

MINUTES OF THE REGULAR MEETING
OF THE LA PALMA CITY COUNCIL

January 5, 2010

CALL TO ORDER: Mayor Shanahan called the Regular Meeting of the City Council to order at 7:00 p.m. in the Council Chambers of La Palma City Hall, 7822 Walker Street, La Palma, California.

PLEDGE OF ALLEGIANCE: Councilmember Herman

INVOCATION: Pastor Matthew Mitchell, Faith Fellowship Church

ROLL CALL: Council and Commission Members

Councilmembers present: Councilmember Charoen, Councilmember Herman, Mayor Pro Tem Rodriguez, Mayor Shanahan, and Councilmember Waldman

Councilmembers absent: None

City Officials present: Dominic Lazzaretto, City Manager/Executive Director
Joel Kuperberg, City Attorney
Ed Ethell, Chief of Police
Jan Hobson, Recreation & Community Services Director
Jeff Moneda, Public Works Director/City Engineer
Keith Neves, Finance Director
Laurie Murray, Administrative Services Manager/ City Clerk
Kimberly Kenney, Minutes Clerk

PRESENTATIONS

1. Mayor Shanahan presented a Proclamation and cash award to Kimberly Kenney, in recognition of being named the 2009 Employee of the Year.

2. Mayor Shanahan presented a Proclamation and cash award to David Gaudio, in recognition of being named the 2009 Supervisor/Professional Employee of the Year.
3. Sally Alvis, member of the La Palma Community Activities and Beautification Home Spotlight Committee presented Fred and Teresita Fernandez with the Quarterly Home Spotlight Award for their home at 7821 Birchwood Circle.

ORAL COMMUNICATIONS

Raul Alvarez, President of the Cypress College Americana Awards, addressed the City Council regarding the 2010 Cypress College Americana Awards and thanked the City Council for their support in past years. He stated that the event will take place at the Disneyland Hotel on February 20, 2010. He asked for the City's continued support and announced that Kenneth Blake will be honored as La Palma's Citizen of the Year for his many years of public service and Tommy Lasorda will be honored as Man of the Year. He closed by asking the City Council to sponsor tables at the event.

RECESS THE CITY COUNCIL AND CONVENE AS THE COMMUNITY DEVELOPMENT AT 7:18 P.M.

CONSENT CALENDAR

A. Approval of Register of Demands

Resolution No. CDC 2010-01 approving the Register of Demands for January 5, 2010.

Commission Member Charoen made a motion to approve the Register of Demands for January 5, 2010.

The motion was seconded by Commission Member Herman and carried on the following vote:

AYES: Commission Member Charoen, Commission Member Herman, Chairperson Shanahan, Vice Chairperson Rodriguez, and Commission Member Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

B. Status Update for the La Palma Chamber

Receive a status update on La Palma Chamber of Commerce (Chamber) activities from the Chamber of Commerce Subcommittee.

Vice Chairperson Rodriguez gave a brief report and stated his support for the La Palma Chamber of Commerce.

Chamber of Commerce Subcommittee member Commission Member Waldman announced his support for the Chamber.

RECONVENE THE CITY COUNCIL FOR A JOINT MEETING WITH THE COMMUNITY DEVELOPMENT COMMISSION AT 7:21 P.M.

REGULAR ITEMS

C. Appointments to External Committees and Internal Subcommittees

Mayor/Chairperson Shanahan gave a brief overview of the City Council's representation on committees in 2009.

By consensus, the Council/Commission Members agreed to continue their memberships on the external and internal subcommittees with no changes.

Council/Commission Member Herman stated that he would like to continue on OCVCD, but would step down when his council term is up at the end of this year.

Mayor Pro Tem/Vice Chairperson Rodriguez made a motion to appoint Councilmember Herman to a two year term as the representative for the Orange County Vector Control District (OCVCD).

The motion was seconded by Council/Commission Member Waldman and carried on the following vote:

AYES: Council/Commission Member Charoen,
Council/Commission Member Herman,
Mayor/Chairperson Shanahan, Mayor Pro
Tem/Vice Chairperson Rodriguez, and
Council/Commission Member Waldman

NOES: None

RECESS THE CITY COUNCIL, ADJOURN THE COMMUNITY DEVELOPMENT
COMMISSION, AND CONVENE AS THE PLANNING COMMISSION AT 7:26
P.M.

No Items Scheduled.

ADJOURN THE PLANNING COMMISSION AND CONVENE AS THE CITY
COUNCIL AT 7:26 P.M.

CONSENT CALENDAR

1. Waive the Reading of All Ordinances

Approve recommendation that the City Council waive the reading of all Ordinances in their entirety and read by title only.

2. Approval of Register of Demands

Resolution No. 2010-01 approving the Register of Demands for January 5, 2010.

3. Resolution Authorizing Signatories for the Deposit, Investment, and Payment of Public Funds

Resolution No. 2010-02 amending Resolution No. 2008-55 authorizing the deposit, investment, and payment of public funds.

4. Extension of Agreement of Jail Services With the City of Buena Park

Approve and authorize the Mayor to execute a five (5) year extension to the Jail Services Agreement with the City of Buena Park.

5. Resolution Awarding a Contract to Dynalectric for the Pedestrian Signal Modification Project, Walker Street at John F. Kennedy High School, City Project No. ST-293

Resolution No. 2010-03 awarding a contract in the amount of \$65,235 to the low responsible bidder, Dynalelectric of Los Alamitos, California, and authorize the Mayor to execute the Agreement for the Traffic Signal Modification Project, Walker Street at John F. Kennedy High School, City Project No. ST-293.

6. Award of Contract to Hardy & Harper, Inc. for the Rehabilitation of Orangethorpe Avenue from the West City Limits at Moody Street to the East City Limits at Valley View Street, City Project No. ST-294

Resolution No. 2010-04 awarding a contract in the amount of \$242,000 to the low responsible bidder, Hardy & Harper, Inc., of Santa Ana, California for the rehabilitation of Orangethorpe Avenue from the west City limits at Moody Street to the east City limits at Valley View Street, City Project No. ST-294.

Mayor Pro Tem Rodriguez made a motion to approve Consent Calendar Items 1 through 6.

The motion was seconded by Councilmember Herman and carried on the following vote:

AYES: Councilmember Charoen, Councilmember Herman, Mayor Pro Tem Rodriguez, Mayor Shanahan, and Councilmember Waldman

NOES: None

PUBLIC HEARINGS

None Scheduled.

REGULAR ITEMS

7. Appointments to Citizen Committees
 - a) Appoint Henry Lee and Duane Lowe to the Development Committee; both with four-year terms expiring December 31, 2013;
 - b) Appoint Cheody Fortunato and Linda Houston to the Community Activities and Beautification Committee; both with four-year terms expiring December 31, 2013; and

- c) Appoint Kevin Hsiao as a Youth Member to the Community Activities and Beautification Committee with a term expiring August 31, 2010.

Mayor Pro Tem Rodriguez made a motion to appoint Henry Lee and Duane Lowe to the Development Committee, both with four-year terms expiring December 31, 2013; appoint Cheody Fortunado and Linda Houston to the Community Activities and Beautification Committee, both with terms expiring December 31, 2013; and appoint Kevin Hsiao as a Youth Member to the Community Activities and Beautification Committee with a term expiring August 31, 2010.

The motion was seconded by Councilmember Waldman and carried on the following vote:

AYES: Councilmember Charoen, Councilmember Herman, Mayor Shanahan, Mayor Pro Tem Rodriguez, and Councilmember Waldman

NOES: None

8. Master Plan for Curb, Gutters, and Sidewalks

Public Works Director Moneda gave the Staff Report.

Public Input:

OCVCD District Manager Gerard Goedhart, addressed the City Council regarding the problem of water ponding in gutters that interferes with mosquito abatement and suggested the use of permeable concrete. He closed by noting his support for this project.

City Manager Lazzaretto responded that the City is researching permeable concrete and has some initial concerns because of the City's high water table.

Discussion ensued regarding the Council's support for the comprehensive plan; having safety concerns fixed immediately; how to address non-ADA compliant curbs that abut residents' retaining walls; not encroaching on residents' private property to correct problems; having a transition plan to fix ramps that are not ADA compliant versus installing new ramps; whether utility providers would be responsible for correcting sidewalks that utility boxes have damaged; how residents can report problem areas; funding for the curb, gutters, and sidewalk projects being

spread over a seven year period; the possibility of removing certain trees along Walker Street and replacing them with smaller palm trees; the life span of asphalt patches; sidewalk patches being a temporary fix; and correcting the issues of pooled and standing water in the problem areas because of slipping hazards.

Councilmember Herman made a motion to approve the Master Plan for Curbs, Gutters, and Sidewalks, dated December 2009.

The motion was seconded by Councilmember Waldman and carried on the following vote:

AYES: Councilmember Charoen, Councilmember Herman, Mayor Shanahan, Mayor Pro Tem Rodriguez, and Councilmember Waldman

NOES: None

Mayor Shanahan called for a short recess at 8:08 p.m.

Mayor Shanahan reconvened the City Council at 8:17 p.m. with all members present.

9. Study Session: Water and Sewer Rate Fee Study

Finance Director Neves gave a brief background on the Water and Sewer Rate Study.

Henry Miedema, President of Henry Miedema and Associates, gave a detailed presentation on the rate structure of the Water and Sewer Rate Study.

Glenn Reiter, President of Glenn Reiter and Associates, gave a detailed presentation on the customer profile and modeling of the Water and Sewer Rate Study.

Mayor Pro Tem Rodriguez asked what percentage of the total customer's bill is actual water use.

Finance Director Neves responded that everyone's water usage is different and that each bill would have to be looked at separately.

City Manager Lazzaretto noted that water use fluctuates and that other rates do not.

Glenn Reiter continued with his detailed presentation.

Finance Director Neves closed the presentation with the consultant's recommendations.

Discussion ensued regarding the average water usage of La Palma residents; staff's recommendation of choosing option 3 to increase the monthly charges by 13.3 percent; the need to fund Capital Improvements Plan (CIP) projects in the Water and Sewer Master Plan; that Option One would fully fund the CIP projects; the increased fees of imported water from the Metropolitan Water District of Orange County (MWDOC); the City needing to increase water rates to cover the increased costs of imported water; and detailed explanations of water bills.

Public Input:

Gerard Goedhart, 4922 Berton Circle, addressed the City Council regarding using monies from the City's Reserve Funds for CIP projects; the City of Buena Park's current water rate format; and asked the City Council to conduct more research prior to finalizing any rate increases.

Further discussion ensued regarding the timeline to take the proposed water rate increases to the public; the requirement to send Proposition 218 opposition notices to the public prior to the public hearing; the City's approach to informing residents of the upcoming water rate increases; conducting a town hall meeting to get direct feedback from the residents prior to sending Proposition 218 notices; the rules behind Proposition 218 and the procedure for passing the water rate increase; how the City could make up the difference if the Council chooses the lowest rate increases, including: not being able to make needed repairs or deferring projects to the City's water production facilities; making repairs to designated problem areas in the City without spending large amounts of funding; the Water and Sewer Master Plan being adequate; residents having 45 days to respond to the Proposition 218 notices; La Palma having not increased water rates since 2005; current revenues matching current expenditures; the various Reserve Funds the City Council could use for the CIP Plan; owing \$150,000 to outside water agencies next year if the City does not increase its water rates; educating the public about the proposal; prioritizing projects in the CIP; and the consequences if one of the City's well pumps fails.

By consensus, the City Council agreed to conduct a public forum or study session to explain the proposed water rate increases and the details of a resident's bill with these increases.

Further discussion ensued regarding presenting all options to the public at the public forum; explaining what the impact would be of each individual tiered structure option; having two or three model billing statements showing the impact of rates from increased water usage; the City having the ability to program bills with bar graphs and charts to assist the public in understanding their bills; fully explaining the three tiered options to the public; the level of risk the City could incur if Master Plan projects are not completed; that the fully funded Option One would bring the City the least amount of risk; having Staff conduct more research so they present the best option for water rate increases; and if there were an emergency situation that required more funding than what is in the Reserve Funds, that the City could use General Fund Reserves.

Mayor Shanahan requested that customers be shown what the new billing statements would look like prior to the Public Hearing.

City Manager Lazzaretto responded that residents could come into City Hall during the protest period to get a model of what their billing statements would look like with the increased rates as well as possibly having a website version.

Gerard Goedhart, 4922 Berton Circle, addressed the City Council regarding the need for conducting a work session prior to the public forum in order to be able to answer the public's questions. He closed by requesting that usage be changed to gallons per day versus units per day and the variety of funding options available instead of increasing water rates.

Councilmember Herman asked Staff if other cities water rate structures have been researched.

City Manager Lazzaretto responded that research was conducted and other cities use different tiered billing structures. He closed by noting he would add a report showing La Palma's total water cost in the next Friday Report.

COUNCILMEMBER AB1234 REPORTS, REPORTS FROM CITY-AFFILIATED COMMITTEES, AND COUNCIL REMARKS

Councilmember Waldman had nothing to report.

Councilmember Charoen attended the Employee Recognition Luncheon and the December 22 Special Meeting.

Councilmember Herman attended the Employee Recognition Event; the OCVCD meeting; and announced that he plans to attend an upcoming OCVCD meeting to elect Board Members and a Special Operations meeting. He congratulated Brian O'Neill on being elected to the Anaheim Union School District Board of Trustees. He reported that he attended the performance of the Kansai Honor Green Band at the Performing Arts Center at John F. Kennedy High School and noted they also performed at the Rose Parade. he closed by reporting on the status of Iraqi refugees to the United States.

Mayor Pro Tem Rodriguez contributed food baskets in conjunction with the Kiwanis and La Palma Chamber of Commerce for the HOPE Food Bank. He reported that John F. Kennedy High School raised 16,000 cans of food for Project HOPE in Cypress. He noted that his father passed away over the holidays and thanked Staff, City Council, and the Community for their support.

Mayor Shanahan attended the December 22 Special Meeting; a community holiday event at Cheody Fortunado's residence; and the Employee Recognition Luncheon. He reported that he plans to attend the upcoming Cypress School District meeting regarding the proposed Luther Elementary School closure on Tuesday, January 12, 2010. He closed by asking City Councilmembers to be respectful of each others speaking time and to keep an open dialogue this upcoming New Year.

CITY MANAGER REMARKS

City Manager Lazzaretto reported that there will be a study session prior to the next City Council meeting to discuss the User Fee Study and that the Draft Park Master Plan will be discussed during the Regular Meeting. He announced the Cypress School District meeting regarding the decision on the proposed Luther Elementary School closure on January 12, 2010, at 5151 Orange in Cypress. He noted the recent opening of the Wok Experience and announced the upcoming Recognition Ceremony for the Santa Margarita Lane Beautification Project on January 13, 2010, at the Community Center. He closed by reporting that the escrow will close on the recent City purchase of the parcel in the Ralph's Center.

CITY ATTORNEY REMARKS

City Attorney Kuperberg had nothing to report and wished everyone a Happy New Year.

Councilmember Herman asked for an update on the signage at Amazing Flowers.

City Manager Lazzaretto reported that Amazing Flowers is working with a new sign company to resolve the matter.

ADJOURNMENT

Mayor Shanahan adjourned the Regular Meeting of the La Palma City Council at 10:38 p.m.

/s/

Steve Shanahan, Mayor

Attest:

/s/

Laurie A. Murray, City Clerk