

**CITY OF ANGELS
CITY COUNCIL
MINUTES**

Tuesday, July 16, 2013

Council Members Present: Mayor Elaine Morris, Vice Mayor Jack Lynch, Stuart Raggio, Wes Kulm and Bert Sobon

Staff Present: Michael McHatten, Derek Cole, Dave Myers, Police Chief Fordahl, Dave Hanham, Julie McManus and Mary Kelly

5:00 p.m. CALL TO ORDER

ADJOURN TO CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) (1) of Government Code Section 54956.9 (one potential case)
- B. CONFERENCE WITH LABOR NEGOTIATOR: Pursuant to California Code 54957.6
Misc-Non Exempt MOU and Misc-Exempt MOU. City Negotiator: Michael McHatten, City Administrator
- C. PURSUANT TO CALIFORNIA CODE SECTION 54957: Performance Evaluation – City Administrator

6:00 p.m. REGULAR MEETING

ACTION TAKEN IN CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to subdivision (b) (1) of Government Code Section 54956.9 (one potential case)
Council Action: DIRECTION GIVEN TO STAFF
- B. CONFERENCE WITH LABOR NEGOTIATOR: Pursuant to California Code 54957.6
Misc-Non Exempt MOU and Misc-Exempt MOU. City Negotiator: Michael McHatten, City Administrator
Council Action: DIRECTION GIVEN TO STAFF
- C. PURSUANT TO CALIFORNIA CODE SECTION 54957: Performance Evaluation – City Administrator
Council Action: NO ACTION TAKEN

APPROVAL OF AGENDA

MOTION by Council Member Lynch, seconded by Council Member Raggio and carried 5-0 APPROVING THE AGENDA AS PRESENTED.

STAFF UPDATES

Mayor Morris explained that staff reports were included in the packet but asked the Council if there were any additional questions for staff. Councilman Lynch asked for an update on the DeNova project. Planning Director Hanham reported he has met with the applicants and is checking plans, looking at the maps and will continue to move forward. Councilman Raggio asked for an update on the Mark Twain Hospital project. Mr. Hanham reported he will be reviewing the plans with department heads later this month. Council Member Sobon asked about the 22% disparity between water produced and water delivered. City Engineer Myers

pointed out that a new meter was installed at the plant, while numerous meters in town could be inaccurate and that there was the possibility that there was still leakage. Next year they will be doing a leak study.

Michael McHatten – City Administrator

Mr. McHatten introduced Julie McManus, new Finance Officer. He stated she is a great addition to staff.

COUNCIL UPDATES

Jack Lynch

- Spoke on the fine work being done at the museum. He reported that the Calaveras County booth at the state fair won booth of the year.
- Attended the 4th of July celebration at Utica Park. He said the program was superb which included the attendance of the oldest veteran from Angels Camp, Cecile Malmin.
- Attended planning meeting for the August 31st Gold Rush Day.

Bert Sobon

Attended the 4th of July celebration at Utica Park. Attended LAFCO meeting where Jack Lynch was appointed chair and Merita Callaway Vice Chair.

Wes Kulm

Attended the 4th of July celebration at Utica Park.

Stuart Raggio

Attended the 4th of July celebration at Utica Park.

PUBLIC COMMENT

Public comment period was opened at 6:11 pm. There were no comments from the public present.

FEATURE BUSINESS PROGRAM

Dan Pinnell – Pinnell's Carpet

Mr. Pinnell reported that his business opened in 1976. A second store opened in 2006 and he employs 28 people. It is a third generation business which started with his dad and now employs his daughter. He explained that he hires employees as apprentices and trains them as installers. Pinnell's Carpet is under the umbrella of Carpet One which earned approx. \$1Billion dollars last year. The business has good customer service and Mr. Pinnell stated that although new construction is down, remodels are up.

There were no questions for Mr. Pinnell and the Council thanked him for the report on his business.

CONSENT AGENDA

Vice Mayor Lynch removed Item 'c' for discussion.

MOTION by Council Member Lynch, seconded by Council Member Kulm and carried 5-0 (with Councilman Raggio abstaining on Item 'a') **ADOPTING THE REMAINING CONSENT AGENDA ITEMS AS PRESENTED:**

- a. Approve Minutes of Regular meeting July 2, 2013. – (Councilman Raggio abstained)
- b. Approve Memorandum of Understanding for K-9 Maintenance Training
- d. Authorize staff to advertise for bids – State Route 49 Sidewalk Project

- c. Adopt resolution approving Cooperative Agreement 10-405 between the City of Angels and Caltrans for the purpose of updating the Project Study Report.

Council Member Lynch asked for additional information on the Project Study Report. Mr. Hanham explained that the City is working with Caltrans and believes Caltrans staff will be able to do the work which will cost the City less. Councilman Lynch thanked Hanham for including a copy of the PSR with his report.

MOTION by Council Member Lynch, seconded by Council Member Kulm and carried 5-0 **ADOPTING CONSENT AGENDA ITEM 'c' AS PRESENTED.**

REGULAR AGENDA

1. PUBLIC HEARING: CDBG ANNUAL REPORT, HOUSING GUIDELINES & SELECTION OF NEW PROJECTS FOR 2013

Terry Cox, Cox Consulting, explained the three items being brought before the Council:

A. The State Department of Housing and Community Development (HCD) requires that all grantees conduct a noticed public hearing to discuss the annual report for any open (CDBG) or revolving loan fund (RLF) using CDBG Program Income.

B. The Council previously approved the Housing Guidelines but the State now requires a separate notice item and a resolution specifically approving the Guidelines.

C. The City is eligible to apply for two planning grants up to \$100K in state funds. In April, 2013 the City applied for a planning grant for a Tourism and Business Expansion Study and is awaiting approval. If awarded this grant, Cox explained that the City will not be able to apply in 2014 because the City won't have met the 50% rule. The 50% rule states that jurisdictions can only apply if they have expended over 50% of granted funds.

Cox stated that she has provided a sign-in sheet for persons wishing to respond at the public hearing and asked that any written comments be addressed to City Hall.

6:35p.m. Public Hearing Opened

Mayor Morris asked if there were any public comments regarding this item. There being none, the public hearing was closed.

6:36p.m. Public Hearing Closed

A. MOTION by Council Member Lynch, seconded by Council Member Raggio and carried 5-0 APPROVING THE CDBG ANNUAL REPORT & AUTHORIZE THE CITY ADMINISTRATOR'S SIGNATURE AND AUTHORIZE SUBMISSION OF REPORT TO HOUSING & COMMUNITY DEVELOPMENT.

B. MOTION by Council Member Kulm, seconded by Council Member Sobon and carried 5-0 APPROVING RESOLUTION NO.13-22. A RESOLUTION APPROVING AN UPDATE OF THE CITY'S COMMUNITY DEVELOPMENT BLOCK GRANT HOUSING REHABILITATION GUIDELINES.

C. Staff was directed to wait until the 2013 grants are awarded in September before bringing additional projects to the Council for 2014. If not awarded the Tourism and Business Expansion Study applied for in 2013, staff will bring back a list of projects for Council review, including projects mentioned in the Branding Study as requested by Councilman Kulm.

2. PUBLIC HEARING: CONFIRMING DIAGRAM & ASSESSMENT & DIRECTING AUDITOR OF CALAVERAS COUNTY TO CONTINUE TO COLLECT ASSESSMENTS FOR FY 2013-2014 FOR THE LANDSCAPING & LIGHTING DISTRICT NO. 1 – GREENHORN CREEK

Derek Cole, City Engineer recommended that the City Council authorize the application of \$307,000 in surplus funds the LLD has accumulated to be applied toward the cost of restoring the LLD wetlands. The LLD statute specifically authorizes surplus funds to be applied against the cost of LLD improvements. (Streets & Highways Code, § 22656.) He explained that the District Engineer has concluded the expenditure of LLD funds would "specially benefit" the Greenhorn Creek property

owners. Thus, the expenditure of such funds would be consistent with Proposition 218's mandates as to the apportionment of "special" versus "general" benefit.

Mr. Cole explained the specific action the Council is being asked to take tonight is to confirm the annual LLD assessment for the upcoming fiscal year. Mr. Cole recommended that the Council approve the full amount of that assessment, \$296.93 per sfd, as outlined in the Engineer's Report the Council accepted at the July 2 meeting.

Council Member Lynch stated that he had questions regarding three areas of concern. The first concern was with street signs. He said it was his impression that street signs and street cautionary signs were part of taking over the roads by the City in 2009. Now four years later, the engineer is saying that because some of the signs have borders around them, this is a special benefit to Greenhorn Creek. Mr. Lynch said he went around the community to check the signs and found the sign borders were not consistent. He said some sign borders were missing within the community and one sign by Gateway Park did have a border and this was not within the GHC community. He explained that it's a small thing financially, however, in the event that a sign is knocked over because of an accident, this would mean that the City would not be responsible for fixing that sign. The LLD would then have to make the repair.

Mr. Lynch said another concern has to do with LLD landscape water. The LLD for the last 3-5 years has asked the City to shut off all the meters in the winter months. There is a fee to shut off the meters and in the springtime the meters are turned back on. As a result, the LLD is saving approximately \$6,000 a year by having the meters shut off. Now it is being told to the Council that the LLD cannot shut off the water during the winter months and they will be required to pay the regular fee whether there is water use there or not. He stated he didn't understand because this shut off procedure has been going on for a number of years and now there is an added cost that's going to be borne by the rate payers of the LLD.

The final concern Mr. Lynch reported was that in the current Engineer's report special remediation costs of \$307,000 differs from an initial draft. At the bottom of page number nine under Wetlands it says for 2013-14 the District will invest twenty thousand annual modern maintenance and mitigation, and \$307,000 in direct one-time improvements in mitigation. He said he has looked through the report and has no clue where the \$307,000 is coming from. In an early draft, it made reference to the Horizon report which detailed out specifically what tasks were going to be done or being proposed to be done. He said that in the final draft before Council there is no reference to the \$307,000, where it's going to be spent or how it's going to be spent.

7:00 p.m. Public Hearing Opened

Mayor Morris asked if there were any persons in the audience who would like to speak on this item.

Steve Difu – 576 Sasa, Angels Camp

Mr. Difu said that before he starts he heard something from the City Attorney that he did not agree with. The attorney pulled in a public meeting but this meeting is defined differently. It's a public hearing meeting and the Attorney's request to answer questions after public comments are closed is inappropriate. It was magnified in the July 2nd meeting when the Attorney did not answer questions or properly answer them. Mr. Difu said that a member of the public came up to report to the Mayor that they wanted to illuminate the fact that their question wasn't answered. Mr. Difu said that he needed a ruling right now because most of his presentation is going to be directed at comments that the City Attorney made on July 2nd. Mr. Difu stated he is directly going to respond to the attorney's staff report

that the Council has before them tonight. He said he would like to help in the decision because in the resolution on the first page and in the last paragraph, the public are supposed to be fully heard under the attorney's own resolution and there's no time limit. He stated that the fact that he can't get a response does not create a productive outcome. He told the Mayor when he asked specific questions he would like to get answers to his questions. Mayor Morris told Mr. Difu to ask his questions – they will be answered.

Derek Cole, City Attorney explained to the Mayor that Council is not obligated to engage in a discussion during public comment. He said that he's seen this done in other jurisdictions and it fails. This allows one person to dominate the proceedings at the expense of everyone else. The process outlined is one that is accepted by almost all of the cities and counties in which he has worked and it is effective. The process is to allow Mr. Difu and anyone else in the public to state their questions and then staff will answer them. Mr. Cole stated that he doesn't know what hearing Mr. Difu attended, but at the hearing on July 2nd, he and the LLD Engineer did everything they could to answer the questions presented. He said he understands there might be some answers that people didn't agree with but the questions were answered. Mr. Cole said to make this a fair hearing in which everyone can participate fairly and equally, he recommends to Council that Mr. Difu and everyone else who wants to ask questions, ask their questions and staff will write them down as verbatim as possible and then will answer them once the public hearing is closed. Mr. Cole said there is no mandate that once a question has been asked that someone can keep coming up and keep engaging in a debate. The law is well recognized that Council has the right to limit speakers to three minutes or five minutes. He said that in order to maintain order and maintain fairness, the approach used at the July 2nd meeting is the one that should be used this time.

Mr. Difu said he would like to refresh the Council's memory. He said the City had a tradition. Council Members Raggio and Lynch have been on the Council long enough, and Mr. Cole is incorrect. Mr. Difu said when it comes to a public hearing there is no time limitations, and this is a very important issue. He stated that this is talking about a lot of money and he doesn't know what Council is afraid of to stand up and answer questions directly. Mr. Difu said staff did not answer the questions at the July 2nd meeting to the satisfaction of the public and don't pretend that they did.

Mayor Morris stated that the Council will follow the same procedures as at the July 2nd meeting.

Mr. Difu told the Mayor he was not surprised, but she would be on record for doing it. Mr. Difu said he was not going to get answers but he was going to make statements. He said his first statement of the night is to influence the City Council to not accept this plan as drafted by the City Attorney and the City Engineer. He stated that he hopes the merits of his arguments will help Council decide in that way. He said that because he can't get an answer from the City Attorney, when he looks at his draft tonight, he is going to start the foundation of his questions by referring to the 2nd page draft for the Council. Mr. Difu stated that he could only come up with the premise that, by his own admission, the City Attorney can't explain thoroughly, legally, some of the points in this draft. Mr. Difu said that the premise he comes up with is that the City Attorney is trying to influence Council in doing this to possibly prevent litigation which would be a financial burden to the City and so the fact that he doesn't answer is what Mr. Difu is going to start with.

Mr. Difu continued saying that on July 2nd he wasn't at the meeting but he got a whole copy of it and somebody recorded it for him and he studied the DVD and the City Attorney went to great lengths to describe the relationship he had with the Grupe Corporation lawyers - that they were very friendly and that they were working things out and they had a good relationship. Mr. Difu said that the City Attorney offered that night that if anybody had a different opinion or if there was potential litigation, he would do the best he could to mediate that situation. Mr. Difu said that this is a very important statement because that's the benefit of the town, the City and to help the City Council be aware of everything that's going on. He said that when he was on the Planning Commission he had the great experience to sitting down with Paul Raggio and Jack Boeding at Susie's Diner many, many times, and they were trying to influence him to get more involved in City government and they explained to him some of the ins and outs of what was going on. They explained what closed session was all about.

Mayor Morris told Mr. Difu that he was getting off the subject.

Mr. Difu stated that he was not and that this was very important. He repeated that he was not off the subject and this is very important. He said the Council has to get the whole plan. That is a big deal. He said this is in relation to the relationship that Mr. Cole explained about his relationship with the Grupe attorneys. He stated that the tradition was if the City Council ever got a letter from an attorney, the Council would go in closed session and the City Attorney would call the attorney that sent the letter and get some information to find out what was going on and come back to the Council and tell them. He said that every avenue has been exhausted to try to talk and bring information that is relevant to this whole situation and he and some other residents retained an attorney and the attorney sent a seven page letter to the City Council, the City Administrator and the City Attorney. They were not afforded that same respect that the Council has always been deserved. The City Attorney has not left the Council in a vacuum. He has not contacted the law firm and had a dialog about the contents of that seven page letter. Consequently he broke his promise to mediate for the City any potential legal litigation that might be up there.

Mayor Morris asked Mr. Difu to wrap up his comments.

Mr. Difu said no. He has got a lot more comments. A lot more.

Mayor Morris said that other people may want to speak.

Mr. Difu continued talking saying "let me explain something to you. We're talking about this surplus."

Mayor Morris again asked Mr. Difu to please wrap up his comments.

Mr. Difu continued saying that he is talking about the \$307,000 surplus. He said he doesn't think a lot of people know where that surplus came from. He stated that Mr. Cole went out of his way to describe the qualifications of Mr. Shannon and that he even mentioned that he was probably in the top ten land use attorneys in California. Mr. Difu said that if he was wrong the City Attorney can correct him later. Mr. Difu said the current LLD committee, sub ad hoc committee and past committee members were very encouraged when Mr. McHatten decided to get this resolved one way, once and for all. He said the City hired this very, very talented attorney who currently, as of 4/11/13, the LLD has spent \$10,993 for. He said there is this very, very great report that answered two important questions that Mr. Cole agrees with. Mr. Shanahan, Mr. Cole the first City Attorney Mr. Reedy, the first City Engineer Mr. Deaver, Gary Ghio, the past City Clerk Judy King and the CC&R

Council Member Kulm asked the Mayor if there was a time limit on speakers.

Mr. Difu stated there cannot be a time limit under a public meeting.

Council Member Kulm said that Mr. Difu has gone over five minutes.

Mr. Difu said that doesn't apply at a public meeting and that Councilman Kulm knows that.

Mayor Morris stated that Mr. Difu was out of order.

Mr. Difu asked if he was out of order.

Mayor Morris replied that he was.

Mr. Difu asked why he was out of order.

Mayor Morris began to answer, but Mr. Difu continued speaking. He asked if he was out of order because the Council doesn't want to hear the facts that they have neglected their responsibility to respond to the letters.

Mayor Morris stated that she was going to have Mr. Difu removed if he didn't wrap up his comments.

Mr. Difu continued speaking saying that the \$307,000 that he has been alluding to as a surplus, the City Council have a responsibility with their oath to understand Prop 218 as part of the constitution. He said that it is not a surplus, it is money that was assessed for roads and can only be used for roads. In Mr. Shanahan's report he said that it was to go back in reserves and offset any potential assessments in the future and he also directed the City to send a letter to the Corp in his report (that the LLD paid \$11,000 for), to tell the Corp that they sent the letter to the wrong address and that letter should have gone to the permit holder, not to the City Administrator and not to the City. Mr. Difu stated that the Council has neglected these facts for a long time. On the 28th of June letters were sent in response to the Engineer's report and the Attorney's report. These have not been answered and the attorney's letter has not been answered. He stated that the Council is in a vacuum because they are only responding to a certain potential lawsuit from the developer. Mr. Difu stated the City didn't have the professional courtesy to call and respond to this letter that came to the City and that has always been a tradition with this City.

Mayor Morris thanked Mr. Difu. Mr. Difu stated that he was not done.

The Mayor called a recess.

Mr. Difu continued speaking saying he was going to explain something to the Council. He said the Mayor forgot what happened in 2009 when she sat as a Council person. The reaction from the audience he learned a long time ago when they haven't got a good argument they want to slander people and make fun of them. He said Mr. Kulm remembered that Mr. Difu didn't have a chance in hell to defeat the City and get the roads off the LLD, but now he's enjoying the money and he wants to use it for his own benefit.

Council Member Kulm asked Council to conduct an orderly meeting.

Mr. Difu asked if the Council is going to accept any more information? He said he expects the City Council members to address some of the comments he made to the City Attorney. He stated that the whole report is a sham. He said that the LLD spent all this money on Shannahan's report and this guy completely ignores his responsibility to it. He said that Councilman Raggio should know better. He said that he knows what has happened with letters.

Council Member Raggio told Mr. Difu that he is addressing the entire Council. He stated that the Council has already laid the ground rules for taking questions. He said that Mr. Difu has said enough and the Mayor will have him removed if he doesn't quit. He informed Mr. Difu that the Chief of Police was coming behind him to escort him away from the podium.

Mr. Difu stated that this isn't over yet.

Mayor Morris asked if there were any other public comments or questions.

Bob Holston - 576 Springhouse Road

Mr. Holston spoke in favor of passage of the Engineer's Report. He said to look at the big picture for just a moment there are some items he thinks everyone can agree on. The first item is the fact that the wetlands are a problem. This has been learned from past history and it's become more and more of a problem. The first time that it was addressed by the City Council was in 2005 after the citizens ad hoc committee recommended that there be a budget item included in the Engineer's Report for wetlands maintenance. It became an item in the budget. Ever since that time it's been in the budget although the LLD has failed to develop a wetlands maintenance plan and spend the money to maintain the

wetlands. He said that consequently there is a real problem developing in the wetlands, both aesthetic issues, in potential public health issues and in environmental issues. Mr. Holston said it's been seven or eight years now that the LLD has neglected regular maintenance of those areas, particularly those that were required to be developed by the Army Corp of Engineers, the man-made ones. He said there are two particular wetland areas that are becoming a very real problem. He said in his opinion, the second thing everyone can agree upon is that there are funds available. The City Engineer and the City Attorney have agreed that those funds can be used for wetlands maintenance and wetlands restoration. Everyone can agree on two things: (1) there are funds available and (2) there is a problem. The City also agreed in 2012 to spend about \$40,000 to develop a plan for wetlands maintenance and restoration. Mr. Holston said when the plan was being developed, it wasn't a line by line, this is how you do it. It was a set of recommendations and potential areas that could be addressed, depending on what was required by the Army Corp: what kinds of regulations have to be complied with, and what other issues in the community needed to be addressed. The City Council has a history of already approving LLD money for wetlands restoration and maintenance. In terms of this plan, it is the restoration plan that was developed by Horizon. He said there is a large group of the community that is in support of doing this. When the whole issue is looked at the LLD is about the people who live here and want to keep the community and subdivision the best it can be and are willing to pay the money to do that. Mr. Holston said that at least he was willing to do that and he said he thinks he speaks for a number of other people in the audience. He urged the Council to approve the Engineer's report especially in terms of the wetlands issue.

7:15 p.m. Mayor Morris asked if there were any other members of the public wishing to speak on this agenda item. There being none, the public hearing was closed.

John Bliss introduced himself as a civil engineer with SCI and the author of the Engineer's Report. He reminded Council that at the July 2nd meeting he gave an overview presentation on proposition 218 and landscaping and lighting districts. He said with that as a foundation he would respond to Council Member Lynch's first question. He said that when Mr. Lynch talked about street signs he prefaced his comments by saying "It wasn't a big issue". Mr. Bliss said that it is an issue that he discussed with the City Attorney and City Administrator. He said that Mr. Lynch touched on something that is important. He said he recommended that the street signs are a special benefit to the district and should be included in the assessment district budget. However, Mr. Bliss said, he also looked in the direction that it would be a relatively easy change to make. It would not affect much and would reduce the rate a little less than one dollar per year. It would reduce everyone's rate about ninety eight cents a year. It's not big financially but philosophically it is. Mr. Bliss asked if the City has a particular duty to maintain the signs. He read from the resolution Council adopted in 2009 which accepted the streets in Greenhorn Creek into the city maintained street system "the City Council hereby accepts said streets including parking areas adjacent thereto." He said if the resolution had just read "said streets" he probably would have thought of streets as more of an umbrella and all the related improvements. But the fact that the resolution gives one detail including parking areas adjacent thereto, this gave him the sense that the resolution is talking about the black pavement not about sidewalks, streets and gutters, curb and gutter and street signs. Mr. Bliss said that his original thought when reading the resolution was that the street signs are actually covered by the district, they were not adopted by the City. He said the second thing that he looked at was if the street signs are special. Because there is a special border and some special poles and those kind of details satisfy that they're special, they're different. One of the things he thought about the signs is that in many cases the sign itself starts with a more standard looking sign. He said if you look at other types of developments similar to Greenhorn Creek, wooden signs were used as street signs, signs different that don't look and feel like a standard street sign. He said if the Greenhorn Creek signs were wooden or very different it would be clear to everyone that they were special. But because the signs have a similar look and feel to a standard street sign, it kind of blurred the issue. Mr. Bliss said he can see Council Member Lynch's point, and it's something that can be adjusted if the Council felt should be taken out of the report. He said he thought maybe the residents of Greenhorn Creek would think it would be worth it to pay an extra buck a year to have more control over the look and feel of the signs and the replacement of the signs.

City Administrator, Michael McHatten said that it is a different look than the standard and like anything there's probably some exceptions out there that can be found. Including the signs in the report would allow for the replacement or the standard to be upheld. Taking the signs out would cause the replacement signs to go back to the City standard.

Mr. Lynch provided several pictures of signs that he'd taken. Within Greenhorn Creek there were pictures of signs on unpainted poles, no borders, stop signs, not a through street sign, etc. He said his point is that they are not consistent.

Mr. McHatten stated that he did not say every sign was the same, but most of them are, and he thinks can be agreed to by all.

Mr. Lynch said he supplied to Mr. McHatten a photo of a sign out on Greenhorn Creek and Sierra at Gateway Park that also has a border around it and it is obviously a public street. It's not in the Greenhorn Creek development. He said he was concerned about the future. He said it was his understanding when the streets were conveyed, there have to be street signs that tell you what the name of the street is and where there is a stop sign or not a through way sign, and his understanding, expectation was that the street signs were going and they have gone a year ago in May. Mr. Lynch said that the City Administrator confirmed that. He said that has always been his understanding. But suddenly, with the LLD Engineer's analysis and the presentation, it is now being said that those signs are special benefits to the residents and Mr. Lynch completely disagrees with that. He asked that this be taken out and be part of the City road system.

Council Member Raggio asked Mr. Bliss if in the case of an accident, would the City or the LLD replace the sign? To clarify would the funds come from the LLD or funds from the City? Would a City crew replace it?

Mr. Bliss said in the case of an accident, if the maintenance and replacement costs of the street signs stays in the Engineer's report as recommended, then the replacement cost for that sign would be borne by the LLD. He said he doesn't comment on who would physically replace the sign. If the sign cost is taken out of the Engineer's Report, the assessment would reduce the rate by ninety eight cents a year, and the City would be financially responsible to replace that sign. One of the considerations that the City Administrator brought up is if it is recommended to remove the signs from the report then the replacement signs would not have the improvements, the border and that kind of thing.

Mr. Lynch said that the signs in the pictures he provided are showing street signs that don't have borders.

Council Member Sobon stated that the issue is just going back and forth.

Council Member Lynch said the signs are not consistent within the community but the Engineer is saying it's a special benefit.

Mr. Raggio said that in the event of an accident, the responsible party would pay for it. It wouldn't be the LLD or the City. He agrees the signs need to be consistent. Either the City replaces them with no borders, or if the LLD wants borders on them, the LLD pays for them.

Council Member Kulm said that he believes that the special trim work and so forth constitutes a special benefit and he's very comfortable with that. What he is uncomfortable with is that there are signs in different parts of the District that are created differently. He said if Council Member Lynch documented signs without the trim then the cost needs to be added to the budget to add trim to them. There's no justification to have a sign on one street with trim and a sign on another street without. They ought to be equal. Either they're all the same or they're not in the system at all.

Mr. McHatten said staff would concur with that and would go any direction the Council wishes.

Mr. Kulm said it would be a minor adjustment and the budget probably wouldn't even need to change. It could be handled as a contingency item.

Council Member Lynch said he still objects to the fact that those regular street signs telling the names of the streets, those signs that have nothing other than the street name on it, those are now considered special signs because a stop sign on another street has a border around it. When he counts his signs he does not just count the signs with borders. He counts all street signs, name signs and stop signs. He said he thinks it's a real stretch. Let's say there is a new LLD Engineer next year who says those aren't special, then do we take it out? He said it's a minor thing but it troubles him that all of a sudden four years after the fact this comes up and now it's going to be assessed. It has not ever been assessed and now it's adding to the assessment and it's a responsibility that all the time in the future the City is not involved with the street signs. He asked the LLD Engineer if his count includes counts of the street and stop signs in the timeshare area?

John Bliss said he thought so but he will check this out.

Council Member Lynch stated that the reason he asks that is that up in the timeshare area he noticed on the engineers map green dots. He said he would bring it to the engineer's attention again that the streets in the timeshare are not City streets. Those are maintained and have not been accepted into the street system, and yet, these signs are being counted. He pointed out that those signs have no borders and this is the whole issue that troubles him about the lack of consistency. Mr. Lynch said the reasonable expectation of a Council Member is when the streets were given to the City this includes the signs and the stop signs. The Engineer's determination four years later comes as a surprise, including the fact that the Engineer was apparently counting street signs that are out on the main street, but particularly in the timeshares. He said he thinks that matter has to be reviewed.

Council Member Raggio said he needs to comment that the Council has bigger issues here to take care of other than street signs. Council Member Lynch said he understood. Mr. Raggio said the simple fact is the Council needs to make a decision whether the City is going to take care of the street signs or the LLD is going to take care of the street signs. If the residents want borders somehow they need to get to Council Member Lynch and tell him so he would know the majority that want borders, or the majority that doesn't want borders and it's all taken care of. If it is not a special benefit and these residents get borders then there should be borders out in the annex. Council Member Lynch said that people don't even know the borders are on it. Mr. Raggio said it's a small thing and the Council needs to move on. Mr. Lynch said he is unpersuaded and the Engineer is looking at counting signs that are not even in the City road system. These are stop signs and street signs. In his opinion, if that's the case, it's a poor job on street signs.

Council Member Sobon stated there was a special point when Mr. Difu was up speaking about dialog back and forth and back and forth and here we are as Council going back and forth..... Council Member Lynch interrupted saying as a Council Member he is an elected member and can speak as he wishes and can question staff. He said he is not going to be restricted in cross examining staff. If it ever gets to the point that a Council Member cannot cross question a staff member, the Council is not fulfilling their position as Council Members.

Mr. Lynch stated he would like to move to the water issue. He stated that all of a sudden the LLD is being knocked for \$6,000 a year additionally because although the City has been cutting the water off for 4-5 years and gaining a savings for the LLD, this can no longer be done. Now there is a water budget increase of \$6,000 a year and he objects to that. He said it is good practice to shut the water off and there is an arrangement in the City where there is a shut-off charge and a turn-on charge. That is what the LLD has used for a number of years and suddenly now it's decided that that's unacceptable.

Mr. Cole stated this is yet another proposition 218 issue, this time dealing with the cousin of the special assessment, the property related fee. The City charges property related fees for the water service, and somewhat like the assessment, although the general benefit vs. special benefit concept is not used when you're dealing with fees. There is a requirement of proportionality that the fee that is

charged to an owner for a property related service has to be proportional to the service that he or she receives. The concern is that if any party including the City shuts off for the season, they are shifting the base cost of providing the service to those who are still receiving the service. If the City shuts off irrigation and it has 20-30 parcels and doesn't pay that, then the cost of maintaining the infrastructure and water service, the fixed of consumption gets shifted to the rest of the owners. He said that was his concern and the concern of the previous City Attorney as well that that presents an issue as to whether, that may render the fee that is being charged for water service, non proportional. It raises a legal issue that isn't directly related to what is being dealt with tonight, but raises another issue with whether the fee is proportional when this is done. Proposition 218 raises so many gray area issues, so many complex issues and this is a complexity that, at least in his opinion, it is better to avoid having that proposition 218 issue by not shutting off the water.

Council Member Lynch said when he looks in the City ordinances and at past practices of the City there is a shut off charge and the water is turned back on in the spring, he finds that this is allowed. He asked if that means that the ordinance in our City is illegal. Mr. Cole said in his opinion it means that the issue needs a closer look. Mr. Lynch said right now it's allowed. The LLD turns off the water for 6 months/7 months. Again it comes as a surprise that the LLD and the Council are being told the water cannot be shut off. The LLD will pay \$6000 more a year. He asked if the residents in the whole City are prevented from turning off their water.

Mr. Cole said it raises a proposition 218 fee issue because as he understands it the fee was not set with that requirement or with that availability in mind. In other words, the fee may need to be refigured based on the average, meaning take the past five years how many times people have done this. The current fee that is being charged doesn't take that into account.

Council Member Lynch said for the past five years the City has done this and the City has recognized it as a practice. Now suddenly it's decided that's not acceptable, there is a Proposition 218 issue, yet our City ordinance allows it. The back of the water bill allows it and in all the documents, plus past practice allows the water to be turned off. He asked why this is suddenly an issue.

Mr. Cole said in an analogy: Everyone is familiar with CEQA. We all know that we have to do a CEQA analysis when we approve a land use project. But opinions differ on what that analysis has to involve, and that often results in litigation. The courts can sometimes be all over the map. He said the issue he's raising is that proposition 218, in his opinion, is CEQA. It is so fraught with uncertainties and gray areas and complexities that it's becoming a hotbed of litigation, and he is seeing it in municipal litigation, particularly litigation in small cities where there is not the sheer volume. The law is evolving because people are raising issues that maybe they didn't anticipate 3 or 5 years ago and just like there's always some issue du'jour in CEQA, there seems to be issues de'jour in proposition 218. It becomes somewhat of a moving target trying to advise. He said we've spotted the issue, and although there are no definitive determinations, this is an issue that now has been spotted and unfortunately he said he can't give an ironclad answer as to how this will ultimately be resolved if it actually gets litigated.

Council Member Lynch asked if this means the City will not honor any requests for shut-off of water by a resident?

Mr. Cole said he's not telling him that because frankly the discussion is getting beyond the issue. He said the next time there is a prop 218 proceeding it needs to be taken into account the City's practice and it's unique ordinance in determining how to calculate the fee. He said his opinion is it is really kind of, from a Brown Act standpoint, getting the City beyond tonight's agenda item. The question to the Council is to keep this \$6000 in or back it out. If it is backed out he said to recognize that there is this gray area legal issue and will anyone do anything about it? He said he doubted it, probably not, and as a practice it makes sense there wouldn't be this service going because it saves \$6000 a year, which spread throughout all the parcels, is a savings to the residents.

Council Member Lynch stated he was going to bring it up again. He said that the Mr. Cole is saying that anyone wanting to shut off water cannot shut it off because of the potential of shifting a burden to the other water rate payers. Therefore the City is not going to allow to have a shut off of water any further.

Council Member Raggio asked Mr. McHatten when those meters are shut off is the City still collecting a base fee just for the meter? Mr. McHatten explained that what is happening is that by shutting off the water the City quits collecting the base fee for the meter. The only fees collected are for connection and reconnection and there are no givens with regards to the length of time that the water would be off. He said he could ask Mike Kristoff, General Manager of the golf course if in this year, being a dry year, if it may only be a month or two that the water was off. He would defer that question to Mike since he was the one maintaining it. He said the City Attorney raises a the point that the existing rate and subsequent code is flawed, because there is a cost to provide water to the meter, no matter what. If all of a sudden the City stops charging that delivery of water to the meter, that burden is now shifted to the rest of the rate payers. Hence, the 218 issue that is being alluded to. It's not necessarily germane to the issues tonight outside of the budget because if all the money is not spent on the water for usage, it's not spent and the money goes back into reserves.

Council Member Lynch said that there has to be an understanding that if denying this shut off to some part of the City, then that has to go into effect Citywide. The past accommodation of having a person call the number that is listed on the back of the water bill, and per the ordinances, allows the shut off is no longer available to anyone in the City of Angels. That is what is being said.

The City Attorney said that was not what he was saying. Council Member Lynch disagreed. The City Attorney said he is saying that when the City sits down to do a new fee for the water service, they need to take into account the situation and it may be that they can find a way, a metric or a calculation that does that and addresses that issue, but right now the issue is out there. It would not be his advice to City Administration to not allow the water discontinuance, because he would prefer that the City go with the ordinance that's written right now. But if this is done the Council needs to recognize there is a prop 218 issue that should be addressed sooner rather than later.

Council Member Lynch asked if that answer meant that the water can be shut off? Can anybody who wants to shut off their water, do that? Mr. Cole said he was not going to recommend the City stop doing that. Mr. Lynch said that was okay and that settles that one. Council Member Raggio said the ordinance needs to be looked at.

Mr. Lynch said he has looked at the ordinance and the ordinance allows it. He stated that the item of the increase of \$6000 based on shutting those meters has been modified and he said he makes the motion that rather than going up \$6000 it be decreased.

Council Member Lynch said his final question has to do with where the \$307,000 remediation costs come from. He said nowhere in the Engineer's Report does it say where that \$307,000 comes from and this is the final report. In the early draft report it made reference to Horizon's report and he said his concern as a Council Member is when asked to vote on expenditures of a third of a million dollars the Council better know where that money is going and for what. He said when he reads the Engineer's Report there is no reference to anything other than special remediation costs of \$307,000. Where is that money going and where is the reference in this document justifying a third of a million dollars?

Mr. Bliss said in the preliminary report a caveat was added regarding the \$307,000 that said something to the effect as directed or as included in the Horizon report. He said he couldn't remember the exact verbiage. Staff discussed the report and there were some additional issues brought up in terms of a water code section and it was asked what should dictate the decision making, the Horizon Report or the water code section? Mr. Bliss said he made a recommendation that was accepted by staff to put in the dollar amount which was agreed on, but not constrain the actions that could be taken by a particular report or code section. He said that obviously all the code sections, legal sections, etc.

would have to be followed and he thought that by disassociating or removing that it would give greater latitude towards good decision-making by the particular decision makers on this particular issue. He said the Council has responsible, professional people making good decisions on how to spend this money and he said not to hamstring them by making reference to a particular report.

Council Member Lynch then asked if this was just staff discussions, nothing about anything on the Council, because he is familiar with the Horizon report and the details, and now it's deleted and so his question is what is the money being spent on?

The City Attorney stated that the Horizon report was an estimate and as you actually go through the process and as you interact with the core, the costs may change. It may go up a little bit, but it may also go down and there may be some component of offsite mitigation that could be allowed that may obviate the need to restore some or all of the loss within Greenhorn Creek. The idea was to preserve flexibility so that the report doesn't constrain us just to do what Horizon recommended because maybe as we go through the process there's a better way that saves money and we would actually spend less money than the \$307,000. That was why that discussion is different in the final report vs. the preliminary report.

Council Member Lynch stated that all of the Council Members, on the 25th of June, received a copy of the August 2012 Horizon Report. In that report there's a very good detail of what work was going to be done and their best estimate, high and low. If someone picks up this final report that is being voted on tonight, there's no reference to anything. He said he knows there has got to be flexibility and there was flexibility in the Horizon Report. The values go from \$200,000 to \$350,000. He said he is troubled by the fact that now, all of a sudden, there's no reference to the work to be done and where is it detailed. Because there is none.

The City Attorney said you can look at the record as a whole and the record of tonight's proceedings includes not only the final report but all of the minutes, all of the discussion, all of what preceded this hearing and the previous hearing. If there was a dispute about this, somehow legally, we could reference that final statement in the context of the entire hearing and now we have the specific responses you're receiving. So the record is clear about how that money will be spent. What we know is there is a preliminary report by Horizon that gives the estimates that existed in 2012. He said he agrees it had very good detail. There is also preserved flexibility so that if the costs are different, if they're lesser or if there's other things we do, that flexibility is there.

Council Member Lynch said he fails to understand why that reference was not continued so that the Council Members would vote knowing that they are voting on the program that is outlined in Horizon's report. He said that is what he is requesting.

Mr. Cole told Council Member Lynch that he may disagree and that may be understandable but he believes the view of staff was if staff did what you ask then they may be unduly constricting themselves to doing just what's in Horizon's report and maybe there might be an opposite connotation. Staff wanted to avoid that.

Council Member Lynch stated that what bothers him is that staff is showing Council something on June 25th, the Horizon report and early on in a draft of the SCI report, it references that document. Now in the final document it's gone and staff makes all the decisions. Makes all and Council is given information and then it is pulled away and it is decided it is not going to be referenced. He said he has a lot of trouble with that.

Council Member Kulm stated that this whole document is a living document. It's a dynamic document and it changes because as the authors become familiar with more information, it changes over time. He said he was very comfortable with that and as the City Attorney has said, he would prefer that Council not confine their abilities as described in the Horizon report. Mr. Kulm said the way he sees this process is very similar to budgeting. Council is budgeting money to be used during the program year. Council is not approving a scope of work and not approving plans and specifications for any

capital improvement projects. He asked if he was correct and that approval will come later on during the budget cycle.

Mr. McHatten stated that the specific goal is to mitigate the wetlands and the specific budget, and blanks in between to fill. He said he would have to operate within the confines of his purchasing authority whether its, (his purchasing authority for materials is X number of dollars for consultants is X number of dollars.) But items would have to come back to the Council at different points of time for approval.

Council Member Kulm said you don't develop the scope of work for a street improvement project and hire an engineer to design the project until you have the money in the budget. What Council is doing tonight is budgeting, and developing that scope of work will come at a later time in the program year.

Council Member Lynch stated that his objection is the fact that Council was given this report on the 25th of June and this is the report Council will be following. He asked if Council Member Kulm had read the report. Mr. Kulm said he had and he's not in agreement that he would want to follow that plan.

The City Attorney said he would answer questions raised by Mr. Difu. One question raised is that he, the City Attorney, did not contact Mr. Difu's counsel but he did contact the developer's Counsel. Mr. Cole said that is factually inaccurate. He said the developer reached out to him through administration. The developer initiated the contact and Mr. Cole said he was happy to meet with the developer and their counsel just as he would be if any other attorney from any side of any issue were to reach out to him to try to contact him. Mr. Cole said Mr. Trost is the name of the attorney who wrote the letter. He said if Mr. Trost wishes to call him he is more than happy to meet with him. He said he believes his office is relatively close to his and he would meet with him in person. He said he did respond to the substance of his letter. The letter was sent to Mr. McHatten and Mr. Cole said he felt like it was official correspondence that was essentially being directed toward the Council even though the Council wasn't mentioned. The letter was included in the proceedings last week and he addressed the substance of those arguments in his staff report for this week and for last week. Mr. Cole said it is not his style to, when he gets letters from other attorneys, to nitpick each of the points they make. He said he felt that is a little bit confrontational. That's more like a litigation style and while he does litigation he tries to remove his litigation hat and when he's an agency lawyer he tries to address the substance of the points that are raised as opposed to the specific person that raises them unless there really truly is a necessity. He said nothing that he's done, whether intentional or unintentional, should be construed to mean that he is favoring one side over the other. He said he would be happy to talk to any counsel on any side of any issue because that's his job as the municipal attorney. He said he wanted to make that point and he is open to any contact and his phone number is available and his email is available. Mr. Difu also raised a question about the roads. Mr. Cole said as he understands it, Mr. Difu's point is the road money was collected and then the City stopped providing that service and that's what was essentially the generator of the surplus. He said he believes what Mr. Difu is arguing is that because that was used for roads, and the City is no longer collecting money for roads, the City has to refund all of that. The Streets and Highways Code section 22656 is what addresses the issue of a surplus in LLD's and it doesn't segregate the specific type of service. Mr. Cole said to imagine that the way surpluses are generated is much like what is being discussed tonight. We're putting together a budget here and the budget is based on the Engineer's Report that says here's the estimate of how much everything will cost this year. Well as we all know, budgets don't come in at exact numbers. Some line items may be a little higher. Some items may be a little lower and over the course of a year if net line items are lower there is a surplus. These may come from landscaping expenses, irrigation, the cost of water may go down, etc. The surplus is sort of a funnel from all of the different line items. Section 22656 of the Streets and Highways Code says that that may be applied toward those expenses going forward. It does not segregate what expenses can be used. It doesn't say that because you spend money on irrigation if there is a surplus in irrigation you can use it only for irrigation, but if there's a surplus for water expenses, you can't use that for road maintenance. It's because they are two different things. The code doesn't say that. So, as long as there's a surplus we can spend it, provided that the general specific benefit dichotomy that proposition 218 requires is met. Mr. Cole said it is his

interpretation that yes these funds were generated predominately, if not exclusively because of the road maintenance that is no longer performed, but they still are a surplus of the LLD and the benefits of using this money, this surplus money, have been demonstrated by the Engineer's Report. Therefore the expenditure is lawful. He said that is his interpretation and he hoped that this answers the question. Mr. Cole said that Mr. Holston spoke, but he did not recall a specific question. Those are the only questions that he recalled.

Mayor Morris asked if there were any closing or additional comments before she asks for a motion.

Council Member Raggio said that although he was not present at the last meeting, he has read through those minutes and comments. He said tonight, when Mr. Difu spoke and Mr. Holston spoke, he sensed from the audience reaction more approval towards Mr. Holston's comments than Mr. Difu's. He said it seemed obvious to him from the minutes of the last meeting and comments tonight that most of the people in the audience and most of the people in Greenhorn are in favor of Council adopting this resolution. He said he would be in favor of it.

Council Member Sobon said he would like to compliment SCI consulting for the very, very comprehensive final Engineers Report. He stated it took a while to read through it because of the extensive detail that was presented and it should answer most people's concerns about where it should be going with this issue of the LLD funding. He said it was a job well done.

Council Member Kulm said he would simply paraphrase his comments from the previous meeting. He said that if this issue were to be done over, it would probably be done much differently from authoring the various development agreements to establishing the relationships with the Corp, but that does nothing to help move forward now. This is an opportunity to do something positive, to move forward, to create greater benefit for the Greenhorn Creek community - the Landscape and Lighting district. The ripple effect that all of that will have on the community as a whole, whether it be through tourism, whether it be through taxation, whether it be through property value increases, this is the opportunity to improve all of those and for that reason he said he supports approving the Engineer's Report and would ask each of his colleagues to do the same.

Council Member Lynch said he is going to offer three amendments to the Engineer's report. Those are the items that he just discussed.

Mayor Morris said she would like to say that all who purchased homes in Greenhorn Creek were aware at the time that they would be paying assessments for amenities provided in the Greenhorn Creek subdivision. She said she has a problem understanding the problems that have been set forth by a few, a small group of people for a number of years. She finds it unfortunate that setting up the LLD was flawed from the beginning and the wetlands have been an issue for such a long time. But she feels it's time to move forward and rehabilitate and maintain the wetlands. She asked if there was a motion.

Council Member Sobon said it sounded like Council Member Lynch has some proposals for amendments.

Council Member Lynch said he did have amendments but he thought Council needs to make the motion to adopt and then he would introduce the amendments.

Council Member Sobon said on that basis then he would make a motion recommending that the Council approve or adopt resolution 13-19 approving the Engineer's Report and confirming the assessment that's going to be imposed by the county on all property owners in the LLD district 1.

Council Member Kulm seconded the motion.

Mayor Morris stated there is a motion by Council Member Sobon and a second by Council Member Kulm to adopt resolution number 13-19, a resolution approving Engineer's Report, confirming diagram and assessment and directing the auditor of Calaveras County to continue to collect

assessments for fiscal year 2013-2014 for the Landscape and Lighting District No. 1 Greenhorn Creek in the amount of \$296.93

Council Member Lynch told the Mayor he would like to make amendments to the motion.

Council Member Sobon asked if the motion should be approved first.

Council Member Lynch stated that first amendments have priority over a vote on the resolution. Before voting on a resolution amendments must be taken if they're proposed. He said he would like to make a motion that the resolution be amended in the signs area. He asked the City Attorney if there is a question, isn't that correct under Robert's Rules. Amendments have to be resolved?

The City Attorney replied Yes. There is a motion on the floor.

Council Member Lynch said he thinks it's important that Council Members understand that because Mr. Sobon is concerned.

Mr. Cole explained there is a motion on the floor and if someone would like to make an amendment, they would offer the amendment and it would need to be seconded. If it's seconded then the amendment can be discussed and voted on. If there is no second, nothing happens.

Council Member Lynch said the first amendment he wanted to propose is that the issue of street signs be removed from the Engineer's Report as Council has discussed extensively.

Council Member Raggio said this issue needs to be discussed thoroughly, whether the City is going to take over the signs or the LLD is going to take over the signs. He asked if that was possible to do tonight, with this Council? He said the Council represents the folks here and they may want borders around all their signs.

Council Member Lynch said that a year ago in May the City Administrator said that the street signs were conveyed and there's been no monies for four years set aside for the LLD to maintain them and all of a sudden now it's being said that the street signs were not conveyed as part of the street system. They are remaining in the LLD, based on the Engineer's Report.

Mr. McHatten stated that the Engineer's Report had a motion and second. If it's approved without the amendments then the street sign borders will be part of the LLD and will be maintained as part of the LLD. If the amendment that Council Member Lynch is suggesting is approved then the signs would be out. But as the Engineer's Report stands right now, if the Engineer's Report is approved as written, they would be included in the District. Correct?

Council Member Raggio said he understands that, but this is something that just popped up here 30 minutes ago.

Mr. McHatten said it was part of the original Engineer's Report.

Council Member Raggio said he understand that also. But, how do the people feel? Do they want borders, do they not want borders? Because if the City takes over the signs there will be no borders. Otherwise, the annex gets borders.

Mr. McHatten said for clarification: there were no comments raised from the public during the public review process. No comments about the signs one way or the other.

Council Member Lynch said he would represent that the reason for that is everybody assumed the street signs and everything was part and parcel of the road system. This business of all of a sudden the street signs are maintained and preserved by the LLD is ridiculous. He said that is why he is bringing it up. Mr. Lynch made a motion that the street signs totaling \$543.00 be removed from the budget.

Mayor Morris asked for a second. There being none, the motion died for lack of a second.

Council Member Lynch made a motion that the water rates, which have been budgeted at \$23,000 per year for the past four/five years remain at that amount and not be increased to \$29,000 as proposed by the LLD Engineer and the LLD to be allowed to turn the water off during the winter months.

Council Member Raggio seconded the motion.

Council Member Kulm asked if Council would be voting on that amendment?

Council Member Lynch explained that Council will vote on each amendment as they are presented.

Council Member Kulm asked that depending on the outcome of the amendment, then Council is going to have to have a new motion on the original motion?

The City Attorney explained if the Council accepts the amendment then the original motion is amended.

MOTION by Council Member Lynch, seconded by Council Member Raggio APPROVING AN AMENDMENT TO THE LLD ENGINEER'S REPORT ALLOWING WATER BUDGET AMOUNT TO REMAIN AT \$23,000 PER YEAR AS BUDGETED IN PREVIOUS YEARS AND ALLOW WATER TO BE TURNED OFF DURING THE WINTER MONTHS.

Council Member Lynch asked for a roll call vote.

Roll Call: Raggio {YES}, Lynch {YES}, Sobon {NO}, Kulm {YES}, Morris {NO}

Passes on a three/two vote of the Council.

Council Member Lynch made a motion adding a reference to the Horizon document in the final Engineer's Report so that readers with future involvement in the District would reference the Horizon Report dated August, 2012 and given to the LLD on June 25, 2013.

Mayor Morris asked for a second. There being none, the motion died for lack of a second.

Mayor Morris indicated there was a motion and second on the floor for Resolution 13-19. She asked if Council wanted a roll call vote. There was no request for a roll call vote.

MOTION by Council Member Sobon, seconded by Council Member Kulm and carried 4-1 with Council Member Lynch voting 'NO', ADOPTING RESOLUTION NO. 13-19 WITH AN AMENDMENT CHANGING THE WATER BUDGETED AMOUNT FROM \$29,000 TO \$23,000. A RESOLUTION APPROVING ENGINEER'S REPORT CONFIRMING DIAGRAM AND ASSESSMENT AND DIRECTING AUDITOR OF CALAVERAS COUNTY TO CONTINUE TO COLLECT ASSESSMENTS FOR FY 2013-2014 FOR THE LANDSCAPING & LIGHTING DISTRICT NO. 1 – GREENHORN CREEK.

CALENDAR

Calendar was reviewed by City Clerk Mary Kelly.

MEETING WAS ADJOURNED AT 8:15 P.M.

Elaine Morris
Mayor

ATTEST:

Mary Kelly
City Clerk