



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

July 28, 2015

6:00 p.m.

City of Hemet Council Chambers
450 E. Latham Avenue

www.cityofhemet.org
Please silence all cell phones

Call to Order

Mayor Krupa called the meeting to order at 6:01 p.m.

Roll Call

PRESENT: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright
and Mayor Krupa

ABSENT: None

Closed Session

Notice of Opportunity for Public Comment

There were no public comments at this time.

The City Council recessed to Closed Session at 6:01 p.m.

1. Public Employee Appointment/Recruitment
Pursuant to Government Code section 54957
Title: *City Manager*
2. Conference with Legal Counsel - Anticipated Litigation
Three (3) matters of significant exposure to litigation pursuant to Government Code
section 54956.9(d)(2) & (3)
3. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: *Interim City Manager*
Employee organizations:
Service Employees International Union (SEIU) General Employees
Hemet Non-Sworn Police Employees Association
Hemet Fire Fighters Association
Hemet Police Officers Association
Hemet Police Management Association
Hemet Mid-Managers Association
Unrepresented employees:
Confidential Personnel
At-Will Employees

4. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: *APN's: 456-050-013 and 456-050-022, northwest corner of Sanderson and Stetson Avenues*
APN: 456-140-032, 20 acres north of Domenigoni Parkway near Simpson Road
APN: 442-313-046, 669 Mariposa
APN: 443-140-013, 410 E. Devonshire
APN: 443-233-010, 302 E. Florida
APN: 443-245-001, 555 St. John
Agency negotiator: City Manager
Under negotiation: Acquisition, Price and Terms
5. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*
RSC Case No. MCC1301868
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REGULAR SESSION

7:00 p.m.
City of Hemet City Council Chambers
450 E. Latham Avenue

Call to Order

Mayor Krupa called the meeting order at 7:04 p.m.

Roll Call

PRESENT: Council Members Milne, Raver and Youssef, Mayor Pro Tem Wright and Mayor Krupa
ABSENT: None

Invocation

Invocation was given by Mike Gratzke, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Mayor Pro Tem Wright

City Attorney Closed Session Report

6. Public Employee Appointment/Recruitment
Pursuant to Government Code section 54957
Title: *City Manager*
The City Council discussed the recruitment and gave direction. There was no additional reportable action.

7. Conference with Legal Counsel - Anticipated Litigation
Three (3) matters of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

The City Council received a briefing from the City Attorney and gave direction. There was no additional reportable action.

8. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: *Interim City Manager*
Employee organizations:

Service Employees International Union (SEIU) General Employees
Hemet Non-Sworn Police Employees Association
Hemet Fire Fighters Association
Hemet Police Officers Association
Hemet Police Management Association
Hemet Mid-Managers Association

Unrepresented employees:
Confidential Personnel
At-Will Employees

This item was continued to the end of the Regular Session.

9. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: *APN's: 456-050-013 and 456-050-022, northwest corner of Sanderson and Stetson Avenues*
APN: 456-140-032, 20 acres north of Domenigoni Parkway near Simpson Road
APN: 442-313-046, 669 Mariposa
APN: 443-140-013, 410 E. Devonshire
APN: 443-233-010, 302 E. Florida
APN: 443-245-001, 555 St. John

Agency negotiator: City Manager
Under negotiation: Acquisition, Price and Terms

This item was continued to the end of the Regular Session.

10. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*
RSC Case No. MCC1301868

This item was continued to the end of the Regular Session.

Presentation

11. Certificate of Appreciation for Valley Beautiful
Mayor Krupa, presented representatives from Valley Beautiful a Certificate of Appreciation for their efforts in making the Hemet Public Library Turf Transition Project a success.

12. Certificate of Appreciation for Katherine Botts

Mayor Krupa, read a Certificate of Appreciation for Katherine Botts for her designs and efforts in the Hemet Public Library Turf Transition Project.

Kathye Caines, Senior Librarian, thanked everyone for their hard work on that very hot day in June. Ms. Caines displayed pictures of the project that includes drought resistant California Native plants. City staff and Marina Landscaping were there helping with the planting and irrigation. The Library paid about \$10,000 a year on water, this will reduce that expense.

13. Presentation by Dan Goodrich, Sierra Dawn to Hemet Police Department's K-9 Fund

Dan Goodrich, Sierra Dawn, on May 22nd Sierra Dawn Estates and the Sunset Rotary Club held a fundraising event. The event was sponsored by Soboba, Small Animal Care, Miller Jones Mortuary, Tami Wilhelm, Dan & Ruth Goodrich and Alpha Wealth Management. Mayor Krupa, Mayor Pro Tem Wright and K9 Officer Jack were in attendance. The event raised \$4,000 that Mr. Goodrich presented to the Hemet Police Department K9 Unit.

City Council Business Consent Calendar

14. **Approval of Minutes** – June 23, 2015

15. **Receive and File** – Warrant Registers

- a. Warrant registers dated June 25, 2015 in the amount of \$1,493,207.76 and June 30, 2015 in the amount of \$3,104,357.64. Payroll for the period of June 8, 2015 to Jun 21, 2015 is \$586,022.03.

16. **Receive and File** – Investment Portfolio as of May 2015

17. **Recommendation by Interim City Manager** – Agreement for Services between the City of Hemet and Shawn Nelson Consulting

- a. Authorize the Interim City Manager to enter into an Agreement for Services between the City of Hemet and Shawn Nelson Consulting to provide services outlined in Exhibit A of the agreement for an amount not to exceed \$50,000 effective August 3, 2015.

18. **Recommendation by Interim City Manager** – Amendment to the Joint Powers Agreement of the Western Riverside Council of Government to add the Morongo Band of Mission Indians to the WRCOG Governing Board.

19. **Recommendation by Community Investment** – Mayor Appointment to the Oversight Board of the Dissolved Hemet Redevelopment Agency

- a. Adopt a resolution replacing one member appointed by the Mayor to the Oversight Board of the Dissolved Former Hemet Redevelopment Agency.

Resolution No. 4639

20. **Recommendation by Community Investment** - Contract Amendment for Housing Program Support Services
 - a. Authorize the Interim City Manager to execute Amendment No. 2 to the Consultant Services Agreement with New Turtle Island for Housing Program support services.

21. **Recommendation by Engineering** – Amending the Five Year Capital Improvement Plan (CIP) for Fiscal Years 2016-2020
 - a. Adopt a resolution amending the Five Year Capital Improvement Plan for Fiscal Years 2015/2016 to 2019/2020, as adopted by Resolution No. 4629.
Resolution No. 4640

22. **Recommendation by Human Resources** - Amendment to the Contract between the Board of Administration California Public Employees’ Retirement System and the City Council of the City of Hemet for Cost Sharing
 - a. Adopt an ordinance to allow cost sharing of the Employer Contribution to CalPERS with the “classic” CalPERS members of the Hemet Police Officer’s Association (HPOA) and the Hemet Police Management Association (HPMA).
Ordinance No. 1902

23. **Recommendation by Engineering** – Ratify Change Order No. 1 and No. 2 and file Notice of Completion – Safe Routes to School Project CIP No. 5548
 - a. Authorize the Interim City Manager to Ratify Change Order No. 1 in the amount of \$42,550 for the additional costs to repair Warren Road wash-out of December 4, 2014; and
 - b. Authorize the Interim City Manager to Ratify Change Order No. 2 in the amount of \$48,226 for final quantity adjustments and additional work as directed by the previous Principal Engineer for a total expenditure of \$90,776; and
 - c. Authorize the Deputy City Manager/Admin. Svcs. Director to establish budget in the amount of \$48,226 in Fund No. 329-5548-5500 (to be included in the FY 2014/15 expenditures); and
 - d. Authorize the City Clerk to file a Notice of Completion with the County of Riverside Recorder’s Office. The 5% retention and the Labor and Materials Bond will be released after the Notice of Completion is filed with the County Recorder’s Office. The Performance Bond will be maintained for, and released after, a period of one year.

24. **Recommendation by Engineering** – Final Acceptance and file Notice of Completion; CDBG/SB 821 CIP No. 5591 Gilbert Street Ramps
 - a. Accept CIP No. 5591 Gilbert Street Ramps and instruct the City Clerk’s Office to file a Notice of Completion with the County Recorder’s Office. The 5% retention and the Labor and Materials Bond will be released after the Notice of Completion is filed and 30 days after receipt by the County Recorder’s Office. The Performance Bond will be maintained for and released after a period of one year.

25. **Recommendation by Fire** - Acceptance of the 2014 State Homeland Security Program (SHSP)
 - a. Accept the grant through the Riverside County Operations Area from the Homeland Security Grant Program (HSGP) in the amount of \$10,863 for the period of October 1, 2014 through February 28, 2016; and
 - b. Amend the budget in the Public Safety Grant Fund #232 to reflect the award amount of \$10,863 to cover the cost of the purchase of Tactical Response/Active Shooter equipment.

26. **Recommendation by Fire** – Second Amendment to Contract Agreement with CSG Inc., for Plan Review, inspections and code services
 - a. Approve the Second Amendment to Contract Agreement CSG Consultants, Inc. maintaining the original contract pricing and extending the term of the agreement to October 31, 2015; and
 - b. Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with CSG Consultants, Inc. The Second Amendment amends Section 4(a) and Exhibit "B" from \$91,000, increasing total compensation by \$25,000 to \$166,000 which reflects the extension period of the contract.

27. **Recommendation by Community Development** – Second Amendment to the Consultant Services Agreement between the City of Hemet and BMLA, Inc. for Contract Planning Services
 - a. Approve the Second Amendment to the Consultant Services Agreement between the City of Hemet and BMLA, Inc., maintaining the original contract pricing and extending the term of the Agreement in Section 1 to December 31, 2015; and
 - b. Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with BMLA, Inc. The Second Amendment amends Section 4(a) and Exhibit "B" to increase compensation by \$50,000 on a Time and Materials basis, resulting in a total not-to-exceed contract amount of \$118,000 which reflects the extension period of the contract.

28. **Recommendation by Community Development** – Second Amendment to the Consultant Services Agreement between the City of Hemet and Moore Iacofano Goltsman, Inc. (MIG) for Contract Planning Services
 - a. Approve the Second Amendment to the Consultant Services Agreement between the City of Hemet and Moore Iacofano Goltsman, Inc. (MIG), maintaining the original contract pricing and extending the term of the Agreement in Section 1 to December 31, 2015; and
 - b. Authorize the Interim City Manager to execute the Second Amendment to Contract Agreement with MIG, Inc. The Second Amendment amends Section 2 and Exhibit "A", expanding the scope of services, and Section 4(a) and Exhibit "B" to increase compensation by \$48,000 on a Time and Materials basis, resulting in a total not-to-exceed contract amount of \$120,000 which reflects the extension period of the contract.

Staff removed Item No. 20 for the Consent Calendar.

Item Nos. 17, 18, and 28 were removed from the Consent Calendar for discussion. **Council Member Youssef moved and Council Member Raver seconded a motion to approve the remaining Consent Calendar items. Motion carried 5-0.**

Item No. 17

Mayor Pro Tem Wright, asked for an explanation with regard to the savings by contracting with Mr. Nelson for his expertise and assistants with special assignments.

Gary Thornhill, City Manager, the City will have salary savings from John Janson's departure. Mr. Nelson has an amazing track record as the former City Manager of Temecula and afterwards did some contract work for Menifee assisting them on their drainage problem. Mr. Nelson will be helping the City with the Ramona Creek Project, looking at organizational issues and options for contracting, retiree medical options, budget recommendations, as well as a host of other things. Mr. Nelson will also provide input on the selection of the City's next City Manager.

Council Member Milne moved and Council Member Youssef seconded a motion to approve this item as presented. Motion carried 5-0.

Item No. 18

Mayor Pro Tem Wright, WRCOG is recommending that the Morongo Indians be a member of the Governing Board. Currently they are considered Ex Officio members. Concerns were expressed during the discussion. It has already been voted on and approved by the Executive Committee. It is recommended that the City Council authorize the Mayor to sign the amendment. They will not be able to vote on TUMF, but might have a vote on things that concern cities but not them. They will have different goals and are not governed by the State of California like the cities. This action might lead to the other Indian Tribes wanting to participate. If that happens, a large number of voting members will have significantly different issues and concerns.

The City Council discussed the conversation and the final vote when the item was presented to the WRCOG Executive Committee. The vote was 23-1, with Temecula as the only No vote.

The City Council requested that a letter be sent to WRCOG recommending that amendments come to the cities for discussion by the entire City Council prior to being presented to the Executive Committee for consideration.

Council Member Raver moved and Council Member Youssef seconded a motion to approve this item as presented. Motion carried 5-0.

Item No. 28

Council Member Milne, expressed concern with letter D on the Scope of Services. Council Member Milne asked for a description of the data expressing concerns that this information could threaten the City's 55 and older communities.

Deanna Elliano, Community Development Director, letter D will help thoroughly review the numerous mandates, plans and proposals that come from the State of California, HCD, SCAG, WRCOG to protect the City's interest. We are especially concerned with growth projection data that will eventually be used to determine RHNA numbers.

Council Member Milne moved and Council Member Raver seconded a motion to approve this item as presented. Motion carried 5-0.

Communications from the Public

Jim Pangrazzi, San Jacinto, asked if the City is notified by DOJ when sex offenders move from Hemet. Mr. Pangrazzi distributed information regarding a court of appeals decision regarding living restrictions for registered offenders to the City Council and the City Attorney.

Tom Austin, Hemet, asked if the solar plant on Sanderson Avenue is required to complete landscape improvements. Mr. Austin expressed concern with the high number of sex offenders residing in Hemet.

Police Chief Brown, explained the factors that increase the number of offenders registered. Offenders are required to register for a lifetime that includes some of our senior population. The City also has a very aggressive program that seeks them out to confirm registration. The City does not have program drawing them here. Until we were required to repeal the residency restrictions Hemet has the strictest regulations. The State Department of Corrections notifies the City when a registrant is released and plans to reside in Hemet. After that, the registrant is required to notify the agency of any change of address. That doesn't always happen.

Melissa Diaz Hernandez, Hemet, after spending time with City employees and gathering data it is evident that there are homeless and mental health issues that need to be addressed in a humane and caring way. Ms. Diaz Hernandez is working on a comprehensive plan to get them the necessary help, beginning with the homeless Veterans. Ms. Diaz Hernandez asked for an opportunity to present her plan to the City Council.

Mayor Krupa, requested an opportunity to meet with Ms. Diaz Hernandez to talk about current programs. Ms. Diaz Hernandez was directed to contact the City Clerk's office to schedule a presentation before the City Council.

Public Hearing

29. **Zoning Ordinance Amendment No. 15-008** – Community Development Director Elliano
- a. Introduce, read by title only and waive further reading on a city-initiated ordinance amending certain sections of Chapter 90 (Zoning Ordinance) of the Hemet Municipal Code to correct minor typographical errors related to the City's Development Application processes. **Ordinance Bill No. 15-032**

Deanna Elliano, Community Development Director, this ordinance corrects a couple of typographical errors that were included in the last ordinance as well as a correction in the numbering that will be used in the City's Municipal Code.

Mayor Krupa declared the Public Hearing opened at 7:55 p.m.

There were no public comments presented at this time.

Mayor Krupa declared the Public Hearing closed at 7:55 p.m.

Council Member Milne moved and Mayor Pro Tem Wright seconded a motion to approve this item as presented. Motion carried 5-0.

The Ordinance was read by title only.

30. **Zoning Ordinance Amendment No. 15-004** – Community Development Director Elliano
- a. Introduce, read by title only and waive further reading on an ordinance city-initiated ordinance amending section 90-77 (Animal regulations and keeping requirements) of Chapter 90 of the Hemet Municipal Code to update the regulations on residential chicken keeping as recommended by the Planning Commission. **Ordinance Bill No. 15-020**

Deanna Elliano, Community Development Director, on January 15, 2015 the City Council requested that staff re-examine the animal keeping regulations to allow chicken keeping in residential zones on lots less than 20,000 square feet. Urban backyard chicken farming is increasing in popularity and some Hemet residents want the option of producing their own supply of fresh, organic eggs. Existing regulations are: Permitted in the A-1 and A-2 (Ag) Zones on 1 acre minimum – 12 hens, 1 rooster per acre to a maximum of 50 hens, 2 roosters; Permitted in the RA, R1-20, and R1-40 Zones on 20,000 sf lot minimum – 2 hen maximum and no roosters. Staff compiled the regulations of a variety of cities and researched available studies on the subject. Chicken keeping was discussed with Ramona Humane Society, the City’s Code Enforcement Division and other interested parties. Proposed amendments to the zoning ordinance were prepared for consideration by the Planning Commission. The support for backyard chicken keeping was: health benefits of fresh, non-factory eggs; educational opportunity for families; component of the “farm-to-table” movement; encourages residents to participate in a healthier lifestyle by increasing accessibility to the production of locally grown food; and chickens can be good pets. The opposition to backyard chicken keeping was that chickens are not appropriate in an urban environment and should be restricted to agricultural zones only. The potential nuisance concerns were: generates odor and noise; attracts flies and rodents; may escape from pens and coops; and be adopted by families that do not know how to care for chickens. The balanced approach was to establish appropriate regulations that encourage proper care and maintenance: keep chickens in suitable enclosure; maintain the premises in a clean and sanitary condition; not subject chickens to suffering, cruelty, abuse; and quickly respond to complaints. Proposed zone categories: no changes to the A-1 and A-2 zones, RA or R-1-20; Permit chicken keeping in two additional zones – R1-10 and R1-7.2; and prohibit in the R-1-6 zone, mobile home parks or RV parks and MFR zones. This does not apply to Specific Plans, Planned Developments, unless determined by that adopted plan or HOA, whose CC&R’s would take precedence over the regulations of ZOA15-004. The zoning map for the City was displayed. A map showing the potential residential zoning for backyard chicken keeping was also displayed. Roosters will still be prohibited in all R1 zones. The number of permitted hens will increase from 2 to 4 to enable productions of enough eggs to meet the needs of the average family. Riverside County allows up to 4 in R-1 zones. ZOA15-004 proposed using development standards instead of distance requirements, which are difficult to monitor and do not necessarily address nuisance considerations. It restricts pens, coops, and enclosures to the size and setback requirements of the zone. Chickens are not permitted to run at large. They must be kept penned or cooped. Suitable pen/coop/enclosure is required with a runway, nesting box, and protection from the weather and predators. All feed must be stored in a vermin proof container. The premises must be kept in a clean and sanitary condition and free from offensive odors. Eggs produced are for personal use only. Chickens shall not be subject to suffering, neglect, cruelty, or abuse. Slaughtering of chickens is prohibited. It is the responsibility of the owners to maintain their animals so that they do not disturb the

neighbors. Complaints regarding odor, cleanliness, treatment, or noise shall be investigated by Code or animal control officers and enforced. On May 19, 2015 the Planning Commission considered ZOA15-004, took public testimony, and continued the public hearing with a request for additional information from staff. On June 2, 2015, the Planning Commission re-opened the public hearing, took more testimony, and after a thorough discussion decided on a 3-1 vote to recommend approval of ZOA15-004 to the City Council, with modifications. 3 residents spoke at the public hearing: 2 have backyard chickens and supported the ZOA; 1 opposed chicken keeping in 6,000 sf lots and recommended incorporating distance requirements. Consistency with the General Plan: Policy LU-15.9 regarding "increasing access to healthy food choices"; and Goal LU-1 to "achieve a balanced and sustainable pattern of land uses, community". The proposed amendment responds to the increased interest in chicken keeping and attempts to achieve a balance between residents seeking home-based organic foods and the protection of neighboring properties. The decision regarding chicken keeping is discretionary. The City Council may approve as-recommended by the PC or add or modify any provisions. Staff is recommending that the City Council introduce, read by title only and waive further reading of Ordinance Bill No. 15-020, approving ZOA 15-004 as recommended by the Planning Commission.

The City Council and staff discussed setbacks for residential zones.

Council Member Raver, expressed concerns with the setback requirements and recommended that the ordinance be rejected.

Mayor Krupa declared the Public Hearing opened at 8:15 p.m.

A resident that did not identify himself expressed concern that there are more important issues to be concerned with and this should not even be on the City Council agenda.

Mayor Krupa declared the Public Hearing closed at 8:15 p.m.

Council Member Youssef, spoke in favor of the recommendations. The change only affects a small portion of the City. Residents should have the right to raise and grow their own food. Chickens have not been a large nuisance that staff has had to deal with.

Council Member Milne, expressed concerns with some of the proposed requirements. Residents are not required to cover their cat food or dog food. I appreciate the rules in planned communities, they are too controlling for me that is why I don't live in one. It is not the City's job to be a huge HOA. The food movement along with commercial farming practices is why your eggs are so expensive. I could go into a very extensive explanation about commercial chicken farming and egg production and cleaning. This will also allow more kids to participate in FFA. If you replace the word chicken in all of the expressed oppositions with dog or cat the problems are the same. Bottom line is the residents need to care for their dogs, cats or chickens. Council Member Milne recommended that chickens also be allowed in the R1-6 zone, even with a reduced amount of chickens.

Council Member Raver, there should be a required distance between the chicken coop and the neighbors backyard and recommended that it be reconsidered by the Planning Commission.

Mayor Pro Tem Wright, spoke in support of the Planning Commission recommendations and agrees with the prohibition in R1-6 zones.

Mayor Krupa, expressed concern that the allowable lot sizes are too small and agrees with Council Member Raver that setbacks should be required. Mayor Krupa has neighbors with chickens that are not good hosts.

Council Member Youssef made a motion to approve this item as presented. The motion failed due to lack of a second.

Eric Vail, City Attorney, the City Council has the option to deny the ordinance, approve the ordinance as presented, amend the ordinance or send it back the Planning Commission for review based on the comments presented.

Council Member Milne moved and Council Member Youssef that the Planning Commission reconsider allowing chickens on lower lot sizes, possible reducing the number of chickens on the smaller lots and reconsider setbacks.

Council Member Raver made a substitute motion and Council Member Milne seconded the motion to approve this item as presented. Motion carried 4-1. Mayor Krupa voted No.

Ordinance was read by title only.

Discussion/Action Item

31. Approval of Water/Sewer Rates and Authorization to Proceed with Proposition 218 Notification – Public Works Director Jensen

- a. Approve the methodology used in the development of the adjusted water and sewer rates; and
- b. Approve the form of the Proposition 218 Notice to property owners and rate payers within the service area; and
- c. Authorize staff to mail the Proposition 218 Notice as required by law and advertise for the Public Hearing/Protest Hearing as required by law; and
- d. Set a Date for the Public Hearing/Protest Meeting at which the City Council will consider public testimony and property owner/rate payer objections to the project increase and will act on the recommendation.

Kris Jensen, Public Works Director, the City's water rates have not been adjusted since 2008 and sewer since 2006. Cost of labor, electricity and equipment have all increased. The implementation of the Ground Water Management Plan has increased expenses. Future Capital project funding needs includes: replacing aging infrastructure; water quality issues; basin recharge; and expand storage capacity. The City Council previously gave direction to staff recommending that the water rate adjustments support long term sustainability and operating viability for the utility and ensure water rates are compliant with San Juan Capistrano case. The City Council previously directed staff to use the debt financing model for capital project funding and phase in rate increases over several years. The City Council previously directed staff to use the pay-as-you-go model for capital project funding for the sewer rate adjustments and phase the rate increases in over several years. Additional components of the rate adjustments are: monthly billing; Ground Water Management Plan cost pass through; single tier water consumption billing; drought and non-drought consumption rates; and update meter purchase costs to reflect current market. Sewer rates include updated EMWD Sewer Impact Fee. Future utility related tasks include: perform efficiency studies in both the Water and Sewer utilities; work to implement an allocation budget based rate structure; and update the Water Conservation Plan and the Urban Water Management Plan. Staff is recommending that the City Council approve the methodology used in the development of the adjusted water and sewer rates. Approve the form of the Proposition 218 Notice. Authorize staff to mail the Proposition 218 Notice as required by law and set a date for the Public Hearing/Protest Meeting.

Allison Lechowicz, Bartle Wells Associates, water rates were last increased in 2008 and have historically been billed bi-monthly. The rates are fixed, with a ready-to-serve charge based on size of the meter. Tiered consumption rates are based on metered water use. The City's current water rate structure was displayed and discussed. A current typical residential water bill was displayed. On April 1st, Governor Brown issued Executive Order B-29-15. City of Hemet was directed to cut water use by 32%. The San Juan Capistrano Court Case was another recent development. California 4th District Court of Appeals ruled on April 20 that the City of San Juan Capistrano's rates violated Proposition 218. Each water rate tier must be individually cost justified. The Court focused on source of supply: each tier = a different water source. Ms. Lechowicz explained the rate methodology and cost allocation. The fixed costs are: management, administration, customer service, and vehicles. The variable costs are the ready-to-serve charge. A transition to monthly billing is being proposed. It is also proposed that the rate adjustments be phased-in. Ms. Lechowicz explained and displayed the difference between the proposed drought and non-drought rates. The proposed water rates and a typical water bill was displayed. Rates adopted via a Proposition 218 public hearing process are the legal maximum rates. The City has the authority to shift to the lower, non-drought rates without a public hearing. A survey of 9 other water agencies rates compared to the proposed rates was displayed placing Hemet's non-drought rates in the middle and Hemet's drought rates 2nd from the highest. The City provides sewer collection service. EMWD provides the sewer treatment and disposal. The City's sewer collection rates last increased in 2006. Billed based on the number of sewer units. City service customers pay \$4.22 per month. EMWD/City Impact Fee customers pay \$3.32 monthly based on interagency agreement between EMWD and the City. The sewer fund has adequate revenue to meet operating costs. Additional funding is needed to replace one mile of sewer pipeline per year. The proposed financial plan is to use a portion of reserves for replacement, update the EMWD impact fee and phase-in rate increases for City customers. The proposed sewer rates were displayed.

The City Council and staff discussed the costs to provide water versus the cost if water has to be imported. The budget does include costs for water and the operating and maintenance costs to deliver imported water in the future if necessary. The current water situation was also discussed.

Council Member Raver, recommended that the rates be based on the City's actual average costs to provide the service instead of the budgeted amount. The water rates are higher than they should be because you are budgeting that you might have to buy water.

Eric Vail, City Attorney, that would work if the City had a decade of average water usage in the system that could be done. Unfortunately we do not, we have three years and that would actually raise the rates. In five years we will have more data and can adjust based on averages at that time.

The City Council appreciated the new proposed rate structure and feels that the community and the residents will be more accepting of a stable rather than tiered rate.

Mayor Krupa, asked about the increase cost based on the proposed change in billing cycle.

Ms. Jensen, the change will require changes to City's utility billing system, \$50,000 is included in the proposed rates to fund the increased costs and additional personnel.

The City Council and staff discussed the reasons for the change in the billing cycle. Monthly billing makes the payment easier for the residents. Contracting for the additional services with EMWD was discussed. The City Council requested that the approval of any positions come to the City Council for consideration.

Council Member Milne moved and Council Member Raver seconded a motion to approve this item as presented and set the Public Hearing for September 22, 2015. Motion carried 5-0.

32. **Downtown Advisory Committee for the Proposed Downtown Hemet Specific Plan (SP. 15-002)** – Community Development Director Elliano
- a. Formally establish a citizens Downtown Advisory Committee (DAC) to provide input to the staff and consultant team on the proposed Downtown Hemet Specific Plan; and authorize the Mayor to make the Community Member appointments to the Downtown Advisory Committee (DAC) from the applications submitted; and
 - b. That the Mayor appoint two (2) City Council members to serve as Liaisons to the Downtown Advisory Committee.

Deanna Elliano, Community Development Director, staff is recommending that the City Council formally establish a Downtown Advisory Committee to assist with the Downtown Specific Plan. 29 community members have already submitted applications to serve on the committee if the Council chooses to establish one. We are hoping to have members appointed and ready to meet in August. There will be two City Council liaisons and one liaison from the City's Boards and Commissions. The goal is to keep the DAC to no more than 20 members. Staff is also recommending that the Mayor appoint 2 City Council members to serve as liaisons on the DAC.

Council Member Milne, expressed concern with people that don't own any property in the downtown area telling the property owners what they can and can't do. Council Member Milne recommended caution when appointing members to the committee.

Council Member Milne moved and Council Member Raver seconded a motion to establish a Downtown Advisory Committee and appoint Mayor Pro Tem Wright and Mayor Krupa to the committee. Motion carried 5-0.

City Council Reports

33. CITY COUNCIL REPORTS AND COMMENTS

- A. Council Member Milne
 - 1. Riverside County Habitat Conservation Agency (RCHCA)
 - 2. Riverside Conservation Authority (RCA)
 - 3. Disaster Planning Commission

Council Member Milne was able to present a certificate remembering the Korean War Veterans for VFW Post 2266.

Council Member Milne attended the Fire Department's promotional ceremony.

- B. Council Member Raver
 - 1. Planning Commission
 - 2. Traffic and Parking Commission
 - 3. Riverside Transit Agency (RTA)
 - 4. Riverside County Transportation Commission (RCTC)
 - 5. Watermaster Board

C. Council Member Youssef

D. Mayor Pro Tem Wright

1. Park Commission
2. Riverside County Habitat Conservation Agency (RCHCA)
3. Ramona Bowl Association

Ramona Bowl Band Fish and Chips Fundraiser will be held before the concert on Thursday, July 30th.

4. League of California Cities
5. Western Riverside Council of Governments (WRCOG)

WRCOG had a presentation by EMWD and MWD on the drought and the water reduction mandates.

Mayor Pro Tem Wright attended Hemet Police Departments Award Dinner.

Mayor Pro Tem Wright will be attending SCAG's conference on August 6th regarding bringing cap and trade dollars for transportation, energy efficiency, housing and natural resources to Southern California.

Council Member Youssef requested an update on the WRCOG's HERO program lawsuits.

E. Mayor Krupa

1. Riverside Conservation Authority (RCA)
2. Ramona Bowl Association

The last summer concert will be held on Thursday, July 30th, featuring "The Long Run". Zorro begins August 22nd. Chief Dave Brown will perform as Zorro in the final performance.

3. Riverside Transit Agency (RTA)

RTA had another record year for ridership. The Agency is still dealing with the Department of Labor and asked RTA to sign a statement that isn't even legal in California.

4. Watermaster Board
5. Library Board

Summer reading program ends on August 1st. The last program was on "Search and Rescue Dogs and K9's. K9 Officer Jack was a big hit.

6. League of California Cities
7. Riverside County Transportation Commission (RCTC)
8. Western Riverside Council of Governments (WRCOG)

Mayor Krupa attended the memorial service for long time community member and HPD Volunteer Rosalie Moyer.

F. Ad-Hoc Committee Reports

1. West Hemet MSHCP Ad-Hoc Committee
2. Regent Development Agreement Ad-Hoc Committee
3. Diamond Valley Lake Recreation Ad-Hoc Committee

Next meeting will be July 29, 2015

4. Public Safety Ballot Measure Ad-Hoc Committee
5. Ad-Hoc Committee to Explore Revenue Options
6. Grant Ad-Hoc Committee

G. Interim City Manager Thornhill

1. Manager's Reports

2. Designation of Voting Delegate and Alternate, League of California Cities Annual Conference, September 30 to October 2 in San Jose

The City Council appointed Mayor Krupa as the Voting Delegate and Mayor Pro Tem Wright and the Alternate.

The City Council recessed to Closed Session at 9:33 p.m.

Continued Closed Session

3. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: *Interim City Manager*
Employee organizations:
Service Employees International Union (SEIU) General Employees
Hemet Non-Sworn Police Employees Association
Hemet Fire Fighters Association
Hemet Police Officers Association
Hemet Police Management Association
Hemet Mid-Managers Association
Unrepresented employees:
Confidential Personnel
At-Will Employees

 4. Conference with Real Property Negotiators
Pursuant to Government Code section 54956.8
Property: *APN's: 456-050-013 and 456-050-022, northwest corner of Sanderson and Stetson Avenues*
APN: 456-140-032, 20 acres north of Domenigoni Parkway near Simpson Road
APN: 442-313-046, 669 Mariposa
APN: 443-140-013, 410 E. Devonshire
APN: 443-233-010, 302 E. Florida
APN: 443-245-001, 555 St. John
Agency negotiator: City Manager
Under negotiation: Acquisition, Price and Terms

 5. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*
RSC Case No. MCC1301868
-

Reconvened at 9:58 p.m.

City Attorney Continued Closed Session Report

8. Conference with Labor Negotiators

Pursuant to Government Code section 54957.6

Agency designated representatives: *Interim City Manager*

Employee organizations:

Service Employees International Union (SEIU) General Employees

Hemet Non-Sworn Police Employees Association

Hemet Fire Fighters Association

Hemet Police Officers Association

Hemet Police Management Association

Hemet Mid-Managers Association

Unrepresented employees:

Confidential Personnel

At-Will Employees

The City Council received an update regarding the listed bargaining units and gave direction to staff. There was no additional reportable action.

9. Conference with Real Property Negotiators

Pursuant to Government Code section 54956.8

Property: *APN's: 456-050-013 and 456-050-022, northwest corner of*

Sanderson and Stetson Avenues

APN: 456-140-032, 20 acres north of Domenigoni Parkway near Simpson Road

APN: 442-313-046, 669 Mariposa

APN: 443-140-013, 410 E. Devonshire

APN: 443-233-010, 302 E. Florida

APN: 443-245-001, 555 St. John

Agency negotiator: City Manager

Under negotiation: Acquisition, Price and Terms

The City Council received an update from the Interim City Manager and gave on price and terms. There was no additional reportable action.

10. Conference with Legal Counsel - Existing Litigation

Pursuant to Government Code section 54956.9(d)(1)

Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*

RSC Case No. MCC1301868

The City Council received a briefing from the City Attorney. There was no additional reportable action.

Future Agenda Items

Boarded-up buildings

Adjournment

Adjourned at 9:58 p.m. to Tuesday, August 11, 2015 at 7:00 p.m.