

**CONCURRENT REGULAR MEETINGS OF THE
SONOMA CITY COUNCIL
&
SONOMA CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE
DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY**

Community Meeting Room, 177 First Street West, Sonoma CA



**Monday, November 17, 2014
6:00 p.m.**

AGENDA

City Council
Tom Rouse, Mayor
David Cook, Mayor Pro Tem
Steve Barbose
Ken Brown
Laurie Gallian

Be Courteous - **TURN OFF** your cell phones and pagers while the meeting is in session.

OPENING

**CALL TO ORDER & PLEDGE OF ALLEGIANCE
ROLL CALL (Brown, Gallian, Barbose, Cook, Rouse)
REPORT ON CLOSED SESSION, if any**

1. COMMENTS FROM THE PUBLIC

At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the City Council at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Council consideration. Upon being acknowledged by the Mayor, please step to the podium and speak into the microphone. Begin by stating and spelling your name.

2. MEETING DEDICATIONS

3. PRESENTATIONS

Item 3A: Proclamation declaring the weekend after Thanksgiving, November 28 – December 1, 2014, as “Shop Sonoma Days”

4. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL

All items listed on the Consent Calendar are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council, staff, or public request specific items to be removed for separate action. At this time Council may decide to change the order of the agenda.

Item 4A: **Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.** (Standard procedural action - no backup information provided)

Item 4B: **Approval of the Minutes of the October 20 and November 3, 2014 City Council meetings.**
Staff Recommendation: Approve.

Item 4C: **Approval and ratification of the reappointment of Charles Bouey to the Marin/Sonoma Mosquito and Vector Control District Board of Directors for a four-year term ending December 31, 2018.**
Staff Recommendation: Approve and ratify the reappointment.

5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY

All items listed on the Consent Calendar are considered to be routine and will be acted upon by a single motion. There will be no separate discussion of these items unless members of the Council, staff, or public request specific items to be removed for separate action. At this time Council may decide to change the order of the agenda.

Item 5A: Approval of the portions of the Minutes of October 20 and November 3, 2014 City Council meetings pertaining to the Successor Agency.
Staff Recommendation: Approve.

6. PUBLIC HEARING

Item 6A: Discussion, consideration and possible action on approving a City Water Rate Update. (Public Works Director)
Staff Recommendation: Adopt the Resolution if a majority protest does not exist.

7. REGULAR CALENDAR – CITY COUNCIL

(Matters requiring discussion and/or action by the City Council)

8. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY

(Matters requiring discussion and/or action by the Council as the Successor Agency)

9. COUNCILMEMBERS' REPORTS AND COMMENTS

10. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF

11. COMMENTS FROM THE PUBLIC

12. ADJOURNMENT

I do hereby certify that a copy of the foregoing agenda was posted on the City Hall bulletin board on November 13, 2014. Gay Johann, Assistant City Manager/City Clerk

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are normally available for public inspection the Wednesday before each regularly scheduled meeting at City Hall, located at No. 1 The Plaza, Sonoma CA. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the City Council regarding any item on this agenda after the agenda has been distributed will be made available for inspection at the City Clerk's office, No. 1 The Plaza, Sonoma CA during regular business hours.

If you challenge the action of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described on the agenda, or in written correspondence delivered to the City Clerk, at or prior to the public hearing.

In accordance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk (707) 933-2216. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 3A

Meeting Date: 11/17/2014

Department

Administration

Staff Contact

Carol Giovanatto, City Manager
Laurie Decker, Economic Vitality Program Manager

Agenda Item Title

Proclamation declaring the weekend after Thanksgiving, November 28 – December 1, 2014, as “Shop Sonoma Days”.

Summary

Through its Economic Vitality Partnership with the Sonoma Valley Chamber of Commerce, the City of Sonoma promotes the many benefits to our community and our local economy of “thinking local first” through the Shop Sonoma program.

This will be the seventh year that the City has proclaimed the weekend after Thanksgiving, including Black Friday, Small Business Saturday, and Cyber Monday, traditionally the busiest shopping days of the year, as Shop Sonoma Days. This promotion encourages all local residents to “think Sonoma Valley first” when shopping this holiday season and throughout the year.

Other components of the Shop Sonoma holiday program include an updated one-minute video on the benefits of shopping locally, a #shopsonoma social media campaign, and a “Local Spoken Here” promotion of special discounts or other incentives offered for locals during Shop Sonoma Days.

Holiday banners for the Plaza light poles, sponsored by Chamber members, will be in place through December. The City’s holiday wreaths, which line Broadway and the Plaza, now have new bows, which were funded by the Tourism Improvement District and replaced by volunteers from the Sonoma’s Young Professionals group of the Chamber.

Recommended Council Action

Mayor Rouse to present the proclamation.

Alternative Actions

Council discretion.

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

Proclamation

cc:

Patricia Shults, Sonoma Valley Chamber of Commerce (via email)

City of Sonoma



Proclamation

Shop Sonoma Days

Whereas, the weekend after Thanksgiving is one of the busiest shopping times of the year, and Sonoma residents have many choices as to where to spend their holiday shopping dollars; and

Whereas, Sonoma businesses are essential to the community's vitality and sustainability; and

Whereas, Sonoma businesses provide shoppers with personalized service, often by people we know as neighbors and friends, and offer a pleasant and relaxing alternative to shopping malls; and

Whereas, shopping locally saves time, gas, and reduces greenhouse gas emissions; and

Whereas, Sonoma businesses provide employment for many Sonoma Valley residents and support for dozens of local schools and nonprofit organizations; and

Whereas, the City of Sonoma relies on sales tax as an essential revenue source for funding services to the community; and

Whereas, many of our local businesses offer special incentives to Valley residents who shop locally on the weekend following Thanksgiving; and

Whereas, by "thinking local first" when shopping for the holidays, residents simultaneously keep dollars in the local economy, support local jobs, embrace what makes Sonoma unique and special, preserve entrepreneurship, help the environment, and nurture community.

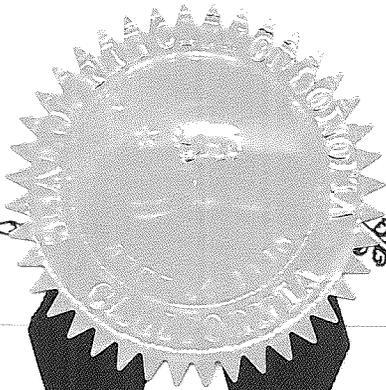
Now therefore, I, Tom Rouse, Mayor of the City of Sonoma, hereby proclaim Friday, November 28 through Monday, December 1, 2014 as

Shop Sonoma Days

in the City of Sonoma and encourage all City residents to think Sonoma first when shopping this holiday season.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the Seal of the City of Sonoma to be affixed this 17th day of November 2014.

TOM ROUSE, MAYOR





CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 4B

Meeting Date: 11/17/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager/City Clerk

Agenda Item Title

Approval of the Minutes of the October 20 and November 3, 2014 City Council meetings.

Summary

The minutes have been prepared for Council review and approval.

Recommended Council Action

Approve the minutes.

Alternative Actions

Correct or amend the minutes prior to approval.

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

Minutes

Alignment with Council Goals: N/A

cc: N/A

**SPECIAL & REGULAR MEETINGS OF THE SONOMA CITY COUNCIL
&
CONCURRENT REGULAR MEETING OF SONOMA CITY COUNCIL AS THE
SUCCESSOR AGENCY TO THE DISSOLVED SONOMA COMMUNITY
DEVELOPMENT AGENCY**

Community Meeting Room, 177 First Street West, Sonoma CA



**Monday, October 20, 2014
5:30 p.m. Closed Session (Special Meeting)
6:00 p.m. Regular Meeting**

MINUTES

City Council
Tom Rouse, Mayor
David Cook, Mayor Pro Tem
Steve Barbose
Ken Brown
Laurie Gallian

SPECIAL MEETING - CLOSED SESSION

1. CALL TO ORDER

At 5:30 p.m., Mayor Rouse called the meeting to order. No one from the public was present to provide public testimony on the closed session item. The Council recessed into closed session with all members present. City Manager Giovanatto, Planning Director Goodison and City Attorney Walter were also present.

2. CLOSED SESSION:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS. Property: Old Fire Station, 32 Patten Street, Sonoma. Agency Negotiators: Carol Giovanatto, City Manager, David Goodison, Planning Director, and Jeffrey Walter, City Attorney. Negotiating Parties: The Other Guys, Inc. Under Negotiation: Price and terms of payment. Pursuant to Government Code §54956.8.

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Significant exposure to litigation, one potential case. Pursuant to Government Code §54956.9(d)(2)

REGULAR MEETING AGENDA

The City Council reconvened in open session and Mayor Rouse called the meeting to order at 6:00 p.m. Mr. Ron Willis led the Pledge of Allegiance.

PRESENT: Mayor Rouse and Councilmembers Barbose, Brown, Cook and Gallian

ABSENT: None

ALSO PRESENT: City Manager Giovanatto, Assistant City Manager/City Clerk Johann, City Attorney Walter, Assistant City Attorney Pistole, Planning Director Goodison, Public Works Director Takasugi, and Associate Planner Atkins

REPORT ON CLOSED SESSION – Mayor Rouse stated that no reportable action had been taken while in closed session.

1. COMMENTS FROM THE PUBLIC

Karla Noyes reported the measures she had taken personally to reduce water consumption and questioned when the City would stop allowing new water connections.

Ron Willis stated that the City Council should take positions regarding State and Federal issues because they affect Sonoma Valley residents.

Don Bandur requested replacement of three sets of rings that had been installed along the bike path years ago.

Rachel Hundley stated her availability at the Farmers Market and through her campaign website.

David Eichar asked the Council to go on record in opposition to fracking.

2. MEETING DEDICATIONS

Clm. Gallian dedicated the meeting to Donna Lewis.

Clm. Cook dedicated the meeting to Joanne Brown.

Clm. Brown dedicated the meeting to Irma Kaye.

3. PRESENTATIONS

Item 3A: Domestic Violence Awareness Month Proclamation

Mayor Rouse read aloud the proclamation and presented it to Mary Beth Cerjan, YWCA Sonoma County. Ms. Cerjan reported on their ongoing activities and programs and thanked the Council for its support.

Item 3B: Sonoma Yoga Fest Weekend Proclamation

Mayor Rouse read aloud the proclamation and presented it to Lisa Murray of Yoga Community. Ms. Murray provided details and invited all to the upcoming Sonoma Yoga Fest Weekend activities.

Item 3C: Sonoma Tourism Improvement District Annual Report

Bill Blum presented the Sonoma Tourism Improvement District (STID) Annual Report for fiscal year 2013/14. He stated that the STID collaborated with the Sonoma Valley Visitor Bureau to develop and implement a comprehensive plan to market Sonoma as an overnight destination with the goal of increasing occupancy and room revenue during the off-season and midweek. He stated they had provided grants to the Sonoma International Film Festival, Valley of the Moon Vintage Festival, Sonoma Valley Museum of Art and the Valley of the Moon Certified Farmers Market. Mr. Blum presented Council with the STID 2013/14 financial statement.

Wendy Peterson, Sonoma Valley Visitor Bureau, described the marketing campaign in detail and stated it had been a very successful year.

4. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL

City Manager Giovanatto requested the addition of an item to the Consent Calendar as Item 4D entitled “Approval of a Letter of Support for Area Agency on Aging’s Application for development of coordinated transportation services and expansion of volunteer driver programs in Sonoma County”. She stated that the request for support came in after the agenda was posted and that the Agency needed the letter by October 30. It was moved by Clm. Barbose, seconded by Clm. Brown, to add the item to the Consent Calendar. The motion carried unanimously.

Item 4A: Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.

Item 4B: Approval of the Minutes of the September 15 and September 29, 2014 City Council meetings.

Item 4C: Approval of the allocation of a free day use at the Sonoma Veteran’s Memorial Building as requested by Pets Lifeline for a fundraising event on December 28, 2014.

Item 4D: Approval of a Letter of Support for Area Agency on Aging’s Application for development of coordinated transportation services and expansion of volunteer driver programs in Sonoma County.

The public comment period was opened and closed with none received. Mayor Rouse announced he would abstain from voting on the September 29 minutes. It was moved by Clm. Gallian, seconded by Clm. Brown, to approve the consent calendar. The motion carried unanimously except that Mayor Rouse abstained from voting on the September 29 minutes.

5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY

Item 5A: Approval of the portions of the Minutes of September 15 and September 29, 2014 City Council meetings pertaining to the Successor Agency.

The public comment period was opened and closed with none received. Mayor Rouse announced he would abstain from voting on the September 29 minutes. It was moved by Clm. Gallian, seconded by Clm. Cook, to approve the consent calendar. The motion carried unanimously except that Mayor Rouse abstained from voting on the September 29 minutes.

6. PUBLIC HEARINGS

Item 6A: Discussion, consideration and possible action to adopt resolution finding no majority protest to the levy of assessments, renewing the Sonoma Tourism Improvement District, and approving the Management District Plan and an agreement between the Sonoma Tourism Improvement District Corporation and the City of Sonoma.

Mayor Rouse opened the public hearing. City Manager Giovanatto reported that Council adopted a Resolution of Intention to renew the Sonoma Tourism Improvement District (STID) on August 18, 2014 and a public meeting was held on September 15 to take public comment in accordance with applicable law. The purpose of the public hearing was to receive protests and public testimony, if any, regarding the renewal of the STID for the period of July 1, 2015 through June 30, 2025. She stated that Council was being asked to approve three documents: 1) A

resolution declaring the results of the October 20 majority protest proceedings, renewing the STID, and approving both the Management District Plan and the Agreement with the STID Corporation; 2) STID Management District Plan, which specified the authorized activities of the STID; and 3) Agreement between the City of Sonoma and the STID. She stated that the agreement mirrors the terms of the original formation agreement and the annual reporting requirements would remain unchanged.

Mayor Rouse invited comments from the public. David Eichar stated that he understood that the Council was to approve the Annual Report or request changes to it. Regarding the renewal of the STID, he stated that if the 10% growth rate continued into the future, the Council should reduce the 2% assessment downward. He stated that occupancy rates had dropped as the room rates went up. He suggested a five-year renewal period so the district could be monitored.

Madolyn Agrimonti stated that the Firefighters Association was collecting funds for the annual fireworks display and she wondered if that would qualify for a STID grant.

Bill Blum stated that a 10% increase every year would be nice but was not realistic. He said their goal was to maintain the current occupancy rate and continue to grow it.

Wendy Stewart, El Pueblo Inn, and Rachel Hundley expressed support for the renewal of the TID. Mayor Rouse closed the public hearing.

It was moved by Clm. Cook, seconded by Clm. Gallian, to adopt the resolution entitled A Resolution of the City Council of the City of Sonoma Declaring Results of Majority Protest Proceedings, Renewing the Sonoma Tourism Improvement District Plan and an Agreement with the Sonoma Tourism Improvement District Corporation. The motion carried unanimously

Item 6B: Discussion, consideration and possible action on an appeal of the Planning Commission's decision to deny the application of Leonard Tillem for a Use Permit to allow the conversion of the mixed-use building at 162-166 West Spain Street into two vacation rental units as an adaptive reuse of an historic structure.

Mayor Rouse opened the public hearing. Planning Director Goodison reported that the Planning Commission considered the application of Leonard Tillem for a Use Permit to allow the conversion of the mixed-use building at 162-166 West Spain Street into two vacation rental units as an adaptive reuse of an historic structure on June 12 and August 14, 2014. A majority of the Planning Commission did not feel that the findings for approval of a vacation rental use were met and that there were other viable uses for the building. The loss of rental housing in the Downtown District was also a consideration. The Planning Commission denied the Use Permit application with a vote of 6-1 and on August 19 Leonard Tillem and Laura Olsen, owners of the subject property, filed an appeal of the Planning Commission's decision. The basis for the appeal was that the building was historically significant and in the state of great disrepair.

Goodison added that under the Development Code, limited nonresidential uses including vacation rentals, could be allowed in officially designated historic structures within the Historic Overlay Zone, subject to review and approval of a Use Permit by the Planning Commission. In order to approve the adaptive reuse of an historic structure for vacation rental purposes, the Planning Commission had to make the following findings in addition

to those necessary for Use Permit approval. That the alteration or adaptive reuse would: 1. Enhance, perpetuate, preserve, protect, and restore those historic districts, neighborhoods, sites, structures, and zoning districts, which contribute to the aesthetic and cultural benefit of the City. 2. Stabilize and improve the economic value of historic districts, neighborhoods, sites, structures, and zoning districts. 3. Preserve diverse architectural design reflecting phases of the City's history, and encourage design styles and construction methods and materials that are compatible with the surrounding neighborhood(s). 4. Promote and encourage continued private ownership and utilization of structures now so owned and used. 5. Substantially comply with the applicable Secretary of Interior Standards and Guidelines for the Treatment of Historic Properties as well as the applicable requirements and guidelines of this Chapter; and 6. Restore and rehabilitate a historic structure and/or property, which is listed or eligible for listing on the State Register of Historic Places, that has fallen into such a level of disrepair that the economic benefits of adaptive reuse are necessary to stem further deterioration, correct deficient conditions, or avoid demolition as implemented in the conditions of project approval.

Mayor Rouse invited comments from the public. Tom Anderson, representing the appellants, described the exterior of the structure as Greek Revival style. He stated that he prepared the latest cost estimate, which was higher than the original estimate and closer to the actual costs of the necessary improvements due to items such as the required sprinkler system being left out of the original estimate. Anderson said that the City would realize a reduction in the amount of water usage and traffic if the units were converted to vacation rentals.

Clm. Gallian inquired about the historic aspects of the structure. Anderson stated that the building finial had been identified in the League for Historic Preservation's survey and that the shutters would be done in the Greek Revival style.

George McKale stated that he conducted a National Register inspection and concluded the designation would apply because of the buildings' connection with Mr. Weill.

Karla Noyes stated that a wise investor invests in his property and uses the revenue generated by it to make improvements. She suggested the owners look into the availability of rehabilitation tax credits.

Rachel Hundley spoke in support of the decision by the Planning Commission and stated that she did not feel the property met the criteria for an exception.

David Eichar stated that the report did not include a before and after evaluation of the value of the property.

Chris Petlock stated that if approved for vacation rental status it would never be residential again. He stated support for the Planning Commission decision.

Fred Allebach stated that if Sonoma was going to be a tourist mecca then the Council might as well approve the conversion.

Laura Olson stated the property had been in her family for fifteen years. She said they had not abused the property and had performed routine maintenance as needed. She stated that it was in need of some major renovations they want to restore the home to its original state. She asked the Council to approve the appeal. Mayor Rouse closed the public hearing.

Clm. Barbose stated his support for the appeal. He stated it was justified because of the major improvements that were necessary and pointed out that it would take a significant investment in the property to complete the renovation. He pointed out that everyone had agreed that business offices were not a viable use of the property plus he felt the project met the criteria for adaptive reuse. Clm. Cook did not agree and he said he believed the process had worked. Clm. Gallian and Clm. Brown stated their agreement with Clm. Barbose. Mayor Rouse stated he would vote to uphold the decision of the Planning Commission. He said to do otherwise ran counter to the Council saying it did not want to change the fabric of the community and would protect residential areas from vacation rentals. He felt the Planning Commission had vetted the issues thoroughly and he agreed with their decision.

It was moved by Clm. Barbose, seconded by Clm. Gallian, to uphold the appeal thereby overturning the decision of the Planning Commission. The motion carried three to two, Clm. Cook and Mayor Rouse dissented.

RECESS: The meeting recessed from 7:30 to 7:45 p.m.

Item 6C: Introduction of an ordinance amending Chapter 19.94 of the Sonoma Municipal Code to implement Housing Element programs and comply with State law.

Mayor Rouse opened the public hearing. Planning Director Goodison reported that Implementation Program #18 of the Housing Element called upon the City to amend the Growth Management Ordinance by ensuring that unused and forfeited housing allocations were tracked and added back into the allocation pool for distribution. He said this change was recommended by the Department of Housing and Community Development as part of the previous update of the Housing Element and implementing it was necessary to preserve the City's status as a Certified Local Government with respect to its Housing Element. Goodison explained the specific changes being recommended.

Mayor Rouse invited comments from the public. Fred Allebach stated that the needed to be a way to ensure that all the housing units possible were actually built.

Madolyn Agrimonti stated the Housing Element was important and she was pleased that it supported the mobilehome parks. Mayor Rouse closed the public hearing.

Clm. Barbose stated he understood that this amendment was necessary to have a certified Housing Element but he was not happy with it because it was authorizing more homes than currently allowed during a severe drought. It was moved by Clm. Gallian, seconded by Clm. Brown, to introduce the ordinance entitled An Ordinance of the City Council of the City of Sonoma Amending Chapter 19.94 of the Sonoma Municipal code by Making Revisions in Accordance With Implementation Program #18 of the City's Housing Element. The motion carried unanimously.

Item 6D: Discussion, consideration, and possible action regarding the Field of Dreams Well 8 Project, including consideration of approving a Negative Declaration.

Mayor Rouse opened the public hearing. Public Works Director Takasugi reported the City currently owned seven groundwater wells, five of which were operational which were installed between 1944 and 1960. Four of the five operational wells have experienced normal, but

unrecoverable, declines in production due to age or relining. Due to the combined effects of well age and relining, the City's groundwater system no longer efficiently extracted groundwater from the underlying aquifer. As part of a 2010 well siting study, a privately owned groundwater well used to irrigate sports fields at the Field of Dreams site at 175 First Street West was identified as an underutilized well. The well was located on City property leased to the Sonoma Valley Field of Dreams Association. In 2013, the City completed a feasibility study, including pump testing, and determined that the well could produce enough groundwater to be a cost-effective alternative to drilling a new well. In March 2014, a lease amendment was executed with the Field of Dreams Association, giving the City operational ownership of the well, while still supplying irrigation water to the Field of Dreams. A CEQA Draft Initial Study had been completed to assess the potential environmental impacts of the Field of Dreams Well 8 project. The Initial Study was sent for public review on a 30-day comment period, and was now being presented to the Council for review and approval. Takasugi stated that the new well facility would include a treatment building, new pump, an all-weather un-paved access road, and a 6-inch water line connecting the well to the City's water distribution system and was scheduled for bidding and construction in the spring and early summer of 2015.

Clm. Cook stated that the City needed to install a well in the Plaza for landscaping. Clm. Gallian asked about the proposed removal of trees. Consultant Brian Bacerini stated that new trees would be planted as a mitigation measure.

Mayor Rouse invited comments from the public. Chris Petlock stated that the City needed to take advantage of this opportunity. Mayor Rouse closed the public hearing.

It was moved by Clm. Gallian, seconded by Clm. Brown, to adopt Res. No. 51-2014 entitled A Resolution of the City Council of the city of Sonoma Adopting a Mitigated Negative Declaration and Mitigation Monitoring Program for the Well #8 Project, the Conversion of an Existing Groundwater Well Used for Irrigation Into a Municipal Well to be Used for Potable Water Supply, Located at the Sonoma Valley Field of Dreams Sports Site, 175 First Street West. The motion carried unanimously.

7. REGULAR CALENDAR – CITY COUNCIL

Item 7A: Discussion, consideration and possible action relating to establishment of a Tobacco Retailer's Licensing program.

Assistant City Attorney Pistol reported that, pursuant to previous Council direction, staff had developed an ordinance which would require the licensure of tobacco retailers for Council's review and consideration. The draft ordinance would implement a program requiring tobacco retailers to obtain a Tobacco Retailer License from the City in addition to any other license required under the Municipal Code and State law. The license fees collected under the program would fund the compliance-monitoring program, which would include a youth decoy sting operation coordinated by the Police Chief and Sheriff's Department. The community benefit of the ordinance establishing a comprehensive Tobacco Retailer's License program was that it would enhance the City's ability to respond to tobacco product sales to minors at the local level. A verified violation could result in the suspension or possible revocation of a businesses' ability to sell tobacco products. This enforcement tool furthers the City Council's expressed desire to eliminate tobacco sales to minors by providing a quicker response to violations than is currently provided at the State level. Ms. Pistol provided additional specific details of the proposed ordinance.

Mayor Rouse invited comments from the public. Rachel Hundley stated that similar ordinances had been challenged in the courts with some being upheld and some not. She questioned if the proposed ordinance would place the City at risk of being sued. Chris Petlock stated his support for the ordinance. Terry Spindola, Briar Patch Cafe and Tobacco Store, stated that he had been in business for thirty-four years and he was concerned about how this would affect his ongoing business and its future potential sale. Pam Granger, American Lung Association, expressed strong support for the ordinance and stated it was highly important to regulate any tobacco sales near the schools. Robin Yankey and one other un-named person spoke in support of the Briar Patch stating that it was a great place for people to get together and socialize. Christine Mesmer and Jack Wagner spoke of the need to regulate tobacco sales. Elizabeth Emerson, Coalition for Tobacco Free Sonoma County, thanked the Council for its support in moving the ordinance along.

CIm. Barbose stated that it was not a good use of Council's time to continue discussion of a matter that would not come up for a vote until after at least two of the current Councilmembers were gone. It was moved by CIm. Cook, seconded by CIm. Gallian, to table the discussion until after the election and the new Councilmembers were seated. The motion carried unanimously. City Manager Giovanatto confirmed with the Council that the smoking ordinance should also be held over until after the first of the year. Mayor Rouse closed the public hearing.

RECESS: The meeting recessed from 9:30 to 9:45 p.m.

Item 7B: Discussion, Consideration and Possible Action on a contract with the Sonoma Valley Health and Recreation Association Request for Grant Funding for the Community Swimming Pool.

Mayor Rouse and CIm. Brown announced that because they sat on the Board of Directors for the Association, they would recuse themselves. Mayor Pro Tem Cook took the gavel.

City Manager Giovanatto reported on July 21, SVHRA presented a proposal to the Council requesting City support to assist in the property purchase to secure the site to construct the facility. Subsequent to that request, staff and representatives of SVHRA met and worked through potential funding agreements. Since submitting their original funding request, the SVHRA had secured their immediate funding levels necessary to meet the escrow closing. Through a series of discussions between SVHRA and the City's representatives, tentative agreement was reached to structure a revised agreement, which would create a 10-year Scholarship program equal to a maximum amount of \$25,000 per year. The scholarship program would go into effect as of the date of the opening of the pool unless the pool was not open within seven years at which time the agreement would become null and void. In line with the original discussions, the form of the scholarship program would be determined prior to the pool opening.

CIm. Barbose confirmed that the scholarship money would be held in a trust under the City's control.

Mayor Pro Tem Cook invited comments from the public. Michael Woods, SVHRA, stated they had reviewed the agreement and were in agreement with its terms.

Councilmembers briefly discussed the issue of whether the proposed scholarships should be available to just City residents or offered to all Valley residents. They ultimately agreed the

scholarships would be offered to all Valley residents. It was moved by Clm. Gallian, seconded by Clm. Barbose, to adopt Res. No. 52-2014 entitled A Resolution of the City Council of the City of Sonoma Approving Funding Agreement for Community Use of Swimming Pool and Establishing Special Fund to Pay for Same. The motion carried unanimously, Brown and Rouse absent.

Item 7C: Discussion, consideration and possible action to adopt an updated Special Events Policy.

Associate Planner Atkins reported that the City's Special Events Policy, last updated in 2007, provided rules and processes utilized by staff and the Community Services and Environment Commission (CSEC) in relation to Special Events. The stated purpose of the policy was to "seek an appropriate balance between the benefits of organized events and their associated impacts on the community". At the request of the City Council, and over the past several months, CSEC conducted a thorough review of the policy and drafted proposed revisions. On August 18, 2014, the City Council and CSEC discussed the policy at a joint study session and at their September 10, 2014 meeting CSEC received input from the public and event organizers. Taking the input from the City Council and the public into consideration, CSEC modified their proposed revisions and voted to forward the policy to the City Council for adoption. She then provided a summary of the major changes being suggested.

Clm. Barbose stated that he did not feel his previously stated concerns had been addressed in the revisions. For instance, the prohibition on tents and multi-day events, which would affect the Film Festival, was still included except if specifically approved by CSEC with no mention of it being appealable to the City Council. Barbose stated he did not like the prohibition on the SONOMAWOOD sign or the ability of the Red & White Ball to cordon off exclusive use.

Atkins explained that each of those provisions included a provision for the CSEC to make exceptions. Clm. Barbose responded that the provision for an exception did not include any criteria for making the exception.

Clm. Brown stated that any decision made by CSEC was appealable to the City Council. Clm. Cook stated he had the same concerns expressed by Clm. Barbose.

Mayor Rouse invited comments from the public. Michael Coats suggested the City hire an event coordinator, someone familiar with event management. Jack Wagner said he was not sure the policy needed to be updated. Rachel Hundley stated that the Council needed to establish criteria for the discretionary decisions. Matt Dockstader, Destination Races, stated events were very important to the town. He said the City process was the least enjoyable part of his job and that the amount of time it took to process the application was far too much and the fees were too high. Chris Petlock, CSEC Chairman, stated that they did take Council's instructions into consideration and they provided a lot of room for exceptions. Cameron Stuckey, CSEC member, stated that they did their job and tried to balance the needs of event promoters with the need to protect the Plaza.

Clm. Cook stated that he wanted the City to have an event coordinator. He did not agree with allowing the Red and White Ball to cordon off a section of the Plaza for their exclusive use.

Clm. Brown agreed that an event coordinator was needed.

Clm. Gallian stated that the proposed revisions addressed most of the comments made at the joint study session. She urged caution in hiring an event coordinator because the thing she heard the most from event organizers was that the fees were already too high. She supported adoption of the policy.

Clm. Barbose stated he did appreciate the work CSEC put into the policy revisions but he felt the Council had provided specific feedback that was not reflected in the document and he wanted to see criteria included for exceptions. He felt it needed to be sent back to CSEC for additional revisions. Cook and Brown agreed.

Mayor Rouse stated the policy was a work in progress and he could live with it. He felt an event coordinator would be nice but he did not know how realistic that was.

It was moved by Clm. Gallian, seconded by Mayor Rouse, to adopt the resolution entitled A Resolution of the City Council of the City of Sonoma Adopting a Special Events Policy. The motion failed by the following vote: AYES: Gallian, Rouse. NOES: Cook, Barbose, Brown. ABSENT: None.

Item 7D: Discussion, consideration and possible action to adopt an Urgency Ordinance placing a moratorium on Automated Purchasing Machines in the City of Sonoma.

City Manager Giovanatto reported that automated purchasing machines were freestanding kiosk-type machines that allow people to sell their cell phones, mp3 players, and other similar devices for an immediate cash distribution. They use specialized technology to assess the value of the device based on model, condition, and value on secondary markets. According to the Police Chief although the automated purchasing machines have advanced security features, they were deficient in deterring criminal exploitation because the machine was unable to verify if the government ID and fingerprint belong to the same person completing the transaction. In addition, there were no security features to prevent unauthorized third party transactions from occurring. For those reasons, the Police Chief recommended adoption of the urgency ordinance banning the automated purchasing machines.

The public comment period was opened and closed with none received. It was moved by Clm. Gallian, seconded by Clm. Brown, to adopt the urgency ordinance. The motion carried unanimously.

Due to the lateness of the hour, it was moved by Clm. Barbose, seconded by Mayor Rouse to put off all reports and comments. The motion carried unanimously.

8. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY - None

9. COUNCILMEMBERS' REPORTS AND COMMENTS - None

10. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF

City Manager Giovanatto reported the following: 1) Ownership of the Montini preserve had officially been transferred to the City and the ribbon cutting ceremony would occur November 1.

2) She had presented outgoing Valley of the Moon Fire District Boardmember Cameron Jarrett with a certificate and key to the City on behalf of the City at their last meeting.

11. COMMENTS FROM THE PUBLIC - None
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12. ADJOURNMENT

The meeting was adjourned at 10:54 p.m. in memory of Donna Lewis.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the _____ day of _____ 2014.

Gay Johann
Assistant City Manager / City Clerk

**CONCURRENT REGULAR MEETINGS OF THE
SONOMA CITY COUNCIL
&
SONOMA CITY COUNCIL AS THE SUCCESSOR AGENCY TO THE
DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY**

Community Meeting Room, 177 First Street West, Sonoma CA



Monday, November 3, 2014

6:00 p.m.

MINUTES

City Council

Tom Rouse, Mayor
David Cook, Mayor Pro Tem
Steve Barbose
Ken Brown
Laurie Gallian

OPENING

Mayor Rouse called the meeting to order at 6:00 p.m. Fred Allebach led the Pledge of Allegiance.

CITY COUNCILMEMBERS PRESENT: Barbose, Cook, Brown, Gallian and Mayor Rouse.
ABSENT: None

OTHERS PRESENT: City Manager Giovanatto, Assistant City Manager/City Clerk Johann, City Attorney Walter, Development Services Director Wirick, Planning Director Goodison.

1. COMMENTS FROM THE PUBLIC

Karla Noyes stated that the Council candidates should jot down the most important issues that the City was facing and keep them in mind in the future. She reported attendance at the recent Water Forum and stated that a lot of good water conservation ideas were mentioned but she wondered how long they would actually take.

Jack Wagner thanked the Council for their support of the candidates and stated that he had enjoyed participation and attendance at the City Council meetings.

Madolyn Agrimonti reported that, as a candidate walking neighborhoods, she noticed a lot fewer garden hoses and more brown lawns. She stated that the Index Tribune synopsis of the proposed water rate increases was accurate and helpful to the residents.

Cathy {last name unintelligible} stated that she resided at The Haven and complained about the treatment and food she had received there.

Ed Kenney objected to the housing project currently under construction on MacArthur Street.

2. MEETING DEDICATIONS - None

3. PRESENTATIONS

Item 3A: Report Regarding the Sonoma County Library Commission

Joanne Sanders and Mike Dawe reported on library system improvements and demonstrated their newly updated website with an explanation of the services available over the internet.

Item 3B: Report by Sonoma Overnight Support regarding the Emergency Shelter Program

Cindy Vrooman, Sonoma Overnight Support (SOS) Board President, stated that SOS started out as a faith based organization made up of volunteers from various churches. In 2003, they became a non-profit organization (SOS). Their mission had always been to shelter the homeless and feed the hungry.

Catherine Barber, SOS Executive Director, reported that within the last year she had completed their first financial audit, hired additional staff including a bookkeeper and a full time shelter director, and put new policies and procedures into place. She reported on services provided the last quarter and that they were experiencing a dramatic increase in the need for services. She emphasized that the majority of their clients were from Sonoma Valley. Barber added that The Haven had only ten beds and mixing the male and female clients was problematic.

Jeff Severson, Director of The Haven, reported that many of the people they see had mental health issues and stated there were not enough facilities available to accommodate the case load.

4. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL

Item 4A: Waive Further reading and Authorize Introduction and/or Adoption of Ordinances by Title Only.

Item 4B: Acceptance of the Sonoma Tourism Improvement District Annual Report.

Item 4C: Adoption of a resolution approving an application by Project Sport LLC for temporary use of City streets for Echelon Ride to Revel Cycling Event on Saturday, April 25, 2015. (Res. No. 53-2014)

Item 4D: Adoption of a resolution approving an application by Destination Races for temporary use of City streets for the Napa to Sonoma Wine Country Half Marathon on Sunday, July 19, 2015. (Res. No. 54-2014)

Item 4E: Adoption of an ordinance amending the Chapter 19.94 of the Sonoma Municipal Code to implement Housing Element programs and comply with State law. (Ord. No. 05-2014)

Item 4F: Adoption of a resolution upholding an appeal of the Planning Commission's decision to deny the application of Leonard Tillem for a Use Permit to allow the conversion of the mixed-use building at 162-166 West Spain Street into two vacation rental units as an adaptive reuse of an historic structure. (Res. No. 55-2014)

The public comment period opened and closed with none received. It was moved by Clm. Barbose, seconded by Clm. Gallian, to approve the Consent Calendar. The motion carried unanimously except that Clm. Cook and Mayor Rouse registered No votes on item 4F.

5. CONSENT CALENDAR/AGENDA ORDER – CITY COUNCIL AS SUCCESSOR AGENCY - None

6. PUBLIC HEARINGS - None

7. REGULAR CALENDAR – CITY COUNCIL

Item 7A: Discussion, Consideration and Possible Action to Approve a Lease of the Marcy House Located at 205 First Street West to the Sonoma Valley Historical Society.

Development Services Director Wirick reported that on March 1, 2014 the 25-year lease of the Marcy House to the Sonoma Sister Cities Association expired. In May of 2014, the Sonoma Valley Historical Society (Society) submitted a proposal to lease the facility for office, storage and research use for the purpose of conducting historical archival curation, including conservation and preservation of historic documents, images and artifacts, bookkeeping, small meetings, artifact restoration, training and other similar Society activities. He stated that the proposed lease was for a ten-year term with a rental rate of \$1 per year with the Society responsible for all costs associated with the leased premises including maintenance, accessibility compliance, utilities, taxes and improvements.

Mayor Rouse invited comments from the public. Carol Page, Society President, stated that the house would serve as an archival and research center and that the Society would ensure it was maintained as an attractive historical resource. Patricia Cullinan and Fred Allebach also spoke in support of the lease arrangement.

It was moved by Clm. Barbose, seconded by Clm. Brown, to approve the lease of Marcy House to the Sonoma Valley Historical Society. The motion carried unanimously.

Item 7B: Discussion, Consideration and Possible Action to Authorize the Sonoma Valley Historical Society to File a Use Permit Application and if Approved, to Sublet a Portion of the Marcy House for Commercial Administrative Office Purposes.

Development Services Director Wirick explained that the Society would like to sublet a portion of the Marcy House to George McKale to conduct his consulting services business. Pursuant to the lease agreement, the subletting of any portion of the building required express written permission by the City Council. Additionally, since the City was the owner of the Marcy House, the filing of a Use Permit application had to be authorized by the City Council and the Use Permit would have to be approved by the Planning Commission for the commercial administrative office use. Wirick added that pursuant to the lease agreement, the Society would be required to complete the accessibility improvements described in the lease prior to using the building for commercial administrative office purposes. All rents collected by subletting the building would be collected and retained by the Society for the exclusive purpose of maintaining, repairing and improving the premises.

Mayor Rouse invited comments from the public. Patricia Cullinan requested the Council's approval of the request.

It was moved by Clm. Gallian, seconded by Clm. Brown, to authorize the Sonoma Valley Historical Society to file a Use Permit application for the commercial administrative office use and if said Use Permit was approved by the Planning Commission, authorize the City Manager to provide express written permission to allow the Society's subletting of a portion of the premises for commercial administrative office use. The motion carried unanimously.

Item 7C: Discussion, Consideration and Possible Action to Grant a Conditional Extension of the Refuse Contract to Sonoma Garbage Collectors.

City Manager Giovanatto reported that Sonoma Garbage Collectors requested a ten-year extension to its current agreement with the City, which would expire in May 2017. The extension would allow development of a local composting program involving construction and operation of a composting system designed to process all of the City's source separated organic, compostable waste stream. As proposed the program would create benefits in the areas of greenhouse gas emission reduction by eliminating outhaul of compostable materials, would generate local compost materials to be sold locally and would provide expansion and support of a local business enterprise. Giovanatto added that staff recommended a conditional extension which would allow Sonoma Garbage to pursue securing a location for the facility, begin the permitting process, and have the security of ongoing financial resources necessary to make commitments to construct the facility. In return, Sonoma Garbage Collectors was offering to add a new residential service of bulky item pick up by appointment.

Clm. Barbose questioned if this extension was allowed by the County Waste Joint Powers Authority (JPA). City Manager Giovanatto responded that approval would be contingent upon it being approved by the JPA and that Waste Management Agency Director Mikus had stated he would support it.

Mayor Rouse invited comments from the public. Ken Wells stated he spoke to the JPA attorney and she was comfortable that the existing agreement allowed this type of program. Will Honeybloom stated support for the extension and proposed composting program. He complained that garbage trucks came around at four in the morning and asked if they couldn't come at a later time. Jack Wagner also spoke in support of the proposal.

It was moved by Clm. Barbose, seconded by Clm. Brown, to approve the extension and to direct staff to prepare a resolution and franchise extension for action at the next Council meeting. The motion carried unanimously.

Item 7D: Discussion, consideration, and possible action regarding a request from Mr. Don Bandur to install an exercise rings station along the bike path, Requested by Mayor Rouse.

City Manager Giovanatto reported that certain parcourse equipment, including a set of rings, had been donated and installed along the bike path by a volunteer organization in 1979. Because the equipment fell into disrepair and presented a liability to the City, it was eventually removed. Mr. Don Bandur had requested many times the last few years that the ring station which was removed in 2012, be reinstalled. Mayor Rouse placed this item on the agenda to see if there was support among the Councilmembers to direct staff to look into the feasibility of reinstating the parcourse equipment.

Mayor Rouse stated that he felt that a parcourse or similar exercise structure would be good for the public and would provide exercise equipment for those who could not afford gym

memberships. He stated that the City could seek an outside organization to sponsor or co-sponsor the equipment and its installation.

Mayor Rouse invited comments from the public. Madolyn Agrimonti stated her support for the idea and asked if the bike path could be marked so people would know how far they had walked. Jack Wagner also supported the idea.

CIm. Cook said he would support staff looking into the idea and said he would like to see the issue of a city wish book that had been brought up by CIm. Sanders two years ago revisited. CIm. Barbose stated that replacing the ring apparatus did not appeal to him since it was on the U.S. Consumer Products not safe list but he would support the reintroduction of some type of exercise equipment for public use. CIm. Gallian stated that there would be replacement and maintenance costs, insurance requirements, etc. and she would like to have additional information before moving ahead.

It was moved by CIm. Gallian, seconded by CIm. Barbose, to direct staff to research the possibility, costs and ramifications of an exercise course on City property and to report back to the City Council at a future date. The motion carried unanimously.

8. REGULAR CALENDAR – CITY COUNCIL AS THE SUCCESSOR AGENCY

9. COUNCILMEMBERS’ REPORTS AND COMMENTS

CIm. Brown reported on Economic Development Steering Committee and the SVCAC retreat.

CIm. Gallian reported on a meeting at Schellville Fire Station regarding County fire services, the Wine County Marine Ball, and the Ag and Open Space District meeting.

CIm. Barbose reported on the Sonoma Clean Power meeting.

10. CITY MANAGER COMMENTS AND ANNOUNCEMENTS INCLUDING ANNOUNCEMENTS FROM SUCCESSOR AGENCY STAFF - None

11. COMMENTS FROM THE PUBLIC

Jack Wagner stated that he had learned a lot during the campaign and he thanked Council and the community for their support.

12. ADJOURNMENT

The meeting was adjourned at 7:43 p.m.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the day of 2014.

Gay Johann
Assistant City Manager / City Clerk



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 4C

Meeting Date: 11/17/14

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager / City Clerk

Agenda Item Title

Approval and ratification of the reappointment of Charles Bouey to the Marin/Sonoma Mosquito and Vector Control District Board of Directors for a four-year term ending December 31, 2018.

Summary

Mr. Bouey has represented the City on the Marin/Sonoma Mosquito and Vector Control District Board of Directors since 1985 and is eligible for reappointment.

Correspondence from the District indicates that although there is no legal requirement for local representation on the Board, they continue to support such representation.

Recommended Council Action

Approve and ratify the appointment.

Alternative Actions

Council discretion.

Financial Impact

n/a

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

Letter from MSMVCD

Charles Bouey
463 France Street
Sonoma CA 95476



CITY OF SONOMA
City Council/Successor Agency
Agenda Item Summary

City Council Agenda Item: 5A

Meeting Date: 11/17/2014

Department

Administration

Staff Contact

Gay Johann, Assistant City Manager/City Clerk

Agenda Item Title

Approval of the portions of the Minutes of October 20 and November 3, 2014 City Council meetings pertaining to the Successor Agency.

Summary

The minutes have been prepared for Council review and approval.

Recommended Council Action

Approve the minutes.

Alternative Actions

Correct or amend the minutes prior to approval.

Financial Impact

N/A

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

See Agenda Item 4B for the minutes

Alignment with Council Goals: N/A

cc: NA



CITY OF SONOMA
City Council
Agenda Item Summary

City Council Agenda Item: 6A

Meeting Date: 11/17/14

Department

Public Works

Staff Contact

Dan Takasugi, Public Works Director / City Engineer

Agenda Item Title

Discussion, consideration and possible action on approving a City Water Rate Update

Summary

City water rates have not been updated since 2007. A 2012 analysis of water rates showed that the existing rate structure and model were not sustainable in the long term. Two presentations were made to the Council in June 2013 to highlight the challenges faced by the City's water enterprise. At that time, Council gave staff direction to pursue a water rate study update.

The water rate study update process follows the rigid guidelines of the State's Proposition 218 mandates. A Council study session was conducted on August 25, 2014 to present the proposed updated water rates. At the August 25, 2014 study session, Council directed staff to incorporate steeper conservation tiers for Residential rates. Council also directed staff to implement a conservation tier structure for multi-family and commercial customers. Those changes were implemented in a Draft Water Rate Study presented to the Council on September 29, 2014.

On September 29, 2014, Council approved the Proposition 218 Notice and set a date for the Public Hearing. Also on September 29, 2014, the Council approved procedures to tabulate written protests under Resolution 49-2014.

Notices were sent on October 3, 2014 to water customers and property owners to ensure that no one was missed and that generally the citizenry were informed of the potential water rate increase.

Staff recommends that Council conduct a Public Hearing, and then, take a 5-minute recess. During the recess, staff will count the number of protest letters. If the number of protest letters does not exceed 2,177 (half plus one of the 4,353 parcels served) then upon reconvening, Council may consider the resolution to adopt the water rate changes.

Recommended Council Action

Adopt the Resolution if a majority protest does not exist.

Alternative Actions

Council discretion

Financial Impact

The water rate update, if approved, will put the City's water utility enterprise in a financially sustainable position for at least the next 5 years.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
- No Action Required
- Action Requested

Attachments:

Draft Resolution
Public Hearing Notice
Frequently Asked Questions Sheet

Due to the size of the full Water Rate Study (80 pages) it has not been included with this report. It can be found on the City's website at www.sonomacity.org.

Alignment with Council Goals:

Supports the Council Water and Infrastructure Goal for updating the City's water rate structure and rate model.

cc:

David Spilman, Spilman & Associates

CITY OF SONOMA

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA,
ADOPTING A PROGRAM OF WATER RATE AND FEE INCREASES FOR
FISCAL YEAR 2014-15 THROUGH 2018-19 AND SETTING WATER RATES
AND CONNECTION FEES TO BE EFFECTIVE JANUARY 1, 2015 AND EACH
JANUARY 1ST THEREAFTER TO JANUARY 1, 2019

WHEREAS, the City Council has determined that certain changes in water rates and connection fees charged to customers of the City of Sonoma Water Utility are required to fund expenses incurred by the Water Utility, based on a report entitled, "City of Sonoma 2014 Water Rate Study;" and

WHEREAS, pursuant to Proposition 218, a notice of the public hearing to be held on November 17, 2014 was mailed on October 3, 2014 to all affected utility account holders and property owners; and

WHEREAS, on November 17, 2014 the City Council conducted a public hearing and gave every interested person an opportunity to make a written protest to the scheduled connection fee and rate changes as recommended in the City of Sonoma 2014 Water Rate Study, and the City Council has considered each protest; and

WHEREAS, the City Council finds that a majority written protest against the connection fee and rate changes as recommended and listed in the City of Sonoma 2014 Water Rate Study does not exist; and

WHEREAS, the City Council finds, based upon all evidence in the record, including without limitation the City of Sonoma 2014 Water Rate Study, that the proposed water rates and charges do not exceed the estimated amount required to provide water service to properties served by the Water Utility.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Sonoma as follows:

Section 1. City of Sonoma 2014 Water Rate Study

The City of Sonoma 2014 Water Rate Study, including the recommended rate schedule and fees for Fiscal Years 2014-15 through 2018-19, which is attached hereto and by this reference made a part hereof is hereby adopted.

Section 2. Water Rates and Charges

Pursuant to the authority granted in Section 13.04.120 and Sections 13.24.150 through 13.24.190 of the Municipal Code, the rates and charges set forth below are hereby adopted effective for meter usage reads for utility bills or development permit approvals issued after the specified date:

(A) SERVICE CHARGE – Monthly billing period

	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020
Meter Size						
5/8" or 3/4"	\$ 17.10	\$ 17.33	\$ 19.79	\$ 20.28	\$ 20.75	All Rates tied to CPI Adjustments
5/8", 3/4" or 1"	\$ 17.10	\$ 17.33	\$ 19.79	\$ 20.28	\$ 20.75	
1 1/2"	\$ 26.09	\$ 26.43	\$ 30.18	\$ 30.94	\$ 31.66	
2"	\$ 32.60	\$ 33.03	\$ 37.72	\$ 38.67	\$ 39.57	
3"	\$ 48.90	\$ 49.55	\$ 56.58	\$ 58.01	\$ 59.35	
4"	\$ 81.50	\$ 82.58	\$ 94.30	\$ 96.68	\$ 98.92	
5"	\$ 60.05	\$ 60.83	\$ 69.47	\$ 71.22	\$ 72.87	
6"	\$ 130.52	\$ 132.24	\$ 151.02	\$ 154.82	\$ 158.41	
Fire Line Meter Size						
2"	\$ 5.87	\$ 5.95	\$ 6.80	\$ 6.97	\$ 7.13	
4"	\$ 11.74	\$ 11.89	\$ 13.58	\$ 13.92	\$ 14.24	
6"	\$ 23.48	\$ 23.78	\$ 27.16	\$ 27.85	\$ 28.49	
8"	\$ 35.22	\$ 35.68	\$ 40.75	\$ 41.77	\$ 42.74	
10"	\$ 46.95	\$ 47.57	\$ 54.32	\$ 55.69	\$ 56.98	

(B) WATER USE RATES – Monthly billing period

1. Base Water Use Rate:

	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020
Base charge For all Users - Adjusted by Use Factor	\$ 5.23	\$ 5.43	\$ 5.74	\$ 6.07	\$ 6.33	All Rates tied to CPI Adjustments

Use Factors

Residential	1.00	1.00	1.00	1.00	1.00	1.00
Multi-Family	0.85	0.80	0.80	0.80	0.80	0.80
Commercial	1.05	1.10	1.15	1.15	1.15	1.15
Municipal	1.00	1.00	1.00	1.00	1.00	1.00
Irrigation, Fire & Hydrant	1.32	1.32	1.32	1.32	1.32	1.32

2. Single Family Residential Detached Dwellings and Second Units (Water Use Rate per Unit of Use per Monthly Billing Period - 1 Unit = 1,000 gallons):

	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020

Single Family Residential Detached Dwellings & Second Units Conservation Tiers and Rates - Amount of Monthly Water Use

1	1-6 Kg	\$ 3.59	\$ 3.73	\$ 3.94	\$ 4.17	\$ 4.35	All Rates tied to CPI Adjustments
2	7 - 12 Kg	\$ 6.30	\$ 6.55	\$ 6.91	\$ 7.31	\$ 7.63	
3	13 - 18 Kg	\$ 7.07	\$ 7.35	\$ 7.76	\$ 8.21	\$ 8.56	
4	19+ Kg	\$10.21	\$10.62	\$11.22	\$11.86	\$12.38	

3. Multi-family Residential Dwellings (apartment, condominium/townhouse, mobile home, duplex, triplex, fourplex, live/work) Water Use Rate per Unit of Use per Monthly Billing Period - 1 Unit = 1,000 gallons):

1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020
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Multi-Family Conservation Tiers and Rates - Amount of Monthly Water Use

		1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020
1	1 - 26 Kg	\$ 4.13	\$ 4.04	\$ 4.27	\$ 4.52	\$ 4.71	All Rates tied to CPI Adjustments
2	27 - 78 Kg	\$ 4.71	\$ 4.61	\$ 4.87	\$ 5.15	\$ 5.37	
3	79+ Kg	\$ 4.96	\$ 4.85	\$ 5.12	\$ 5.42	\$ 5.65	

4. Commercial – All Commercial, Institutional and Industrial

1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020
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Commercial Conservation Tiers and Rates - Amount of Monthly Water Use

		1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020
1	1 - 25 Kg	\$ 5.21	\$ 5.68	\$ 6.27	\$ 6.63	\$ 6.92	All Rates tied to CPI Adjustments
2	26 - 61 Kg	\$ 5.49	\$ 5.98	\$ 6.60	\$ 6.98	\$ 7.28	
3	62+ Kg	\$ 5.99	\$ 6.53	\$ 7.21	\$ 7.63	\$ 7.96	

5. Other Customer Groups - Municipal - governments, institutional and certain non-profits; Irrigation Service (separately metered); Fire Service (separately metered) & Hydrant (temporary meter permits) – Monthly billing period

	1/1/2015	1/1/2016	1/1/2017	1/1/2018	1/1/2019	Annually Beginning 1/1/2020
Municipal	\$ 5.23	\$ 5.43	\$ 5.74	\$ 6.07	\$ 6.33	All Rates tied to CPI Adjustments
Irrigation	\$ 6.90	\$ 7.17	\$ 7.57	\$ 8.01	\$ 8.36	
Fire & Hydrant	\$ 6.90	\$ 7.17	\$ 7.57	\$ 8.01	\$ 8.36	

6. Other Charges:

- a. For all accounts outside of the City of Sonoma city limits 15% will be added to Service and Water Use rates listed above.
- b. Water Use rates may be adjusted annually in accordance with Government Code Section 53756 to provide for a pass through of any increase in the cost of wholesale water purchased from another agency (such as the Sonoma County Water agency) that is in excess of those projected in the adopted 2014 Water Rate Study.
- c. Beginning on January 1, 2020, the Service and Water Use rates may be adjusted annually to provide for the increase, if any, in the San Francisco-Oakland-San Jose Consumer Price Index over the latest available prior 12-month period following notice and a public hearing in accordance with applicable law.

(C) CONNECTION CHARGES

The connection charge for a new service connection shall be the sum of: the front foot charge, meter charge and capacity charge. The front foot charge does not apply in cases where a main

extension is required. All applicants must also provide a service lateral (pipe from main to meter) as noted in the City's Water Rate and Fee Schedule.

1. Front Foot Charge

The front foot charge shall be \$ 60 per linear foot of frontage on the existing main located in the street. If the lot is bounded by more than one street with mains then, the front footage shall be the sum of the front foot distances on each main divided by the number of streets with mains. If the lot is an irregular lot, such as a flag lot or inner lot the minimum front foot distance shall be 100 feet.

The minimum front footage upon which the front foot charge is based shall be 100 feet.

This rate shall be adjusted annually as specified in section 4.e below.

2. Meter and Lateral Installation Charges

The lateral is the pipeline extending from the main to the meter. The size and materials used shall be approved by the City. The lateral shall terminate in a meter box at a location approved by the City Water Department. The lateral shall be installed to meet City standards. The applicant shall hire or make arrangements for an underground contractor licensed by the State of California to install the lateral and meter box and other appurtenant and required equipment and devices (such as a backflow prevention device if deemed necessary by City).

The meter, however, shall be furnished and installed by the City. Applicant shall pay a meter charge for the meter and installation cost of materials, labor and equipment plus 20% administration charge as determined by the City at the time of installation.

3. Fire Service Only

In cases where required design fire flow for a given application for consumptive water service exceeds 1,000 gallons per minute (with 20 psi residual), the Capacity Charge shall be increased by \$ 2,202 per 100 gallons per minute of such excess.

In the cases where the applicant is only being provided fire flow and is not requesting water for consumptive purposes, the Capacity Charge shall be \$ 2,202 per 100 gallons per minute of design fire flow provided.

This rate shall be adjusted annually as specified in section 4.e below.

4. Capacity Charge

The capacity charge shall be calculated in terms of the demand of an equivalent single-family dwelling (ESD). An ESD is defined as the water demand for the average day of the maximum month for a typical single family detached home served by the City. The value of an ESD has been determined by the City to be 561 gallons per day. Capacity charges for residential customers and commercial, institutional and industrial customers are calculated as shown below. Note, if at any time a customer's use exceeds the estimate used in determining the capacity charge, the City may require that the customer pay an additional capacity charge at the rate then in effect for each ESD of such excess.

For connections made prior to June 6, 1999, base use shall be determined by the City from examination of historic water use records.

- a. The Base Capacity Charge per ESD is \$ 9,796 effective January 1, 2015 and adjusted annually as specified in section e below.
- b. Residential Accounts - For residential customers, the capacity charge is calculated by multiplying the Base Capacity Charge by the factor in the following table times the number of equivalent dwelling units (ESDs) in that category.

If the area of a residential dwelling is larger than 4,000 square feet or if the area to be irrigated (excluding drip irrigation area) is greater than 2,500 square feet, the capacity charge shall be calculated as set forth in section d below

Type of Residential Dwelling

Use Category	Capacity Charge Unit of Measurement	ESD Factor applied per unit of measurement to ESD Base Capacity Rate
Single family detached dwellings	Dwelling Unit	1.00
Townhouses/condominiums, duplexes, triplexes, and fourplexes	Dwelling Unit	0.80
Mobile home	Dwelling Unit	0.51
Apartment houses (5 or more dwelling units)	Dwelling Unit	0.47
Second/accessory dwellings (dwelling on a parcel in undivided ownership)	Dwelling Unit	0.47

- c. Non-Residential and Separately Metered Irrigation accounts

Commercial, institutional and industrial capacity charges shall be based on the following Equivalent Single Family Dwelling Unit ESD factors. The ESD rating for each application shall be computed by multiplying the applicable measurement units by the ESD factor(s). The capacity charge shall then be calculated by multiplying the total ESDs by the Base Capacity Charge per ESD.

If a single service connection serves both a residential and a non-residential use, or more than one non-residential use, the connection fees for each use shall be additive.

The minimum ESD for each separate non-residential water service connection shall be 1.0.

Other Uses

Use Category	Capacity Charge Unit of Measurement	ESD Factor applied per unit of measurement to ESD Base Capacity Rate
Commercial	Connections	1.00
Auto dealers	Service bays	0.20
Bars and taverns	Design occupancy	0.04
Business and Professional Offices	1,000 sq. ft.	1.00
Car washes (self service)	Stalls	1.00
Car washes (except self service)	Each 561 gpd of estimated water use during peak month	1.00
Churches, halls and lodges	Connections	1.00
Dental offices	1,000 sq. ft.	1.00
Dry Cleaners	1,000 sq. ft.	1.50
Garages	Service bays	0.50
Hospitals - Convalescent	Beds	0.30
Hospitals - General	Beds	0.30
Hotels/motels	Sleeping rooms	0.50
	Kitchen facilities	0.50
	Manager's living quarters	1.00
	Washing machines (laundry)	1.00
	Other facilities	TBD – Section d
Laundromats	Washing machines	1.00
Other laundries	Each 561 gpd of estimated water use during peak month	1.00
Medical offices	1,000 sq. ft.	1.00
Restaurants - Dine-in	Design seating occupancy	0.20
Restaurants - Take-out	1,000 sq. ft.	2.50
Rest homes	Beds	0.30
Service stations	Gas pumps	0.50
	Service bays	0.20
Storage (self service)	1,000 sq. ft.	0.20
Theaters	Seats	0.05
Warehouse	1,000 sq. ft.	0.20
Other business and commercial development	1,000 sq. ft.	1.00
All industrial uses	Each 561 gpd estimated water use during peak month or 1,000 sq. ft. whichever is greater.	1.00
All other uses not specified above	By determining use during average day of peak month and dividing by 561 gpd.	TBD – Section d

- d. For ESD factors not specified above to be applied to the Base Capacity Charge, the ESD factor shall be determined by the City Manager or Designated Representative.
- e. The Front Footage, Fire Service and Capacity Charges shall be adjusted annually effective each January 1st by the Engineering News Record (ENR) Construction Cost Index for the San Francisco Bay area annual percent change from July to July averaged over the three prior years.

(D) BACKFLOW PREVENTION DEVICE INSPECTION CHARGES

In cases where a backflow prevention device is determined by the City to be required, applicant shall hire a qualified contractor and be responsible for installing same. An inspection fee shall be charged at the current hourly rate for Public Works Inspection to each such device (typical inspection time of one hour).

A backflow prevention device is required where there is a well on the property to be served and for irrigation services and certain commercial uses. Applicant shall verify with the City Manager or Designated Representative.

(E) REPLACEMENT OF BROKEN METER BOXES

Charges to replace meter box (broken by contractor) including, if required, removal and replacement of surrounding concrete structures if present, shall be cost of materials, labor and equipment plus 20% administrative charges at the time of the breakage and repair.

(F) NEW RENTAL ACCOUNT DEPOSIT

A deposit of \$150 will be charged to all new accounts, residential or non-residential, when the person responsible for paying the water bill (applicant) is not the property owner. Said \$150 deposit shall be refunded if no final shutoff notices have been issued by the City for 24 months.

(G) CHANGED OR EXPANDED USE

Whenever new "development" as defined in California Government Code Section 65927 (residential or non-residential) occurs on a premise with an existing water service connection, additional connection fees shall be charged as applicable under this resolution.

Whenever an expansion or change in use (non-residential) occurs on a premise with an existing water service connection, which expansion or change in use substantially increases the amount of water used through said connection as determined by the City Manager or Designated Representative, additional connection fees shall be charged to account for said higher usage. Said additional connection fees shall be based on applicable ESD factors as provided in this resolution.

(H) PENALTIES

1. Late charge

Water bills are due 20 days from the date mailed.

A Water Service Delinquent Notice (2nd Notice) Fee shall apply when a customer's bill is not paid within 39 days of mailing of the original bill. This fee shall be as specified in the City of Sonoma Fee Schedule.

If a customer's bill is not paid within 47 days of mailing, the water service may be turned off. A "Water Service Turn Off" fee shall apply.

2. Unauthorized use of City water

Unauthorized use of the City water at a meter will result in a penalty charge of \$75; other unauthorized uses of City water will result in a penalty charge of \$200. These penalty charges are in addition to the cost of water used and replacement of any damaged equipment.

Section 3 All Other Charges

All other rates, charges, fees, penalties, etc. not provided for herein which are presently charged in connection with operation of the City of Sonoma Water Utility shall remain unchanged.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Sonoma at its regular meeting held on November 17, 2014 by the following vote:

Ayes:

Noes:

Absent:

Tom Rouse, Mayor

ATTEST:

Gay Johann, City Clerk



City of Sonoma
No. 1 The Plaza
Sonoma, CA 95476

[MAILING LABEL GOES HERE]

Notice of Public Hearing

NOTICE IS HEREBY GIVEN, pursuant to Article XIII (D) of the California Constitution that the City of Sonoma is proposing to increase its rates for Water services. The City Council will conduct a public hearing on this matter, which will be held on:

Date: Tuesday, November 17, 2014
Time: 6:00 P.M.
Place: City of Sonoma Community Meeting Room
177 First Street West, Sonoma , CA

The hearing will review the proposed changes for water rates, and other related changes to fees and charges. At the time of the public hearing, the Council will hear and consider all protests and objections concerning these matters. This notice has been sent to all utility customers and property owners, if different, as of the last address available. If there is no majority protest, the Council will consider and may adopt the increased rates by ordinance. The proposed rate changes will become effective after adoption of the resolution and the effective date therein.

This Notice of Public Hearing provides information on the proposed water rate changes as required by State law. The resolution for proposed rate changes is anticipated to be presented to the City Council after the public hearing and the protests to the rate change has been tabulated. This notice also provides information on how the rates are calculated, the reasons for the required rate changes, how customers can receive more information on the effect of the rate changes, and how to file a protest against the proposed rate changes.

Water Rate Changes

Public Hearing November 17, 2014

Why do the rates need to be changed?

Proposed Water Rates	Current Rates	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	Annually Beginning January 1, 2020
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The last water rate study to project and set rates was adopted in December 2007 and water rates have not changed since February 2012. The costs to maintain the water system have increased over the years, in spite of cost reducing measures by the City. The costs of labor, energy, chemicals and compliance with Federal and State regulations for clean water continue to rise. In addition, the Sonoma County Water Agency costs to bring water to Sonoma have increased. The City must also comply with State law requirements for adequate water supply and with financial agreements to maintain adequate reserves and operating revenues over expenses. The City also has a responsibility to the ratepayers to keep the water system efficient and financially sustainable with adequate funding for system replacement and operating reserves.

With the extended drought, conservation tiers for residential accounts need to be adjusted to provide greater incentives to conserve water. In addition, new conservation tiers should be established for multi-family and commercial accounts to encourage conservation.

What has been done to control costs?

The City has made efforts in the water budget to reduce costs by deferring equipment replacement, extending regular maintenance intervals where appropriate, joining in collaborative compliance actions with other Water Agency contractors, and making greater use of local well water supply. For questions on Water operations or improvements, please contact the Public Works Department at (707) 938-3332.

How Are the Rate Changes Developed?

A rate study is a formal analysis to determine a fair allocation of costs between residential and non-residential users based on use of the services and impact on the water system. It also accounts for conservation measures and pricing in the residential and non-residential rates and allocates costs to new development to pay its fair share of improvements that benefit development. On August 25th, the City Council held a study session to review the findings and recommendations of the 2014 Draft Water Rate Study. The City Council provided direction to staff on various rate options. On September 29th, the City Council held a special meeting and public hearing to discuss the rate recommendations and authorized this 45-day public notice for a formal public hearing on the water rate changes on November 17th.

How Do I Protest The Proposed Water Rate Changes?

The City Council has adopted a resolution establishing procedures in accordance with State law on how to protest fee changes, such as, water rates. Customers directly responsible for the payment of the rates and/or property owners, if different, may submit a written protest against the rate changes. If the City receives written protests from a majority of the affected customers and/or property owners of the identified parcels, then the proposed rate changes cannot be adopted by the City Council. It is important to follow these instructions in order for your protest to be valid:

1. The protest must be in writing and received by the City Clerk at or before the close of the public hearing on November 17, 2014. The protest must specifically identify what is being protested. Written protests may be mailed or personally delivered to the City Clerk at City Hall - No.1 The Plaza, Sonoma, CA 95476.
2. All written protests must include the service address and utility account number.
3. The protest must be signed by the person who is listed on the utility account and is responsible for paying the utility bill and/or the property owner. The name of the signer should also be printed legibly. Only one protest will be counted for each account or property.

For more information, please contact the City Clerk at 707-933-2216 or gjohann@sonomacity.org

Fixed Monthly Service Charge by Meter Size						
Meter Size						
5/8" or 3/4"	15.35	17.10	17.33	19.79	20.28	20.75
5/8", 3/4" or 1"	18.42	17.10	17.33	19.79	20.28	20.75
1 1/2"	24.58	26.09	26.43	30.18	30.94	31.66
2"	30.72	32.60	33.03	37.72	38.67	39.57
3"	46.07	48.90	49.55	56.58	58.01	59.35
4"	76.78	81.50	82.58	94.30	96.68	98.92
5"	56.57	60.05	60.83	69.47	71.22	72.87
6"	122.96	130.52	132.24	151.02	154.82	158.41
Fire Line Meter Size						
2"	5.27	5.87	5.95	6.80	6.97	7.13
4"	10.53	11.74	11.89	13.58	13.92	14.24
6"	21.07	23.48	23.78	27.16	27.85	28.49
8"	31.60	35.22	35.68	40.75	41.77	42.74
10"	42.13	46.95	47.57	54.32	55.69	56.98
Water Use Charge for amount of water used in 1,000 gallons per Unit (1,000 = 1 unit)						
Base charge For all Users - Adjusted by Use Factor	5.10	5.23	5.43	5.74	6.07	6.33
Residential	1.00	1.00	1.00	1.00	1.00	1.00
Multi-Family	0.90	0.85	0.80	0.80	0.80	0.80
Commercial	1.00	1.05	1.10	1.15	1.15	1.15
Municipal	1.01	1.00	1.00	1.00	1.00	1.00
Irrigation, Fire & Hydrant	1.32	1.32	1.32	1.32	1.32	1.32
Residential Conservation Tiers and Rates - Amount of Monthly Water Use in units						
1	1-6	3.59	3.59	3.73	3.94	4.17
2	7 - 12	6.11	6.30	6.55	6.91	7.31
3	13 - 18	6.11	7.07	7.35	7.76	8.21
4	19+	7.63	10.21	10.62	11.22	11.86
Multi-Family Conservation Tiers and Rates - Amount of Monthly Water Use in units						
1	1 - 26	4.59	4.13	4.04	4.27	4.52
2	27 - 78	4.59	4.71	4.61	4.87	5.15
3	79+	4.59	4.96	4.85	5.12	5.42
Commercial Conservation Tiers and Rates - Amount of Monthly Water Use in units						
1	1 - 25	5.10	5.21	5.68	6.27	6.63
2	26 - 61	5.10	5.49	5.98	6.60	6.98
3	62+	5.10	5.99	6.53	7.21	7.63
Municipal		5.14	5.23	5.43	5.74	6.07
Irrigation		6.73	6.90	7.17	7.57	8.01
Fire & Hydrant		6.73	6.90	7.17	7.57	8.01
Annual Change in Rates and Extraordinary Costs						
Surcharge for Rate Changes in Wholesale Water	Annual adjustment to Water Use rates for changes in wholesale water costs due to other agency rate changes in excess of projected changes in adopted rate study.					
Outside City Rate	For all accounts outside of the City of Sonoma city limits - 15% added to all Service and Water Use rates listed above.					

All Rates tied to CPI Adjustments

All Rates tied to CPI Adjustments

Current and Proposed Water Rate Changes

The following chart shows the changes in proposed rates over the next five years. The first rate increase is proposed to be effective for bills issued after January 1, 2015. Future annual rate increases will be effective each January 1st.

What is the impact to Customers with the added and new conservation tiers?

The following shows a typical customer water use per month for residential, multi-family and commercial. These examples are of average or median current water use in each group per month. None of the examples includes use in the highest conservation tier, which would increase the billing. The actual amounts for each user will vary with different water user during the year and the conservation rate structure. Each "unit" of use is 1,000 gallons of water

Average Use	Proposed Rates					
	Current	2015	2016	2017	2018	2019
Residential - 13 units use	\$ 79.66	\$ 84.34 6%	\$ 87.20 3%	\$ 93.66 7%	\$ 98.40 5%	\$ 102.22 4%
Multi-Family - 12 units at 77 units use	\$ 384.15	\$ 381.76 -1%	\$ 374.73 -2%	\$ 398.74 6%	\$ 420.51 5%	\$ 437.85 4%
Commercial - Restaurant at 61 units use	\$ 335.68	\$ 355.24 6%	\$ 384.82 8%	\$ 425.95 11%	\$ 449.55 6%	\$ 468.30 4%

Other fees and charges

Connection Fees – For January 1, 2015, the current fees are proposed to increase from the 2007 charge by calculating and applying the prior three year average percent increase in Engineering News Record Construction Cost Index for San Francisco Bay area. Future Fees are proposed to change each January by applying the same index.

	Current	Proposed
Front Footage Fee	\$ 49 per Lineal Foot	\$ 60 per Lineal Foot
Capacity Charge	\$ 8,000 per ESD	\$ 9,796 per ESD
Fire Service Only Capacity Charge	\$ 1,798 per excess flow	\$ 2,202 per excess flow

The equivalent single-family dwelling (ESD) values and ratios by different uses and used in calculation of the Capacity Charge are not proposed to be changed as currently adopted in Resolution 46-2007.

The charges for Installation of meters and lateral lines are proposed to change from current fixed and variable fees to variable fees based on actual cost of materials and installation by the City.

Fees for replacement of broken meter boxes and related damages are proposed to be variable fees based on actual cost of materials and installation by the City.

Fees and penalties for billing delinquencies and turn offs for non-payment are set in the specified in the City of Sonoma Fee Schedule.

All other fees and charges are proposed to remain the same as currently adopted in Resolution 46-2007.

Proposed future rate changes allowed under State Law

The water rates can be adjusted annually after January 1, 2020 in accordance with State law using the San Francisco Bay Area Consumer Price Index (CPI). It is anticipated that this annual adjustment would keep the rates in line with operating costs. Any annual CPI adjustment would be set by a resolution adopted by the City Council after a noticed public hearing on the rate adjustments.

Rates can also be changed to pass through increases in wholesale charges for water purchased from third-party agencies, such as the Sonoma County Water Agency, in accordance with State Government Code section 53756.

How can I find out more about the proposed rate changes?

The 2014 Water Rate Study can be read at www.sonomacity.org or copies are available at City Hall. To find out how the proposed rates will affect your bill, you can call Utility Billing at 707-933-2237

City of Sonoma

2014 Water Rate Update

Frequently Asked Questions

Why do water rates need to increase?

Water rates need to be sufficient to cover the total cost of service while at the same time, maintaining an adequate operating reserve. The water utility is self-funded meaning that it requires that revenues equal expenditures. The rate increase is necessary so the utility is financially sustainable and does not fall into deficit spending. The cost to supply the water, store it, and distribute it to the community continues to increase each year. There are also ongoing required maintenance and improvements of the water system to ensure stable and safe water to the community. Even with the ongoing improvements and efficiencies in operations, the costs to provide water to the community will continue to increase and require increases in water rates.

In addition, new State Water regulations for distribution system water quality require a higher level of investment in operations, equipment and facilities to change the way water flows through the system. These changes are needed to maintain the quality of the water and protect the health and safety of the community.

When was the last time water rates were increased?

The water rates were last studied in 2007, at which time the City Council imposed a 5-year schedule of increasing water rates. The last water rate increase was actually implemented in 2012. Since 2007, costs have risen significantly. For example, the cost to purchase imported water from the Sonoma County Water Agency has risen approximately 60% in the last 5 years.

What will happen if we don't raise the rates?

We will be forced to reduce our investment in necessary capital improvements in the distribution system and other areas. This will lead to increasing infrastructure failures, water service interruptions, water loss, street damage, and violation of State health and safety regulations. The end result will be higher operating costs, thereby reducing the funds now slated for infrastructure investments. While the water system currently has adequate operating reserves and a large capital improvement reserve, if the rates were not increased in small amounts each year, the water system will become financial unstable and require much larger increases in the future.

What is the difference between fixed and usage rates?

The City charges both a fixed service charge and a water use rate for water accounts. The fixed service charge is based on the size of the meter at each location. Most homes have a 1" meter. The water use rate is for water actually used and recorded at the water meter. It is calculated by multiplying the water use rate by the number of gallons used at the property during the billing period in 1,000 gallon increments

The City of Sonoma is required by the "Restructured Agreement for Water Supply" with the Sonoma County Water Agency to be a signatory to the California Urban Water Conservation Council (CUWCC) Best Management Practices. Included, for water conservation purposes, is a requirement that no more than 30% of water sales revenue be derived from fixed service charges. By requiring that at least 70% be based on water use rates, customers have a financial incentive to improve water use efficiency.

The ongoing day-to-day maintenance of the mains, services, and fire hydrants, reading water meters, paying bills, sampling water quality, filing reports and keeping the system within regulatory compliance all still need to happen even when water sales are low. Due to the decline in water use, the City's current ratio of fixed to usage revenue has moved to about 19% fixed charges and 81% usage charges. The greater proportion of revenue from the water use rate leads to a more volatile income stream. The City Council directed a change in rates to achieve about 21% of revenue from the fixed service charges over a 5-year period.

Is this rate increase going to pay for better utility services?

The rate increase is needed to maintain the current level of service for all City of Sonoma water customers and maintain reliable and safe water service to customers. Without these rate increases, the public could see reduced levels of service and decreased water reliability. The rate increases will also provide for greater water conservation incentives to residential and, for the first time, multi-family and commercial users.

Is this a new charge for service?

These are not new charges, nor are they new services. The rate increases are to adequately fund operations and maintenance to maintain existing services and to ensure a safe, affordable and reliable water supply for City of Sonoma water customers.

What is the "Base Charge" for water?

The base charge for water use is the total costs to be recovered by the water use rate divided by the total estimated annual water used in 1,000 gallon units. The base charge is then adjusted up or down for user groups based on the ratios of the user demand on the water system and the conservation tiers for residential, multi-family and commercial.

What do water rates pay for?

Water rates are established to pay for ongoing operations, maintenance, repair and improvements of the existing system. The City purchases most of the water distributed to its approximately 4,300 residential, commercial and irrigation customers from the Sonoma County Water Agency. Costs involved in operating the water distribution system include the purchase of water and the daily operation and maintenance of five production wells, water mains, fire hydrants, valves, meters, pumps and other components of the system. Water rates also pay for staff salaries, operating materials and supplies, vehicles, training and projects included in the Capital Improvement Program (CIP).

Why doesn't new development pay for capital improvements?

New development pays a one-time connection fee based on the size of their water service to "buy in" to the existing system. For example, a new single-family home currently pays \$8,000 to connect to the water system. New development is required to pay for and install infrastructure required to serve their project. For example, if a new or larger water main is required to supply a new subdivision, the City does not pay for it out of capital improvement funds. The new development pays all costs associated with infrastructure needed to provide water service. Most of the capital improvements funded by past and future rates and are needed to maintain and improve the water system for the benefit of the current users and do not add capacity to the water system for the benefit of new development. Expansion and upgrade of the water system to accommodate new development is paid by new development through connection fees. Connection fees are designed to ensure that development pays for costs associated with expansion and capacity related to growth as called for by the City's General Plan.

If development was halted as of today, water rates would increase more in the long-term since one-time connection fee revenue used to "buy-in" to the system would stop. Connection fees are designed to pay for

both the cost of building out the system to accommodate for growth and to charge new users for existing available capacity in the current system. If growth stopped, ratepayers would need to cover some costs that are currently funded by connection fee revenue.

Why does the City need so many Capital Improvements and why does that affect our rates?

A reliable and safe water system is a valuable asset to the community and is an essential element to the quality of life in Sonoma. Reliance on annual revenues or one-time development fees to replace, repair and improvement the water system is risky and not an effective way to manage a utility system. A balanced combination of planned long term financing with grants, connection fees and annual rate revenues is the best way to insure adequate funding for capital improvements. The \$7.6 million capital improvement projects over the next five years are designed primarily to improve the water mains, service lines and establish new wells. These improvements are designed to replace old and potentially leaking lines to capture water loss and to establish new water sources to reduce reliance on purchased water. To fund these improvements it is proposed to use \$2.2 million from rate revenues, \$2.6 million from available working capital, \$2 million from a long term low interest loan and \$795,000 from grants and one time connection fees.

What is Proposition 218?

Proposition 218 is the initiative passed by California voters in November 1996 that establishes the process by which public agencies can raise taxes or fees for services. Over the years, there have been amendments and court challenges that have improved procedures to provide greater public involvement in the entire rate setting process. Among other things, Proposition 218 requires the agency to mail a public notice to every single utility account holder and property owner, if different, regarding the proposed rate increase and then to hold a public hearing. It also establishes a protest process for the ratepayers to follow if they wish to oppose the proposed rates.

Why did I get two letters?

The City sent letters to all the utility account holders (rate payers) and all of the property owners. If you own your home and are a water customer of the city, you may have been sent two letters. This occurred when there were differences between the name listed on the water account and the name listed on the Sonoma County Assessor's Database for property owners.

What do I have to do to protest the increase?

- You need to send a signed written (not email) protest to the office of the City Clerk of the City of Sonoma by 6pm on MONDAY, November 17, 2014. Protests must be received (postmark not accepted) by the City Clerk before the close of the Public Hearing on MONDAY, November 17, 2014. They can be mailed to the City Clerk or delivered in person at the Public Hearing.
- You must include your name, the service address (or APN number) for your water account, and your original signature.
- You must state your opposition to the proposed fee.
- Only one protest per parcel or account is accepted by either the account holder or the property owner.

Are there proposed changes to the tiered water rates?

Yes. The water rates propose increasing residential tiered rates from three tiers to four tiers. This is intended to increase the financial incentive for conservation at the highest tiers and reward conservation at the lowest tiers. Also, new conservation tiers are proposed for multi-family and commercial accounts, where none previously existed.

What is the “pass-through” part of the rates?

State law provides for water agencies to implement a pass-through rate for changes in wholesale water costs. The rate study included estimated annual wholesale water costs changes at 4% per year. If the actual changes from the Sonoma County Water Agency are different, then the State law allows for the City to pass-through the difference by resolution with a 30 day notice, if it is determined that changes are needed.

What is the annual rate adjustments based on the Consumer Price Index (CPI) on January 1, 2020?

State law also provides that the City may include an annual adjustment to water rates based on inflation. The City Council is now proposing to include continuing rate adjustments for both the fixed service charge and water use rate based on the San Francisco-Oakland-San Jose Consumer Price Index percent change. This annual change would be considered by the City Council with a 30-day notice to the ratepayers.

I want to lower my water bill by using less water. What are the best ways to do that?

Up to 70% of water used is outside the home and much of that water is wasted. By following these water-saving tips, you can save water every day.

1. Fix leaky faucets. Save 15-20 gallons per day per leak.
2. Fix leaky toilets. Save 30-500 gallons of water daily.
3. Water landscapes only when necessary. Follow the City's mandatory seasonal watering schedule.
4. Plant water-wise trees and plants. Save 2/3 of the water used compared to non-water-wise plants.
5. Adjust sprinklers so they don't water driveways, streets and sidewalks. Save 15-25 gallons per day.
6. Use shut-off nozzles on your hoses and a broom to clean driveways and sidewalks. Save 8-18 gallons per minute.
7. Run the dishwasher only when full. Save 2-4.5 gallons per load.
8. Only wash full loads of laundry. Save 15-50 gallons per load.
9. Take shorter showers and only fill up the bathtub about 1/3 full. Save 2.5 gallons per minute.
10. Turn off the faucet when brushing teeth or shaving. Save 2 gallons per minute.
11. Take advantage of Water Conservation Rebates. For more information, see the Water Conservation page on the City's website at www.sonomacity.org



CITY OF SONOMA
 City Council
 Agenda Item Summary

Agenda Item:	9
Meeting Date:	11/17/2014

Department Administration	Staff Contact Gay Johann, Assistant City Manager/City Clerk
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Agenda Item Title

Councilmembers' Reports on Committee Activities.

Summary

Council members will report on activities, if any, of the various committees to which they are assigned.

MAYOR ROUSE	MPT COOK	CLM. BARBOSE	CLM. BROWN	CLM. GALLIAN
ABAG Alternate	AB939 Local Task Force	Cittaslow Sonoma Valley Advisory Council, Alt.	Oversight Board to the Dissolved CDA	ABAG Delegate
City Audit Committee	City Facilities Committee	North Bay Watershed Association	Sonoma County Health Action	Cittaslow Sonoma Valley Advisory Council
City Facilities Committee	LOCC North Bay Division Liaison	Sonoma Clean Power	S. V. Citizens Advisory Commission	City Audit Committee
Sonoma County Mayors & Clm. Assoc. BOD	Oversight Board to the Dissolved CDA, Alt.	Sonoma County Transportation Authority & Regional Climate Protection Authority, Alternate	S.V. Economic Development Steering Committee	LOCC North Bay Division Liaison, Alternate
Sonoma County M & C Assoc. Legislative Committee, Alt.	Sonoma Clean Power Alt.	Sonoma County Waste Management Agency	S. V. Library Advisory Committee, Alternate	Sonoma County Transportation Authority & Regional Climate Protection Authority
Sonoma Disaster Council	Sonoma County Mayors & Clm. Assoc. BOD	VOM Water District Ad Hoc Committee, Alternate	Substance Abuse Prevention Coalition	LOCC North Bay Division, LOCC E-Board (M & C Appointment)
Sonoma Housing Corporation	Sonoma County M & C Assoc. Legislative Committee	Water Advisory Committee, Alternate	Mobilehome Park Rent Control Ad Hoc Committee (1/8/14)	Sonoma County Ag Preservation and Open Space Advisory Committee (M & C Appointment)
Sonoma Valley Citizens Advisory Comm. Alt.	Sonoma Disaster Council, Alternate			VOM Water District Ad Hoc Committee
S.V.C. Sanitation District BOD	Sonoma Housing Corporation			Water Advisory Committee
S.V. Fire & Rescue Authority Oversight Committee	S.V.C. Sanitation District BOD, Alt.			Mobilehome Park Rent Control Ad Hoc Committee (1/8/14)
	S.V. Economic Development Steering Committee, Alt.			
	S. V. Library Advisory Committee			
	S.V. Fire & Rescue Authority Oversight Committee			

Recommended Council Action – Receive Reports

Attachments: None