



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: October 7, 2008

SUBJECT: Council Minutes, October 23, 2007

Report in Brief

Attached are the minutes of the special City Council meeting of October 23, 2007 for your review and adoption.

Recommendation for Action

Staff recommends that the City Council adopt the minutes of the special City Council meeting of October 23, 2007 as presented.

Prepared by: Sue Vannucci, Director of
Administrative Services and City Clerk

Mark G. Deven
City Manager

Attachment: Minutes

Woodland City Council Meeting
City Hall, Council Chambers
300 First Street
Woodland, California

MINUTES

CITY COUNCIL SPECIAL MEETING OCTOBER 23, 2007

6:00 P.M.

CALL TO ORDER

At 6:00 p.m., Vice Mayor Skip Davies called the Special meeting of the Council to order.

PLEDGE OF ALLEGIANCE

Vice Mayor Davies invited all in attendance to join in the Pledge of Allegiance led by Barry Munowitch.

ROLL CALL

COUNCIL MEMBERS PRESENT: Marlin Davies, William Marble, Jeff Monroe, Artemio Pimentel, David Flory

COUNCIL MEMBER ABSENT: None

STAFF MEMBERS PRESENT: Mark Deven, Sue Vannucci, Doug Baxter, Christine Engel, Greg Meyer, Gary Wegener, Barry Munowitch, Robert Thomas

COMMUNICATIONS-PUBLIC COMMENT

There were no public comments.

COMMUNICATIONS-COUNCIL/STAFF STATEMENTS AND REQUESTS

Council Member Marble reported that he and Vice Mayor Davies attended the 3x2x2 meeting this morning and discussed a number of issues pertaining to the Pioneer School and the overcrossing on Gibson Road, as well as, the property exchange with the School District.



Council Member Monroe said he attended the Yolo Concilio dinner-dance on Saturday, October 20, 2007 and saw a student honored for a 4.9 grade point average. He said Council Member Pimentel was given the Elected Official of the Year Award at that event. He also announced that people and tools are still needed for the Ferns Park rebuild which will occur October 31 through November 4, 2007, 8:00 a.m. to 8:00 p.m. On October 25, 2007 the SADVC luncheon will be held at the Elks Lodge from 11:30 a.m. through 1:00 p.m. to commemorate their 30 years of service to this community. On October 31, 2007 (Halloween) the Downtown merchants will be doing their usual trick or treat for all of the kids, and there will be a costume competition at Heritage Plaza. He asked the Council's permission to do some type of proclamation to honor Dustin Pedroia's achievements in the American League championship games. Council Members concurred.

REPORTS OF THE CITY MANAGER

UPDATE ON YOLO COUNTY LANDFILL MANAGEMENT AND DISPOSAL FEE

Environmental Analyst Christine Engel gave Council a brief overview on some current landfill management issues that the City has been working on with Yolo County, specifically solid waste stream agreements and the green waste disposal fee. City and County officials met in August on issues originally proposed in August of 2006. Options being explored are the formation of a joint powers authority to manage the Landfill or the execution of waste stream agreements. The County is still exploring both of these issues and will present additional information to the City staff. They will then be considered by the City's Solid Waste Committee and ultimately be presented to the Council. Currently solid waste and green waste is taken to the Yolo County Landfill from Woodland by Waste Management, and the County is continuing to look at ways to proactively manage the landfill. The County has identified that Yolo County Cities have an unfunded liability for closure and post closure costs associated with waste that was brought to the Landfill between 1975 and 1989. Woodland's unfunded liability has gone from \$6 million in the year 2000 to under \$4 million in 2007. The amount will continue to decrease as more waste is disposed of at the Landfill. Staff has not verified this data, legal opinions and other supporting information. The waste stream agreements would provide a more consistent amount of solid waste to the landfill. Currently there are no formal disposal agreements between any of the Yolo County jurisdictions and the Landfill. Benefits of waste stream agreements could include set disposal fees for specified time frames which could be about five years. The County is anticipating that rates will need to increase from the current \$36.00 per ton in three to four years or it could be sooner with smaller increases. The County is also exploring importing waste from outside the County, and this would help reduce the disposal fees for the Yolo County jurisdictions or provide a refund to cities that have entered into waste stream agreements. In regard to green waste, the County is currently



negotiating with Recycle America, which is a subsidiary of Waste Management, to continue operating the green waste facility at the Landfill. With the contract negotiations green waste disposal fees could increase, and those fees would be used to cover expenses by Recycle America and County Administration costs, such as running the scale house and administering the contract. As negotiations are occurring it is uncertain what the actual increase could be, but the County is looking at ways to keep the rates close to the current rates. Staff will present additional information to the Solid Waste Committee, and has requested more information such as a business plan as it would relate to having waste stream agreements and also what the actual cost breakdown would be for these increases.

Council Member Marble asked if the County is considering recycling or composting of green waste.

Analyst Engel said currently once the green waste goes to the Landfill and is processed, some of the material goes to Biomass where it's used to make energy and some goes to Sacramento. The County is getting away from using the green waste as alternative daily cover as they are using more tarps at the Landfill. The County indicated the regulations for composting were too much, but there are other options. The City of Davis only takes about 500 tons of green waste to the landfill, and Davis takes the rest of the green waste to Fairfield or Stockton where it is composted.

Council Member Monroe asked when the disposal fee will increase.

Analyst Engel said based on discussions she did not feel there would be an increase in January 2008.

Mayor Flory, as a member of the Solid Waste Committee, voiced his support of increased fees rather than the County accepting waste from outside the County, but he acknowledged that the decision of importing waste would be made by the County.

Analyst Engel said one of the benefits of having a joint powers authority would be that the City would have a voice.

Council Member Pimentel said in the last couple of years there have been problems with garbage being thrown on County roads, and he asked how the JPA will work when a lot of the garbage is disposed on County roads. He asked how this would impact the different jurisdictions in the JPA.

Analyst Engel said the illegal dumping issue is more of an overall County issue rather than a Landfill issue. The Waste Advisory Committee has been looking at different ways to minimize illegal dumping such as having the bulky waste collection



events, tire amnesty and collection of appliances. The County is looking at ways to minimize the illegal dumping by offering "good neighbor" coupons for bringing the waste to the Landfill.

Council Member Pimentel asked who runs the Landfill now.

Analyst Engel said the County runs the Landfill through contracts, and the County just went out for bid for green waste and for establishing a construction and demolition debris sorting facility.

Vice Mayor Davies said the employees at the County Landfill are County staff, but the County does contract for various processing of waste.

Council Member Monroe said the County is expecting a big commitment from the City, so he supported getting involved through a joint powers authority. He expressed his reservations about the County accepting waste from outside the County because the Landfill has a life span. The City needs to know how accepting outside waste will shorten the life span.

Vice Mayor Davies also asked about the effect of importation of waste on the Landfill life and the liabilities for closures if residents from other communities use the Landfill. He would like to see in the County's business analysis the matter of the green waste recycling.

Analyst Engel said the matter of the County accepting garbage from outside the County was discussed in August 2006 at a 2 x 2 meeting and has not been discussed since.

Public Works Director Wegener, responding to a question from Council Member Marble, said as the City continues to use the County Landfill services the unfunded liability from 1975-1989 for closure of the Landfill keeps getting smaller.

Analyst Engel said if the City enters into the waste stream agreements, the unfunded liability will be taken care of.

Council Member Monroe asked if the old City dump was capped.

Director Wegener said the dump was capped, but the formal closure by the State has not occurred. Council approved closure funds in 1994, but the closure plan has not been approved by the State. The State has had the plan for 7 years. He said the City contacts the State periodically, but the matter is a low priority with the State understaffed.



DAVIS/WOODLAND WATER SUPPLY PROJECT AND WATER METER IMPLEMENTATION PROJECT

Senior Civil Engineer Baxter introduced the topic of the City's water supply, mainly the Davis/Woodland Water Supply Project and the Water Meter Implementation Project. The Council will be asked to certify the Environmental Impact Report and take other actions related to the surface water supply project at the November 6, 2007 City Council meeting. Woodland has 20 wells, with Wells 9 and 10 off line due to nitrate issues. The State has a maximum nitrate level of 45 in the water to be consumed. Staff has looked at trend analysis over the past 20 years, and the remedy for the higher levels of nitrate is extremely expensive, as much as \$1.5 million with operational costs of \$200,000 per year per well. Staff does not know hard core facts to determine why the levels of nitrate are getting higher, but it appears the nitrate is coming in from the upper influences, such as agricultural and irrigation processes. Only three of the City's wells are less than 25 years old, so the City has a very aging number of wells with 14 of the 20 wells over 30 years old. The problem is not with the aquifers but the well casings which are rusting and deteriorating. There are no problems with the water levels. A review of the population growth over the last 20 years shows an increase of about 44 percent, but the ground water pumping capacity is almost the same as it was 20 years ago. Should the City run out of pumping capacity on the peak hour, the pressure does not go to zero, but the pressure will continue to decrease to the point where supply equals demand. From a health and safety perspective, fire flows perhaps cannot be met, and there may not be sufficient levels for home sprinkler systems.

Council Member Monroe said since new development is supposed to pay its own way, why is the City not digging new wells.

Engineer Baxter said some of the wells are from new developments, and he said Well No. 25, which is in the process of being installed, is funded by development.

Council Member Marble asked about the effect of water conservation on the need for additional gallons per minute of pumping capacity.

Engineer Baxter said water conservation has helped Woodland tremendously, but on August 22, 2007 there were some data logs on the City's wells, looking at pressure and flow, and at 7:30 a.m. that morning all except two wells were maxed out. The consultants retained by the City are doing a water focus which will be similar to a water supply master plan. Between age, nitrates and excessive sand, the staff has a lot of concerns with the wells. The issues are complex, and a lot of data is being gathered. A concern with surface water is how it is going to help with the City's future waste water permit, and the State is not telling the City what the future is. On April 7, 2007 the Regional Water Board came out with a report entitled "Management Guidance for



Salinity and Waste Discharge Requirements," which gave the City an indication we might get an interim permit while we are reaching toward a long term solution to the salinity problem. The City may have some challenges meeting its discharge requirements if the City stays solely with groundwater.

Director Wegener said the staff report includes a guidance letter from the Regional Water Board on salinity, and he recommended that the Council review the letter which addresses the surface water program.

Engineer Baxter said the water projects take about 15 years to complete. The City is trying to accomplish with the surface water is to (1) improve reliability by having diversified water sources, (2) improve our ability to comply with future unknown wastewater discharge requirements, (3) improve water quality and the quality of life of water users, (4) reduce homeowner's cost, and (5) provide for common treatment to meet future drinking water requirements. The comparison of Woodland groundwater with Sacramento River water indicates total dissolved solids, electrical conductivity, nitrates, boron, arsenic, selenium, iron and manganese. Woodland water is classified as very, very hard water and noted some hidden consumer costs per year for bottled/filtered water, water softening systems, water heater repairs, faucets/plumbing problems, clothes washers, and dish washers. The EIR Council will consider on November 6, 2007 shows the preferred surface water supply project is the Davis-Woodland Water Supply Project to be shared by City of Woodland, City of Davis and UC Davis. The Project includes a water in-take structure at the Sacramento River just north of I-5 and well water transmission line to a treatment plant just south of I-5 and east of the Treatment Ponds. The water will be treated for Woodland, Davis and UCD, and from there each city will have its own distribution network to take the water to each of the three entities. Many other communities are in the same predicament, and they are on their way to surface water as well. With respect to capacity in the treatment plant, staff and consultants looked at the Master Plan, the General Plan and the growth rates. They projected to 2040 which is when full beneficial use of the water right is expected to be for the 45,000 acre feet of water that the City has applied for. Based on the expected growth and demands of Davis, Woodland and UCD the use will be 31.6 thousand acre-feet of surface water per year, 14.6 thousand acre-feet of seasonal water transfer per year and 6.5 thousand acre-feet of groundwater per year. Woodland's share of the surface water will be 52.1 percent; Davis' share will be 44.4 percent; and UCD's share will be 3.5 percent. UCD uses a lot of water out of Solano County.

Council Member Pimental asked about the County's involvement in the studies.

Engineer Baxter said the Yolo County Flood Control and Water Conservation District participated in the EIR in the amount of \$150,000 because generally the District



sees it in their interests to have the municipalities of Woodland and Davis take care of their water needs. The water right application was actually filed by the District and was later turned over to the three partners plus the City of Winters, but Winters has since dropped out. The County commented on the EIR, and those comments addressed solely environmental issues.

Vice Mayor Davies said most of the County's users have their independent wells, and the rest of the County draws water from city wells.

Council Member Monroe asked if the agencies are gambling that they will actually get a permit.

Engineer Baxter said the agencies are tying into area of origin, and the counties along the Sacramento River have first right to the water as compared to a recipient of water that is being exported. For that reason the City has a good entitlement.

Mayor Flory and Council Member Pimental temporarily left the Council meeting at 7:04 p.m.

Alan Lilly, water right attorney with Barkiewica, Kronick and Shanahan, said he represented the Yolo County Flood Control and Water Conservation District and filed this application in 1994. Timing and location are the critical things. About 8 months of every year there normally is extra water which flows out to the bay and then to the ocean, and this project would take a small portion of that. It is called un-appropriated water. The problem Southern California has are pumping water out of the Delta which has serious environmental impacts and during the summer there is not enough water for those four months of the year. This project proposes to enter into contracts with some of the agricultural districts in the Sacramento Valley upstream of Woodland. These districts currently divert surface water, and on average they let 14.6 thousand acre feet per year go by. The districts would pump wells in their areas to make up the difference, and the partners would basically pay them to do that, which would free up the water. For the districts a little extra nitrate is not a problem so this can be a win-win opportunity. The partners would have to pay the districts to make them whole. The districts can get dual ground water and surface water systems and free up the surface water from the Sacramento River for the partners to use during the summer. There is a very good chance this project can get a permit that would authorize diversions on average 8 months out of the year and then buy water during the other 4 months. In 2005 and 2006 there was water 12 months out of the year.

Council Member Pimentel returned to the Council meeting at 7:06 p.m.

Vice Mayor Davies asked if there is a value to the groundwater and could the City sell the water to the agricultural interests.



Mr. Lilly said that proposal makes a lot of sense assuming the pipes can be installed, and the water can be conveyed. Getting a water right permit is a fairly complex process in California, and once the application is filed, the State Water Board issues a notice. Then anyone who objects can file a protest. The application (for Davis, Woodland and UCD) was filed in 1994, and there were eleven protests. Through a fair amount of work over the years, the cities have entered into agreements that have resolved nine of those protests. The last two protesters wanted to see the final EIR, which was certified last week by the City of Davis and will be considered for approval by the Woodland City Council in a couple of weeks. If all eleven protests are satisfied, the City is in line to get a permit. The State Water Resources Control Board will not let the City go slowly through the process. The City has to exercise diligence and keep going forward on the project to keep the City's place in line. The priority of everyone's right is determined by when the application was filed (in 1994). The City would have to start the process over, which would be more costly, if the City is not ready to proceed now. There would be some serious consequences, and there would be about a ten-year delay to start over. There would also be opportunities for new people to file protests, and it would take some time to resolve those protests.

Engineer Baxter said if the partners were to file a new application there would probably be a lot more mitigation measures that would put encumbrances on how much of the water the partners could actually use. The water may be tied up in aquatic restrictions, so that the partners may not even be able to use the 45,000 acre feet of water. In regard to cost over the next two or three years the cost will be somewhat low in comparison with the total project cost. Woodland's share of the total project cost in current dollars is about \$139 million, and the total project cost is about double that figure. If the inflated cost is used, the cost would be \$199 million. Staff believes it is important to keep the City's options open and proceed with rate increases that will be discussed specifically over the coming year, and in the next three to four years the City can make a more appropriate decision. He reviewed projected rates and noted that the City will have major rate increases with or without surface water. If the City were to use well water and not have to do any costly treatment for nitrates, the City would be having 15 percent per year rate increases to the year 2011. After that there would be cost of living increases. When the project is active in 2016 the water rate will be \$33 per month plus the additional \$18 in hidden costs giving a rate of \$51 per month. Responding to a question from Council Member Monroe, Engineer Baxter said the water rate increases will go through the Proposition 218 process which involves majority protests, but residents do not have to vote. The rates then peak out at \$54 per month as the City gets into the major construction project. The rates need to be built up to maintain the coverage ratios required to bond the work. Staff is trying to do long term planning to the year 2020.

Mayor Flory returned to the Council meeting at 7:22 p.m.



Engineer Baxter asked that Council allow the City to keep its options open. The City needs to show diligence on its water right application. Mr. Lilly has already resolved 9 of the 11 protests, and the other two protests should be manageable. Council will be asked to determine compliance with the EIR on November 6, 2007. If the City is able to secure grant funding, the project will cost less. There is some Proposition 84 and Proposition 50 grant money as well as AB 303 money, and the City will be seeking those funds. If successful, staff hopes to get about 20 percent of the project funded.

Director Wegener said the Preferred Project, which will be approved with the EIR, is not the alternative on which way to run the pipeline. The Preferred Project is a list of actions the City proceeds with in moving the project forward, but the City is not committed to surface water. The City will have other junctures and will be committed when the long term rate increases are approved to support the project.

Engineer Baxter said the City of Davis as lead agency approved the EIR, and that included the approval of the Preferred Project. The Preferred Project is a specific project and includes a long list of mitigations, findings and conclusions.

Council Member Pimentel said not many citizens are present at this meeting to hear about surface water. In 2004 the Council approved a community survey which indicated the number one issue of concern was Woodland's water.

Council Member Marble agreed the City needs to move forward with surface water and asked about the \$139 million in current dollars, \$199 million in escalated future dollars, \$84 million for well replacement and upgrade maintenance costs.

Engineer Baxter thought the \$84 million was future dollars because the figure was \$75 million in current dollars. A large percentage of that figure includes taking care of existing wells until the year 2016. The City will be on 100 percent well water until the switch is flipped and turns on the treatment plant.

Council Member Monroe said the water in the Southeast area has an odor to it and does not taste good. If the City does nothing, it will only get worse.

Attorney Lilly said it would be very difficult to get the bonds issued before the partners get the water right.

Engineer Baxter said a feasibility study completed in 2006 was based on Woodland only, and if Woodland is the only partner, the project can still move forward and utilize the water right. However, there are certain fixed costs that would not be shared, and Woodland's costs would be higher.



Vice Mayor Davies asked if Council could receive at a later date a report from staff on the consequences if the City does not do the project.

Council Member Marble said it appears the City of Woodland is not only the lowest priced of any of the cities specified, but even with what is projected with the water project where the rates eventually reach \$48 or \$54 per month, Woodland is still going to be below all of the cities in the bay area. Woodland's water rates will be well below over half of the cities in the report, and he felt it is important that Woodland's citizens know what is happening with the rates around Woodland.

Engineer Baxter said any city that has a major capital change in their water system has the initial big spike in their rates, and because they do proper long term planning hopefully those rates can stay fairly constant for a period of time.

Director Wegener clarified the \$84 million was current or future dollars on well replacement and maintenance costs. The 2006 dollars would be \$58 million.

At 7:40 p.m. Mayor Flory left the Council meeting.

In regard to meter implementation Engineer Baxter said a law is forcing the City to install water meters to properly manage the system. The law requires that all water services installed after January 1, 1992 be metered by January 1, 2010. He said those homes which already have meters in them will need to be retrofitted and have an automated system installed, but the big challenge in the first phase is figuring out the automation system. The law also requires the rest of the homes will have to be metered by January 1, 2025. The project is broken into two phases because the City could not afford to do the capital upfront at the same time the City is doing all of the bonding and maintaining a proper coverage ratio. Phase 1 meters, which include ¼ of residences (about 3,500 homes), will be installed in 2008-2009, and the remaining meters will be installed in 2017-2020 for capital cash flow reasons. The City has retained a consultant to develop a meter implementation plan, and the meters will be installed early enough before the deadline so there will be several months to send out notices to residents showing their flat rate bill and also what their consumption and their metered rate would be. This will give residents an opportunity to adjust their water use patterns. A meter rate will be set which is revenue neutral, and initially there will be a flat rate of 80 percent and 20 percent based on consumption. When the City is fully metered, the rates will be based on consumption, and a new rate study will need to be done. The City will seek some low interest loans and grants as they become available. The use of State loans allows the City to keep the water rates lower, and the City will need to educate the public. There will also be policies established for homes with multiple connections to the system. The estimated cost (already authorized) for fiscal year 2007-08 is \$850,000; projected cost for fiscal year 2008-09 is \$2 million; and



projected cost for 2017-18 is \$9 million. He said on the positive side conservation can lead to some benefits, and maybe the City will not need as many wells.

Council Member Pimentel requested the rate structure be reviewed by the Infrastructure Sub-Committee initially for a recommendation to the entire City Council. One of the most important aspects is the outreach and education component. There could be many senior citizens who have large lots and may use more water than larger families with small lots. With respect to the houses built prior to 1992, there should be an equality clause because many of the newer homes have lighting and landscaping fees and Mello Roos fees which the owners of older homes do not pay.

Engineer Baxter said the City did seek funding for the meter implementation but the City failed to obtain the funding. The good news is that the City obtained \$1 million on another application for the park project.

Vice Mayor Davies requested that the Infrastructure Sub-Committee update the Council regularly.

ADJOURN

At 7:56 p.m., Vice Mayor Davies adjourned the special meeting of the Council.

Respectfully submitted,

Sue Vannucci, CMC, City Clerk

Prepared by: Jean Kristensen, Deputy City Clerk

Adopted by Council: