

**CITY OF PITTSBURG**  
**Housing Authority Minutes**  
**May 16, 2005**

Chair Nancy Parent called the meeting of the Housing Authority to order at 7:56 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel – Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding Redevelopment Agency of the City of Pittsburg, California vs. United States Steel Corporation, Case No. C 04-2349 MJ, and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 regarding two cases.

Chair Parent advised that there was no reportable action from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Kee, Leatherwood, Wallen, Parent

**MEMBERS ABSENT:** None

**STAFF PRESENT**

- Assistant Executive Director, Matt Rodriguez
- Legal Counsel, Ruthann Ziegler
- City Clerk, Lillian Pride
- Deputy City Clerk, Alice Evenson
- Deputy City Clerk, Delores Magallon
- Director of Housing and Community Programs, Annette Landry
- Director of the Redevelopment Agency, Garrett Evans
- Director of Engineering and Building, Joe Sbranti
- Director of Economic Development, Brad Nail
- Director of Human Resources, Marc Fox
- Director of Public Works, John Fuller
- Director of Recreation, Paul Flores
- Director of Finance, Marie Simons
- Police Chief, Aaron Baker

**CONSIDERATION**

1. **RESOLUTION 05-220** Consideration and Approval of Subsidy Standards

Director of Housing and Community Programs Annette Landry reported that the City of Pittsburg had completed the revision process for Chapter 5 - Subsidy Standards in the 2005 Administrative Plan, which determined how many bedroom units in terms of the size voucher count must be subsidized based on the household size. These revisions addressed newly implemented policies and procedures issued by HUD that the Housing Authority adhered to in all program operations.

Ms. Landry explained that with the revision two people could be in one bedroom. For two bedrooms, four people could occupy that space.

In the past there had been the ability for flexibility in the bedroom counts, although that was no longer possible given the potential deficit in terms of the budget reductions affecting the Housing Authority.

Ms. Landry noted that staff would return periodically with additional changes that might be required in order to balance the budget.

This action would have no fiscal impact on the City of Pittsburg during Fiscal Year 2004/05. The Housing Authority operated a self-sufficient program that had no fiscal impact on the City's General Fund for FY 2004/05. Future impacts to the City's General Fund might be potentially realized if federal funding for the City's Housing Authority programs was not sustained for FY 2005/06.

Ms. Landry recommended that the Housing Authority adopt a resolution approving the updated Chapter 5 – Subsidy Standards in the 2005 Administrative Plan.

On motion by Member Glynn, seconded by Member Johnson and carried unanimously to adopt Resolution 05-220.

### **CONSENT CALENDAR**

On motion by Member Johnson, seconded by Member Casey and carried unanimously to adopt the Consent Calendar as follows:

- a. **DISBURSEMENT LIST** Dated: April 30, 2005

Approved Disbursement List dated April 30, 2005.

- b. **MINUTES** Dated: April 18, 2005

Approved Minutes dated April 18, 2005.

### **ADJOURNMENT**

The meeting of the Housing Authority adjourned at 8:00 P.M. to the next meeting on June 20, 2005.

Respectfully submitted,

Lillian J. Pride, Secretary

als

**CITY OF PITTSBURG**  
**Redevelopment Agency Minutes**  
**May 16, 2005**

Chair Nancy Parent called the meeting of the Redevelopment Agency to order at 8:01 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel – Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding Redevelopment Agency of the City of Pittsburg, California vs. United States Steel Corporation, Case No. C 04-2349 MJ, and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 regarding two cases.

Chair Parent advised that there was no reportable action from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Kee, Parent

**MEMBERS ABSENT:** None

**STAFF PRESENT**

Assistant Executive Director, Matt Rodriguez  
Legal Counsel, Ruthann Ziegler  
City Clerk, Lillian Pride  
Deputy City Clerk, Alice Evenson  
Deputy City Clerk, Delores Magallon  
Director of Housing and Community Programs, Annette Landry  
Director of the Redevelopment Agency, Garrett Evans  
Director of Engineering and Building, Joe Sbranti  
Director of Economic Development, Brad Nail  
Director of Human Resources, Marc Fox  
Director of Public Works, John Fuller  
Director of Recreation, Paul Flores  
Director of Finance, Marie Simons  
Police Chief, Aaron Baker

**CONSENT CALENDAR**

On motion by Member Johnson, seconded by Member Casey and carried unanimously to adopt the Consent Calendar, as follows:

a. **MINUTES** Dated: May 2, 2005

Approved minutes dated May 2, 2005.

- b. **RESOLUTION 05-1050** Authorize Year-End Financial Adjustment for Fiscal Year  
**Combined w/CC 05-10302** 2004-05 for the Elimination of All Outstanding State of  
California Department of Boating and Waterways'  
Marina Construction Loans

Adopted Redevelopment Agency Resolution 05-1050.

Adopted City Council Resolution 05-10302.

**ADJOURNMENT**

The meeting of the Redevelopment Agency adjourned at 8:02 P.M. to June 6, 2005.

Respectfully submitted,

Lillian J. Pride, Secretary

als

**CITY OF PITTSBURG**  
**Pittsburg Power Company Minutes**  
**May 16, 2005**

Chair Nancy Parent called the meeting of the Pittsburg Power Company to order at 8:03 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel – Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding Redevelopment Agency of the City of Pittsburg, California vs. United States Steel Corporation, Case No. C 04-2349 MJ, and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 regarding two cases.

Chair Parent advised that there was no reportable action from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Kee, Parent

**MEMBERS ABSENT:** None

**STAFF PRESENT**

- Assistant Executive Director, Matt Rodriguez
- Legal Counsel, Ruthann Ziegler
- City Clerk, Lillian Pride
- Deputy City Clerk, Alice Evenson
- Deputy City Clerk, Delores Magallon
- Director of Housing and Community Programs, Annette Landry
- Director of the Redevelopment Agency, Garrett Evans
- Director of Engineering and Building, Joe Sbranti
- Director of Economic Development, Brad Nail
- Director of Human Resources, Marc Fox
- Director of Public Works, John Fuller
- Director of Recreation, Paul Flores
- Director of Finance, Marie Simons
- Police Chief, Aaron Baker

Mayor Parent convened JOINTLY the CITY COUNCIL and the PITTSBURG POWER COMPANY to consider the following:

**CONSIDERATION**

1. **RESOLUTION 05-129**  
**Combined w/CC 05-10294** Approving and Authorizing the City Manager and Executive Director to Execute an Operating Memorandum Pursuant to the Project Development Agreement Between Trans Bay Cable LLC, the Pittsburg Power Company, and the City of Pittsburg

Director of the Redevelopment Agency Garrett Evans advised that the Pittsburg Power Company (PPC) and City of Pittsburg were engaged in a power development activity with Trans Bay Cable (TBC) LLC to construct a DC Transmission Line between the City and the City of San Francisco. The Operating Memorandum identified the relationship between the PPC, the City and TBC as set forth in the Project Development Agreement. The Operating Memorandum would be presented to the Federal Energy Regulatory Commission (FERC) as part of their Rate Making process to set rates designed to recapture the cost of development, financing construction, operation and maintenance of the project.

The financial benefits as established through the Project Development Agreement were all contingent on FERC acceptance of the Operating Memorandum and setting transmission rates to recover the Trans Bay Cable Project costs, including those necessary for the operation, maintenance, and repair of the project. The Operating Memorandum itself was only declaratory of the relationships between the CITY, PPC, and TBC and did not change the existing financial relationship as set forth in the Project Development Agreement.

Mr. Evans recommended that the Pittsburg Power Company Approve the Operating Memorandum between PPC, the CITY, and TBC for the Trans Bay DC Transmission Line project and authorize the City Manager of the City of Pittsburg and the Executive Director of the Pittsburg Power Company to execute the Operating Memorandum.

Member Johnson thanked Mr. Evans for taking the time to respond to his questions related to the item.

On motion by Member Glynn, seconded by Member Johnson and carried unanimously to adopt Pittsburg Power Company Resolution 05-129.

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt City Council Resolution 05-10294.

### **CONSENT CALENDAR**

On motion by Member Johnson, seconded by Member Glynn and carried unanimously to adopt the Consent Calendar as follows:

- a. **MINUTES** Dated: May 2, 2005

Approved minutes dated May 2, 2005.

- b. **RESOLUTION 05-130** Ratification of Assignment of Pittsburg Power Company's  
**Combined w/CC 05-10303** Rights and Obligations Under the Owner Participation  
Agreements Between Pittsburg Power Company and  
Winter Chevrolet and Winter Honda

Adopted Pittsburg Power Company Resolution 05-130.

Adopted City Council Resolution 05-10303.

**ADJOURNMENT**

The meeting of the Pittsburg Power Company adjourned at 8:08 P.M.

Respectfully submitted,

Lillian J. Pride, Secretary

als

**CITY OF PITTSBURG**  
**City Council Minutes**  
**May 16, 2005**

Mayor Nancy Parent called the meeting of the City Council to order at 8:09 P.M. in the City Council Chambers at City Hall, 65 Civic Avenue, Pittsburg, California after having convened into Closed Session at 6:00 P.M. for Conference with Legal Counsel – Existing Litigation pursuant to Section 54956.9(a) of the Government Code regarding Redevelopment Agency of the City of Pittsburg, California vs. United States Steel Corporation, Case No. C 04-2349 MJ, and Conference with Legal Counsel – Anticipated Litigation pursuant to subdivision (c) of Section 54956.9 regarding two cases.

Mayor Parent advised that there was no reportable action from Closed Session.

**MEMBERS PRESENT:** Casey, Glynn, Johnson, Kee, Parent

**MEMBERS ABSENT:** None

**STAFF PRESENT** Assistant City Manager, Matt Rodriguez  
City Attorney, Ruthann Ziegler  
City Clerk, Lillian Pride  
Deputy City Clerk, Alice Evenson  
Deputy City Clerk, Delores Magallon  
Director of Housing and Community Programs, Annette Landry  
Director of the Redevelopment Agency, Garrett Evans  
Director of Engineering and Building, Joe Sbranti  
Director of Economic Development, Brad Nail  
Director of Human Resources, Marc Fox  
Director of Public Works, John Fuller  
Director of Recreation, Paul Flores  
Director of Finance, Marie Simons  
Police Chief, Aaron Baker

Mayor Parent considered the following general City Council items at 7:20 P.M. prior to pursuing the Housing Authority agenda.

**PLEDGE OF ALLEGIANCE**

Councilmember Casey led the Pledge of Allegiance.

**PROCLAMATION**

1. Honoring Officer Larry Lasater



Police Chief Aaron Baker introduced members of the Lasater family to the City Council.

Councilmember Casey read the Proclamation honoring Officer Larry Lasater and presented the Proclamation to members of the Lasater family who were accompanied by several members of the Pittsburg Police Department.

PHYLLIS LOYA, Officer Lasater's mother, expressed her appreciation for the proclamation in honor of her son Larry. She commented that while going through childhood memories she had found a book project that her son had completed in the First Grade when he had expressed a desire to grow up to be a policeman. She thanked the City for giving her son the opportunity to fulfill that dream.

## 2. Bike to Work Week

Vice Mayor Kee read the Proclamation for designating the month of May as National Bike Month and Bike to Work Day on May 19, 2005, and presented the Proclamation to Bruce Ohlson a member of the East Bay Bicycle Coalition.

BRUCE OHLSON identified four bike projects that had been completed in recent months making Pittsburg more bicycle friendly. He described bike lanes on Buchanan Road from Kirker Pass Road to the border with the City of Antioch, the restriping of a bicycle lane from Dover Way to Bailey Road on Leland Way, the installation of bicycle lanes on Crestview Drive from West Leland Road to Frontage Road, and the installation of a bicycle trail between the freeway and Albertsons. He thanked staff for the projects that had been completed and for the consideration of work he hoped would be scheduled in the future.

## 3. Affordable Housing Week

There was no one available to receive the Proclamation for Affordable Housing Week. The Mayor noted that the proclamation would be mailed to the appropriate agency.

## 4. National Public Works Week

Councilmember Glynn read the Proclamation for National Public Works Week, May 15 to 21, 2005 and presented the Proclamation to members of the City's Public Works Department.

Senior Administrative Analyst Laura Wright reported that an open house at City Park on May 19 from 2:00 to 6:00 P.M. would showcase the Public Works Department. Activities and demonstration events would be held at that time.

## **COUNCILMEMBER REPORTS/REMARKS**

Councilmember Johnson reported on his attendance at League of California Cities

Legislative Days in Sacramento where he had the opportunity to meet with local legislators. Councilmember Johnson also noted that Governor Schwarzenegger had visited the City of Pittsburg to discuss Propositions 42 and 98 as well as monies for transportation. He further reported that he had attended the Veterans Flag Retirement ceremony at which time 30 flags had been formally retired.

Vice Mayor Kee reported that he and the Mayor had attended a ribbon cutting ceremony for Woods Manor Apartments on Leland Road in honor of a recent remodeling effort. He had also attended a Redevelopment Subcommittee meeting, and the Juvenile Justice Awards at which time he had presented a proclamation on behalf of the Mayor to his wife in recognition of her outstanding service as a Probation Officer at Central Jr. High Middle School. He had also received a request from County Supervisor Glover that someone from City staff contact him to coordinate City efforts for the placement of signs for the "Fix Highway 4 Now Campaign."

Councilmember Glynn reported that he had attended the Mayors Conference in Brentwood, a celebration attended by the Ambassador from Belgium along with two special guests from Belgium hosted by the Past President of the Battle of the Bulge Association, the TRANSPLAN Committee and ePPAC meetings, and had the privilege of touring the new Veterans Building in the City of Lafayette which had been constructed jointly by the cities of Walnut Creek and Lafayette. He added that the Veterans Building was scheduled to open in the next couple of months.

Mayor Parent reported that the Lighthouse Christian Center had recently held a special service highlighting public servants, particularly Pittsburg Police Officer Larry Lasater and members of the Pittsburg Police Department. She noted the many city organizations that had attended that event. She also stated that the Farmer's Market was doing well, getting good attention, and that the produce was great.

Mayor Parent had also attended the League of California Cities meeting when local control of housing and transportation issues had been discussed. As earlier reported, she had attended the Mayors Conference in Brentwood when the new voting machine had been presented by County Clerk Steve Weir.

### **CITY MANAGER REPORTS/REMARKS**

Assistant City Manager Matt Rodriguez affirmed that the Farmer's Market had been very successful the last two weeks where there had been over 700 attendees. He commended the Recreation Department for making the market possible for the community. He reported that the Farmer's Market would be held every Saturday from 9:00 A.M. to 1:00 P.M. from May 7 through September.

Mr. Rodriguez reported that the Neighborhood Improvement Team would meet on Tuesday, May 24 at 7:00 P.M. at the Riverside School on Black Diamond Street. He thanked City staff for his/her efforts in working on the proposed fiscal year 2005/06 budget and advised that the budget hearings had been scheduled for June 6 and June 13, 2005.

He commended the efforts of all involved to balance the City's budget. Mr. Rodriguez advised that the proposed FY 2005-2007 two-year budget would be presented to the Council in the coming weeks.

Mr. Rodriguez also reported that a memorandum would be submitted to all City employees advising of the City's current budget conditions. With a \$3 million operating structural deficit, he stated that City staff would work to address those issues. The City had approximately two years to develop a Budget Recovery Plan. It was the hope to be able to develop additional revenue enhancements and balancing tools to address that deficit in the years to come. Employee budget orientations would be conducted for City employees on Thursday, June 2 at 2:00 P.M. with the City Manager's Office available to answer questions regarding the City's financial condition.

Mayor Parent stated that the information on the opportunity for City employees to be apprised of the budget would be included in employee pay envelopes.

Councilmember Glynn stated with respect to the Farmer's Market that the Pittsburg Historical Museum had adjusted its hours of operation to coincide with the hours of the Farmer's Market.

### **CITIZENS REMARKS**

ALBERT SEENO III, Discovery Builders, 4061 Port Chicago Highway, Concord, requested that the City of Pittsburg place an Urban Limit Line (ULL) petition on the November ballot asking Pittsburg citizens and voters to dictate the placement of the ULL. He expressed his willingness to do whatever was needed to make that a reality.

MARY ERBEZ, Pittsburg, complimented the employees who maintained the City's landscaping, particularly along Tenth Street and Railroad Avenue. She commented that the City looked absolutely gorgeous.

With respect to the ULL, Ms. Erbez expressed her disappointment that the cities and the County had been unable to reach a compromise. She noted that the building permits issued in 1995 to early 2003 showed that the City of Antioch had built approximately 6,572 homes, Brentwood 7,854, Oakley, 1,612, Byron 881, and Pittsburg 2,200 homes. She suggested that the City was not out of line in its request for additional land to accommodate the units included in the City's approved General Plan. She was pleased to learn that the City Council was heading towards support of an election on the ULL issue. Ms. Erbez recognized the long-term efforts of the Planning Department, Planning Commission and City Council in preparing a General Plan for the City which could be used as a guide to set the ULL. She did not want the County Board of Supervisors or other cities to dictate to Pittsburg where it's ULL should be placed. She expressed her hope that the citizens of the City would have the opportunity to indicate what was desired for the community and its future, to ensure well-managed growth and a high quality of life. She suggested that the City was being forced on the issue and stated it was time to take the issue to the electorate, potentially by the November 2005 ballot.

Mayor Parent reported that the issue of whether or not the City should move forward with a determination on the City's ULL on a future ballot had been scheduled for discussion for the first City Council meeting in June.

BRUCE OHLSON, Pittsburg, commented on his difficulties accessing e-mail addresses of all members of the Council in that two Councilmembers were not on the City system and his/her e-mail addresses were listed as being on a private system. He recommended the policy making body establish a policy related to Councilmember e-mail addressees.

CATHY WALLEN, Pittsburg, noted that the City had suffered great losses when Pittsburg Police Officers Ray Giacomelli and Larry Lasater had been killed in the line of duty. She recommended a memorial on City Hall grounds with an eternal burning light to identify those who worked every day to protect the City and its citizens.

Mayor Parent adjourned to the Housing Authority at 7:55 P.M. and reconvened as the City Council at 8:09 P.M.

## **PUBLIC HEARING**

1.     **ORDINANCE 05-1243**     Introduction of an Ordinance Amending Chapter 13  
          **Combined w/05-10290**     "Water and Sewers" of the Pittsburg Municipal Code
  
2.     **RESOLUTION 05-10290**     Adopt Resolution Making Changes to the Municipal  
          **Combined w/05-1243**     Code and Setting Water and Sewer Rates

Public Works Director John Fuller reported that the City Council of the City of Pittsburg directed staff to conduct a complete review of both water and sewer rates to address major issues facing the water and sewer enterprises. The consulting firm of Brown and Caldwell Engineers was authorized to perform the review of the water and sewer system rates and fees and make recommendations. The reports had been received by the City of Pittsburg and the comprehensive study of water and sewer rates resulted in recommendations to fundamentally change how the City charged different customers for utility service to ensure a more fair and equitable billing system, and increasing revenue to fund needed capital improvements.

Mr. Fuller offered a PowerPoint presentation for the review of the City's water and sewer fees and charges. He stated that the study was intended to ensure that the rates provided sufficient revenue, was practical and easy to understand and implemental, equitable between different customer classifications and compliant with new Proposition 218 legal requirements. For sewer rates, the City assumed responsibility for sewer laterals in the public street right-of-way in 2001, with 15,000 customers and 57 miles of pipe, a 50 percent increase in total pipe responsibility. There was no routine comprehensive inspection program and a need for a long delayed rehabilitation program for the City's old sewers. He commented that the cities of Antioch and Concord had commenced extensive sewer rehabilitation projects.

Mr. Fuller offered photographs to show the types of problems related to the City's aging sewer lines. For sewer needs and to begin the rehabilitation necessary to take care of the system, approximately \$2 million annually would need to be invested into the sewer system to keep it rehabilitated, functional and operating properly and to avoid service problems and liability claims. He commented that the sewer rate structure was old and the rate structure currently used had originated in the 1960's. He pointed out some of the inequities in the rate structure, such as charging schools for the number of pupils, and stated that the City was not collecting sufficient revenue to drive its capital improvement programs. The rate structure was over 40 years old and was not easily defended or explainable, fair or equitable.

Mr. Fuller stated that the recommendation was to base sewer utility rates on estimated waste water flow. Waste water flow was estimated by water use, which structure was a standard used by other jurisdictions and sanitary sewer districts. Such a structure was justifiable, defensible and equitable.

Mr. Fuller noted that approximately 80 percent of the waste water flow was estimated to come from single family homes and 20 percent from non-residential, industrial, institutional, and commercial customers. Based on the total number of customers, 97 percent were single family residential. He stated that a small rate increase was needed to create an equitable rate structure system.

Mr. Fuller noted that with the proposal everyone would pay \$1.33 for every 100 cubic feet of wastewater flow. In order to recreate that equity and provide for the Capital Improvement Program (CIP), the City was currently paying \$10 a month for families. The recommended alternative was \$13 a month, a three dollar or 30 percent increase for sewer. He identified the current rate structure and described the proposed increases for non-residential customers. While commercial laundry uses had been grossly undercharged, he stated that the schools had been overcharged. With the changes as recommended, the City's structure would be no different from surrounding jurisdictions.

For general business customers, Mr. Fuller stated that the rates would increase although would be less than the City of Martinez and the East Bay Municipal Utility District (EBMUD). The increase for residential customers would be a \$3 per month increase while non-residential customer increases would vary, some dramatically although the increases would be justified, fair and similar to other agency charges in the area. The increases would correct historical inequities and would fund the CIP and lateral maintenance. There would be an appeal process in the new ordinance to allow for major industrial or commercial customers, which had water uses that were not driven by sewer flow to seek adjustments.

Councilmember Glynn inquired of the probability of using recycled water on the purchase side of the home which he understood had to do with Delta Diablo Sanitation District which rate was significantly different in terms of the purchase of recycled water for use in a commercial laundry, as an example.

Mr. Fuller explained that recycled water was less expensive than domestic water and could not be used for anything other than landscaping or some industrial uses. He was uncertain whether or not a commercial laundry could obtain health department approval for the use of recycled water.

Councilmember Glynn stated that he had checked into that issue and had learned that recycled water could be used in a commercial laundry although it would require pre-treatment prior to use. The question was whether or not the gray water would be subject to the same rates, which Mr. Fuller affirmed would occur since the gray water would still utilize the same pipes and treatment plant.

Mr. Fuller explained that the water rates were more complicated. There were CIP and rehabilitation needs similar to the sewer system and there was a need to create at least one new reservoir to correct problems for existing customers, new transmission mains in order to rectify existing low water pressure problems and replacement of plastic water services. The City also needed to address inoperable valves or those that did not exist in the system which had caused problems in terms of loss of service to customers.

Mr. Fuller stated that while a \$2 million capital improvement program was being recommended, when setting the rates for water unlike the sewer system, the City had to consider that there were some charges that were fixed while others were variable. Fixed charges were identified as meter reading, billing system operations, backflow prevention program, fire line availability, master planning, debt service and most operations and maintenance costs. In developing a new water rate structure for the City, tiered quality charges were being considered for single family residential so that the high water users would pay more for the water usage which could help to foster conservation.

Mr. Fuller reported that they had also considered instituting elevation charges for customers in the high hills since the water to those sites was required to go through repetitive pumping stations with higher electrical costs and maintenance of pumps. Revision of the service charges had been reviewed, instituting fire line charges and incorporating the back flow service charges, all of which were under consideration. The back flow service charge for a single family home was .45 cents per month. That charge could be incorporated into the flat minimum service charge to be simpler. Mr. Fuller also reported that four alternatives had been considered that used various combinations of all of those methods. The one being recommended would be Alternative One, which used all of those methods.

Mr. Fuller noted that the Contra Costa Water District (CCWD) imposed the highest service charge of all of the agencies that had been compared since their fire line charges were small. For a ten inch fire line, the City had proposed an \$840 service charge per month. Those fees were higher in the surrounding local jurisdictions.

Mr. Fuller identified the rates for the average customer as being \$45.85 for approximately 344 gallons per day with a \$13.48 service charge.

Under the proposed rate structure the service charge would be increased to \$15.60 with the water quantity charge for Block One to be a bit less with almost a net zero impact to the average customer. Customers using half as much as the average customer would experience a slight two percent increase mostly driven by the \$2.50 increase in the service charge. Customers using as much as twice the average customer would see a significant increase, up to 18 percent, since much of the water would slip over to the second block tier with an increase in charges for the water over the average level.

Non-residential customers would see a more dramatic increase as a result of the equity back to the system. A one and two inch meter for various flows as examples, in both cases the low flow would have the highest percentage of increases since the low flow to the large meters meant the meters were oversized and the customers were paying a high service charge for a meter that was too large for the amount of demand. Such customers might be considered for a meter exchange program, where a more appropriate meter for the water demand would be considered with the customer then paying lower service charges with the smaller meters.

Residential customer impacts would be \$2.20 for the increased service charge with the average bills to increase from zero to 30 percent although the vast majority of the residential customers would see rate increases closer to 5 percent but below 10 percent. The average customer would experience no real change. The increase affecting non-residential customers would be highly variable. Customers with oversized and underutilized meters would see the greatest impacts, anywhere from 15 to 50 percent depending on the meter size.

The rate increases combined with the rate structure changes proposed to be adopted met the operational needs of the Water and Sewer Enterprise Funds and would provide the Water and Sewer Capital Improvement Programs the funding required to maintain and replace the existing utility infrastructures.

Mr. Fuller recommended that the City Council introduce an ordinance making changes to the Municipal Code and waive further reading and adopt a Resolution setting Water and Sewer Rates.

In response to Vice Mayor Kee, Mr. Fuller described the fire line charges where typically large commercial properties had dedicated fire lines that fed fire systems on large commercial properties, or fire hydrants on private properties through systems that were private.

For single family dwelling units, Assistant Director of Public Works Walter Pease explained that one of the recommendations was that the single family units not be charged for fire sprinklers since it was built into the meter service charge consistent with many California agencies and consistent with what the Fire Protection District would like to see.

Vice Mayor Kee expressed concern for the non-residential uses that would be charged for capacity whether used or not, to which Mr. Fuller affirmed that would occur since the water use was not metered.

Mr. Fuller characterized the charges in that case as essentially insurance. He stated that the system had to be sized to provide that insurance for what were typically fairly large services.

Mr. Pease stated that based on the Water System Master Plan, the fire flows drove the water system and the fire flows for the industrial sites could be 2,500 gallons per minute, which was also driving much of the CIP for the water system.

Mayor Parent verified with Mr. Fuller that 90 percent of the City or more was located within Zones 1 and 2. It was recommended that Zones 3 and higher receive elevation zone charges which would not be instituted until 2006.

Mr. Fuller commented that 5 percent of the City's water customers or less were in Zone 3 or higher. He noted the additional cost of pumping water up to the hills, such as to development in the Southwest Hills of the City where as they reached Zone 6 there would be additional costs to pump the water up the top of some of the hills. The rate structure to recoup some of those costs was already in place.

In further response to the Mayor, Mr. Fuller stated that the City was not losing revenue although it would not be wise to upgrade the City's system before considering an elevation charge, for instance. He noted that the elevation charge was fairly low and represented the PG&E cost for electricity. In response to the Vice Mayor, he advised that elevation charges had been included in the report and were relatively low, likely 5 percent of a bill or less.

Mr. Pease added that the charge would be 14 cents per 100 cubic feet per zone and was based on the PG&E cost for electricity.

Councilmember Glynn clarified with staff that the rate structure would generate the revenue necessary to pay the developer to update a reservoir to accommodate existing and future customers. The City was working with both the Sky Ranch and Alves Ranch developers on probable reservoir sites and in some cases would be looking at geotechnical analyses to determine the viability of those sites.

Mr. Fuller described the effort to notify the public of the proposal through the water bills with the top water customers notified of the proposed fee increase. Around 40 of the top water customers had been invited to a meeting at the Chamber of Commerce, although only one representative of eight of those customers had been in attendance. That representative expressed acceptance for the proposed sewer and water rate structure as being equitable.

Mayor Parent expressed her appreciation that staff had conducted that work in advance and had notified the customers in addition to the publication of the meeting agenda.

Mayor Parent opened the public hearing for Ordinance 05-1243 and Resolution 05-



10290. There was no one to speak to the items.

Mayor Parent closed the public hearing for Ordinance 05-1243 and Resolution 05-10290.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to introduce Ordinance 1243 by title only and waive further reading.

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt Resolution 05-10290.

3. **RESOLUTION 04-10291** Adopt Resolution Setting Water and Sewer Facility Reserve Charges

Mr. Fuller reported that the City Council of the City of Pittsburg directed staff to conduct a complete review of both water and sewer rates to address major issues facing the water and sewer enterprises. The consulting firm of Brown and Caldwell Engineers had been hired to review all water and sewer system rates and fees and make recommendations to ensure rate equity and adequate revenue. The analysis was complete and reports had been received by the City. The comprehensive study of Water and Sewer Facility Reserve Charges (FRCs) (development impact fees) resulted in recommendations to modify those charges to ensure a fair and equitable system.

Mr. Fuller stated that the General Plan stipulated that the City ensure that new development equitably share the cost to provide water service and waste water service and that those fees be reviewed on a routine basis to ensure that they were appropriate. State law related to impact fees allowed capacity charges or FRC's to be collected for facilities in existence at the time of development or new facilities to be constructed that benefit the property being charged. It also required identification of the purpose of the charge, a reasonable relationship between the charges and any facilities and the type of development.

For sewers, the process to develop the fees had been determined by the value of the reusable existing system that was available for development. That had been derived from the GASB 34 Compliance Report that had previously been prepared as required. In addition, the cost of those facilities based on the Sewer Master Plan, CIP, and determination of the zones of benefits for those different facilities which was a factor of the property's location and topography of the site, and dividing the zone cost by the probable new development units that would go in that zone resulted in a unit cost to be charged to the developer.

Mr. Fuller stated that what had been created was a three-zone system for the City. Zone A was in the Southwest Hills where developers would be required to build what was needed to serve those developments in the area. Those facilities would drain to the north into the Delta Diablo Sanitation District system trunk mains and would not actually go into any of the existing system. As a result, the fee for the Southwest Hills would be zero.

Zone B would utilize existing capacity, buy into that capacity and where facilities were needed, would be updated to serve the area. The largest zone, Zone C, represented two thirds of the City and would accommodate infill development that would be buying into the system capacity available to serve development without the developer having to build anything.

As a result, Zone A, which was currently paying \$300 a unit, would be recommended for no charge. Zone B was currently \$300 a unit and a \$2,650 system capacity buy in and new facility charge of \$1,600 was recommended for a total of \$4,300 per unit. For Zone C, a capacity buy in of \$2,650 was recommended.

Mr. Fuller compared the proposed increases with those of other competing agencies including the cities of Martinez and Concord.

For the \$2,650 system buy-in fee, Mr. Fuller suggested that was the maximum possible. While the Council did not have to accept the maximum, the \$2,650 fee had been recommended to ensure the function and operation of the system based on what could be justified. He added that for the water facility charges, the same process had been used utilizing GASB 34 information, the Water Master Plan information, CIP and General Plan to reach the raw figures on costs and total development, establishing a unit cost per home and establishing an equivalent cost for large meters and commercial properties.

Mr. Fuller added that for water there were general benefits and specific benefits to individual zones. The general benefits could be distribution or treatment. For the Southwest Hills there was no distribution component in the general category, although there was a general benefit for treatment and the buying-in to the capacity at the Water Treatment Plant. Because of the Southwest Hills and the multiple elevations in that area, with multiple pump stations and reservoirs serving the higher zones, twelve total zones had been designated, with ten of those zones located in the Southwest Hills. The other two served the remainder of the City. The fees would be as low as \$860 and as high as \$7,000 per home, depending on the location of the home and how many different facilities it would be required to contribute. With bond debt, for the Southwest Hills, the fees would be higher since the debt financing costs would be rolled back into the facility charges.

Mr. Fuller pointed out the ten zones in the Southwest Hills and the different proposed rates for the different zones. He noted that the CCWD rates were higher than all of the proposed rates.

Mr. Fuller advised that public outreach to developers had been provided along with public notification in the newspaper.

There had also been a private meeting with representatives of both Alves Ranch and Seeno Construction. Since the Facility Reserve process cost developers, he emphasized the importance that developers understand the issue completely.

Mr. Fuller referred to a letter from Seecon Financial requesting additional time to

study the report. He noted that the developers want to make certain that they were being fairly charged. Staff wanted to make sure that the City was legally meeting the nexus requirements. He therefore recommended that the hearing be continued to the City Council meeting of June 20 to allow developers the opportunity to understand the material.

Mayor Parent opened the public hearing for Resolution 04-10291.

JAY TORRES-MUGA, Pittsburg, representing Seecon Construction and West Coast Home Builders, supported the staff recommendation to continue the item to June 20, 2005. He noted the numerous interrelated documents involved that must be evaluated and understood. He stated that a meeting had been set up with City staff in two weeks to more fully understand the complex items.

There were no other speakers.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to continue Resolution 05-10291 to the City Council meeting of June 20, 2005.

4. **RESOLUTION 04-10304** Approval of the 2005-06 Community Development Block Grant (CDBG) Annual Administrative Plan Changes

Director of Housing and Community Programs Annette Landry reported that the Department of Housing and Urban Development (HUD) required the City Council to review and approve the 2005-2006 Community Development Block Grant Annual Action Plan. The Annual Action Plan was being presented to the City Council for approval. The plan included the CDBG funding recommendations for the 2005-2006 program years that the Council approved on March 21, 2005. HUD also required a public hearing and a public comment period before submitting the Annual Action Plan to HUD.

Ms. Landry added that the Action Plan was a part of the consolidated plan the Council had reviewed a few weeks ago for the five year plan which had established the needs and priorities for the next five years. Each year thereafter the City must submit an annual Action Plan to HUD meeting the needs established in the five year plan. Part of the Annual Action Plan included recommendations that the Council had approved on March 21, 2005 which required a public hearing in order for the document to be submitted to HUD.

The action had no fiscal impact on the City of Pittsburg. The CDBG grant was awarded to the City on an annual basis to be used for eligible CDBG activities. It is a self-sufficient program that has no bearing on the City's General Fund.

Ms. Landry recommended that the City Council open the public hearing, receive testimony, close the public hearing and adopt the resolution approving the 2005-2006 Annual Action Plan.

Councilmember Johnson commended Ms. Landry for the preparation of the plan.

Ms. Landry thanked the members of the Council Subcommittee and the Community Advisory Commission (CAC) who had also helped in that regard.

MYRNA JOHNSON, representing WW Ministries the Positive Edge thanked the Council for its support of the organization over the last couple of years. She stated that her organization addressed low income, disadvantaged women entering the work force. While she recognized that budget cuts had affected everyone, she asked that any funds that might become available to the Council be considered for her organization.

Mayor Parent advised that while funds had not been cut this year in terms of the City's allocation, the President had announced a desire to cut the program which had to date been saved in its first stage by Congress and which remained under HUD. She emphasized that the program was one area where the City had some discretion to help out local community organizations.

Ms. Landry reported that this year the City was funding 35 agencies with the \$741,000 available in CDBG funds.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to adopt Resolution 05-10304.

## **CONSIDERATION**

### 1. **RESOLUTION 05-10292** Approval of Youth Baseball League Fee Waiver Request

Assistant City Manager Matt Rodriguez reported that the Pittsburg Pony and Little League organizations had requested a waiver of fees for the seasonal usage of City baseball field lighting. Toward that end a Memorandum of Agreement had been developed that would address field usage and the method of payment for field light usage by youth baseball leagues. He noted that only one party, the Pittsburg Little League, had signed the agreement at this time. The resolution contained in the Council packet and the agreement would therefore have to be amended to identify that the Pittsburg Little League was the only party that had signed and was in agreement.

Based on a presentation to the Recreation Commission on March 10, 2005, the youth baseball leagues collectively use approximately 600 hours of field light use. This amount, under the current fee structure, would total \$9,000 in revenue to the City.

It was recommended that the Council Approve a Resolution recommended by the Recreation Commission for Pittsburg Little League Baseball.

Recreation Director Paul Flores stated that the agreement process had been reviewed by the youth baseball leagues and the Recreation Subcommittee and had been endorsed by the Recreation Commission. The National Pittsburg Little League had been an important player in negotiating an agreement and had been cooperative in

understanding the City's concerns and needs. The City had established a new line of communication with the National Little League and would like to assist them relative to marketing and promotion of the Little League Program, which would be done through brochures and advising the league of grants that could become available. He expressed his hope that the City would reach an agreement with the Pony League in due time.

Mr. Flores introduced Mike Hilger from the Pittsburg Little League who had been instrumental in the development of the agreement.

Vice Mayor Kee commented that it was admirable to allow the Little League and eventually the Pony League to pay the fees through volunteer work to the City to minimize their out of pocket expenses. He inquired what would be considered as volunteer work, reported by Mr. Flores to be park clean up, special event assistance, any type of public service project that youth could be involved and which could provide appreciation for the City and the quality of life.

Councilmember Glynn inquired how the volunteer work would be monitored.

Mr. Flores stated that monitoring would be event by event with the City tallying the hours the group might spend and which would be applied to the light fees. Materials, supplies, lumber, sand, crushed brick that the Little League applied to improve the public fields would also improve the City's park system, and the League's volunteer hours to do that would be applied to the lighting fee.

Councilmember Glynn and the Mayor verified with staff that the program would take place and be effective until January 1, 2006. The agreement was for five years, to be renewable for another five years after that time which would allow the City to make any adjustments in relation to the actual cost of the lighting. It would also secure the League's use of the field for five years so that it could adjust its planning accordingly.

Mr. Flores stated that the Little League and the Pony League, if it were to come to agreement, would have third priority position use of the fields. The organizations were aware of that third priority. The City's Field Use Agreement provided for City services first, the Pittsburg Unified School District (PUSD) second and then the youth non-profits. As to whether or not the use of the fields would be offered to others if there was space available, Mr. Flores stated that would be done for non-residents for a fee if the fields were available. He clarified that the program was designed for Pittsburg residents.

Councilmember Casey thanked staff for the work.

Mr. Flores thanked the Council for its support, and free usage of fields for Pittsburg youth in recognition that the City's youth was an important asset to the community.

On motion by Councilmember Johnson, seconded by Councilmember Casey and carried unanimously to adopt Resolution 05-10292, as amended to remove references to the Pittsburg Pony League.

2. **RESOLUTION 05-10293** Approval of Amendment to Owner Participation Agreement Between the City of Pittsburg and Mazzei Pontiac-Cadillac, GMC

Economic Development Director Brad Nail reported that it was the desire of Matthew Mazzei to expand the existing Mazzei Pontiac-Cadillac, GMC dealership, currently located at the Century Auto Mall. The expansion would include an increase in the existing available inventory; add an additional new light commercial truck inventory and an additional automotive maintenance facility. In an effort to make this expansion a reality and not utilize City funds upfront, staff developed an Amendment to the existing Owner Participation Agreement (OPA) based on sales tax incentives to narrow the gap of affordability between the seller and the buyer. Financial assistance to be provided to Mazzei within the terms and conditions of the Amendment to the existing OPA would be funded by the Economic Development Reserve Fund. At the discretion of the City Council, the Economic Development Reserve Fund might be replenished by sales tax monies in the General Fund during each annual budget process.

Mr. Nail explained that Mr. Mazzei was in escrow to purchase Lot 1 of the Auto Mall located at the northeastern portion of the Auto Mall site and was planning to expand his existing inventory and add a commercial truck sales operation to the existing dealership. It was recommended that the City Council approve the Amendment to the Owner Participation Agreement between the City of Pittsburg and Matthew Mazzei for the expansion of the existing Mazzei Pontiac-Cadillac, GMC dealership located at the Century Auto Mall; and authorize the City Manager to execute the Amendment to the Owner Participation Agreement with semi-annual disbursement payments to be disbursed over the original 10-year Agreement term, not to exceed a new increased contract cap in the amount of \$1,950,000 (\$1,150,000 Existing OPA Contract Cap + \$800,000 Additional Contract Cap in the Amendment) with one option to extend the term of the OPA for one additional 5-year term. Mr. Nail added that the amount of sales taxes from 2003/2004 generated by the dealerships in a one year period had increased 50 percent. The dealers located in the Auto Mall were the first and second highest sales tax generators in the City and the existing three dealers over the past year had generated 16 percent of the total sales tax in the City. The sales taxes generated by Mazzei dealership over the past year was approximately 80 percent of the total sales tax generated.

Councilmember Glynn suggested that was outstanding based on the amount of increase and the visibility of the dealerships from the freeway.

Mr. Nail noted that all three dealerships were pleased with their sales. The City was also pleased with the large increase in sales taxes for this year over what had been projected, with a large percentage being new car sales within the City.

Councilmember Johnson commended Mr. Nail's efforts to reach an agreement with the Mazzei dealership.

On motion by Councilmember Johnson, seconded by Councilmember Casey and

carried unanimously to adopt Resolution 05-10293.

3. **RESOLUTION 05-10294** Approving and Authorizing the City Manager and Executive Director to Execute an Operating Memorandum Pursuant to the Project Development Agreement Between Trans Bay Cable LLC, the Pittsburg Power Company, and the City of Pittsburg  
**Combined w/PPC 05-129**

The Pittsburg Power Company (PPC) and City of Pittsburg are engaged in a power development activity with Trans Bay Cable (TBC) LLC to construct a DC Transmission Line between the City and the City of San Francisco. The Operating Memorandum identified the relationship between the PPC, City and TBC as set forth in the Project Development Agreement. The Operating Memorandum would be presented to the Federal Energy Regulatory Commission (FERC) as part of their Rate Making process to set rates designed to recapture the cost of development, financing construction, operation and maintenance of the project.

In Joint Session with the Pittsburg Power Company, the City Council took the following action.

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt Resolution 05-10294.

Speaking to the Consent Calendar Item d, Mayor Parent reported that the Municipal Pooling Authority of Northern California Risk Control Services with respect to the Loss Control Credit Program to offer professional recognition to properly qualified cities had presented the City of Pittsburg with a Certificate of Loss Control Accreditation. She explained that the City had fulfilled the provisions of the award that included a financial award of \$2,000 for compliance with the Level 1 Loss Control Program of the Contra Costa Risk Management Authority.

Director of Human Resources Marc Fox added that the Safety Committee, an employee run committee operated through Human Resources but staffed through each department, had worked to pull together the documentation to the Municipal Pooling Authority to verify the City's compliance with Safety Incentive Program requirements. Mr. Fox explained that compliance was required in Levels 1 through 3 of the three-year program but that the City had already accumulated enough credits in the first year to meet the second year certification, which would award another \$2,000. If doing nothing new, another \$2,000 would be awarded the City next year. He also stated that the Safety Committee would have Hazardous Communications training in the Council Chambers on May 17, which was another required element under the Safety Program. He expected that next year the City would have more points for the second level of certification.

With respect to Consent Calendar Item i, Mayor Parent verified with staff that there were pipes that were not in place but which the drawings had identified. She questioned whether or not the water services replacement were located in streets as a result of a

development and questioned whether or not there was any liability on the developer for not placing the equipment where it was to have been located.

Mr. Fuller noted that the item was the result of inadequate inspection years ago in that when put in the ground, the pipes had not been put in the ground in the best quality and had not been done well. He emphasized the need for good inspection.

## **CONSENT CALENDAR**

On motion by Councilmember Johnson, seconded by Councilmember Glynn and carried unanimously to adopt the Consent Calendar as follows:

- a. **MINUTES** Dated: May 2, 2005  
  
Approved minutes dated May 2, 2005.
- b. **ORDINANCE 05-1242** Adopt an Ordinance Amending Chapter 1.20 of the Pittsburg Municipal Code: Adding Subsections N-Q to Section 1.20.020 and Adding Section 1.20.040 Regarding Authority to Issue Administrative Citations  
  
Adopted Ordinance 05-1242.
- c. **RESOLUTION 05-10295** Awarding Contract 2005-15, Traffic Signal Equipment Replacement Project, to Western Pacific Signal, LLC for Traffic Signal Controller Replacement and Advanced Transportation Management System Update  
  
Adopted Resolution 05-10295.
- d. **RESOLUTION 05-10296** Receipt of Two Thousand Dollar Reward from Municipal Pooling Authority for the Loss Control Credit Program  
  
Adopted Resolution 05-10296.
- e. **RESOLUTION 05-10297** Approval of Final Map, Improvement Plans, Grading Plans, and Subdivision Improvement Agreement for Subdivision 8810, Willow Brook  
  
Adopted Resolution 05-10297.
- f. **RESOLUTION 05-10298** Initiating LAFCO Proceedings for a Reorganization of Boundaries for the Mirant Power Generation Plant Reorganization  
  
Adopted Resolution 05-10298.



- g. **RESOLUTION 05-10299** Declining Bids for Construction of Contract 2005-03, 2020 Railroad Avenue Facility

Adopted Resolution 05-10299.

- h. **RESOLUTION 05-10300** Authorizing the Acceptance of Mitigation Funds for a Kirker Creek Watershed Project

Adopted Resolution 05-10300.

- i. **RESOLUTION 05-10301** Allocating Additional Funding for the Water Services Replacement Contract and Making Certain Findings in Connection Herewith

Adopted Resolution 05-10301.

- j. **RESOLUTION 05-10302** Authorize Year-end Financial Adjustment for Fiscal Year 2004-05 for the Elimination of All Outstanding State of California Department of Boating and Waterways' Marina Construction Loans  
**Combined w/RDA 05-1050**

In Joint Session with the Redevelopment Agency, adopted Resolution 05-10302.

- k. **RESOLUTION 05-10303** Ratification of Assignment of Pittsburg Power Company's Rights and Obligations Under the Owner Participation Agreements Between Pittsburg Power Company and Winter Chevrolet and Winter Honda  
**Combined w/PPC 05-130**

In Joint Session with the Pittsburg Power Company, adopted Resolution 05-10303.

## **ADJOURNMENT**

The City Council adjourned at 9:28 P.M. to a Special Joint Workshop with the Bay Point Municipal Advisory Commission (MAC) at the Ambrose Recreation Center on May 23, 2005, and thereafter to the next regular City Council meeting on June 6, 2005.

Respectfully submitted,

Lillian J. Pride, City Clerk  
als