

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, AUGUST 3, 2016**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of August 3, 2016, was called to order by Mayor Chandler at 6:30 p.m.

Present: Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Kuehne, and Mayor Chandler

Absent: Council Member Nakanishi

Also Present: City Manager Schwabauer, Deputy City Attorney Fukasawa, and City Clerk Ferraiolo

C-2 Announcement of Closed Session

- a) Actual Litigation: Government Code §54956.9; Two Applications; Jose Paulino Badel v. City of Lodi; WCAB Case No. ADJ7028008 (DOI: 4/29/2000) and ADJ2864729 (DOI: 11/12/2003) (CM)
- b) Threatened Litigation: Government Code §54956.9(b); One Application; Potential Suit by Jose Paulino Badel against City of Lodi; WCAB Claim No. CLCC-323880 (DOI: 2/27/2003) (CM)
- c) Actual Litigation: Government Code §54956.9; One Application; Stephen Maynard v. City of Lodi; SCAB Case No. ADJ10074514 (DOI: 5/23/2014) (CM)

C-3 Adjourn to Closed Session

At 6:30 p.m., Mayor Chandler adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:54 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:00 p.m., Mayor Chandler reconvened the City Council meeting, and Deputy City Attorney Fukasawa disclosed the following actions.

Items C-2 (a), C-2 (b), and C-2 (c) were discussion only with no reportable actions.

A. Call to Order / Roll Call

The Regular City Council meeting of August 3, 2016, was called to order by Mayor Chandler at 7:00 p.m.

Present: Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Kuehne, and Mayor Chandler

Absent: Council Member Nakanishi

Also Present: City Manager Schwabauer, Deputy City Attorney Fukasawa, and City Clerk Ferraiolo

B. Presentations - None

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Mounce made a motion, second by Council Member Johnson, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Nakanishi

C-1 Receive Register of Claims in the Amount of \$4,336,188.86 (FIN)

Claims were approved in the amount of \$4,336,188.86.

C-2 Approve Minutes (CLK)

The minutes of July 6, 2016 (Regular Meeting), July 19, 2016 (Shirtsleeve Session), and July 20, 2016 (Regular Meeting) were approved as written.

C-3 Approve Specifications and Authorize Advertisement for Bids for Compressed Natural Gas Fueling Station Upgrades (PW)

Approved specifications and authorized advertisement for bids for the Compressed Natural Gas Fueling Station Upgrades.

C-4 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Pyro Combustion of California, Inc., of Modesto, for White Slough Water Pollution Control Facility Boiler Maintenance (\$93,220) and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2016-147 authorizing the City Manager to execute a Professional Services Agreement with Pyro Combustion of California, Inc., of Modesto, for White Slough Water Pollution Control Facility Boiler Maintenance, in the amount of \$93,220, and authorizing the Public Works Director to execute extensions.

C-5 Adopt Resolution Authorizing City Manager to Execute Addendum No. 2 to Improvement Deferral Agreement for 1230 South Central Avenue (PW)

This item was removed from the Consent Calendar at the request of Council Member Johnson for discussion purposes.

Council Member Johnson stated the deferral of improvements at 1230 South Central Avenue has been on-going for many years and questioned when those improvements will commence. Public Works Director Charlie Swimley stated the City is allowing substantial time for the property owners to carry forward their end of the agreement, adding that staff will push the improvements at the time the owners pull a building permit for offsite improvements, however, he was uncertain of the timing of their capital improvement program. City Manager Schwabauer stated that the improvements called for in the agreement were significant and costly and staff believed it would have been difficult to justify those burdens when the owners were performing emergency repairs at the time versus scheduled capital improvements. He believed it was more appropriate to address the deferred improvements once the owners were ready to move forward with their capital improvements and could anticipate the associated costs.

Council Member Mounce questioned if a building permit application for any portion of the entire site, not solely the gymnasium, would trigger staff to push the deferred improvements, to which Mr. Swimley replied in the affirmative.

Council Member Johnson made a motion, second by Council Member Mounce, to adopt Resolution No. 2016-151 authorizing the City Manager to execute Addendum No. 2 to Improvement Deferral Agreement for 1230 South Central Avenue.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: None

Absent: Council Member Nakanishi

C-6 Adopt Resolution Authorizing City Manager to Execute Supplement No. 1 to Amended and Restated Northern California Power Agency Joint Powers Agreement, Adding City of Shasta Lake as a Party (EU)

Adopted Resolution No. 2016-148 authorizing the City Manager to execute Supplement No. 1 to Amended and Restated Northern California Power Agency Joint Powers Agreement, adding City of Shasta Lake as a Party.

C-7 Adopt Resolution Approving City of Lodi Storm Water Enforcement Response Plan and Administrative Penalty Schedule (PW)

Adopted Resolution No. 2016-149 approving the City of Lodi Storm Water Enforcement Response Plan and Administrative Penalty Schedule.

C-8 Receive Report Regarding Communication Pertaining to Assembly Bill 2586 (Gatto) Parking (CLK)

Received report regarding communication pertaining to Assembly Bill 2586 (Gatto) - Parking.

C-9 Adopt Resolution Authorizing City Manager to Execute Amendment to Agreement with DSA Technologies for the Purchase of Network Switches for Fiber Optic Network from DSA Technologies, of Elk Grove (\$67,595.76) (CM)

Adopted Resolution No. 2016-150 authorizing the City Manager to execute an amendment to the agreement with DSA Technologies for the purchase of network switches for fiber optic network from DSA Technologies, of Elk Grove, in the amount of \$67,595.76.

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

Alex Aliferis provided information (filed) regarding property taxes, specifically the history of Proposition 13, the consequences of a split roll property tax, and how Proposition 13 works. He stated the split roll property tax will increase taxes on businesses by \$6 billion and will cost jobs, adding that many associations are against the eroding of Proposition 13.

E. Comments by the City Council Members on Non-Agenda Items

Council Member Mounce reported that many of the citizens on the FaceBook group against Lodi Electric Utility are once again concerned about their high utility bills, stating that one individual received a \$960 bill for her small house. She believed there was more work to do in this regard and questioned if the City has an additional source to test meters to ensure they are reading the

same. City Manager Schwabauer stated that staff tests against another meter and pointed out that Council approved the purchase of a new meter tester recently that is specifically designed and manufactured for testing. He stated Lodi does not test meters with a City of Lodi meter. Council Member Mounce stated citizens should be treated well and assured they are not being overbilled. Mr. Schwabauer stated staff will review the utility account for the address in question and its reported energy use to ascertain the issue. He pointed out that many older homes have fewer energy efficiencies, such as well-functioning air conditioners and insulation, which could account for a higher bill. Council Member Mounce stated the home in question is newer and the heating, ventilation, and air conditioning system was recently examined.

Electric Utility Director Elizabeth Kirkley further explained the process of testing meters, stating the third-party vendor's meter test board is used to test meters. When a complaint of a faulty meter is received, a previously-tested meter is replaced at the customer's home and the alleged faulty meter is tested at the shop and returned and reinstalled if working properly. If there is a problem with the meter, the customer's bill is corrected. She stated Lodi's meter testing is more rigorous than the standard, and Mr. Schwabauer pointed out that having two meter readings done on an alleged faulty meter provides two opportunities to see if a problem exists.

- F. Comments by the City Manager on Non-Agenda Items - None
- G. Public Hearings - None
- H. Communications - None
- I. Regular Calendar - None
- J. Ordinances
- J-1 Ordinance No. 1927 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.20 - Electrical Service - By Repealing and Re-Enacting Sections 13.20.190, 'Schedule EA - Residential Service,' and 13.20.210, 'Schedule EM - Mobilehome Park Service,' in Their Entirety" (CLK)

City Clerk Ferraiolo reported that this item is the second reading of Ordinance No. 1927, which was introduced on July 20, 2016, to amend Lodi Municipal Code Chapter 13.20 - Electrical Service - by repealing and reenacting Sections 13.20.190, "Schedule EA - Residential Service," and 13.20.210, "Schedule EM - Mobilehome Park Service," in their entirety.

Mike Lusk stated this amendment does not effect his billing but expressed concern about fixed-rate increases, stating that the City indicates system infrastructure would be supported by the revenue from the fixed rate; however, the small number of solar customers, which do not pay into the system, would have a minimal impact. City Manager Schwabauer explained that the \$10 fixed rate has been deducted from each of the tier rates and is charged as a flat fee to all customers. Mr. Lusk stated he believed the \$10 flat fee charged to fixed- and low-income customers, regardless of how much energy they use, versus the current \$5.25 minimum bill creates a subsidization in the rate corrections. He questioned if there will be a rate increase in January, to which Mr. Schwabauer responded that a Consumer Price Index increase to address inflation in power production and construction costs will be presented to Council as happens every year for all of the utilities in order to ensure rates keep up with inflation. He added that a wholesale rate increase, beyond inflation, is not proposed in the near future. Mr. Lusk requested staff provide him with a comparison of energy usage for all utility accounts in 100 kW increments to see how many are paying for high-consumption use versus low-consumption use. His perspective in asking for this data is to see how many customers are subsidizing high-energy users or if the number is small compared to solar customers. Mr. Schwabauer further explained that, with regard to the subsidy issue, staff is attempting to address the question of whether or not those on the low end of the spectrum are paying their fair share of operating and maintenance costs. This adjustment in the rate structure is to ensure all rate classes, including low-energy users and solar customers, pay more of those costs instead of primarily the high-end users. Mr. Schwabauer explained the difficulties with buying and selling back power to solar customers, which results in a

loss to remaining customers, and that the number of solar customers is steadily increasing, which will amplify the burden. If the City does not address the rate structure at this time, it may not be possible down the line if legislation regulations change or increase. In response to Mr. Lusk, Mr. Schwabauer explained that the price utilities are allowed to charge solar customers is regulated under the Net Energy Metering legislation and cannot include transmission costs.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, (following reading of the title) to waive reading of the ordinance in full and adopt and order to print Ordinance No. 1927 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 13.20 - Electrical Service - By Repealing and Re-Enacting Sections 13.20.190, 'Schedule EA - Residential Service,' and 13.20.210, 'Schedule EM - Mobilehome Park Service,' in Their Entirety," which was introduced at a regular meeting of the Lodi City Council held July 20, 2016.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Mayor Pro Tempore Kuehne, and Mayor Chandler

Noes: Council Member Mounce

Absent: Council Member Nakanishi

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:30 p.m. in memory of the Honorable Robert Baysinger, retired Superior Court judge, who passed away on July 25, 2016.

ATTEST:

Jennifer M. Ferraiolo
City Clerk