

Jackson City Council  
Minutes  
Regular Meeting of August 27, 2012

Patrick Crew, Mayor  
Connie Gonsalves, Vice-Mayor  
Wayne Garibaldi  
Marilyn Lewis  
Keith Sweet

Michael Daly, City Manager  
Andrew Morris, City Attorney  
Scott Morrison, Police Chief  
Marc Crain, Fire Chief  
Gisele Cangelosi, City Clerk

**COUNCIL MEMBERS ABSENT:**

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Mayor Crew called the meeting to order at 7:00 p.m.

**1. APPROVAL OF AGENDA.**

**Moved by Councilmember Lewis, and seconded by Councilmember Sweet, and  
unanimously carried to approve the City Council Agenda dated August 27, 2012 as  
presented.**

**2. PUBLIC MATTERS NOT ON THE AGENDA.**

Thornton Consolo, Jackson, stated the City Council should also consider amending the preferential parking zone for the North Main Parking Lot and other locations on North Main and Court Street.

**3. CONSENT CALENDAR.**

- a. Approval of Minutes of August 13, 2012 and August 22, 2012.
- b. Approval of Expenditure Report for August in the amount of \$164,108.95.
- c. Adopt Resolution to Amend Preferential Parking Zone Area on Court Street.

**Moved by Councilmember Sweet, seconded by Councilmember Garibaldi, and  
unanimously carried to approve except for:**

**Councilmember Lewis abstained from the approval of the Minutes of August 13, 2012.**

**4. ADMINISTRATIVE REPORTS.**

Fire Chief Crain had nothing to report since the monthly report presented at the previous meeting.

Police Chief Morrison reported the Department has been working with Amador County Probation Department regarding parolees camping out at the Kennedy Dam area.

City Manager Daly reported on the following:

1. The Vista Point Improvement Project was held and two bids were received. Staff is waiting for the finalized encroachment permit with Caltrans.
2. The Court Street /Highway 88 Intersection Improvement Project will begin in the near future it is in the final process with Caltrans.
3. The Planning Commission at their September 17 meeting will have an agenda item for the Circulation Improvement Program and Transportation Impact Fee Update public workshop hosted by ACTC.

## 5. COUNCIL REPORTS.

Councilmember Sweet reported he posted on the Civic Center wall the five signs that Save the Wheel committee reviewed. The bigger version of the signs will probably be finalized in the near future and will be posted at their kiosk.

Mayor Crew reported he attended the LAFCO monthly meeting.

## DISCUSSION CALENDAR

For the record: Action minutes provide the necessary documentation of City Council actions and audio recordings are retained for those desiring more detail on particular agenda item discussion. These audio recordings provide an accurate and comprehensive backup of City council deliberations and citizen discussion.

## 6. Presentation from Amador County Assessor Jim Rooney Regarding Property Tax Assessment Data for FY 2011-12.

Jim Rooney, Amador County Assessor, reported the Assessor's office finished the assessment roll last month value as of January 1, 2012. The tax bill will be due December 2012 and April 2013. Values are still going down 1.8%. He reported the City's property tax is determined by applying the property tax rate to the assessed valuation of property. The City of Jackson receives 11.0% to 16.5% of every property tax dollar collected. The assessed value is determined based on the last sale of the property, plus or minus any adjustments made by the County Assessor within the limits established by Proposition 13. The recent trend due to the declining real estate market has been a decline in the total assessed valuation of property, thus a decline in property tax revenue. He felt values are stabilizing and the City can expect 3% decrease from the prior year.

Mayor Crew opened the public discussion. Hearing no comments, Mayor Crew closed the public discussion.

## 7. Public Meeting to Receive Comments Regarding the Adequacy of the Wastewater Treatment Plant Improvement Project Draft Environmental Impact Report (EIR).

Mayor Crew stated the purpose of tonight's meeting was to provide an opportunity to receive agency and public comment on the adequacy of the Draft EIR.

City Manager Daly reported the City retained the services of PMC to prepare the EIR for the Wastewater Treatment Plant Improvement project. This project is intended to address the Central Valley Regional Water Quality Control Board (CVRQCB) Waste Discharge Requirements (WDRs) in Order No. R5-2007-0133 (Order) for the City's wastewater treatment plant effluent discharge. The Notice of Preparation for the preparation of the Draft EIR was released on June 11, 2011, which solicited input on what the Draft EIR should address as well as input on the alternative should be evaluated in the Draft EIR. On July 18, 2012, the Draft EIR was published and the 45-day public review and comment period was initiated. PMC revised the Executive Summary Chapter which was released on July 23, 2012 and the comment period was extended to September 7, 2012.

City Manager Daly reported Pat Angel, PMC was present to provide an overview of the Draft EIR process.

Pat Angel, PMC, reiterated the purpose of tonight's meeting was to provide an overview of the environmental review process for the Wastewater Treatment Plant Improvement project and to provide

an opportunity to receive agency and public comment on the adequacy of the Draft EIR. There will be no action taken or discussion regarding the pros and cons of the project. Comments from the public discussion along with written comments received by September 7, 2012 will be reviewed by Pacific Municipal Consultants and addressed in the Final Environmental Impact Report. Mr. Angel presented an overview outlining the Draft EIR process, where the City is in the process now and the next steps in the process. The overview included:

1. Project's Environmental Review History
2. CEQ Objectives and Purposes
3. What CEQA does or does not do
4. EIR Process Flowchart
5. Environmental Issue Areas Evaluated
6. Significant and Unavoidable Impacts
7. Alternatives Evaluated in Draft EIR
8. Next Steps: Comment on the Draft EIR
9. Next Steps: The Final EIR

City Attorney Morris reiterated the purpose of tonight's meeting was to provide an opportunity to receive agency and public comment on the adequacy of the Draft EIR. The City Council will not discuss the pros and cons of the project.

Mayor Crew opened the public discussion. The following individuals provided comments regarding the Adequacy of the Wastewater Treatment Plant Improvement Project Draft Environmental Impact Report: Judy Jebian, Thornton Consolo and Bill Orescan. Hearing no further comments, Mayor Crew closed the public discussion.

City Manager Daly stated the comment period was extended to September 7, 2012 and a response to each comment received during the comment period will be prepared and any necessary changes to the EIR will be made through preparation of a Final EIR.

#### **8. Discussion of Proposed Amador Water Agency Rate Increase.**

City Manager Daly reported tonight's action is to review the proposed AWA rate increase and consider directing the City Manager to prepare a comment letter. In March 2012, Amador Water Agency published a System-Wide Cost of Service and Water Rate Study detailing a financial plan for the agency as well as a proposed rate increase for all customers. The rates for the agency vary depending on the type of customer and the specific characteristics of each type of service. AWA took comments from customers including the City of Jackson, and requested additional analysis from its rate study consultant, Bob Reed. An updated rate schedule was released in mid-July and conceptually approved at the AWA Board meeting on July 26, however, these rates were again revisited and the current proposed rate schedule was released at a special AWA Board meeting on Monday, August 13. A copy of the proposed rate schedule was provided.

The City's AWA Outreach Committee met with its counterparts from the AWA Board on Tuesday, August 14 to review the detail behind the proposed rate increase. One of the main topics of discussion was the inclusion of debt service cost associated with the new pipeline that was constructed to provide treated water to the City of Plymouth from the Amador Water System area of the Amador Water Agency. This is the same service area that provides water to the City of Jackson as well as Sutter Creek, Ione, Drytown and Mule Creek State Prison. During the previous AWA rate structure review

conducted in 2007, the cost of the Plymouth pipeline was not included as a cost factor in the City of Jackson's rate. Information provided at the meeting detailed how although the City of Jackson would pay a portion of the Plymouth pipeline debt service under the proposed rates, the net cost of water supplied to Jackson is less due to the addition of Plymouth to the Amador Water System. Without the Plymouth debt service included in the City's rate calculation (\$19,196), the proposed service charge would be reduced from a 27.13% increase to a 15.14% increase, and the overall rate increase (based on 2011 usage) would decrease from a 9.64% increase to a 7.03% increase. Since this represents approximately 40% of the City's water budget expense, the additional revenue requirement would be about 3.9% with the 9.64% number and about 2.9% with a 7.03%.

The City of Jackson is a single customer of AWA when it comes to the Proposition 218 protest procedure and the Agency has made an effort to meet with the City to explain the rate analysis information. The AWA Board of Directors will be considering approval of sending out a Proposition 218 notice to all of its customers as its September 13 meeting. Therefore, now would be the appropriate time for the City Council to determine whether or not to comment on the proposed rate increase.

General Manager Gene Mancebo and Paul Molinelli Sr. were present to listen to the comments of the City Council.

Mayor Crew opened the public discussion. The following individuals spoke against Proposed Amador Water Agency Rate Increase: Thornton Consolo and Bill Condrashoff. Hearing no further discussion, Mayor Crew closed the public discussion.

After considerable discussion among the City Council and staff the following motion was made:

**Moved by Councilmember Lewis, seconded by Vice-Mayor Gonsalves, and unanimously carried to direct staff to draft a letter objecting the Proposed Amador Water Agency Rate Increase stating the following concerns:**

- 1. Portion of the Plymouth pipeline debt service cost, \$19,196 per year, is now proposed to be included as a component of the City of Jackson's water rate.**
- 2. Difficult to accept the City of Jackson's rate increase when the City of Plymouth's rate is decreasing.**
- 3. The Plymouth only serves the Plymouth area, unlike the Amador Transmission Pipeline or the Tanner Treatment Plant, it does not provide a direct benefit to the customers served by the City of Jackson's water system.**

Councilmember Sweet requested the City of Jackson also reserve the right to request a forensic audit.

#### **9. Budget Implications of Triple-Flip/Vehicle License Fee Swap Loophole without Approval of AB 1191.**

City Manager Daly reported in early 2011, the City was notified by County Auditor, Joe Lowe, that a regular portion of the property tax revenue distributed to county government and the cities within Amador County was being shifted to the Amador County Unified School District (ACUSD) due to a change in the classification of the District as "basic aid" to "revenue limit" from one year to the next. A "basic aid" district is one that receives 100% of its funding from local property tax. A "revenue limit" district is entitled to additional revenue from the state general fund in order to supplement the

funds received from local property taxes to ensure a minimum funding level. The net impact on the City of Jackson was a revenue loss of \$96,816 in General fund revenue in FY 2010-11 as a result of this loophole in the Revenue and Taxation Code. The same loss occurred in FY 2011-12 and will occur again in FY 2012-2013. The City budget assumed these funds would not be received the past two fiscal years.

A partial resolution of this problem was achieved after Assemblywoman Alyson Huber introduced Assembly Bill 1191 late last year to address this problem. This supplement was eventually included as part of the state budget and the City will be reimbursed \$96,816 as a result. Unfortunately, the news is not as positive for AB 1191. The bill was approved by the Assembly Appropriations Committee on January 12, 9-0, was approved again by this committee on January 19, 17-0; than approved by the full Assembly, 75-0, on January 26. The Senate Committee on Governance and Finance approved the bill, 8-0, but then it stalled out in the Senate Appropriations Committee in late June. It was referred to the committee's suspense file on June 25, then failed to receive an affirmative vote on August 16, so the proposed legislation is now classified as a "held under submission," essentially meaning it is dead for this year.

A copy of the last legislative analysis for the bill was provided. The estimated General Fund reserve as of July 1, 2012 was \$764,766, so funds are available to cover the deficit this fiscal year. Next fiscal year, however, the City will be staring at a \$125,000 deficit with the current revenue and expenditure assumptions. While there is hope that some additional revenue could result from new business in the City, the impact is yet to be known.

Mayor Crew opened the public discussion. Hearing no comment, Mayor Crew closed the public discussion.

City Manager Daly reported staff will continue working with the County and other cities on a remedy for the Triple-Flip/VLF Swap issue, whether it is another budget supplement or future legislation. Additional budget planning will also begin earlier than the typical April starting point. Unless some of this revenue is restore for next year's budget and if other local revenues do not make up this difference, additional difficult cuts to services will be required.

Mayor Crew called for a recess at 9:28 p.m. Mayor Crew reconvened the meeting at 9:34 p.m.

## 10. CLOSED SESSION

- a. Conference with Legal Counsel – Existing Litigation (Subdivision (a) of Section 54956.9).  
Name of case: Orescan v. City of Jackson, 12-CV-7862.

Vice-Mayor Gonsalves reconvened to Open Session at 9:47 p.m. and announced there was no reportable action taken.

## 11. ADJOURNMENT

Adjourn: 9: 48 p.m.

ATTEST:

  
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Gisele L. Cangelosi, City Clerk

Date Approved: September 10, 2012