

MINUTES
SPECIAL MEETING OF THE CITY COUNCIL
CITY OF SAN LUIS OBISPO
TUESDAY, FEBRUARY 10, 2004 - 7:00 P.M.
COUNCIL CHAMBER, 990 PALM STREET
SAN LUIS OBISPO, CALIFORNIA

ROLL CALL:

Council Members

Present: Council Members John Ewan, Christine Mulholland, Allen K. Settle, Vice Mayor Ken Schwartz and Mayor Dave Romero

City Staff:

Present: Ken Hampian, City Administrative Officer; Jonathan Lowell, City Attorney; Lee Price, City Clerk; Wendy George, Assistant City Administrative Officer; Bill Statler, Finance Director; John Moss, Utilities Director; Gary Henderson, Water Manager; Sue Baasch, Senior Administrative Analyst; Ron Munds, Utilities Conservation Coordinator; Dan Gilmore, Utilities Engineer

County Staff:

Present: Paavo Ogren, Deputy Director of Public Works; Christine Ferraro, Project Manager

BUSINESS ITEM

1. NACIMIENTO WATER SUPPLY PROJECT PARTICIPATION.

Utilities Director Moss presented an in-depth and interactive overview of policy and fiscal impacts regarding the City's possible participation in the Nacimiento Pipeline Project. City and County staff responded to Council questions throughout the presentation.

Mayor called a break at 9:18. The meeting resumed at 9:30.

Public Comments

Gary Fowler, San Luis Obispo, expressed concern about moving forward with this project in light of the current State budget crisis and argued that to approve participation will result in added growth and higher water rates. In addition, he inquired about impacts on the City's water supply by Cal Poly and the California Department of Fire.

Carl Dudley, Member of the Chamber of Commerce Board of Directors, read a letter into the record urging the Council to participate in the project (letter on file in the Office of the City Clerk).

Mary Beth Schroeder, San Luis Obispo, expressed opposition to participation because it will cost too much, cause water rates to rise and induce growth.

Andrew Carter, San Luis Obispo, voiced support for participation in the project but raised questions relating to the overall financial analysis and cost allocation theories.

Mary Ann Bjerre, San Luis Obispo, said she was concerned about rate increases and the impacts to the senior and disabled community.

Steve Delmartini, San Luis Obispo, encouraged the Council to participate further in the project.

---end of public comments---

Water Manager Henderson, in response to citizen inquiry, reported that Cal Poly has their own water source and any new development on campus will be served by that water source. He commented that the City provides a small amount of water to the CDF facility on Highway 1 and added that the facility, in return, responds to mutual aid and other facilities outside the City, including the water treatment plant and whale rock.

Council discussion followed. A majority of the Council expressed support for further participation in the project and provided feedback to staff, as outlined in the following action. Council Member Mulholland voiced strong opposition to the project because it will cost too much, remove an obstacle to growth, cause growth and create secondary but significant impacts to roads and traffic. She emphasized that taking more water than what is needed for build-out will create surplus water, which is growth inducing. In addition, she voiced apprehension about the cost allocation methodology because it may result in the City paying for growth in other communities.

ACTION: Moved by Ewan/Settle to 1) Direct staff to bring back policy language on March 9th regarding siltation, reliability, and multiple water sources. 2) Council agreed to continue participation in the project at the 3,380 acre feet per year level. 3) Direction provided to support a hybrid cost allocation methodology. (4:1, Mulholland).

There being no further business to come before the City Council, Mayor Romero adjourned the meeting at 10:30 p.m. to Tuesday, February 17, 2004 at 4:00 p.m. in the Council Chamber, 990 Palm Street, San Luis Obispo.



Lee Price, C.M.C.
City Clerk

APPROVED BY COUNCIL: 3/1/2004
LP:jo