



MINUTES OF THE REGULAR MEETING OF THE
SOLVANG CITY COUNCIL

Council Chambers
1644 Oak Street
Solvang, CA 93463

January 11, 2016
Monday
6:30 pm

CALL TO ORDER: Mayor Richardson called the meeting to order at 6:30 p.m.

ROLL CALL:

PRESENT: Mayor Richardson, Council Members Duus, Jamieson, Skytt,
and Zimmerman

STAFF: Brad Vidro, City Manager; Roy Hanley, City Attorney; Charlie Uhrig,
Community Resources Officer; Arleen Pelster, Planning & Economic
Development Director; Matt van der Linden, Public Works Director;
Sandra Featherson, Administrative Services Director; and Lisa Martin,
City Clerk

PLEDGE OF ALLEGIANCE: Led by Mayor Richardson

CITY MANAGERS REPORT: Informational report only

1. **PUBLIC COMMUNICATIONS – WRITTEN OR VERBAL**

Shirley Stacy, Library Advisory Committee

- Would like to see a proposal on the November ballot for library services.
- The Advisory Committee has been consulting with a non-profit called “Every Library”

Fred Kovol, Resident

- Forecasters have predicted an El Nino season, but if you look at the Farmers Almanac or Weather Underground, both of those resources indicate average rainfall.
- Would like the Council to advance the idea of buying a fixed amount of water through a contract with ID#1.

Hazel Mortensen, Resident

- There is a rat problem in downtown Solvang.

2. **COUNCIL REQUESTS**

None.

3. **APPROVAL OF AGENDA AS PRESENTED**

City Manager Vidro advised the Council that the applicant had requested Item 5f be pulled off of the agenda.

4. **CITY COUNCIL MINUTES OF DECEMBER 14, 2015**

*Motion made by Council Member Duus to approve the minutes as written, seconded by Council Member Skytt, and **carried** with a verbal response of 5 ayes.*

5. **CONSENT AGENDA**

- a. Approval of Warrant Register
- b. Receive and File Santa Barbara County Sheriff's Report for November 2015
- c. Approve Update to the Employee Handbook
- d. Adopt on second reading, by title only, Ordinance No. 16-316 of the City Council of the City of Solvang, amending the Zoning Ordinance, Title 11 of the Municipal Code, to provide an expedited, streamlined permit process for small, residential rooftop solar systems.
- e. Adopt on second reading, by title only, Ordinance No. 16-317 of the City Council of the City of Solvang, amending the Zoning Ordinance, Title 11 of the Municipal Code, to provide regulations for the location of Massage establishments, and Title 4, Chapter 10 of the Municipal Code, amending regulations for Massage establishments.
- f. Authorize the Mayor to sign letter to Caltrans in support of permitting a new right turn driveway for westbound vehicles on Highway 246 at Valley Plaza. **Item Tabled**

*Motion was made by Council Member Jamieson, seconded by Council Member Duus, to approve the consent agenda. **Motion carried** with a roll call vote of 5 ayes.*

REGULAR AGENDA

6. **ANNUAL WATER AND SEWER RATE INCREASES AND POTENTIAL GENERAL FUND SUBSIDIES AND REVIEW OF STAGE 2 DROUGHT REGULATIONS**

Staff report by City Manager Vidro.

Council Member Duus asked for clarification as to whether the \$243,000 of generated revenue in the staff report included the penalties now in effect. Brad Vidro responded that it did not, the number is based only on the two-tier rate schedule.

Council Member Zimmerman questioned why none of the work outlined in the 2011 rate study was done in 2012, 2013, etc. Brad Vidro responded that the rate study was based on the 10-year Capital Improvement Plan. The projects were not expected to be completed within one or two years. Additionally, we have gone in a different direction since 2011 on some of the projects, such as the Upland Wells project, which was not part of the 10-year Capital Plan.

Roy Hanley discussed the component of the bonding issue relating to the 2011 rate study.

Council Member Jamieson asked for clarification of the Proposition 218 limits of the rate increases. Brad Vidro explained that the consumption rates were not triggered in 2011 so that 5.25% is available plus this year's increase.

Mayor Richardson opened the item to public comment at 7:22 p.m.

Hazel Mortensen, Solvang Resident

- Would suggest that a portion of the bed tax or sales tax go towards the water fund.
- She pays property taxes every year but doesn't have mail or trash pick-up on her street, or street lights, or street sweeping. She sometimes wonders what she is paying for.

Fred Kovol

- Commented on the inaccuracy of the water rate resolutions.
- Alternate No. 2 is best. Be responsive to the ratepayers.

Noelle Clark

- Would like to know what exactly the fixed costs of the Water Department are. Would like to receive a synopsis of those costs.
- Come up with a fair agreement with ID#1 so that we are no longer "on demand."
- When will we cease giving Can & Will Serve letters to new developments?

Brad Joos, ID#1 Member at Large

- We need to work together to solve our water issues.

Dennis Beebe, Former Member of ID#1

- Echoes Brad's plea to work more cooperatively with ID#1 towards a reasonable water service agreement. Solvang is the only "on demand" customer left.
- Would be willing to assist the City in their negotiations with ID#1.

Mayor Richardson closed the item to Public Comment at 7:41 p.m.

Roy Hanley explained the Proposition 218 limitations of ID#1.

Council Member Skytt discussed our wastewater agreement with SYCSD. Do we have an agreement with ID#1 or would they go through SYCSD? Matt van der Linden responded that since SYCSD owns the capacity, ID#1 would have to enter into a service agreement with them.

Council Member Duus discussed the difference between being an on demand customer vs. entering into a water service agreement. Will only negotiate rate increases if penalties are eliminated. Likes item 2 for general fund subsidies to pay for the Table A water.

Council Member Zimmerman stated that we will work cooperatively with ID#1 to get a better contract. Also requested that the rest of the Council explain their vote relating to the purchase of Suspended Table A water.

Mayor Richardson explained that he voted the way that he did because there is a drought and wanted to ensure that we have water when we need it. He further discussed the tourists, and how they actually are paying for most of the water that they use because when they eat at restaurants, the restaurants pay for the water, and when they stay at a hotel, the hotel pays for the water. He is willing to gamble at this point that the residents will continue to conserve, and eliminate the penalties in order to raise the rates to where they need to be. Additionally, he would be willing to pay for the Table A water purchase as a one-time cost from the general fund.

Council Member Duus explained his vote on the Table A water. He thinks whatever water we can get our hands on we should.

Council Member Skytt agrees with the Mayor and Council Member Duus as to the Table A water vote. He further commented that the visitors to Solvang actually use very little water, with day visitors using about 3.7 acre feet and overnight visitors using about 40 acre feet per year. His hotel has achieved 15-18% water conservation and he is paying about \$500 per month in penalties. The City of Solvang has to cover the costs of running our water system. The City has subsidized with general fund money previously, and then had to impose a very large increase in rates to solve the problem it created. We need to maintain the reserves in our general fund to cover other capital improvements that are planned, unrelated to water.

Mayor Richardson went over some water rates of other jurisdictions and compared them with ours. We compare high for some user categories, but we don't charge as much as other jurisdictions in other categories.

Council Member Zimmerman asked why we need to keep raising water rates when the money is there in the general fund. We can do the work without raising the rates. All of the things we prepared for and charged in accordance with the rate study for, are not being done.

Public Works Director van der Linden responded to Council Member Zimmerman's comment in regards to water related projects, and outlined several projects which we have completed that were part of the 2011 Rate Study, such as the upgrade of the SCADA system, engineering work for five new wells, hydrant and meter upgrades, replacement of one well pump and two motors, completion of the EIR for the River Wells project, completion of the Water Supply Management Plan, completion of the Water Master Plan and EIR, and the study for treatment of the water from Well 22. We deferred other projects at the request of Council.

City Attorney Hanley explained that the cost per molecule of State Water is actually lower than other sources.

Council Member Jamieson stated that the citizens of Solvang voted for State water, and a prior Council chose to buy 1,500 acre feet. We are still paying for those mistakes.

Mayor Richardson recommends approval of Item 4, eliminate penalties and increase rates.

Council Member Duus would agree, however, would reduce the rate increase to 3.71%.

Mayor Richardson would like to see the full 8.96% increase as we are falling behind on building funds for improvements.

Council Member Jamieson agrees with the 8.96% increase.

Motion made by Mayor Richardson to eliminate the penalties until such time that conservation may fall below 12.5% at which time penalties would be reinstated, and to raise the water usage rates by 8.96%, water meter rates by 3.71%, and sewer rates by 1.6%. Motion seconded by Council Member Skytt. Motion passes 3-2 with Council Members Duus and Zimmerman voting No.

Mayor Richardson asked if the Council wants to pay the \$702,000 for the purchase of the Table A water from the general fund. Yes or No?

Council Member Duus responded affirmatively.

Motion made by Council Member Duus to pay for the purchase of Suspended Table A water from the general fund, and seconded by Council Member Skytt. Motion fails 2-3 with Mayor Richardson and Council Members Jamieson and Zimmerman voting No.

Mayor Richardson inquires as to whether the Council wants to make any other changes to the Stage 2 Drought Regulations.

Council Member Zimmerman indicates that he would like to recall the vote for the \$702,000.

Council Member Duus agrees.

Recall of Motion made by Council Member Duus to pay for the purchase of Suspended Table A water from the general fund, and seconded by Council Member Skytt. Motion passes 4-1 with Mayor Richardson voting No.

Staff was given direction to bring back Resolution 15-968 for administrative correction.

7. **DISCUSSION AND DIRECTION FOR AD HOC COMMITTEE WITH THE SANTA YNEZ BAND OF CHUMASH INDIANS**

Staff Report by City Manager Vidro. The ad hoc committee needs guidance from Council as to how to proceed with negotiations with the Chumash relating to the Fire Station addition.

The Public Comment period was opened at 8:57 p.m.

Fred Kovol

- This is a win-win only if the City doesn't contribute one dime.

Council Member Zimmerman commented that he thought the most logical location for the truck would be Station 32.

Council Member Duus disagreed and indicated that the best location for the ladder truck is the Solvang station, and noted several fire events.

Mayor Richardson hopes that the Chumash will fund the entire project, as it would improve fire service to the whole valley.

Council Member Jamieson questioned who is responsible for the long-term maintenance of the fire station. City Manager Vidro responded that our lease says we maintain the outside and they maintain the inside.

Council Member Skytt stated that he needs more information and want to know what the Chumash are proposing.

Battalion Chief David Neels stepped forward to discuss his opinion that the best location for the ladder truck is Solvang and indicated that Station 32 would not be viable due to an inadequate turning radius, and identified the delivery date for the truck as October 16, 2016.

Direction to ad hoc committee members is to negotiate for no cost to the City of Solvang.

8. **COUNCIL MEMBER REPORTS (Oral reports: Each Council Member will give oral reports on their activities in relation to the following committee or agencies. In addition, each member may report on items that will be included on the agenda for such committee or agency and seek guidance from the Council as a whole on such items, including on what position to take on behalf of the City)**

- Santa Barbara County Association of Governments
- Air Pollution Control Board
- Joint Wastewater Committee
- Finance Committee
- Chumash Tribe
- Water Committee
- Indian Gaming Benefit Committee
- California Joint Powers Insurance Authority

No committee reports.

9. **ADVANCE CALENDAR**

None.

10. **ADJOURNMENT** Mayor Richardson adjourned the meeting at 9:10 p.m.



Lisa S. Martin, City Clerk