

MINUTES
City of San Juan Bautista
SPECIAL MEETING OF THE CITY COUNCIL
May 26, 2009

1. **Call to Order:** The meeting was called to order by Mayor Edge at 4:00 p.m.

Pledge of Allegiance: Mayor Edge led the Pledge of Allegiance.

Roll Call: The following members of the City Council were present: Mayor Rick Edge, Vice-Mayor Ed Laverone, Priscilla Hill, Andy Moore, and Maggie Bilich. Also present: City Manager Steve Julian; City Attorney George Thatcher; City Clerk McIntyre; Deputy City Clerk Trish Paetz; City Project Manager Mark Davis.

2. **Approval of the Agenda:** By motion made, seconded, and unanimous vote of the City Council, the meeting agenda was approved as presented.
3. **Closed Session:** There were no comments by the public on closed session agenda items. The City Council adjourned to closed session.
4. **Open Session and Closed Session Report:** The meeting was convened to open session at 5:05 p.m. City Attorney Thatcher reported that no actions were taken by the Council in closed session.

5. **Action Items**

- A. **Approve Resolution 2009-11 Approving Fiscal Year 2008-09 Budget:**

In response to Mayor Edge's inquiry, City Manager Julian stated that no revisions were made to the 2009 budget since it was reviewed by the City Council at the recent special meeting.

Upon motion made by Councilmember Hill, seconded by Councilmember Bilich, and unanimously carried, the Council approved Resolution 2009-11 adopting the City's 2008-09 budget.

- B. **Approve Resolution 2009-12 Authorizing Sole Source Purchase of Pellet Water Softening System:**

Project Manager Mark Davis distributed an outline of the selection process for a proprietary pellet water softening system to be used in the City's water treatment plant. He reviewed the process and stated that the City's engineer and an engineer from the Bracewell firm reviewed two proposals submitted by vendors; that they recommend selection of the ProCorp Enterprises pellet softening system. Mr. Davis stated that ProCorp's Crystalactor pellet water softening system meets all of the project specifications, is sized at 750,000 gallons per day, and the cost of purchase and installation, including tax and freight, will not exceed \$995,000.

During his report, Mr. Davis explained that the pellet softening system will use 2,400 pounds of pellets per day, discharge approximately 5,000 gallons per day of wastewater into the City's sewer system and that the remaining byproduct is

inert and will be sold for use in agricultural and construction applications; that the manufacturing time is four to five months.

Local resident Jolene Cosio asked questions about the cost of the pellets, cost to operate and maintain the system, life of the system, and if additional pumps will be required for pumping water to the reservoir. She suggested that it would be more economical for the City to require residents to install water softening systems in their homes.

Mayor Edge stated that requiring individual water softening systems is not practical for numerous reasons, one of which is enforcement. During discussion, Mayor Edge stated that the Procorp system is made with stainless steel, and Councilmember Laverone advised that Mark Davis can provide a breakdown of operational costs. Mr. Davis stated that the operational costs were included in the current rate structure; that its projected life is 20-25 years; that the system components can be replaced as they wear out. He also explained that the system requires minimal personnel and uses a telemetry system; that the telemetry system computer will be located in the Bracewell Engineering office.

In response to an additional question by Ms. Cosio, the City Manager responded that the Procorp system was first used in the Netherlands in the 1970's; is used by the City of Valencia, other entities in Minnesota, and throughout Europe.

Resident Tony Boch asked about plans to remove nitrates from City water. Mayor Edge explained that there was no plan to remove nitrates; the original proposal was to reduce nitrate levels by blending City water with imported San Felipe Project water; after consideration it was determined that the best method to reduce nitrate levels is to blend the City's treated water with other well water. Mark Davis responded to Mr. Boch's questions about water pressure.

During discussion in response to questions regarding sale of the pellet softening byproduct, Mr. Davis spoke about commercial sales for use as a construction medium, chicken scratch, and as a soil amendment.

Upon motion made by Councilmember Hill, seconded by Councilmember Bilich, and unanimously carried, the Council approved Resolution 2009-12 Authorizing Sole Source Purchase of a Pellet Water Softening System from Procorp Enterprises LLC of Milwaukee, Wisconsin.

C. Approve Amended Buske Group Contract: Deputy City Clerk Paetz reviewed the contract amendment submitted by The Buske Group related to the cable franchise audit with The Buske Group. Due to Charter's bankruptcy and change of ownership, The Buske Group must perform additional services to meet FCC requirements The Buske Group anticipates the total cost to the cities (San Juan Bautista, Hollister, and Gilroy) will not exceed \$15,000. Clerk Paetz noted that if the cities split the cost evenly, San Juan Bautista's cost would be \$5,000; however, it is more likely the cost will be shared based upon population, resulting in an estimated cost to the City of \$1,500.

Upon motion made by Councilmember Laverone, seconded by Councilmember Hill, and unanimously carried, the Council approved the amendment to its contract with The Buske Group as presented and authorized the City Manager to execute the contract.

- D. Approve Resolution Authorizing Street Closure:** During consideration of a street closure on July 11 made by Vincent Sanchez for a motorcycle run which includes the sale of beer, it was noted that there is a requirement for an ABC one-day license. The Council requested that the City Manager check into the status of the license and with the Sheriff's Department regarding supervision of the event.

Upon motion made by Councilmember Hill, seconded by Councilmember Bilich, and unanimously carried, this agenda item was deferred to the June regular meeting.

6. Discussion Items

- A. Study Session for Fiscal Year 2010 Budget:** During the budget study session, resident Jolene Cosio spoke about the City's various contracts for services and noted that in most cases the total amount paid by the City exceeded the stated contract amount.

Councilmember Laverone noted that some of the payments to contractors were the result of two major projects and that the developers have not yet reimbursed the City. The City Manager stated that he has instructed the City Planner and other City consultants to delay working on a project until the estimated fees are on deposit with the City; that developers be notified in advance if it appears that the scope of work might require an additional deposit; that if the required deposit is not made, the work will not proceed and the developer's project "goes to the end of the line".

During discussion of the City's contract with MCE for public works services, it was suggested that a cost analysis be performed which includes plumbing services. The City Manager suggested consideration of the costs associated with street closures, such as staff time for installing and removing barricades, and charging the sponsors of a profit making event for those services. Jeff Bagley noted that after a recent for-profit street closure event, six workers spent six hours cleaning up. Councilmember Hill suggested requiring a cleanup deposit from event sponsors. City Manager Julian stated that he is developing a standard layout plan for street closure events. It was suggested that there be a permit process for garage sales with a deposit to ensure that signs are removed after the event.

Council members commented about the need for itemized breakdowns for contracted expenses, and exploring ways to reduce costs. Other items were discussed, including the public restroom construction project and the fact that the City has not yet received grant money for the project. City Manager Julian spoke about implementing a continual process of upgrading and repairing the City's water system.

B. City Staff Cost to Administer Mills Act: Councilmember Hill questioned whether the City can afford to forego any percentage of property tax revenue to participate in the Mills Act. During discussion the City Manager spoke about several grants that he is exploring, such as seismic safety grants, for the purpose of stabilizing older buildings with inadequate foundations. He noted that establishment of a Mello Roos district could be an option to resolve seismic safety issues for buildings on Third Street.

With consensus of the Council, the Mayor postponed consideration of City participation in a Mills Act program to a future date.

C. Review Community Hall Fees: This item was deferred to a special meeting on June 9, 6:00 to 8:00 p.m. Notice of the meeting will be sent to residents with the next water bill.

D. Discuss New Year's Resolutions Proposed by San Juan Neighbors at their Town Hall Meeting: Council members agreed that an analysis of costs for the various resolutions is necessary for budget consideration. During discussion it was agreed that the resolutions proposed by the San Juan Neighbors are very positive, but may not be affordable. Mayor Edge questioned whether the 14 participating San Juan Neighbors represent the City's residents. He suggested that a study session be held at the Community Hall to gather public input. Councilmember Laverone suggested a community outreach to specific groups such as Community Pantry.

Local resident Rachel Ponce stated that she believes there was a good representation of the community at the San Juan Neighbors town hall meeting. She commented that some of the recommendations do not cost money.

7. Adjournment: Upon motion made by Councilmember Laverone, seconded by Councilmember Moore, and unanimously carried, the meeting was adjourned at 7:00 p.m.

Rick Edge, Mayor

ATTEST:

Linda G. McIntyre, City Clerk