

**MINUTES
CITY COUNCIL MEETING
MONDAY, JANUARY 9, 2017**

CALL TO ORDER Mayor Shoals called the meeting to order at 6:30 p.m. in the City Hall Council Chambers, 154 South Eighth Street, Grover Beach, California.

MOMENT OF SILENCE

FLAG SALUTE The flag salute was led by Mayor Pro Tem Shah.

ROLL CALL

City Council: Council Members Jeff Lee, Barbara Nicolls, Debbie Peterson, Mayor Pro Tem Mariam Shah, and Mayor John Shoals were present.

City Staff: City Manager Matthew Bronson, City Attorney David Hale, City Clerk Donna McMahan, Police Chief John Peters, Administrative Services Director Gayla Chapman, Community Development Director Bruce Buckingham, Public Works Director/City Engineer Greg Ray, and Parks & Recreation Program Director Kathy Petker were also present.

Also present were Parks, Recreation & Beautification Commission Chair Jan Ojerholm; Parks, Recreation & Beautification Commissioners Walt French and Maalaea Quirk; Lilly Rudolph, Rincon Consultants; Randy Russom, RRM Design; Robert Ryall, Willdan Financial Services; and Public Works Director Ben Fine, City of Pismo Beach.

CLOSED SESSION ANNOUNCEMENTS

None at this time.

AGENDA REVIEW

Action: Upon unanimous consensus, the Council adopted the agenda as presented.

CEREMONIAL CALENDAR

1. Certificates of Appreciation: 2016 Holiday of Lights Award Recipients.

The City Council, members of the Parks, Recreation & Beautification Commission, and Parks & Recreation Program Director Petker presented Certificates of Appreciation to the following Holiday of Lights award recipients or representatives:

Business: Best Display

- 1st Place: Animal Kingdom Pet Store, 1675 W. Grand Avenue
- 2nd Place (tie): Farmer's Insurance, 901 W. Grand Avenue & Home Instead Senior Care, 171 N. 9th Street
- 3rd Place: Corner Tree Laundromat, 1328 W. Grand Avenue

Business: Best Use of Lights

- 1st Place: Velocity Tint, 1351 W. Grand Avenue
- 2nd Place: Shell Beach Floral, 260 W. Grand Avenue
- 3rd Place: The Old Potting Bench, 866 W. Grand Avenue

Business: Best Window Painting

- 1st Place: The Learning Center, 1610 W. Grand Avenue
- 2nd Place: Pizza Fresh, 1301 W. Grand Avenue
- 3rd Place: SLOCO Printing, 1635 W. Grand Avenue, Ste. A

Residence: Mayors Award – Best Overall in Originality

- 1st Place (tie): 600 Manhattan Avenue & 660 Park View Avenue
- 2nd Place: 760 S. 16th Street
- 3rd Place: 1654 Seabright Avenue

Residence: City Council Award – Best Original Use of Animation

- 1st Place: 1158 Monaco Court
- 2nd Place: 765 Nice Avenue

Residence: Commissioner's Award – Best Use of Lights

- 1st Place: 410 S. 8th Street
- 2nd Place: 1965 Carmel Court
- 3rd Place: 357 N. 6th Street

Residence: Best Theme – Best Use of a Consistent Theme

- 1st Place: 952 Margarita Avenue
- 2nd Place: 634 Manhattan Avenue
- 3rd Place: 1376 Brighton Avenue

Residence: Simple Elegance Award - Best Display Demonstrating Simplicity and Grace

- 1st Place: 962 Margarita Avenue
- 2nd Place: 30 Jalama Court
- 3rd Place (tie): 1338 Trouville Avenue & 710 Atlantic City Avenue

2. 2016 Employee of the Year: Customer Service Representative Rebecca Robledo.

City Manager Bronson described the City's Annual Employee Recognition Program and introduced the 2016 Employee of the Year award recipient, Customer Service Representative Becky Robledo.

3. Introduction of New Employee: Capital Improvement Project (CIP) Manager Erin Wiggin.

City Manager Bronson introduced Capital Improvement Project (CIP) Manager Erin Wiggin.

PUBLIC COMMUNICATIONS The Mayor opened the floor to any member of the public for comment on items of interest which were within the jurisdiction of the City Council, but were not listed on the agenda.

- A. The following individuals spoke in support of establishing a ban on polystyrene products:
 - Janine Rands, representative of SLO Foam Free;
 - Judith Bernstein, who distributed copies of an article on banning styrofoam products from the magazine, *Edible San Luis Obispo*;
 - Deene Shahinian, Grover Beach resident;
 - Savannah Cooper, Grover Beach resident;
 - Brad Snook, representative of Surfrider Foundation; and
 - Dr. Kathleen Curtis, Grover Beach resident.
- B. Paulette Messenheimer, Grover Beach resident, thanked and praised the City for hosting the recent community meeting to discuss park improvements with residents in the Golden West Park development.
- C. Michael Messenheimer, Grover Beach resident, commented on a potential marketing concept to promote commercial cannabis products.

There were no further public comments received at this time.

Action: In response to public comments, and upon consensus of the City Council, direction was provided for staff to schedule the topic of banning polystyrene products on a future City Council meeting agenda.

Upon request by the Council, City Manager Bronson briefly described the community meeting held on site at Golden West Park with approximately 50 residents in attendance. He stated that further discussions regarding the park's design would be held at a Special Joint Meeting of the City Council and Parks, Recreation & Beautification Commission on Thursday, February 16, 2017.

PUBLIC HEARINGS

- 4. Development Application 15-18 - Request for 1) a General Plan Amendment from Retail and Commercial Services to Central Business – Mixed Use, 2) Zone Change from Retail Commercial (RC) to Central Business Open (CBO), and 3) a Development Permit and Use Permit to construct a 13-unit Apartment Complex and Two Live/work Units. Applicant:** Brad Forde; **Project Location:** 1400 Ramona Avenue (SE corner of N. 14th Street and Ramona Avenue).

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Community Development Director Buckingham introduced Lilly Rudolph of Rincon Consultants, the City's contract planner. Referencing a PowerPoint presentation, Ms. Rudolph provided an overview of the project, described the surrounding area, outlined the applicant's requests, and noted the recommendation for approval from the Planning Commission.

She also noted the following amendments to the draft Resolution labeled as "Attachment 4" to the staff report that were listed under "Conditions of Approval":

- G-1 and G-5: changing the term "Planning Commission" to "City Council",
- G-2: deleting that paragraph in its entirety,
- PW/CE-4: changing the phrase "Prior to issuance of a building permit" to "Prior to occupancy".

Brief discussion was held regarding in-lieu fees, allowable commercial uses, street lighting, circumstances that would allow a project to be exempt from environmental review that were not applicable to this project, and building heights.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Brad Forde, Applicant, spoke in support of the project, expressed concerns regarding the total cost of development fees for the project, and requested assistance with meeting the requirements to underground utilities. He then responded to questions from the Council.

No further public comments were received at this time, and the Mayor closed the Public Hearing.

Discussion ensued regarding the proposed project, development fees in other jurisdictions, and providing developers the option to either pay an in-lieu fee or place the utilities underground.

Action: It was moved by Council Member Lee and seconded by Council Member Peterson to:

- 1) adopt Resolution No. 17-01 adopting the Mitigated Negative Declaration;
- 2) adopt Resolution No. 17-02 approving an amendment to the General Plan to amend the land use designation from Retail and Commercial Services to Central Business-Mixed Use; and
- 3) amend the Conditions of Approval contained in the Resolution approving the Development Permit and Use Permit as follows (deleted text denoted with ~~strikeout~~ font, added text denoted with double underline font):

- G-1 and G-5: replace the term "~~Planning Commission~~" with "City Council";
- G-2: delete this paragraph in its entirety: ~~Failure to appeal the Planning Commission action or a specific condition imposed as provided in GBMC Article IX, Section 6.30.020 within 10 working days of Planning Commission action shall be deemed as agreement to all conditions of approval;~~
- PW/CE-4. Replace the phrase "~~issuance of a building permit~~" to "occupancy", and add the option "or the City's Underground Utility In-Lieu fee paid, as required by Council Resolution No. 07-62."

and adopt Resolution No. 17-03, as amended. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 17-01: A Resolution of the City Council of the City of Grover Beach, Adopting a Mitigated Negative Declaration for a General Plan Amendment, Development Code Amendment, Development Permit & Use Permit Associated with Development Application 15-18 (1400 Ramona Avenue).

Resolution No. 17-02: A Resolution of the City Council of the City of Grover Beach, Approving a General Plan Amendment to Change the Land Use Designation from Retail and Commercial Services to Central Business - Mixed Use Associated with Development Application 15-18 (1400 Ramona Avenue).

Resolution No. 17-03: A Resolution of the City Council of the City of Grover Beach, Approving a Development Permit and Use Permit Associated with Development Application 15-18 (1400 Ramona Avenue).

Action: It was moved by Council Member Lee and seconded by Council Member Nicolls to introduce and conduct first reading, by title only, of Ordinance No.17-01 approving an amendment to the Zoning Map from Retail Commercial (RC) to the Central Business Open (CBO) zone, and schedule second reading and adoption at the next regular City Council meeting on Monday, January 23, 2017. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Ordinance No. 17-01: An Ordinance of the City Council of the City of Grover Beach Amending Section 1.10.020 Zoning Map of Article IX of the Grover Beach Municipal Code to Change the Zoning Map from Retail Commercial (RC) to Central Business Open (CBO) Associated with Development Application 15-18 (1400 Ramona Avenue). (First Reading *only*)

Action: Upon consensus of the City Council, direction was provided for staff to schedule a future Council discussion on identifying infrastructure improvements for the applicant/developer to be responsible for completing as an alternative to paying an underground utility in-lieu fee, and determining the circumstances under which an applicant/developer would qualify for this option.

5. Amendment to Development Application 10-03 – Request for a Use Permit and an Amendment to the Coastal Development Permit to Construct a Roof Deck on Building 1 of the Grover Beach Lodge Project. Applicant: Grover Beach Lodge L.P.
Project Location: 55 West Grand Avenue in the Coastal Zone.

Mayor Shoals read the title to the foregoing item, declared the Public Hearing open, and deferred to staff for a report. Community Development Director Buckingham provided an overview of the recommendation from the Planning Commission to consider an Amendment to Development Application 10-03 for a Use Permit and an amendment to the Coastal Development Permit to construct a roof deck and other minor modifications to Building 1 of the Grover Beach Lodge project. He then responded to questions from the Council.

Brief discussion was held regarding the height of the proposed elevator, proposed building materials, the timeframe between initial project approval and the commencement of construction, and equestrian parking. It was noted that the proposed changes did not require a new environmental review.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Randy Russom., RRM Design, on behalf of the applicant, Pacifica Companies, responded to Council comments regarding the proposed building materials, the design of the roof deck elevator to meet accessibility requirements, and the design for equestrian parking to provide access to the dune trail located directly across the street from the project site.

Pamela Krahl, San Luis Obispo resident, representing several equestrian groups, expressed concerns regarding equestrian access to the dune trail, the design of the parking lot, and the potential for conflicts between equestrian groups and vehicles carrying visitors accessing the beach.

Wade Montgomery, Grover Beach resident, requested additional information regarding environmental impacts from the proposed changes, and expressed concerns whether the changes would result in additional water usage.

Upon request from the Council, staff responded to the public comments.

There were no further public comments received and Mayor Shoals closed the Public Hearing.

Action: It was moved by Council Member Nicolls and seconded by Council Member Lee to adopt Resolution No. 17-04 to approve an amendment to Development Application 10-03 for a Use Permit and an amendment to the Coastal Development Permit. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 17-04: A Resolution of the City Council of the City of Grover Beach Approving an Amendment to Development Application 10-03 for a Use Permit and an Amendment to the Coastal Development Permit Located at 55 West Grand Avenue.

CONSENT AGENDA

Prior to consideration of the Consent Agenda, Council Member Peterson announced that she would abstain from Consent Agenda Item No. 9 as she was not present at the City Council meeting of November 21, 2016. It was moved by Council Member Lee and seconded by Mayor Pro Tem Shah to approve Consent Agenda Item Nos. 6, 7, 8, 9, and 10 as recommended. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Member Peterson (for Item No. 9 *only* regarding City Council meeting minutes for November 21, 2016).

6. **Treasurer's Report for the Period November 28, 2016 - January 3, 2017.**
Action: Approved the Treasurer's Report as submitted.
7. **Treasurer's Report for the 2015 Streets Bond Account - \$5,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period November 28, 2016 - January 3, 2017.**
Action: Approved the Treasurer's Report as submitted.
8. **Treasurer's Report for the 2016 Streets Bond Account - \$8,000,000 (Measure K-14: Grover Beach Street Rehabilitation; Safety Improvement Bond Measure) for the Period November 28, 2016 - January 3, 2017.**
Action: Approved the Treasurer's Report as submitted.
9. **Minutes of the City Council Meeting on November 21, 2016.**
Action: Approved the minutes as submitted.
10. **Acceptance of the 2015-3 Street Rehabilitation and Repair Project (CIP 2295-3) -** Accepting street maintenance work completed as of December 1, 2016 on approximately 60 blocks of residential streets.
Action: Adopted Resolution No. 17-05 formally accepting the 2015-3 Street Rehabilitation and Repair Project (CIP 2295-3); and 2) authorized staff to send the "Notice of Completion" to American Asphalt South, Inc.

Resolution No. 17-05: A Resolution of the City Council of the City of Grover Beach, California, Formally Accepting the 2015-3 Street Rehabilitation and Repair Project (CIP 2295-3).

Recess: Upon consensus of the City Council, the meeting recessed at 8:30 p.m.
Reconvene: At 8:37 p.m., the meeting reconvened with all Council Members present.

REGULAR BUSINESS

11. Water Supply Update and Utility Rate Study Findings and Recommendations.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson provided introductory remarks regarding the scheduled presentations and speakers - Public Works Director/City Engineer Greg Ray regarding an update on the City's water supply; Public Works Director Ben Fine from the City of Pismo Beach, who was available to respond to questions regarding the Regional Groundwater Sustainability Project; and Robert Ryall from Willdan Financial Services to provide the Council with an overview of the Utility Rate Study.

Public Works Director/City Engineer Ray presented an update on current water supply conditions and recent water conservation efforts. He also outlined options for obtaining an emergency water supply as well as long-term supplemental water to ensure future water supplies. He concluded his presentation with an overview of a draft Letter of Intent committing support and coordination from all participating agencies for the Regional Groundwater Sustainability Project (RGSP).

Brief discussion was held regarding the draft letter, development of the groundwater model, the proposed governance structure for the RGSP, and concerns with committing the City to reimbursing another agency without first identifying a specific reimbursement amount and establishing more clearly defined financial details.

Ben Fine, Public Works Director/City Engineer, City of Pismo Beach, provided an overview of the RGSP, as well as plans to maintain the existing Wastewater Treatment Plant located in Pismo Beach. He then responded to questions from the Council.

Discussion continued regarding water treatment facilities located in Oxnard and Monterey, funds approved by the Regional Water Quality Control Board to support development of a groundwater model, and anticipated input from stakeholders on determining how the water supply from the RGSP would be fairly and equitably allocated.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Wade Montgomery, Grover Beach resident, spoke in support of utilizing wetlands as a tertiary water treatment method, citing examples utilized in European countries.

There were no further public comments received at this time.

Action: Upon consensus of the City Council, direction was provided for staff to: 1) work with the participating agencies to obtain further details regarding project costs for the RGSP; to the extent possible; 2) consult with the City Attorney on developing reimbursement options; and 3) work with the participating agencies to develop a revised Letter of Intent for the Recycled Groundwater Sustainability Project for Council action on February 6, 2017.

Robert Ryall, Willdan Financial Services, provided an overview of the comprehensive study of the City's utility rates regarding water and wastewater systems. He noted that the study indicated that revenues generated from existing water rates have not kept up with operating costs of the water system and do not provide adequate funding for capital projects needed to improve the water and wastewater systems. Mr. Ryall then outlined recommendations for changes to the water and wastewater rates. Additionally, he displayed a chart of residential bi-monthly water bills that compared utility rates in Grover Beach with other cities in the County that indicated bi-monthly rates were currently the lowest in the County and, even after the initial two proposed water rate increases, would still remain below the countywide average. Mr. Ryall and Public Works Director/City Engineer Ray then responded to questions from the Council.

Discussion was held regarding a typical residential customer's water utility bill, potential options for commercial customers or customers in mixed-use buildings, and the anticipated average escalation in operating costs for water and wastewater systems in other jurisdictions.

Mayor Shoals invited comments from those in the audience who wished to be heard on this matter.

Wade Montgomery, Grover Beach resident, stated that he would speak directly with the consultant after the Council meeting regarding his questions on the proposed rates.

There were no further public comments received at this time.

Additional discussion was held regarding planned outreach efforts to communicate the information on proposed rate changes to residents and businesses via direct mailer, social media, and the City website, as well as the type of information that would be useful to the average water utility customer.

Recommendation: Upon unanimous consensus, the City Council received the Utility Rate Study findings and recommendations and provided direction for staff to implement the Proposition 218 noticing process for holding a public hearing on March 6, 2017 on changes to water and wastewater utility rates.

12. Appointment of Council Members to Various Boards, Commissions and Committees.

Mayor Shoals read the title to the foregoing item and deferred to staff for a report. City Manager Bronson described the process for appointing representatives to those regional boards, commissions, and committees with Council representation.

Discussion was held regarding individual member interest and availability in serving as the City's representative or alternate representative to the regional boards, commissions, and committees.

11:00 p.m. Rule: At 10:46 p.m., it was moved by Council Member Lee and seconded by Council Member Peterson to continue the meeting past 11:00 p.m. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

City Manager Bronson stated that the staff report also referenced representatives to the Joint Powers Agreement with State Parks regarding the Grover Beach Lodge and Conference Center. Additionally, the Council had previously discussed the formation of a Council subcommittee on the topic of cannabis. He noted that the subcommittee would be meeting with staff on the draft regulatory ordinance prior to a full review by the City Council on February 6.

Action: Upon unanimous consensus of the City Council,

- 1) the City representatives to the Joint Authority would remain as Mayor Shoals, Council Member Lee, the City Manager, and the City Attorney; and
- 2) Mayor Shoals and Council Member Lee were appointed to serve on the subcommittee regarding the topic of cannabis.

Action: It was moved by Council Member Lee and seconded by Mayor Pro Tem Shah to adopt Resolution No. 17-06 confirming appointments of Council Members to various boards, commissions, and committees; and 2) authorize the City Clerk to update FPPC Form 806 for posting on the City website. The motion carried on the following roll call vote:

AYES: Council Members Lee, Nicolls, Peterson, Mayor Pro Tem Shah, and Mayor Shoals.
NOES: Council Members - None.
ABSENT: Council Members - None.
ABSTAIN: Council Members - None.

Resolution No. 17-06: A Resolution of the City Council of the City of Grover Beach, California, Revising City Council Committee Assignments for Calendar Year 2017.

PULLED CONSENT AGENDA ITEMS

None at this time.

COUNCIL COMMITTEE REPORTS

Due to the late hour, no Council committee reports were provided at this time.

COUNCIL COMMUNICATIONS

None at this time.

CITY MANAGER'S REPORTS AND COMMENTS

City Manager Bronson thanked and praised public safety responders and emergency crews, which included Police and Fire personnel, Public Works crews, as well as the Public Works Director, who were all out in the middle of the night responding to storm impacts, as well as flooding and safety concerns over the past several days.

CITY ATTORNEY'S REPORTS AND COMMENTS

None at this time.

CLOSED SESSION

None at this time.

ADJOURNMENT

There being no further business to come before the City Council, Mayor Shoals adjourned the meeting at 11:03 p.m.

/s/ JOHN P. SHOALS, MAYOR

Attest:

/s/ DONNA L. McMAHON, CITY CLERK
(Approved at CC Mtg 02/06/2017)