutes of September 2, 2008
4. Approve Warrant Register: Nos. 79509—79589 (08/29/08) and 79590—79742 (09/05/08)
5. Receive and file Advisory Body Committee minutes as follows:  
Citizens Airport Advisory Committee meeting of July 24, 2008  
Youth Commission meeting of June 4, 2008
6. Pulled for Presentation.
7. Pulled for Presentation.
8. Pulled for Presentation.
9. Adopt Resolution 08-132, authorizing a one-month extension of the City's group health insurance contract with Blue Cross to conclude discussions with employee groups concerning alternative health plan options.
10. Adopt Resolutions<sup>1</sup> to facilitate initial steps towards the annexation of Tracts 2772-1, 2772-2, and Parcel Map PR 07-0294 as Sub-Area 116, generally located at Airport Road and Old Dry Creek Road, to the Landscape and Lighting Maintenance District; and also declaring intention to conduct a public hearing on Tuesday, November 18, 2008 concerning the levy of assessments, commencing with Fiscal Year 2009/2010, for the annexation territory (Applicants: Hogue Brothers, Airport Road Business Park, Dry Creek Partners).
11. Adopt Resolutions<sup>2</sup> to facilitate initial steps towards the annexation of Tract 2778-2, as Sub-Area 37, generally located on the eastern end of Wisteria Lane, north of Highway 46, south of Dry Creek Road, east of Golden Hill Road, and west of Airport Road, to the Landscape and Lighting Maintenance District; and also declaring intention to conduct a public hearing on Tuesday, November 18, 2008 concerning the levy of assessments, commencing with Fiscal Year 2009/2010, for the annexation territory (Applicant: Erskine).

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1

08-133 Declaring Intention to Annex Tract 2772-1, Tract 2772-2 and Parcel Map PR 07-0294 to the Paso Robles Landscape and Lighting Maintenance District No. 1; and Declaring Intention to Conduct a Property Owner Protest Ballot Proceeding on the Matter of the New Assessments related thereto, Commencing with FY 2009/2010 [Airport Road Business Park]

08-134 Initiating Proceedings for the Annexation of Tract 2772-1, Tract 2772-2, and Parcel Map PR 07-0294 to the Paso Robles Landscape and Lighting Maintenance District No. 1; and the Levy and Collection of Assessments related thereto Commencing with FY 2009/2010 [Airport Road Business Park]

2

08-135 Declaring Intention to Annex Tract 2778 Phase II to the Paso Robles Landscape and Lighting Maintenance District No. 1; and Declaring Intention to Conduct a Property Owner Protest Ballot Proceeding on the Matter of the New Assessments related thereto, Commencing with FY 2009/2010 [Erskine, Wisteria Lane]

08-136 Initiating Proceedings for the Annexation of Tract 2778 Phase II to the Paso Robles Landscape and Lighting Maintenance District No. 1; and the Levy and Collection of Assessments related thereto Commencing with FY 2009/2010 [Erskine, Wisteria Lane]

12. Adopt Resolution 08-137 setting a Public Hearing on October 21, 2008 to amend the area of Undergrounding District No. 5 to Riverside Avenue from 10<sup>th</sup> to 24<sup>th</sup>. The revised location of the Underground District No. 5 will not impact the General Fund and would allow the City to underground the overhead utilities along Riverside Avenue.
13. Adopt Resolution 08-138 allowing the replacement of a septic leach field to serve a single-family residence located at 2241 Almond Springs Drive, north of 21<sup>st</sup> Street, APN 008-431 049. (Applicant: Toevs)
14. Adopt Resolution 08-139, deeming Therapy Pool Improvements, Project DPW 05-11, complete and accepted by the City for maintenance
15. Adopt Resolution 08-140 declaring certain City property as surplus, and authorizing the sale by public auction with the proceeds returned to the Equipment or Enterprise Fund from which it was drawn.

Consent Calendar Items Nos. 3-5 and 9-15 were approved on a single motion by Councilmember Strong, seconded by Councilmember Nemeth, with Mayor Mecham abstaining on Warrant Register Items No. 079585.

Motion passed by the following roll call vote:

AYES: Nemeth, Picanco, Strong, and Mecham  
 NOES:  
 ABSTAIN:  
 ABSENT: Hamon

## DISCUSSION

16. Paso Robles Juvenile Justice Facility Conversion Update  
 L. Solomon, Chief of Police

The City Council considered conditional support of the California Department of Correction and Rehabilitation's use of state property adjacent to the former El Paso de Robles Youth Correctional Facility, as the preferred site for a 500-bed, joint re-entry facility to house inmates from the counties of San Luis Obispo, Santa Barbara, and San Benito.

Mayor Mecham opened the public hearing. Speaking from the public were state representatives from the Department of Corrections, Bob Sleppy, Carol Hood and Terry MacDonald, followed by Paul Fisk and Dale Gustin. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Nemeth, seconded by Councilmember Strong, moved to adopt Resolution No. 08-141 conditionally supporting the California Department of Corrections and Rehabilitation's use of state property adjacent to the former El Paso de Robles Youth Correctional Facility as the preferred site for a Central Coast Regional Secure Community Re-entry Facility.

Motion passed by the following roll call vote:

AYES: Nemeth, Picanco, Strong, and Mecham  
 NOES:  
 ABSTAIN:  
 ABSENT: Hamon

Mayor Mecham recused himself from discussion of Item No. 17 due to a client relationship with one of the entities, and left the dais for the duration of the discussion. Mayor Pro Tem Nemeth assumed the chair.

17. Completion of Water Rate and Capacity Charge Studies  
D. Monn, Director of Public Works

The City Council approved amending the contracts with T. J. Cross Engineers, Inc., HF&H, and Kennedy/Jenks Consultants to complete the water rate and capacity charge studies.

Mayor Pro Tem Nemeth opened the public hearing. Speaking from the public was John Borst, Karen Reed, Dale Gustin, Tom Rusch and Dick Willhoit. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Strong, seconded by Councilmember Picanco, moved to adopt Resolution No. 08-142 appropriating an additional \$48,000 from the Water Enterprise Fund to cover the extended services to-date associated with the water user rate/capacity charge studies, and authorized the amending of the existing contractual arrangements with the consultants to complete the process on a time and materials basis.

Motion passed by the following roll call vote:

AYES: Picanco, Strong and Nemeth  
NOES:  
ABSTAIN: Mecham  
ABSENT: Hamon

Mayor Mecham returned to the dais.

18. Carnegie Library Repair and Retrofitting, Additional Allocation  
D. Monn, Director of Public Works and M. Williamson, Assistant City Manager

The City Council appropriated additional funds for unanticipated work associated with the retrofit of the Carnegie Library. It is anticipated that FEMA will reimburse the City more than fifty percent of the total change order amount, resulting in the City's share of incurred change orders being approximately \$222,000.

Mayor Mecham opened the public hearing. There were no comments from the public, either written or oral, and the public discussion was closed.

Councilmember Nemeth, seconded by Councilmember Strong, moved to Adopt Resolution No. 08-143 appropriating additional funds to cover the cost of change orders resulting from unforeseen conditions at the Carnegie Library.

Motion passed by the following roll call vote:

AYES: Nemeth, Picanco, Strong, and Mecham  
NOES:  
ABSTAIN:  
ABSENT: Hamon

19. Barney Schwartz Park Concession Operations  
A. Robb, Director Library and Recreation Services

The City Council awarded contracts for concessions at Barney Schwartz Park.

Mayor Mecham opened the public hearing. There were no comments from the public, either written or oral, and the public discussion was closed.

Councilmember Picanco, seconded by Councilmember Nemeth, moved to authorize the contracts with Two Brothers Catering & Event Planning for the softball stand, and Fabiola and Jose Abarca for the soccer stand.

Motion passed by the following roll call vote:

AYES: Nemeth, Picanco, Strong, and Mecham  
NOES:  
ABSTAIN:  
ABSENT: Hamon

20. Pioneer Day Committee – Funding Request  
James L. App, City Manager

The City Council considered a request for \$5,000 to support the Pioneer Day Parade and related activities.

Mayor Mecham opened the public hearing. Speaking from the public was Walter Kuhn, and Dale Gustin. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Nemeth, seconded by Mayor Mecham, moved to contribute \$2,500 of City funds to assist the Pioneer Day Planning Committee.

Motion failed by the following roll call vote:

AYES: Nemeth and Mecham  
NOES: Picanco and Strong  
ABSTAIN:  
ABSENT: Hamon

Council requested detailed Pioneer Day budget information before they would reconsider the funding request. Councilmember Strong, seconded by Councilmember Nemeth, moved to continue to the item to the October 7, 2008 meeting.

Motion passed by the following roll call vote:

AYES: Nemeth, Picanco, Strong, and Mecham  
NOES:  
ABSTAIN:  
ABSENT: Hamon

21. Paso Robles Digital Film Festival, Request to Add to City Event Schedule  
D. Monn, Public Works Director

The City Council considered a request by Buffalo Benford Productions, LLC to add the Paso Robles Digital Film Festival to the event schedule at the City Park, and the City Council Chambers, November 21-22, 2008. All costs to be accounted for and billed to the event producer. Freda Berman, Events Manager, presented the staff report.

Mayor Mecham opened the public hearing. Speaking from the public was Benford Stanley, the promoter of the event. There were no further comments from the public, either written or oral, and the public discussion was closed.

Councilmember Nemeth, seconded by Councilmember Strong, moved to adopt Resolution No. 08-144 to waive current policy and approve the request to add the Paso Robles Digital Film Festival to the City Park event schedule.

Motion passed by the following roll call vote:

AYES: Hamon, Nemeth, Picanco, Strong, and Mecham

NOES:

ABSTAIN:

ABSENT:

**COUNCIL COMMENTS** (Including oral reports on conferences attended) - None

**PUBLIC COMMENT ON CLOSED SESSION**

City Attorney Iris Yang announced Council's authority to go into closed session to discuss the item listed on the agenda.

It was the consensus of Council to adjourn from regular session at 10:40 PM.

The City Council thereupon adjourned to Closed Session in the 2<sup>nd</sup> floor Large Conference Room.

**CLOSED SESSION**

**CALL TO ORDER** – Large Conference Room, 2<sup>nd</sup> Floor

**a. Pursuant to Government Code §54956.8 –Property Negotiation**

Property: 3077 Rollie Gates Drive,  
Paso Robles Municipal Airport

Lessee: Rollie Gates Investment Properties, LLC  
City Negotiator: James L. App, City Manager

The City Council returned to Regular Session at 11:15 PM.

**RETURN TO OPEN SESSION**

**CLOSED SESSION REPORT**

City Attorney Iris Yang announced that there was no reportable action.

By voice vote, Council moved to adjourn from regular session at 11:15 PM.

**ADJOURNMENT:**

- THE JOINT PLANNING COMMISSION/CITY COUNCIL BREAKFAST MEETING AT 7:00 AM, FRIDAY, SEPTEMBER 19, 2008 AT THE TOUCH OF PASO RESTURANT, PASO ROBLES
- THE REGULAR MEETING AT 7:30 PM ON TUESDAY, OCTOBER 7, 2008, AT THE LIBRARY/CITY HALL CONFERENCE CENTER, 1000 SPRING STREET

Submitted:

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Deborah D. Robinson, Deputy City Clerk

Approved:

**THESE MINUTES ARE NOT OFFICIAL OR A PERMANENT PART OF THE RECORDS UNTIL APPROVED BY THE CITY COUNCIL AT A FUTURE REGULAR MEETING.**

# City of El Paso de Robles Revised Water Rate Proposal

**September 16, 2008**

Doug Monn, Public Works Director

Christopher Alakel, Water Resources Manager

Christine Halley, Water & Utilities Engineer





# Overview

- Introduction of Nacimientos fee
- Variable rate structure
- Desire to conduct rate study – implement Integrated Water Plan
- July 1<sup>st</sup> proposal

*Overall conclusion – just too much all at once*

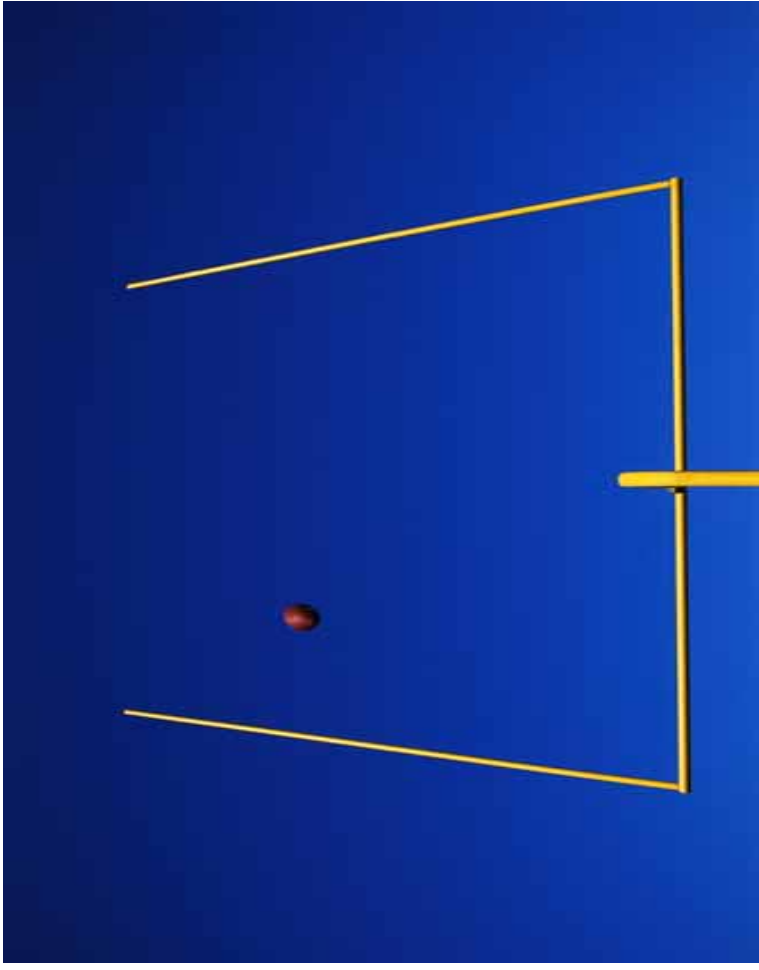
# Need for Water

- 2003 General Plan
- Integrated Water Resources Plan
- Water Distribution Master Plan
- Urban Water Management Plan

*Photo courtesy of Stephen Wallace*

# Goals

- Improve water quality
- Diversify sources and increase reliability
- Reduce groundwater dependence and salt loading
- Water rights and regulatory issues
- Prioritize expenditures



# Supply Options

- More wells
- State Water Project
- Recycled water
- Desalination
- Build reservoir
- Conservation
- Nacimiento

# River Recharge Option

- Possible to avoid treatment facility?
- Achieve goals?



# Conclusion of Supply Options

- Nacimiento Water Project
- City treatment plant

*Nacimiento plus water treatment provides best community benefit*

# Proposed Water Plan

- Nacimientto Water Project
- Treatment plant
- Other capital projects

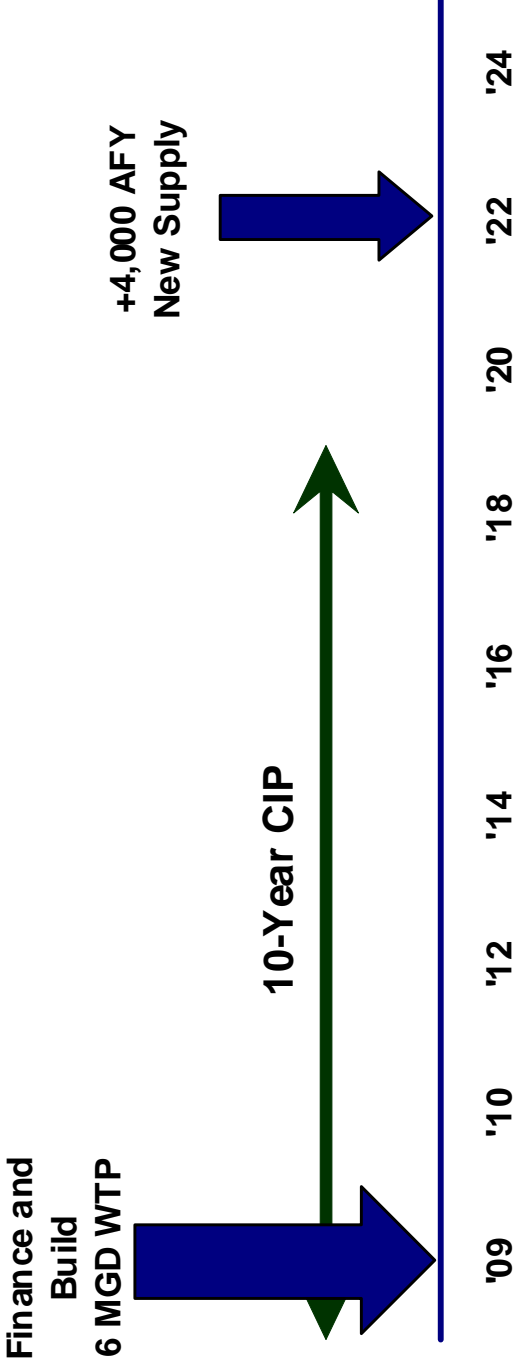
## July 1<sup>st</sup> proposal

- 4,000 AFY Nacimiento
- Full 6 MGD treatment plant (bond financed)
- 10-year capital plan
- +4,000 AFY supply

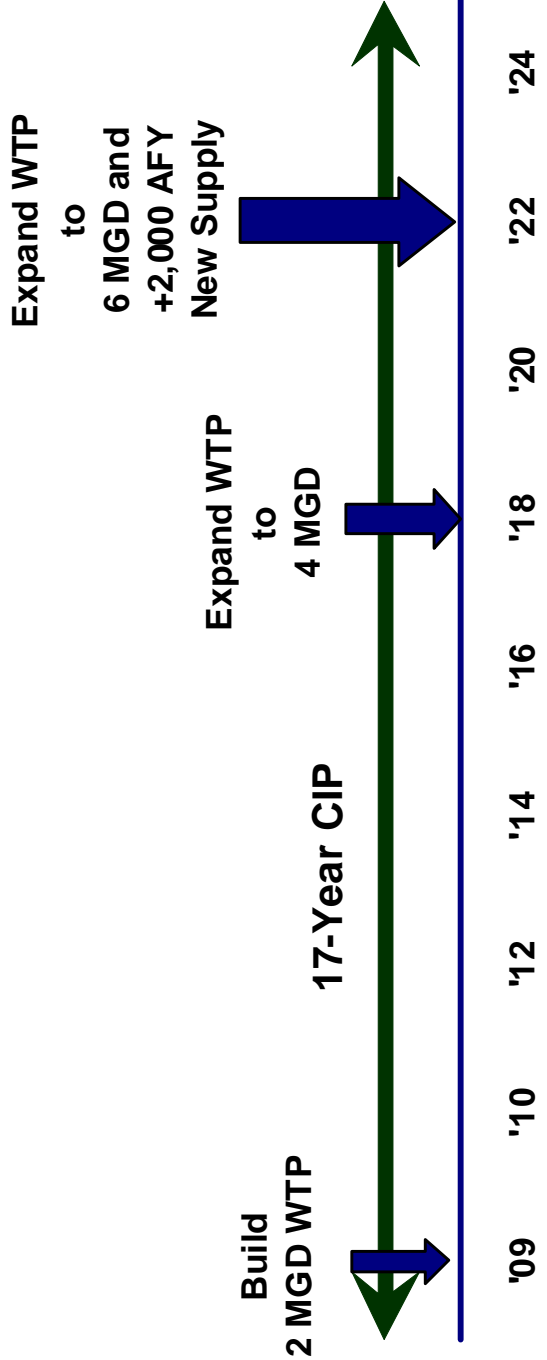
## Pay-as-you-go

- 4,000 AFY Nacimiento
- Phased, 2 MGD treatment plant (pay-as-you-go)
- 17-year capital plan
- +2,000 AFY supply (conservation)





**Timeline for July 1st Rate Proposal**



**Timeline for Pay-as-you-go Rate Proposal**

## Full 6 MGD treatment

- ✓ Full health code compliance
- ✓ 4,000 AFY, peaking
- ✓ Process for T&O
- ✓ 23,000 sf building
- ✓ Housed pump station
- ✓ Full site improvements

## Phased 2 MGD treatment

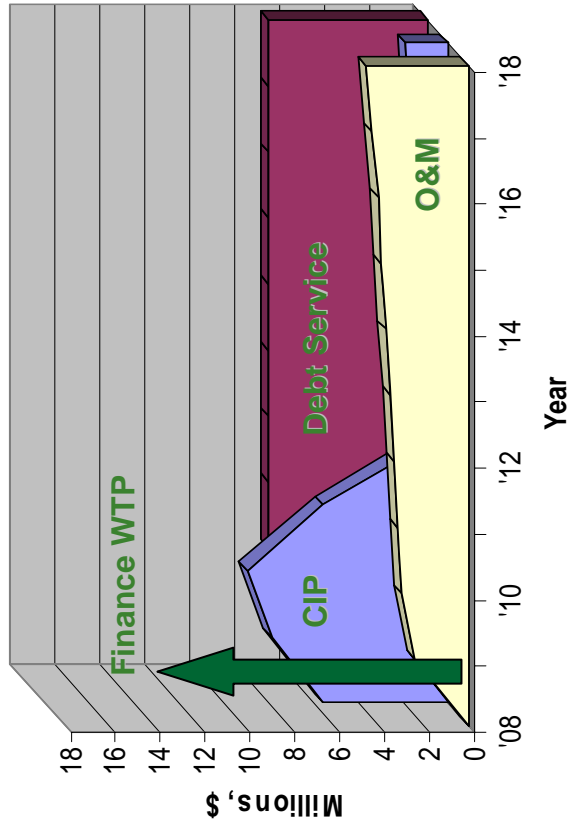
- ✓ Full health code compliance
- ✓ 2,000 AFY, steady
- ✓ No T&O processes
- ✓ Trailer-mounted units
- ✓ Slab-mounted pumps
- ✓ Defer site improvements

# Financing Issues

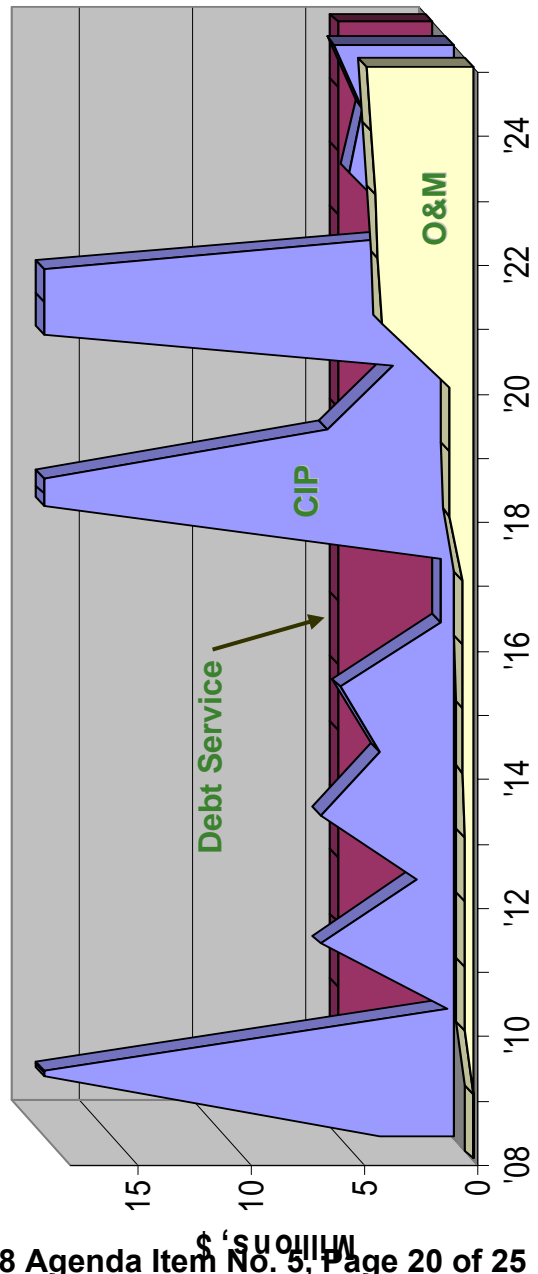
- Phasing plant allows pay-as-you-go
- Spreading out capital projects lessens early financial crunch
- Operations staffing over longer period
- Rethink placeholder for future water supply

# Comparison of Cash Flow

Basis for July 1st Proposal



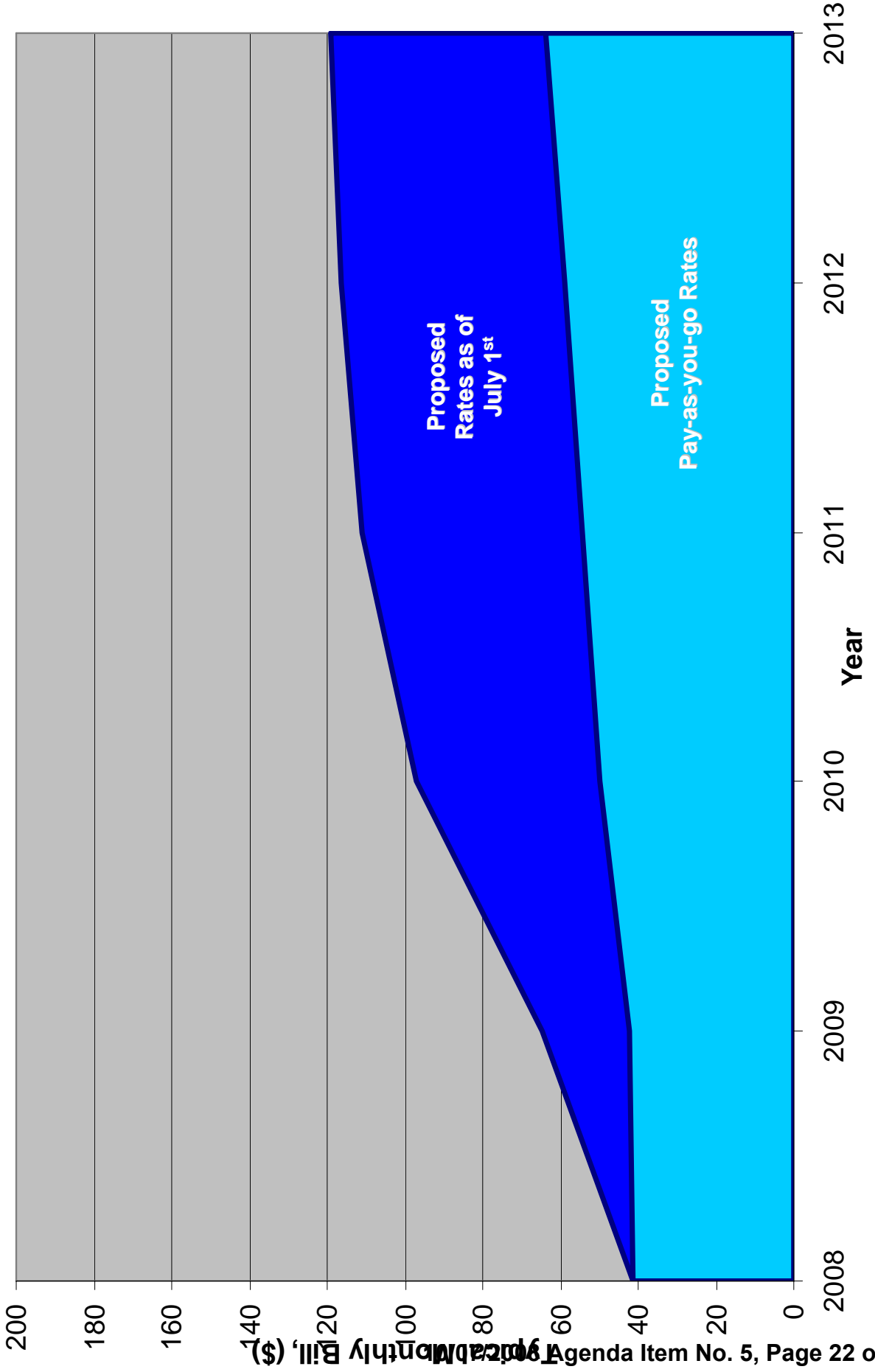
Basis for Pay-as-you-go Water Rate



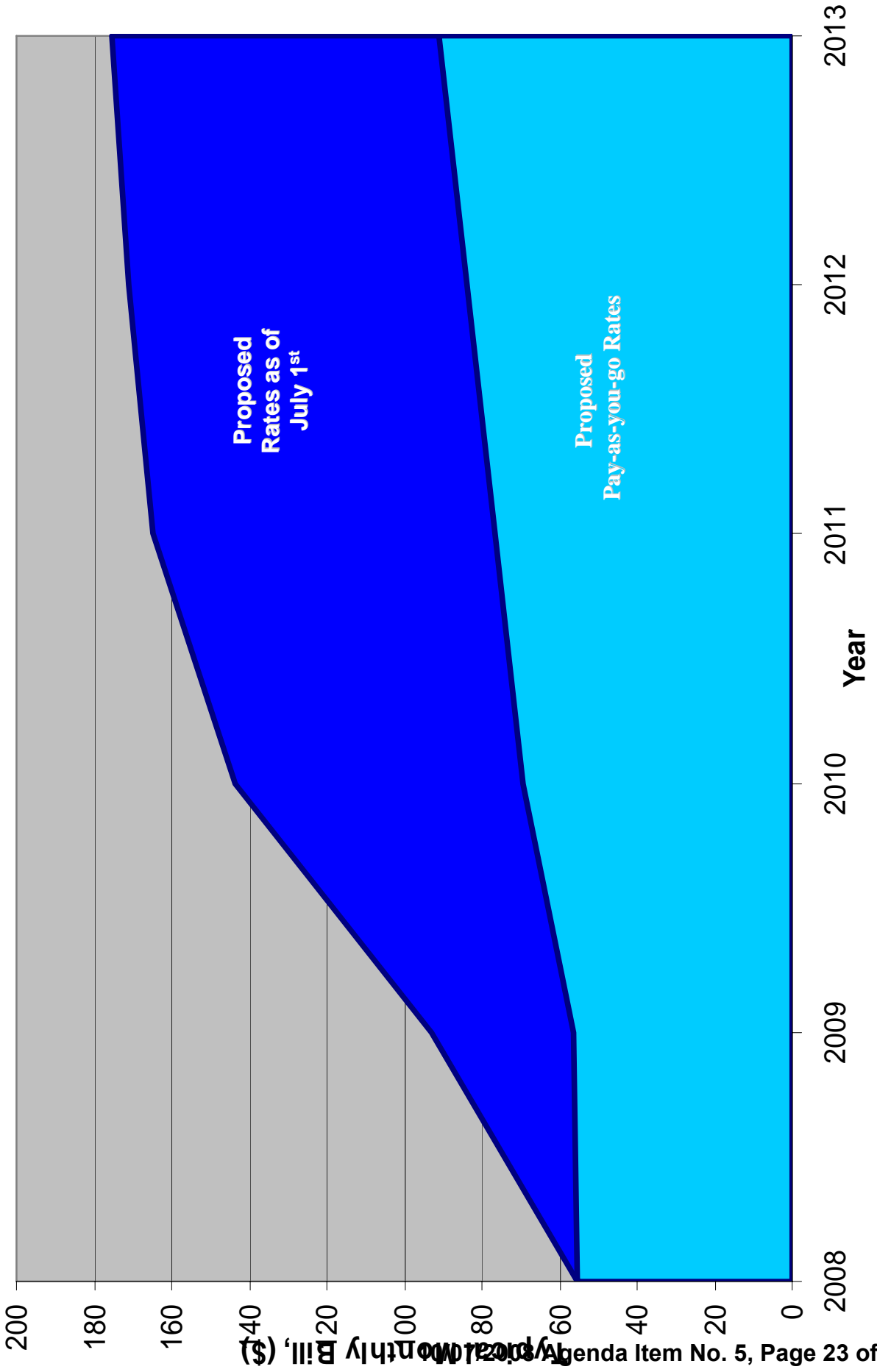
# Rate Structure Comparison

Meter Size (inches)	Current Rate	2009	2010	2011	2012	2013
<b>July 1<sup>st</sup> Proposal – Monthly Fixed Rate</b>						
5/8" & 3/4"	\$18	\$18.00	\$19.98	\$22.48	\$24.95	\$24.95
Escalates with larger meters						
<b>Pay-as-you-go Proposal – Monthly Fixed Rates</b>						
5/8" & 3/4"	\$18	\$18	\$18	\$18	\$18	\$18
Rate applies to all meter sizes						
<b>July 1<sup>st</sup> Proposed Consumption Charge (\$/HCF)</b>						
Usage Rate	\$1.28	\$2.56	\$4.22	\$4.86	\$5.00	\$5.15
<b>Pay-as-you-go Proposed Consumption Charge (\$/HCF)</b>						
Usage Rate	\$1.28	\$1.32	\$1.75	\$2.00	\$2.25	\$2.50
Lifeline Rate for Households Provided						

# Water Rate Comparison Typical Bill for 19 HCF Usage



# Water Rate Comparison Typical Bill for 30 HCF Usage



# Autumn Schedule

- Oct 7<sup>th</sup> – detailed rate proposal
- Public workshops ~Oct 15/16<sup>th</sup>
- Regular Council status reports
- Later for formal introduction / 218 process





# Conclusion

- Water improvements needed
- Revenue plan must accompany
- Seek to soften rate increase
- Phasing plant and slower capital program are proposed

*Allow time for Council and public response to pay-as-you-go approach*