

ACTION MINUTES

REGULAR MEETING OF THE CITY COUNCIL TUESDAY, JANUARY 24, 2017 COUNCIL CHAMBERS, 215 E. BRANCH STREET ARROYO GRANDE, CALIFORNIA

1. CALL TO ORDER

Mayor Hill called the Regular City Council Meeting to order at 6:01 p.m.

2. ROLL CALL

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

Staff Present: Interim City Manager Bob McFall, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Community Development Director Teresa McClish, Public Works Director Geoff English, Planning Manager Matt Downing, and Utilities Manager Shane Taylor.

3. MOMENT OF REFLECTION

A moment of reflection was held in memory of former Mayor A. K. "Pete" Dougall.

4. FLAG SALUTE

Madeline Poulin, representing Arroyo Grande Valley Kiwanis Club, led the Flag Salute.

Mayor Hill stated that Item 6.a. would be moved up on the Agenda at this time and he invited former Mayor Pete Dougall's family up to the podium for a special presentation.

6. SPECIAL PRESENTATIONS

6.a. Proclamation Posthumously Honoring Former Mayor A.K. "Pete" Dougall for his Service to the City of Arroyo Grande.

Mayor Hill presented a Proclamation posthumously honoring former Mayor A.K. "Pete" Dougall and acknowledging his many years of leadership, long-time community service, and dedication to the City of Arroyo Grande and its citizens. Mrs. Jeanne Dougall, daughter Loni, son Art, and family accepted the Proclamation.

5. AGENDA REVIEW

Interim City Manager requested that Item 10.b. under Continued Business be considered before Item 10.a. as a matter of process for those two specific items. The Council concurred.

5.a. Closed Session Announcements.

None.

5.b. Ordinances Read in Title Only.

Mayor Pro Tem 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 (cont'd)

6.b. Mayor's Commendation Recognizing Fanny Mui from the South San Luis Obispo County Sanitation District as a Recipient of the Laboratory Person of the Year Award from the California Water Environment Association Tri-Counties Region.

Mayor Hill presented a Mayor's Commendation to Fanny Mui congratulating her on being recognized as 2016 Laboratory Person of the Year by the Tri-Counties Region of the California Water Environment Association and for maintaining the highest standards in Public Health and Environmental Monitoring.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public were Linda Osty, offered an invocation and shared her memories of Pete Dougall; Patty Welsh, expressed concerns that a member of the City Council is providing their spouse with their City email password resulting in access to confidential correspondence and documents involving both the City and the Sanitation District, disclosing information from closed session meetings, and acting unilaterally on matters involving the City and Sanitation District, all of which will result in more litigation; Darryl Berg, expressed concerns about flooding in his neighborhood at the Heights at Vista del Mar and requested the City to look into the matter; Mary Lucey, Oceano, acknowledged collaboration on projects between the Sanitation District and the agencies it serves, stated there are a lot of problems with the Sanitation District, referred to an article in which the Mayor was interviewed and expressed concern about confidential information from the Sanitation District being released; John Clemons, Sanitation District Superintendent, commented on administration, operations and improvements at the plant over the past four years and gave Mayor Hill a vote of confidence for the positive things that are going on at the plant; Matthew Guerrero, former Board Member of the OCSD Board and the Sanitation District, expressed concerns about allegations that confidential information is being shared, potential breaches of public trust, requested the Council look into the matter and take action if needed, and expressed concern about a potential conflict of interest; Shirley Gibson, expressed concern regarding the poisonous atmosphere, stated that if any wrongdoing has been done it should be owned up to, and stated that she is here to save local history; Terry Fowler Payne, shared her memories of Pete Dougall and all the good things he did in the community; Patricia Price, commented on Mayor Hill's contributions at the Sanitation District Board meetings, expressed concern about the qualifications of the current General Manager, and requested that the allegations that are being made be looked into.

In response to a question by Council Member Ray regarding procedure as it relates to Ms. Price's request during public comment, City Attorney Whitham clarified the procedure under Item 15, Council Communications, at which time the Council could direct staff to look into a matter and report back to the Council or to request an item be placed on a future agenda.

8. INTERIM CITY MANAGER REPORT:

Interim City Manager McFall acknowledged and recognized the staff that were involved in the Council Chambers accessibility improvements and audio/visual upgrade project; provided an update on storm damage and power outages; announced an Open House on February 14, 2017 at the Council Chambers; announced that the Brisco on and off ramps have been re-

opened and that staff is monitoring traffic flow for any needed adjustments; announced the retirement of Public Works Director Geoff English and Recreation Services Director John Rogers; and briefly responded to questions from Council regarding the lane striping and arrows on Brisco Road at the freeway underpass, and information relating to downstream releases from Lopez Lake.

9. CONSENT AGENDA

Mayor Pro Tem Brown requested that Item 9.g. be pulled for a separate vote.

Council Member Barneich requested that Item 9.d. be pulled.

Mayor Hill invited public comment on the remaining consent agenda items. No public comments were received.

Action: Mayor Pro Tem Brown moved, and Council Member Harmon seconded the motion to approve Consent Agenda Items 9.a. through 9.f., with the exception of Items 9.d. and 9.g., with the recommended courses of action.

Council Member Ray referred to Item 9.c. and commented that she does not like compensation studies; however, she understands why it needs to be done, that she takes it seriously that sometimes these can drive salaries up and she would be mindful of what effects these studies can have in the long run.

The motion passed on the following roll-call vote:

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

9.a. Consideration of Cash Disbursement Ratification.

Action: Ratified the listing of cash disbursements for the period January 1, 2017 through January 15, 2017.

9.b. Consideration of Approval of Minutes.

Action: Approved the minutes of the Special City Council Meeting of January 10, 2017, as submitted.

9.c. Consideration of Approval of Consultant Services Agreement with Koff & Associates for a Compensation Study.

Action: Approved a Consultant Services Agreement with Koff & Associates to perform a compensation study.

9.e. Consideration of Acceptance of the Le Point Area Water Main Upgrade Project, PW 2015-15.

Action: 1) Accepted the project improvements as constructed by Specialty Construction Inc. in accordance with the plans and specifications for the Le Point Area Water Main Upgrade Project; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.

9.f. **Monthly Water Supply and Demand Update.**

Action: Received and reviewed the monthly Water Supply and Demand Report.

ITEMS PULLED FROM THE CONSENT AGENDA

9.g. **Consideration of Adoption of an Ordinance to Rezone Two Properties within the East Cherry Avenue Specific Plan Project Area (Development Code Amendment 15-001); Location – East Cherry Avenue and Traffic Way; Applicants – Mangano Homes, Inc., and Arroyo Grande Valley Japanese Welfare Association.**

Recommended Action: Adopt an Ordinance approving Development Code Amendment 15-001 (A Part of the East Cherry Avenue Specific Plan Project) to rezone two properties within the East Cherry Specific Plan project area from Agriculture (AG) to Village Residential (VR) and Village Mixed Use (VMU).

Council Member Brown requested a separate roll call vote due to his absence at the previous City Council meeting.

Action: Council Member Barneich moved to adopt the Ordinance and Council Member Harmon seconded the motion. City Attorney Whitham read the full title of the Ordinance as follows: **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING DEVELOPMENT CODE AMENDMENT 15-001 (A PART OF THE EAST CHERRY AVENUE SPECIFIC PLAN PROJECT).”** The motion passed on the following roll-call vote:

AYES: Barneich, Harmon, Ray, Hill
NOES: None
ABSENT: None
ABSTAIN: Brown

9.d. **Consideration of Council Appointments to Various City Commissions, Boards, and Committees.**

Recommended Action: Approve the appointments to various City Commissions, Boards and Committees, as recommended:

Mayor Hill: John Mack (Planning Commission); Will Reichardt (Parks and Recreation Commission; Coleen Kubel (Traffic Commission); Mike Zimmerman (Downtown Parking and Advisory Board); John Rubatzky (Architectural Review Committee); and Patricia Price (Historical Resources Committee).

Council Member Barneich: Lan George (Planning Commission); Jamie Maraviglia (Parks and Recreation Commission); Mike McAustin (Traffic Commission); Greg Steinberger (Downtown Parking Advisory Board); Mary Hertel (Architectural Review Committee); and Shirley Gibson (Historical Resources Committee).

Council Member Ray: Frank Schiro (Planning Commission); Shawn Blethen (Parks and Recreation Commission); Kenneth Price (Traffic Commission); Keith Storton (Architectural Review Committee); and Ken Sage (Historical Resources Committee).

Council Member Barneich supported moving forward with this item and requested an item at a future meeting for Council discussion to propose that Planning Commissioners attend the

League of California Cities training as a mandatory requirement. Council Member Ray agreed and noted she was going to request this under Council Communications.

Mayor Pro Tem Brown announced there are openings on the Parks and Recreation Commission and the Downtown Parking Advisory Board.

Council Member Ray thanked all those who have served on the City's commissions, boards, and committees and for those coming on board for their willingness to serve.

Mayor Hill also acknowledged and thanked those that have served and the recommended appointees for their willingness to serve.

Action: Council Member Barneich moved to approve the appointments to various City Commissions, Boards and Committees. Mayor Pro Tem Brown seconded, and the motion passed on the following roll-call vote:

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

10. PUBLIC HEARINGS

10.b. Consideration of Introduction of an Ordinance of the City Council of the City of Arroyo Grande Amending Chapter 13.07 of the Arroyo Grande Municipal Code Relating to Stages of Water Shortage Emergencies to Implement Emergency Water Shortage Restrictions and Regulations.

Public Works Director English and Utilities Manager Taylor presented the staff report and recommended that the Council introduce an Ordinance amending Chapter 13.07 of the Arroyo Grande Municipal Code relating to stages of water shortage emergencies to implement emergency water shortage restrictions and regulations. Staff responded to questions from Council.

Mayor Hill opened the public hearing. Speaking from the public were: Terry Fowler, asked about stormwater run-off, expressed concern with excessive water releases, and asked if there was a reduction in the amount of discharge during rainstorms; Jim Guthrie, commented on the trigger point for exiting Stage 1B; and Mary Lucey, commented on and asked if stormwater run-off was being captured. Hearing no further comments, Mayor Hill closed the public hearing.

Further Council and staff discussion and clarification ensued in response to questions from the public.

Action: Council Member Harmon moved to introduce an Ordinance entitled: ***“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING CHAPTER 13.07 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO STAGES OF WATER SHORTAGE EMERGENCIES TO IMPLEMENT EMERGENCY WATER SHORTAGE***

RESTRICTIONS AND REGULATIONS". Council Member Barneich seconded, and the motion passed on the following roll-call vote:

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

10.a. Consideration of Approval of the Amended 2015 Urban Water Management Plan.

Public Works Director English presented the staff report and recommended that the Council adopt a Resolution approving the Amended 2015 Urban Water Management Plan (UWMP). Shane Taylor, Utilities Supervisor, provided an overview of the specific revisions to the UWMP.

Mayor Hill opened the public hearing. Hearing no comments, Mayor Hill closed the public hearing.

Action: Council Member Barneich moved to adopt a Resolution entitled: **"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE, COUNTY OF SAN LUIS OBISPO, ADOPTING AND DIRECTING THE FILING AND IMPLEMENTATION OF THE CITY OF ARROYO GRANDE AMENDED 2015 URBAN WATER MANAGEMENT PLAN"**. Council Member Ray seconded, and the motion passed on the following roll-call vote:

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

11. OLD BUSINESS

None.

12. NEW BUSINESS

12.a. Consideration of a Project Status Update and Elimination of the Replacement Alternative for the Bridge Street Bridge Project.

Community Development Director McClish and Consultants Mark Reno and Greg Young, Quincy Engineering, presented an overview of the Bridge Street Bridge project including community and public meetings held and input received since 2013; provided a project update and next steps; provided an overview of the environmental review process; and reviewed the project schedule. It was recommended the Council: 1) Receive the project status update for the Bridge Street Bridge project; and 2) Eliminate the replacement alternative from further consideration for the project.

Mayor Hill opened the public hearing. Speaking from the public were Patty Welsh, who congratulated staff on receiving 100% funding for the project and asked if the failure of the Measure J ballot measure affected the project; and Shirley Gibson, thanked all those who signed the petition to rehabilitate the Bridge and to not replace it, expressed appreciation to the

Council and staff for saving Arroyo Grande's historical bridge, and noted that there are three old bridges within three blocks in the Village.

Action: Council Member Ray moved to receive and file the project status update for the Bridge Street Bridge project, and to eliminate the replacement alternative from further consideration for the project. Council Member Barneich seconded, and the motion passed on the following roll-call vote:

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

12.b. Presentation of the South San Luis Obispo County Sanitation District Recycled Water Planning Facilities Study.

Community Development Director McClish introduced the item and provided background on the goal to develop a recycled water project and the progress made with the South San Luis Obispo County Sanitation District (SSLOCSD) to complete the Recycled Water Planning Facilities Study.

Consultant Dan Heimel, Water Systems Consulting, presented an overview of the current groundwater water supply as a result of the ongoing drought which has impacted groundwater levels; water treatment requirements and process; alternatives analysis, including an onsite option and an offsite option; results of the phase 2 quantitative analysis for both onsite and offsite options; qualitative/non-economic analysis for onsite and offsite options; onsite and offsite option findings; reviewed groundwater recharge versus hybrid findings; funding and financing; next steps; provided acknowledgement of the project stakeholders; and concluded by stating that the Study has been submitted to the State Water Resources Control Board.

Gerhardt Hubner, SSLOCSD Administrator, provided an overview of the SSLOCSD Wastewater Treatment Plant; reviewed the recycled water program goals and objectives; reviewed next steps; commented on local agency water entitlements for 2015, wastewater characteristics, and anticipated wastewater flows.

Mayor Hill opened the public hearing. Speaking from the public were: Matt Guerrero, commented that drought conditions still exist, stated the redundancy project doesn't provide water; commented on project costs, and spoke in support of the recycled water project; and Patty Welsh, asked what happens if the State does not have water to sell and spoke in support of the recycled water project.

Presentation of the Study was received and filed. No formal action was taken on this item.

12.c. Consideration of Purchase of Replacement Fire Engine.

Interim City Manager McFall provided introductory comments and Fire Chief Lieberman presented the staff report and recommended that the Council provide direction to Council Member/Five Cities Fire Authority (FCFA) Board Vice-Chair Harmon to authorize the Fire

Chief/Executive Officer to issue a purchase order to Pierce Manufacturing for a second replacement fire engine prior to February 1, 2017, and direct the City Manager to incorporate the City's annual cost in the 2017-18 budget development process.

Council Member Harmon provided additional background information.

Mayor Hill opened the public hearing. Speaking from the public was Matthew Guerrero, supported the purchase of a second replacement fire engine and commented that going forward, the Council might be able to obtain funds from the County Public Facilities Fund.

Comments ensued and Council provided direction to Council Member/Five Cities Fire Authority (FCFA) Board Vice-Chair Harmon to authorize the Fire Chief/Executive Officer to issue a purchase order to Pierce Manufacturing for a second replacement fire engine prior to February 1, 2017.

Action: Council Member Harmon moved to authorize the purchase and endeavor to make a cash payment, if possible, unless it jeopardizes financing for the other agencies, and to direct the City Manager to incorporate the City's cost into the budget. Council Member Ray seconded, and the motion passed on the following roll-call vote:

AYES: Harmon, Ray, Barneich, Brown, Hill

NOES: None

ABSENT: None

13. CITY COUNCIL REPORTS

The Mayor and Council Members provided brief reports from the following committee, commission, board, or other subcommittee meetings that they attended as the City's appointed representative.

(a) MAYOR HILL:

- (1) South San Luis Obispo County Sanitation District (SSLOCSD)
- (2) Brisco/Halcyon Interchange Subcommittee
- (3) Oversight Board to the Successor Agency to the Dissolved Arroyo Grande Redevelopment Agency
- (4) Other: League of California Cities

(b) MAYOR PRO TEM BROWN:

- (1) San Luis Obispo Council of Governments/Regional Transit Authority (SLOCOG/RTA)
- (2) Integrated Waste Management Authority Board (IWMA)
- (3) South County Transit (SCT)
- (4) Brisco/Halcyon Interchange Subcommittee
- (5) Other: Zone 3 Water Advisory Board (Alternate)

(c) COUNCIL MEMBER BARNEICH:

- (1) Zone 3 Water Advisory Board
- (2) Homeless Services Oversight Council (HSOC)
- (3) Other

13. CITY COUNCIL REPORTS (cont'd)

- (d) COUNCIL MEMBER HARMON:**
 - (1)** County Water Resources Advisory Committee (WRAC)
 - (2)** Air Pollution Control District (APCD)
 - (3)** Five Cities Fire Authority (FCFA)
 - (4)** Other

- (e) COUNCIL MEMBER RAY:**
 - (1)** California Joint Powers Insurance Authority (CJPIA)
 - (2)** Economic Vitality Corporation (EVC)
 - (3)** Tourism Committee
 - (4)** Other

14. COUNCIL COMMUNICATIONS

Council Member Barneich commented that she is sad that Public Works Director Geoff English and Recreation Services Director John Rogers will be leaving, but that she supports their decisions to retire.

Council Member Ray requested to place on a future agenda discussion and consideration of a policy to require training for new City Council and Planning Commission members at least once per term, and on a voluntary basis for the other Committees and Boards. Mayor Hill concurred.

Council Member Ray referred to earlier public comment and allegations and asked the City Attorney what the appropriate process would be to respond. City Attorney Whitham explained that staff would need time to assess and review the allegations and that Council could direct staff to review the matter and provide Council with appropriate options. Council Member Harmon concurred.

Mayor Pro Tem Brown acknowledged Arroyo Grande Hospital, Dr. Julian, and the nursing staff for the care and treatment he recently received.

15. COMMUNITY COMMENTS AND SUGGESTIONS

None.

16. CLOSED SESSION

At 10:50 p.m., City Attorney Heather Whitham announced the City Council would adjourn to closed session to consider the following item:

- a) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION -**
 - Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:
 - One (1) potential case

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

Action: Mayor Pro Tem Brown moved, and Council Member Ray seconded, to continue the meeting past 11:00 p.m. The motion passed unanimously by voice vote.

Adjourned to closed session.

16. RECONVENE TO OPEN SESSION:

At 11:50 p.m., the Council reconvened to open session. City Attorney Whitham announced that this report out is made pursuant to Government Code Section 54957.1(a)(2): The Council provided unanimous direction to initiate litigation. At this time, we cannot provide any particulars. Once the action is formally commenced, the particulars will be disclosed upon inquiry.

ADJOURNMENT

Mayor Hill adjourned the meeting at 11:52 p.m.

Jim Hill, Mayor

ATTEST:

Kelly Wetmore, City Clerk

(Approved at CC Mtg _____)

ACTION MINUTES

**SPECIAL MEETING OF THE CITY COUNCIL
TUESDAY, FEBRUARY 14, 2017**

**COUNCIL CHAMBERS, 215 EAST BRANCH STREET
ARROYO GRANDE, CALIFORNIA**

1. CALL TO ORDER

Mayor Pro Tem Brown called the Special City Council Meeting to order at 4:03 p.m.

2. ROLL CALL

Council Members Kristen Barneich, Barbara Harmon, Caren Ray, and Mayor Pro Tem Brown were present. Mayor Hill was absent.

Staff members present were Interim City Manager Bob McFall, City Attorney Heather Whitham, and Director of Legislative and Information Services/City Clerk Kelly Wetmore.

3. FLAG SALUTE

Mayor Pro Tem Brown led the flag salute.

4. PUBLIC COMMENT

None.

5. CITY COUNCIL CLOSED SESSION

At 4:05 p.m., City Attorney Whitham announced the City Council would adjourn to closed session to consider the following item:

- a) Conference With Legal Counsel- Anticipated Litigation - Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): One Case
Allegations of violations of the Brown Act

Adjourned to closed session.

6. RECONVENE TO OPEN SESSION:

The City Council reconvened at 5:25 p.m. City Attorney Whitham announced that there was no reportable action.

7. ADJOURNMENT

The Special Meeting was adjourned at 5:26 p.m.

Jim Hill, Mayor

ATTEST:

Kelly Wetmore, City Clerk

(Approved at CC Mtg _____)

ACTION MINUTES

**CITY COUNCIL/SUCCESSOR AGENCY TO THE DISSOLVED ARROYO GRANDE
REDEVELOPMENT AGENCY MEETING
TUESDAY, FEBRUARY 14, 2017
COUNCIL CHAMBERS, 215 E. BRANCH STREET
ARROYO GRANDE, CALIFORNIA**

1. CALL TO ORDER

Mayor Hill called the City Council/Successor Agency Meeting to order at 6:00 p.m.

2. ROLL CALL

City Council/SA: Council Members Caren Ray, Barbara Harmon, Kristen Barneich, Mayor Pro Tem Brown, and Mayor Jim Hill were present.

Staff Present: Interim City Manager Bob McFall, City Attorney Heather Whitham, Director of Legislative and Information Services/City Clerk Kelly Wetmore, Community Development Director Teresa McClish, Public Works Director Geoff English and Interim City Engineer Jim Garing.

3. MOMENT OF REFLECTION

4. FLAG SALUTE

Members of Girl Scout Troop 41049 led the Flag Salute.

5. AGENDA REVIEW

5.a. Closed Session Announcements.

Regular Meeting of January 24, 2017

- a) Conference with Legal Counsel - Anticipated Litigation - Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9:
One (1) potential case

City Attorney Whitham announced that the Council met in closed session on January 24, 2017 and that this report out is made pursuant to Government Code Section 54957.1(a)(2): The Council provided unanimous direction to initiate litigation. At this time, we cannot provide any particulars. Once the action is formally commenced, the particulars will be disclosed upon inquiry.

Special Meeting of February 14, 2017

- a) Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): One Case
Allegations of violations of the Brown Act

City Attorney Whitham announced that the Council met in closed session on February 14, 2017 and no reportable action was taken.

5.b. Ordinances Read in Title Only.

Mayor Pro Tem 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

None.

7. CITIZENS' INPUT, COMMENTS, AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public were: Linda Osty, who offered an invocation; Daryl Berg, expressed concern regarding continued rains that are flooding his property in the Vista Del Mar neighborhood, and that efforts made by the developer were only temporary and inadequate; Mike Drees, South County Historical Society President, commented on the need for repairs at the historical schoolhouse and requested help from the community to fund repairs; and Ron Holt, expressed concern with the lights in the trees throughout the Village being on 24 hours a day and the use of excessive electricity.

8. INTERIM CITY MANAGER REPORT:

Interim City Manager McFall provided a status update on levels at Lake Lopez and drought conditions that still exist; stated that Stage 1 water restrictions are still in place for the City and water conservation efforts continue to be encouraged; and responded to questions from Council regarding sensors that monitor and record lake levels and that information posted on the County Public Works website is accurate.

9. CONSENT AGENDA

Council Member Harmon requested that Item 9.e. be pulled.

Council Member Ray requested that Items 9.b. and 9.f. be pulled.

City Attorney Whitham read the full title of the Ordinance in Item 9.k. as follows: ***"AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING CHAPTER 13.07 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO STAGES OF WATER SHORTAGE EMERGENCIES TO IMPLEMENT EMERGENCY WATER SHORTAGE RESTRICTIONS AND REGULATIONS."***

Mayor Hill invited public comment on the consent agenda. Speaking from the public was Julie Tacker, who commented on Item 9.k., referred to the City's Plumbing Retrofit Program Request for Proposals (RFP), and stated that there are better, state of the art plumbing fixtures that require less water use than what is required in the RFP. No further public comments were received.

Action: Mayor Pro Tem Brown moved, and Council Member Ray seconded the motion to approve Consent Agenda Items 9.a. through 9.k., with the exception of items 9.b., 9.e., and 9.f., with the recommended courses of action. The motion passed on the following roll-call vote:

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

- 9.a. Consideration of Cash Disbursement Ratification**
Action: Ratified the listing of cash disbursements for the period January 16, 2017 through January 31, 2017.
- 9.c. Consideration of a Residential Lease for 202 East Le Point Street**
Action: Approved and authorized the Mayor to execute a Residential Lease between the City of Arroyo Grande as the Landlord and Jena Simmons and Chad Jackson as the Tenants for the house located at 202 East Le Point Street.
- 9.d. Deferral of Two-Year Budget Plan to Begin in Fiscal Year 2018/19 and Continuing with a One-Year Budget for Fiscal Year 2017-18**
Action: Approved deferring the next two-year budget plan to start in Fiscal Year 2018/19, and continuing with a one-year budget for Fiscal Year 2017/18.
- 9.g. Consideration of Acceptance of the 2016 Street Resurfacing Project, PW 2016-08**
Action: 1) Accepted the project improvements as constructed by American Asphalt South, Inc., in accordance with the plans and specifications for the 2016 Street Resurfacing Project; 2) Directed staff to file a Notice of Completion; and 3) Authorized release of retention, thirty-five (35) days after the Notice of Completion has been recorded, if no liens have been filed.
- 9.h. Consideration of a Resolution Approving an Application by Terry Chandler to Drill and Install a Replacement Well on Property Zoned Agriculture; APN 007-731-015; 980 East Cherry Avenue.**
Action: Adopted a Resolution entitled: ***"A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING AN APPLICATION BY TERRY CHANDLER TO DRILL A REPLACEMENT IRRIGATION WELL ON A PROPERTY ZONED AGRICULTURE; APN 007-731-015; 980 EAST CHERRY AVENUE"***.
- 9.i. Consideration to Approve an Agreement for Contractor Services with Apodaca Paving for the Corporation Yard Stormwater Improvements Project, PW 2016-14.**
Action: 1) Approved the construction plans and specifications for the Corporation Yard Stormwater Improvements Project, PW 2016-14; 2) Found that the project is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301(c); 3) Directed the City Clerk to file a Notice of Exemption; 4) Transferred \$10,865 from the Public Works Administration Operating Fund to the Corporation Yard Stormwater Improvements Project, PW 2016-014; 5) Approved an Agreement for Contractor Services with Apodaca Paving in the amount of \$26,449.60; 6) Authorized the Interim City Manager to approve change orders up to 10% of the contract amount in the amount of \$2,644.96 for additional work and/or unanticipated costs during construction; and 7) Authorized the Mayor to execute the Agreement for Contractor Services.
- 9.j. Consideration to Approve an Agreement for Consultant Services with Harris Architecture & Design for the Woman's Club Building ADA Improvements Project, PW 2016-10 and Kitchen Renovation Project, PW 2016-01.**
Action: 1) Approved an Agreement for Consultant Services with Harris Architecture & Design in the amount of \$40,000 for design services for the Woman's Club Building ADA Improvements and Kitchen Renovation Projects; 2) Authorized the Mayor to execute the Agreement for Consultant Services; and 3) Appropriated \$124,051 from the Park Development Fund balance for the Woman's Club Kitchen Renovation Project.
- 9.k. Consideration of Adoption of an Ordinance Amending Chapter 13.07 of the Arroyo Grande Municipal Code Relating to Stages of Water Shortage Emergencies to Implement Emergency Water Shortage Restrictions and Regulations.**

Action: Adopted an Ordinance entitled: **“AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE AMENDING CHAPTER 13.07 OF THE ARROYO GRANDE MUNICIPAL CODE RELATING TO STAGES OF WATER SHORTAGE EMERGENCIES TO IMPLEMENT EMERGENCY WATER SHORTAGE RESTRICTIONS AND REGULATIONS”.**

ITEMS PULLED FROM THE CONSENT AGENDA

9.b. Consideration of Statement of Investment Deposits.

Recommended Action: Receive and file the report listing of investment deposits of the City of Arroyo Grande, as of October 31, 2016, November 30, 2016 and December 31, 2016, as required by Government Code Section 53646(b).

In response to questions from Council regarding the investment portfolio summaries, Administrative Services Director stated she would need time to review and re-issue the statements and bring this item back to the Council.

There was unanimous consensus of the Council to table this item until the next regular City Council meeting.

9.e. Consideration of Memorandum of Agreement with the County of San Luis Obispo to Jointly Finance and Construct a Replacement Animal Services Shelter.

Recommended Action: Approve and authorize the Mayor to execute a Memorandum of Agreement (“MOA”) in substantial conformance with the County of San Luis Obispo, and the Cities of Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo to jointly finance and construct the replacement of an animal services shelter.

Staff responded to questions regarding value engineering, the City’s proportionate share, financing costs, inserting a non-appropriation provision into the Agreement, and the makeup of the Ad Hoc Engineering Team.

Action: Council Member Harmon moved to approve and authorize the Mayor to execute a Memorandum of Agreement (“MOA”) in substantial conformance with the County of San Luis Obispo, and the Cities of Atascadero, Grover Beach, Morro Bay, Pismo Beach, Paso Robles and San Luis Obispo to jointly finance and construct the replacement of an animal services shelter and authorize the City Attorney to include a non-appropriation clause if needed. Council Member Ray seconded, and the motion passed on the following roll call vote:

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

9.f. Consideration of Temporary Use Permit No. 16-028; Authorization to Use City Property for a Beer and Food Festival on Saturday, October 14, 2017; Location – Heritage Square Park; Applicant – Arroyo Grande Village Improvement Association; Representative – Bob Lund.

Recommended Action: Adopt a Resolution authorizing the use of City property for a beer and food festival on Saturday, October 14, 2017.

Council Member Ray spoke in support of the festival and requested a condition be added for a designated driver ticket price. Staff confirmed that a condition is already included that provides for a food only ticket price. Mayor Hill noted that he voted no on this item last year because it should be a family event if it is held in a City park.

Action: Council Member Ray moved to adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE APPROVING TEMPORARY USE PERMIT NO.16-028; AUTHORIZATION TO USE CITY PROPERTY FOR A BEER AND FOOD FESTIVAL ON OCTOBER 14, 2017; LOCATED AT HERITAGE SQUARE PARK; APPLIED FOR BY THE ARROYO GRANDE VILLAGE IMPROVEMENT ASSOCIATION”**. Council Member Barneich seconded, and the motion passed on the following roll call vote:

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

10. PUBLIC HEARINGS

None.

11. OLD BUSINESS

None.

12. NEW BUSINESS

12.a. Consideration of Adoption of the 2016 Update to the Pavement Management Plan and Letters of Support for Transportation Funding Bills SB1 and AB1.

Public Works Director English presented the staff report and recommended that the Council: 1) Adopt a Resolution adopting the 2016 Update to the Pavement Management Plan (PMP); 2) Endorse the “Critical Point Management” methodology for the City’s Pavement Management System; and 3) Authorize the Mayor to sign letters of support for Transportation Funding Bills, AB1 and SB1.

Joe Patterson, Rick Engineering, reviewed the Pavement Condition Index and responded to questions from Council.

Mayor Hill invited public comment. Speaking from the public were: Patty Welsh, commented on the new equipment in the Council Chambers and the ability to clearly see the information being presented; and Mike Drees, Via Bandolero, commented on the estimated cost of needed repairs being double than the current budget and that the roads will continue to deteriorate. No further public comments were received.

Council comments ensued in support of the Pavement Management Plan, the Critical Point Management methodology, and the transportation funding bills. Council Member Harmon commented on SB1 and AB1 stating she could support the provisions that redirect \$300 million

from existing cap and trade funds and \$500 million in vehicle weight fees; however, she stated she had a difficult time supporting the proposed tax increases, such as the 12 cent gas tax increase, the \$38 vehicle registration fee increase, the vehicle registration fee increase on zero emission vehicles, and the 20 cent increase to the diesel excise tax as they would impact taxpayers. She stated she understood it was important as a City to show solidarity, along with the neighboring cities, to maintain the roads, so she would reluctantly support authorizing the Mayor to send the letters.

Action: Council Member Barneich moved to: 1) Adopt a Resolution entitled: **“A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING THE PAVEMENT MANAGEMENT PLAN 2016 UPDATE REPORT”**; 2) Endorse the “Critical Point Management” methodology for the City’s Pavement Management System; and 3) Authorize the Mayor to sign letters of support for Transportation Funding Bills, AB1 and SB1. Mayor Pro Tem Brown seconded, and the motion passed on the following roll call vote:

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

Mayor Hill called for a break at 8:10 p.m. The Council reconvened at 8:19 p.m.

12.b. Consideration of: 1) Participation in the Formation of the South County Homeless Taskforce; and 2) Appointment of a Council Member to Serve as a Representative on the Task Force.

Interim City Manager McFall presented the staff report and recommended that the Council consider: 1) participation in the formation of the South County Homeless Task Force; and 2) appointment of a Council Member to serve as a representative on the task force.

Mayor Hill invited representatives of the Homeless Coalition to address the Council.

Janna Nichols, 5 Cities Homeless Coalition, acknowledged the effort being made and stated she would like to participate in the discussions, and that the taskforce would allow further dialog on how to continually apply and address homeless issues.

Mike Byrd commented that a representative of the Sheriff’s Department should be included on the Task Force.

Council discussion ensued and it was suggested that Laurel Weir, Homeless Services Coordinator; Paavo Ogren, OCSD; Jana Nichols; Caltrans; and the Sheriff’s Department be included in the discussion.

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

Action: Council Member Barneich moved approval of: 1) participation in the formation of the South County Homeless Task Force; and 2) appointment of Council Member Kristen Barneich to serve as a representative on the task force. Mayor Pro Tem Brown seconded, and the motion passed on the following roll call vote:

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

Prior to consideration of Item 12.c., Mayor Hill recused himself, stepped down from the dais and left the room.

Mayor Pro Tem Brown took over as Presiding Officer.

12.c. Consideration of: 1) Approval of an Investigation into Allegations Against the Mayor of Misconduct; 2) Retention of Liebert Cassidy Whitmore to Conduct an Independent Investigation and Develop Findings of Fact and Recommendations; 3) Appropriation of \$15,000 from the Unappropriated Fund Balance for the Investigation; and 4) Authorization for the Interim City Manager to Enter into an Agreement for the Investigative Services in a Form Approved by the City Attorney.

Interim City Manager McFall presented the staff report and recommended that the Council consider: 1) approval of an investigation into allegations made by members of the public against the Mayor of misconduct; 2) retention of Liebert Cassidy Whitmore to conduct an independent investigation and develop findings of fact and recommendations; 3) appropriation of \$15,000 from the unappropriated fund balance as payment for the investigation; and 4) authorization for the Interim City Manager to enter into an agreement for the investigative services in a form approved by the City Attorney. Interim City Manager McFall also recommended the City Council request the Sanitation District to be part of the investigation and share in the cost. He explained that there is no conflict of interest for Liebert Cassidy Whitmore to be involved if the Sanitation District participates in the investigation; however, if the District declines, then there is a potential for a conflict of interest; therefore, it was requested that the City Council authorize the City Attorney and Interim City Manager to find another firm if the Sanitation District does not agree to a joint investigation.

Mayor Pro Tem Brown invited public comment. Speaking from the public were Ron Alderman, stated that if this does not involve his role as Mayor, than it should be in the purview of the Sanitation District and expressed concern with the cost of the investigation; Debbie Peterson, former Mayor of Grover Beach and current Council Member, spoke in support of the Mayor and suggested that the accusers also be investigated along with fellow Board Members and the new administrator of the Sanitation District; Julie Tacker, stated that these allegations seem to be Sanitation District issues and not the City of Arroyo Grande, stated the \$15,000 could be spent in better ways, referred to Liebert Cassidy Whitmore and stated a conflict exists as they work for the Sanitation District and are too close to be involved, and asked the Council not to take action on this item tonight and to consider the source; Patricia Price, agreed with the previous speaker and stated the Council should save the money; Shirley Gibson, stated she does not know the allegations, but if there are alleged violations of the Brown Act that is resulting in exposure to litigation, then the public needs to know what happened and why; and Mary Lucey, commended Council for bringing this forward and taking action, expressed concern regarding the threat of litigation, and asked that areas of investigation where there has been misinformation should be corrected with an explanation. No further comments were received.

Action: Council Member Ray moved: 1) Approval of an investigation into allegations against the Mayor of misconduct; 2) Request the Sanitation District to join in the investigation and share costs; 3) Retain the law firm of Liebert, Cassidy, Whitmore to conduct the investigation; 4) Appropriate \$15,000 from the unappropriated fund balance for the investigation and authorize the Interim City Manager to enter into the Agreement in a form approved by the City Attorney; 5) If the Sanitation District opts not to join in the investigation, direct the Interim City Manager and City Attorney to vet and select another firm to provide the investigation with the same not to exceed amount of \$15,000, and authorizing the Interim City Manager to enter into an agreement with that firm. Council Member Barneich seconded, and the motion passed on the following roll call vote:

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

Mayor Hill returned to the dais.

13. COUNCIL COMMUNICATIONS

Council Member Ray referred to public comment regarding the lights on the trees and asked if they are on during the day. She also inquired about updating the no smoking ordinance. Interim City Manager stated he would follow up on the issue regarding the lights, and stated that the changes to the smoking ordinance would be coordinated with changes to the medical marijuana ordinance and would come back to the Council in the near future.

In response to a request by Council Member Ray, Interim City Manager McFall also reported on water releases at the dam.

Council Member Barneich provided a summary of statistics for the warming center, stated that the 5 Cities Homeless Coalition has exhausted their funding and is asking for \$5,000 each from all of the South County cities. She requested that when the Mid-Year Budget comes forward, the Council consider allocating the funds at that time. Council Member Ray concurred.

Mayor Hill thanked the members of the 5 Cities Homeless Coalition and Dwayne and Richard DeBlauw for their cooperation with providing a location for the warming shelter. He also reported on his attendance at the UCLA Land Use Seminar.

Mayor Pro Tem Brown noted that Jim Carson spent eleven years on the Traffic Commission and thanked and expressed appreciation to him for his service to the City.

14. COMMUNITY COMMENTS AND SUGGESTIONS

Mayor Hill invited public comment. Speaking from the public was Julie Tacker, who expressed concern about the cost of the redundancy project in light of the fact the plant is old, the location is in the floodplain, it is in the jurisdiction of the Coastal Commission, it is in the tsunami zone, and could flood again; stated that the Recycled Water facility should be moved to a non-flood zone away from the coastline; and that money should be spent on facilities outside of the zone. No further public comments were received.

15. CLOSED SESSION

At 9:31 p.m., City Attorney Heather Whitham announced the Successor Agency would adjourn to closed session to consider the following item:

SUCCESSOR AGENCY:

- a) **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** pursuant to Government Code Section 54956.8:
Property: APN: 006-151-027; Located at Faeh Avenue and El Camino Real
Agency Negotiators: Debbie Malicoat, Finance Officer; Marty Indvik, Lee & Associates
Negotiating Parties: ELA Foods, Inc.
Under Negotiation: Price and terms of payment for sale of property

Adjourned to closed session.

16. RECONVENE TO OPEN SESSION:

At 9:39 p.m., the Council reconvened to open session. City Attorney Whitham announced that the Successor Agency met in closed session and unanimously agreed to modify the time for satisfying governmental approvals to 120 days from the date the entitlement application is deemed complete.

ADJOURNMENT

Mayor Hill adjourned the Special Meeting at 9:42 p.m.

Jim Hill, Mayor

ATTEST:

Kelly Wetmore, City Clerk

(Approved at CC Mtg _____)

ACTION MINUTES

**SPECIAL MEETING OF THE CITY COUNCIL
FRIDAY, FEBRUARY 17, 2017**

**ARROYO GRANDE CITY HALL CONFERENCE ROOM
ARROYO GRANDE, CALIFORNIA**

1. CALL TO ORDER:

Mayor Hill called the Special City Council Meeting to order at 3:30 p.m.

2. ROLL CALL:

Council Members Barbara Harmon, Kristen Barneich, Mayor Pro Tem Tim Brown and Mayor Jim Hill were present. Council Member Ray was absent.

Staff members present were Interim City Manager Robert McFall and Deputy City Clerk Kitty Norton.

3. FLAG SALUTE

Mayor Hill led the flag salute.

4. PUBLIC COMMENT

None.

5. CITY COUNCIL CLOSED SESSION

Public Employment pursuant to Government Code Section 54957:
Title: City Manager

Council Member Ray arrived to the meeting at 3:42 p.m.

4. RECONVENE TO OPEN SESSION:

The City Council reconvened to open session at 5:28 p.m. Interim City Manager McFall announced that there was no reportable action.

5. ADJOURNMENT:

The Special Meeting was adjourned at 5:29 p.m.

Jim Hill, Mayor

ATTEST:

Kitty Norton, Deputy City Clerk

(Approved at CC Mtg _____)

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