

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, OCTOBER 27, 2015**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, October 27, 2015, commencing at 7:00 a.m.

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

Absent: Council Member Nakanishi

Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

NOTE: Council Member Kuehne left at 8:16 a.m.

B. Topic(s)

B-1 Receive Information Regarding Proposed Changes to Public Works Policies, Charges Related to the Provision of Public Works Services, and Changes to Lodi Municipal Code Title 13 - Public Services (PW)

Public Works Director Wally Sandelin provided a PowerPoint presentation on policy changes, code changes, and fees for Public Works services. Specifics topics of discussion included water policies, water service maintenance, sewer policies, wastewater lateral maintenance, fee schedule, and changes to Lodi Municipal Code Title 13 - Public Services.

In response to Council Member Mounce, Mr. Sandelin stated the proposed change to Water Policy No. 6, which would allow private contractors to work on the water system, is not a result of the impending water meter program beginning on the east side of town. He provided the scenario of an owner of a vacant lot who builds a new home and is required to install new water service, stating that this amendment would allow the owner to hire a private contractor to build and connect to the City's system. For those who already have water service, they typically do not change the connection at the main unless they increase the size of their meter at the main, which does not happen often.

Mr. Sandelin reminded Council that its previous direction was to not refund the difference for those property owners who paid \$1,400 for a new water meter before the City's water meter program was implemented and those who paid \$300 as part of the City-wide program, to which Council Member Mounce stated she believed that was unjust on the City's part. Mr. Sandelin stated there were approximately 2,000 customers since 1992 who paid the higher price and it would cost \$1 to \$2 million to refund the difference between \$1,400 and \$300. He further posed the question of who should be refunded: the current property owner or the individual who pulled the permit. Council Member Mounce stated she believed those who replaced their meters at the higher cost while the Council debated the water meter program should be refunded.

Council Member Mounce referenced an individual on the east side of town who claimed that his City-installed water meter leaked, yet the City placed the responsibility of the leak on the property owner, rather than repairing it. Mr. Sandelin stated this particular individual performed work on his meter after the City installed it; therefore, the City denied his request for reimbursement.

Council Member Kuehne stated, from his experience as a pipefitter, it is difficult to crack a fitting or a pipe and he believed the City was generous in allowing a two-year timeframe to repair issues relating to the City's installation of the water meter.

In response to Council Member Mounce, Mr. Sandelin stated the City will, on occasion, extend the two-year warranty if a customer demonstrates that the leak was happening previously, yet they were not aware of the problem until they received their metered bill.

With regard to blocked sewer lines, Council Members Mounce and Kuehne stated the City should reimburse customers for the video inspection of a lateral if it is determined that the blockage was the fault of the City. Mr. Sandelin stated language to that effect can be incorporated into the ordinance when it returns to Council for approval.

In response to Mayor Johnson, Mr. Sandelin stated video inspections occur a couple times a year, to which Mayor Johnson suggested City crews handle that task, rather than requiring a customer to hire a plumbing service. Mr. Sandelin stated City crews occasionally perform the service; however, the common scenario is that staff will inspect the main only and, if there is no blockage, inform the customer that it is their responsibility to clean the lateral. Typically, the customer is not charged for repairs from the main to the lateral.

In response to Council Member Mounce, Mr. Sandelin stated the policy recommendation is to solidify the practice of requiring the customer to repair the lateral from the main to the home, and, as a result of Council's discussion this morning, provide consistency on the video inspection of laterals and adding language to reimburse customers if they demonstrate that the lateral was not plugged.

In response to Council Member Mounce, Mr. Sandelin stated the current charge for special events, such as the Farmers' Market, Parade of Lights, and the Amgen tour, is \$42 and the proposed fee is \$200, which is a partial cost recovery. Council Member Mounce expressed concern that the higher fee is passed onto those putting on the event and suggested that economic development could back charge some of those costs. City Manager Schwabauer stated the reason behind the increased cost is to encourage organizers to hold their events in places other than the street because road closures are an inconvenience to neighbors and businesses. In further response to Council Member Mounce, Mr. Schwabauer stated there could be an exemption for historic events, and Mr. Sandelin added there is currently an exemption for the National Night Out event. Council Member Mounce suggested exempting the Farmers' Market and Parade of Lights.

Mayor Johnson stated he would not support the recommendation of exempting events because there is a cost associated with maintaining the streets and sidewalks after each event and, if that is the cost of doing business, he would not argue against it.

Council Member Kuehne stated the Farmers' Market generates a significant amount of mess afterward and he has cleaned up spills from vendors at a cost well over \$200. Despite the fact that it is a Chamber event, the City maintains the streets and sidewalks following the event; therefore, he was not opposed to increasing the fee. He stated he believed \$200 was not an onerous cost for many of these organizers, many of whom make a profit from their events.

In response to Mayor Pro Tempore Chandler, Mr. Sandelin stated the fees for building permits and inspections relating to fats, oils, and grease were calculated using data on the time it takes to issue the permits for residential and non-residential customers, including the coordinated efforts of Community Development and engineering technicians. He added the proposed fees are inexpensive compared to other communities.

In response to Council Member Mounce, Mr. Sandelin confirmed the proposed fees were shared with the building community. Further, he stated that, pursuant to State regulation, this schedule will establish requirements for grease traps, set requirements for maintenance, and provide education for business owners and staff, which is currently not being done.

In response to Council Member Mounce, Mr. Sandelin stated the current fines for water wasters is nominal and the first through third citations are the same fee amount, adding the new fees are in response to the Governor's executive order that cities are not meeting the water conservation target. Council Member Mounce stated that, before these new fines are imposed, the City needs

to ensure it is meeting the watering requirements because citizens will be displeased to receive citations and penalties when the City itself is not meeting the requirements.

Mayor Johnson suggested the proposed water waste fines be further compacted with stiffer penalties to add encouragement for water conservation. Mr. Sandelin stated the theme was to be customer sensitive and friendly, but staff is looking to Council for direction on this issue, to which Mayor Johnson responded the chronic abusers are the ones who should be penalized. Mr. Sandelin stated, when this item returns before Council, he will provide a summary of the water waste fines from surrounding communities and suggested that another option would be a compressed enforcement schedule that would allow for three warnings before imposing stiff penalties.

In response to Council Member Kuehne, Mr. Sandelin stated he did not have a specific explanation, but would research further, for the reason why Lodi has missed the water conservation target by increasing percentages. He stated one possible reason is that the weather in September 2013, which is the comparison year, may have been such that it necessitated less water use, thereby making it difficult to accomplish a lower number.

Council Member Kuehne questioned what the regulation is on draining swimming pools because his neighbor drains his pool once a month, causing water to flow into the storm drain and down the front of his parcel, in addition to flooding his backyard, and he has received warnings for his neighbor's actions. Mr. Sandelin stated pool water is not permitted to be drained into the stormwater system, and Mr. Schwabauer added the chlorine and salt are harmful to the system.

Council Member Mounce understood the reason behind increasing the water waste fines; however, a \$35 fine for a senior living on a fixed-income on the east side of town would be a hardship. She stated some may not be overwatering, but their sprinklers may run onto the sidewalk. Mr. Sandelin stated staff will contact individuals to educate them on setting their sprinkler timers, adding there is also a rebate available for timers.

In response to Mayor Johnson, Mr. Sandelin stated transportation charges are applied to extra wide or long truck loads that travel through the City.

Mr. Sandelin pointed out the proposed code changes will continue to allow the City to terminate both electric and water services for non-payment at the same time and that staff is looking for Council direction on how to implement that code section. A home with no services is considered uninhabitable, and when only electricity is terminated, a property owner can still reside in a home because water and sewer services continue to exist.

Council Member Mounce stated she understood the reasoning to be prudent in collections to ensure the community does not pay the bad debt of other customers; however, she believed it was disgraceful to turn off all services and displace people for non-payment. Mr. Schwabauer recommended staff be given that option because there are scenarios where this would be appropriate, particularly for those who heavily abuse the system with excessively high, unpaid utility bills. Council Member Mounce stated she believed this practice would worsen the homeless situation by displacing citizens and questioned who would make those decisions once this regulation was added to the code. In response to Council Member Mounce, Deputy City Manager Jordan Ayers confirmed that the shut-off time is 46 days from the initial utility bill date.

Council Member Kuehne concurred with Council Member Mounce, stating that, if the regulation is included in the policy, there should be a reasonable threshold such as a dollar amount or a length of time without paying a bill.

Council Member Mounce agreed, stating the policy needs to be clear so that those enforcing it know the limits.

Mayor Pro Tempore Chandler added he would like to see language added to the policy that notification of shut off not be solely by mail, to which Council Member Mounce agreed.

Mr. Ayers confirmed utility shut offs are handled by Field Services in Electric Utility and, if a list is too extensive, staff will pare it down to the worst offenders and shut those services off first.

In response to Mayor Johnson, Mr. Ayers confirmed the current billing timeline went into effect March 2012, a bill becomes delinquent on the 26th day, late fees are then assessed if not paid in full, and shut off occurs 46 days after the initial bill.

In response to Council Member Mounce, Mr. Ayers stated the billing timeline and cycle will come before Council at a Shirtsleeve Session in mid-November.

Council Member Kuehne stated he believed that the required payment on a small late amount was gratuitous, there is very little grace given on electric utility accounts, no terms are offered on payments, and Finance is particular when it comes to accepting payments made by check.

In response to Council Member Mounce, Mr. Sandelin stated many property owners want their tenants to be billed for water and sewer services and State law requires the water utility to bill for what a meter registers for water service to the parcel. Council Member Mounce stated she believed it was achievable to meet the law by sending individual bills to the tenants and trueing up at the end of the year with the property owner so that the bill reflects the meter.

In response to Council Member Mounce, Electric Utility Director Elizabeth Kirkley stated research shows that the electric meter testing charge is \$18; not \$75 as previously quoted.

Mayor Johnson disagreed with the policy of discounting the charge on residential fire protection systems when State law imposes the requirement; instead, the property owner should pay the cost of installing the system. Mr. Sandelin stated the policy can be amended and currently it was reflective of past direction.

Council Member Kuehne concurred, stating the cost should be passed onto the customer, most of whom receive a break on insurance for fire suppression.

Council Member Mounce stated the City should absorb the cost and not charge for it.

Mayor Pro Tempore Chandler requested some discretion be used on fining residents for watering during a rain event because homeowners may not know or be home to change their sprinkler timers when there is only a small amount of rain.

Mr. Sandelin stated staff will bring back the various amendments from this meeting when the item comes back before the Council.

Mike Lusk referred to his Blue Sheet item (filed), in which he requested an addendum to the ordinance that would require the collected late charges to be applied directly to the appropriate utility instead of to the general fund and that services performed by departments be back charged for in-lieu of services rendered for each utility. He further stated it was premature to enact this ordinance while Council is still debating rates and issues related to the Electric Utility. Mr. Lusk stated the City should not charge for a first-time meter inspection to verify if the meter is providing adequate service. With regard to the charges, Mr. Lusk questioned why there was no reference to Proposition 218, which requires a vote of the citizens, and why the word "charges" was changed to "penalties" when referring to late charges on utility bills.

In response, Ms. Magdich stated the code in question regarding penalties mirrors the language in the Government Code, which allows for the enforcement and assessment of penalties for those who do not pay their bill on time and a shut-off procedure, and that Proposition 218 does not apply in this case.

Mr. Lusk further stated he believed it is unfair that the City is exempt from following watering rules and suggested that the City could appropriately set sprinkler timers to fully water even large parks. Mr. Schwabauer explained the pump stations in the parks are insufficient to water a large area in one timeframe and that the entire area for the larger parks could not be watered during

the allowable watering period. Parks, Recreation, and Cultural Services Director Jeff Hood added the allowable watering days often fall on a high-use day, such as Saturday or Sunday; it is inadvisable to water prior to a scheduled park activity; the grass typically needs to be resuscitated on Mondays to get it healthy; and the number of watering cycles goes beyond what can be accomplished in a day.

Mr. Lusk stated, with regard to over spraying, there should be some leeway in the language because it is difficult to adjust sprinklers so that no water gets onto the sidewalk or median.

Council Member Mounce expressed concern that citizens could be charged for over spraying, particularly when it involves watering City property. Many of the City median strips are in older parts of town where a majority of low-income families reside who are charged to maintain and water the City property and, with this ordinance, could also be penalized for over watering. She believed that to be unfair.

In response to Council Member Mounce, Mr. Schwabauer stated the general fund purchased the land at White Slough; therefore, the rent that Northern California Power Agency pays is returned to the general fund.

Myrna Wetzel reminded everyone to be compassionate toward one another, especially for those low-income individuals who are struggling to pay their bills on time.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:29 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk