



CITY OF GALT

MINUTES

SPECIAL CITY COUNCIL MEETING Council Chambers, 380 Civic Drive, Galt, California Tuesday, October 6, 2015, 4:30 pm

The mayor called the meeting to order at 4:30 pm. Council Members present: Payne, Heuer, Campion, and Crews. Absent: Powers.

Staff members present: Interim City Manager Rudolph, City Clerk Settles, Interim City Attorney Yang and Public Works Director Winkler. Absent: Finance Director Kiriu

OPENING CEREMONIES - Silent prayer was observed, the flag salute was recited and the city clerk read the video statement.

AGENDA APPROVAL, ADDITIONS AND/OR DELETIONS – None.

PUBLIC COMMENTS - The clerk announced that members of the audience could address the council on any matter, which is not on the agenda but within the subject matter jurisdiction. She advised the location of the speaker sheets, asked that speaker sheets be presented to the clerk prior to addressing council and advised that each person would have a five-minute time limit to speak.

DEPARTMENTAL:

1. **SUBJECT:** Water Rate Study Session.

RECOMMENDED ACTION: 1) Receive a presentation regarding the Water Rate Cost of Service Study prepared by Raftelis Financial Consultants; and 2) Provide feedback and direction to staff on a preferred approach to revising water rates.

Mark Clarkson, Utilities Manager, gave an overview of the water rate study. He introduced, Habib Isaac, Raftelis Financial Consultants, who gave the presentation.

Rick Walters said it was not fair to have all users pay the same fixed cost.

Jim Klassen objected to starting the meeting early. He asked Council to keep the water rate cost to a minimum so citizens on a fixed income could afford the increase.

Dan Jimenez thought the meeting should have started later in the day so more people could attend. He wanted a different percentage used.

Campion supported the 50% fixed/50% variable. He wanted to use a fixed Consumer Price Index (CPI) and re-evaluate the rate structure in two years. Heuer asked if the rate increase had to come back to City Council every year and Rudolph said Council could establish rates for a five-year period. Winkler said staff was recommending revenue neutral rates, keeping the CPI adjustment as previously approved in the current rate structure and reviewing the data in a couple of years. Heuer asked what the difference was with the three options presented. Winker said staff tried to be equitable to each customer class and spread the large percent of fixed cost and provide an incentive to conserve water with the variable portion. Heuer supported the 40% fixed/60% variable and Payne agreed. Campion recommended a larger fixed rate and a smaller variable.

Rick Walters asked what the advantage was to having water meters and objected to the cost allocation plan as it pertains to water.

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Campion asked when the final rate structure would come back to Council and Winkler said the first meeting in November.

Jim Klassen asked if there was a handout on how to read the new meter billing and Winkler replied it should be available online with the next billing cycle.

Campion motioned for a 60% fixed/40% variable rate structure. The motion died for lack of a second.

Heuer asked for Campion's motion to be repeated.

ACTION: Upon a motion by Campion, seconded by Heuer, approving a 60% fixed/40% variable rate structure, died due to a tie vote with Payne and Crews dissenting. Absent: Powers

Payne motioned for a 40% fixed /60% variable rate structure. The motion died for lack of a second.

Campion motioned for a 55% fixed /45% variable rate structure. The motion died for lack of a second.

Heuer suggested bringing back two alternatives and continuing the discussion to the second meeting in October. Yang said completing a full report for each alternative would be necessary.

ACTION: Upon a motion by Heuer, seconded by Payne, approving a 50% fixed/50% variable rate structure, died due to a tie vote with Campion and Crews dissenting. Absent: Powers

ACTION: Upon a motion by Heuer, seconded by Campion, continuing the discussion to the second meeting in October, bringing back further information for the 60% fixed/40% variable rate structure and the 40% fixed/60% variable rate structure, establishing rates for a five-year period, including the CPI, using the average user and viewing a new meter bill was approved by a unanimous roll call vote by council members present. Absent: Powers.

Dan Jimenez asked when the citizens could start protesting the rate structure and Yang explained the Proposition 218 process.

ADJOURNED TO CLOSED SESSION:

1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION** pursuant to Government Code section 54956.9(d)

Significant exposure to litigation: One potential case

RECONVENE TO OPEN SESSION: The council reconvened to open session at 7:12 pm at which time the city attorney announced there was no reportable action.

There being no further business to come before council, the mayor adjourned the meeting at 7:12 pm.

Respectfully submitted,

Donna Settles
City Clerk