

THE CITY OF SAN DIEGO, CALIFORNIA  
MINUTES FOR REGULAR COUNCIL MEETING  
OF  
TUESDAY, JUNE 8, 2004  
AT 9:00 A.M.  
IN THE COUNCIL CHAMBERS - 12TH FLOOR

Table of Contents

<u>CHRONOLOGY OF THE MEETING</u> .....	2
<u>ATTENDANCE DURING THE MEETING</u> .....	2
<u>ITEM-1: ROLL CALL</u> .....	3
<u>NON-AGENDA COMMENT</u> .....	3
<u>COUNCIL COMMENT</u> .....	6
<u>CITY MANAGER COMMENT</u> .....	9
<u>CITY ATTORNEY COMMENT</u> .....	9
<u>* ITEM-113: Amending Cooperative Agreement with San Diego Association of Governments (SANDAG) and California Department of Transportation for Funding and Right-of-Way Acquisition for State Route 56 Project-Middle Segment</u> .....	9
<u>ITEM-201: Wastewater Interim Financing</u> .....	11
<u>ITEM-330: CONTINUED TO TUESDAY, JULY 27, 2004</u> .....	12
<u>ITEM-331: New Sewer Rate Structure</u> .....	14
<u>ITEM-332: Increased Sewer Capacity Charges</u> .....	15
<u>ITEM-333: Increased Water Capacity Charges</u> .....	16
<u>ITEM-334: Two actions related to Reaffirmation of Water Fees and Charges Previously Adopted on April 30, 2002</u> .....	17
<u>ITEM-335: New Water Rate Structure</u> .....	18
<u>NON-DOCKET ITEMS</u> .....	18
<u>ADJOURNMENT</u> .....	19

**CHRONOLOGY OF THE MEETING:**

The meeting was called to order by Mayor Murphy at 10:13 a.m.

Mayor Murphy introduced representatives from Walmart and accepted on behalf of the City and the Fire Department a check in the amount of \$50,000. Fire Chief Jeff Bowman wished to wholeheartedly thank Walmart for their donation on behalf of the Fire Department stating that the money would be used to provide the Department with rapid intervention crew kits to enhance safety in the event of being trapped.

The meeting was recessed by Mayor Murphy at 11:09 a.m. for the purpose of a break. Mayor Murphy reconvened the meeting at 11:20 a.m. with Council Member Madaffer not present. Mayor Murphy recessed the meeting at 11:57 a.m. to reconvene at 2:00 p.m.

The meeting was reconvened by Mayor Murphy at 2:11 p.m. Mayor Murphy recessed the meeting at 3:52 p.m. for the purpose of a break. Mayor Murphy reconvened the meeting at 4:08 p.m. with Council Member Zucchet not present. Mayor Murphy recessed the meeting at 5:24 p.m. for the purpose of a break. Mayor Murphy reconvened the meeting at 5:31 p.m. with Council Members Zucchet, Frye, and Inzunza not present. Mayor Murphy recessed the meeting at 5:33 p.m. to convene the Budget Hearing. Mayor Murphy reconvened the meeting at 6:27 p.m. with Council Members Zucchet and Lewis not present. Mayor Murphy adjourned the meeting at 6:29 p.m.

**ATTENDANCE DURING THE MEETING:**

- (M) Mayor Murphy-present
- (1) Council Member Peters-present
- (2) Council Member Zucchet-present
- (3) Council Member Atkins-present
- (4) Council Member Lewis-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-present

(8) Council Member Inzunza-present

Clerk-Abdelnour/Maland/Lane (pr/er)

FILE LOCATION: MINUTES

ITEM-1: ROLL CALL

Clerk Abdelnour called the roll:

- (M) Mayor Murphy-present
- (1) Council Member Peters-present
- (2) Council Member Zucchet-present
- (3) Council Member Atkins-present
- (4) Council Member Lewis-present
- (5) Council Member Maienschein-present
- (6) Council Member Frye-present
- (7) Council Member Madaffer-not present
- (8) Council Member Inzunza-present

NON-AGENDA COMMENT:

PUBLIC COMMENT-1:

Comment by Don Stillwell regarding the history of prayer in Congress.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:20 a.m. – 10:23 a.m.)

**PUBLIC COMMENT-2:**

Comment by Al Strohle in regarding Petco Park, and an ABC Hearing protesting an alcohol license.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:24 a.m. – 10:27 a.m.)

**PUBLIC COMMENT-3:**

Comment by Stanton Summers regarding a statement that he wrote and read in Court before a Jury.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:27 a.m. – 10:30 a.m.)

**PUBLIC COMMENT-4: REFERRED TO THE CITY MANAGER**

Comment by Donald Watkins regarding potential increased swimming pool fees, and his opposition to that.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:31 a.m. – 10:33 a.m.)

**PUBLIC COMMENT-5:**

Comment by Ron Boshun regarding Council actions.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:34 a.m. – 10:37 a.m.)

**PUBLIC COMMENT-6:**

Comment by Jeff Finley regarding traffic flow problems on Chateau Drive in Clairemont.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:37 a.m. – 10:40 a.m.)

**PUBLIC COMMENT-7:**

Comment by Mel Shapiro regarding budget decisions, and that he feels the funds for the new main library could be used for existing libraries instead of reducing hours of operation.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:40 a.m. – 10:44 a.m.)

**PUBLIC COMMENT-8:**

Comment by Frank Eaves regarding human rights, the City of Yanti, and the Falon Gong practitioners.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:44 a.m. – 10:46 a.m.)

**PUBLIC COMMENT-9:**

Comment by Steve McWilliams regarding the proposed Resolution for our “Sister City” Yanti.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:46 a.m. – 10:49 a.m.)

**PUBLIC COMMENT-10: REFERRED TO THE CITY MANAGER**

Comment by Marvin Winters regarding storm water enforcement issues and his environmental concerns.

FILE LOCATION: AGENDA

COUNCIL ACTION: (Time duration: 10:49 a.m. – 10:53 a.m.)

**COUNCIL COMMENT:**

**COUNCIL COMMENT-1:**

Comment by Deputy Mayor Atkins wishing to announce that her intern, Madeline Paul, decided it was time to retire, and wished to state that at 81, Madeline is very bright, sunny, and has been very much appreciated by District 3 staff.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:53 a.m. – 10:54 a.m.)

**COUNCIL COMMENT-2:**

Comment by Council Member Frye expressing concern over many calls her District has received complaining about the bright lights coming from the “Journey to Atlantis” ride at Sea World. Council Member Frye also commented on the “Water Keeper Alliance Annual Conference,” held Tuesday through Saturday at USD in District 6, and that there were approximately 117 different Water Keeper organizations represented from around the United States and internationally as well. Robert Kennedy Jr. was in town, and also attended the event.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:54 a.m. – 10:55 a.m.; 10:57 a.m. – 10:58 a.m.)

**COUNCIL COMMENT-3:**

Comment by Council Member Zucchet wishing to reiterate Council Member Frye's concern, and that the lights shine into his home, and his District has received complaints as well. Council Member Zucchet announced that his staff checked into the matter, and Sea World has agreed to turn off the strobe light on the "Journey to Atlantis" ride.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:55 a.m. – 10:57 a.m.; 11:04 a.m. – 11:05 a.m.)

**COUNCIL COMMENT-4:**

Comment by Mayor Murphy stating that he joined Council Member Frye, and Council Member Peters at the final night of the "Water Keeper Alliance Annual Conference" and welcomed them to San Diego with a Proclamation Resolution from the City proclaiming it to be "Water Keeper Alliance Day." Mayor Murphy also welcomed Robert Kennedy Jr. to the conference and presented him with "The Key to the City." Mr. Kennedy is a long time fighter for environmental issues and he was the key note speaker on Saturday night. Mayor Murphy also commented that yesterday the City kicked-off its new trash collection routing system which has resulted in the City redesigning the routing of its trash collection trucks to improve operational efficiency. It will save the City one million dollars per year by reducing the miles for trash collection travel due.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 10:58 a.m. – 10:59 a.m.; 11:06 a.m. – 11:09 a.m.)

**COUNCIL COMMENT-5:**

Comment by Council Member Lewis regarding acknowledging young people who were inducted into the 4<sup>th</sup> District “Wall of Excellence” recently on the corner of Imperial Avenue and Willy James Jones. Each year for the past four years, three students from High Schools in the 4<sup>th</sup> Council District have been recognized for their achievements.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 11:03 a.m. – 11:04 a.m.)

**COUNCIL COMMENT-6:**

Comment by Council Member Peters regarding his attendance at the “Water Keeper Conference” and wished to compliment Mayor Murphy on his performance there. Council Member Peters announced that his District celebrated “National Trails Day” with a picnic event at Penasquitos Ranch over the weekend, and that his staff is trying to build a trail network including bicycle, horse, and pedestrian trails that are ahead of the development that is on going.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 11:05 a.m. – 11:06 a.m.)

**COUNCIL COMMENT-7:**

Mayor Murphy announced that in consideration of President Bush’s and Governor Schwarzenegger’s decision to consider Friday, June 11<sup>th</sup> as a day to honor the memory of former President Regan, he asked all City appointing authorities to grant City employees a day of discretionary leave on June 11<sup>th</sup>.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 2:12 p.m. – 2:15 p.m.)



**CITY MANAGER COMMENT:**

City Manager Ewell announced that he will authorize eight hours of discretionary leave for all employees that fall under the authority of the City Manager; however, essential services need to be maintained and so those employees not able to take June 11<sup>th</sup> off shall be given a discretionary day off on another day, and it will be done in a manner supportive of the City's needs.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 2:15 p.m. – 2:16 p.m.)

**CITY ATTORNEY COMMENT:**

Comment by City Attorney Casey Gwinn regarding wishing to commend the lawyers in the Fraud Unit who recently settled a case involving Macy's West. It was a very large case involving violations related to scanner inaccuracies in Macy Stores, and a large statewide investigation took place that resulted in a 1.2 million dollar civil settlement. Approximately \$300,000 is coming to the City's general fund as part of the settlement. Secondly, last night, Mr. Gwinn was honored to accept an award related to the San Diego Family Justice Center and their work in dealing with domestic violence, and wished to accept the award on behalf of the Mayor and Council, the Police Department, the City Attorney's Office, and the twenty non-profit agencies that are part of the San Diego Family Justice Center at 707 Broadway.

FILE LOCATION: MINUTES

COUNCIL ACTION: (Time duration: 11:00 a.m. – 11:03 a.m.)

- \* ITEM-113: Amending Cooperative Agreement with San Diego Association of Governments (SANDAG) and California Department of Transportation for Funding and Right-of-Way Acquisition for State Route 56 Project-Middle Segment.

(Carmel Valley, Pacific Highlands Ranch, Torrey Highlands, and Rancho Penasquitos Community Areas. District-1.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution:

(R-2004-1200)            ADOPTED AS RESOLUTION R-299320

Authorizing the City Manager to amend the Cooperative Agreement with the San Diego Association of Governments and California Department of Transportation for funding and right-of-way acquisition for State Route 56 Project-Middle Segment (Carmel Country Road to Black Mountain Road);

Authorizing the City Manager to accept and appropriate \$22,507,000 from the San Diego Association of Governments, Fund 38961, for funding and right-of-way acquisition for CIP-52-463.0;

Authorizing the City Auditor and Comptroller to increase the FY 2004 Capital Improvement Budget by an amount not to exceed \$22,507,000 in CIP-52-463.0;

Authorizing the City Auditor and Comptroller to expend an amount not to exceed \$22,507,000 from CIP-52-463.0, State Route 56 Project-Middle Segment (Carmel Country Road to Black Mountain Road) for the acquisition of property rights, attorney, labor appraisal, relocation, title, escrow, and miscellaneous costs, from Fund 38961, contingent upon certification by the City Auditor and Comptroller of funds being available;

Authorizing the City Manager to execute, for and on behalf of the City, an Amended Agreement with Meyers, Nave, Riback, Silver and Wilson for professional services in an amount not to exceed \$1,535,000 from Fund 38961 for legal services and costs for CIP-52-463.0, contingent upon certification by the City Auditor and Comptroller of funds being available.

**CITY MANAGER SUPPORTING INFORMATION:**

In July 2001, the City Council approved two amendments to the Cooperative Agreement with the San Diego Association of Governments and California Department of Transportation for funding of right-of-way activities for State Route 56-Carmel Country Road to Black Mountain Road.

On October 24, 2003, the San Diego Association of Governments approved an additional \$24,000,000 for right-of-way acquisition, support, relocation, mitigation, attorney/appraisal/trial costs, and other miscellaneous costs. In order to increase the budget for State Route 56 right-of-way activities and other related project costs, the Cooperative Agreement will need to be amended.

Concurrent with the Cooperative Agreement Amendment, the agreement for legal services with Meyers, Nave, Riback, Silver & Wilson will be amended, as authorized in closed session. On July 24, 2001 and December 9, 2003, Council authorized the expenditure of \$600,000 and \$750,000, respectively, in fees and costs. Between 2001 and 2003, legal fees and costs (including expert costs) have been paid in the amount of \$1,800,000. The legal fees and costs have been paid from project funds. Today's authorization request is for \$1,535,000, which includes the following: \$450,000 which was paid between 2001 and 2003; \$650,000 for currently due legal fees and costs; and \$435,000 for anticipated legal services. The current authorization for legal fees and costs will be paid from project funds via Transnet Funds, as agreed by SANDAG. As part of this middle segment, 19 parcels have been acquired, 16 separate actions filed, 4 cases have gone to trial, and 12 have settled. In addition, there are three pending appeals. Outside counsel has handled the entirety of this work.

**FISCAL IMPACT:**

The State Route 56 right-of-way budget approved by City Council by way of the original Cooperative Agreement and two Cooperative Agreement Amendments totaled \$49,350,000. In addition, on May 10, 2004 up to \$1,493,000 of SANDAG money was approved by City Council for SR-56 mitigation costs. With approval of the Amendment to Agreement, the new budget total will be \$73,350,000.

Loveland/Belock/PB

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:20 a.m. – 11:21 a.m.)

MOTION BY MAIENSCHHEIN TO ADOPT. Second by Lewis. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-201: Wastewater Interim Financing.

(See City Manager Report CMR-04-115.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution:

(R-2004-1322) ADOPTED AS RESOLUTION R-299279

Approving the form and authorizing the execution and delivery of a Subordinated Indenture, a Bond Purchase Agreement, and a Supplement to the Master Installment Purchase Agreement, and approving certain other agreements and actions in connection therewith.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 5:32 p.m. – 5:32 p.m.)

MOTION BY MADAFFER TO ADOPT. Second by Atkins. Passed by the following vote: Peters-yea, Zucchet-not present, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-not present, Madaffer-yea, Inzunza-not present, Mayor Murphy-yea.

ITEM-330: CONTINUED TO TUESDAY, JULY 27, 2004

Bankers Hill Town Homes.

Matter of approving, conditionally approving, modifying or denying Community Plan Amendment, Rezone, Site Development Permit and Tentative Map to demolish existing buildings and construct a 19-unit residential units as condominiums (5-stories above underground parking) on a 0.46-acre site in the NP-3 Zone (proposed NP-1) of the Mid-City Communities Planned District within the Uptown Community Planning Area located at 2561 First Avenue.

(CPA/Rezone/SDP/TM. Uptown Community Plan Area. District-2.)

**OTHER RECOMMENDATIONS:**

Planning Commission on April 8, 2004, voted 7-0 to approve; was opposition.  
Ayes: Garcia, Chase, Lettieri, Schultz, Ontai, Steele, Otsuji  
The Uptown Planners Community Planning Group has recommended approval of this project.

**CITY MANAGER SUPPORTING INFORMATION:**

The 0.46-acre project site is located at 2561 First Avenue between Laurel Street and Maple Street within the Uptown Community Planning Area. The property is currently designated for office and medium density residential development. The site is in the Mid-City Communities Planned District and is currently zoned NP-3. The neighborhood surrounding the project site is characterized by a variety of land uses including professional and medical office uses, senior housing facilities and multi-family development. The application is requesting a General and Community Plan Amendment, Rezone, Site Development Permit and Tentative Map in order to demolish three existing structures and develop the site with a five-story, 19-unit residential project above 42 subterranean parking spaces. The General/Community Plan Amendment is required to designate the site with a higher residential density than currently prescribed in the Uptown Community Plan. The Rezone is required to modify the underlying zone from NP-3 to NP-1 which is tailored more towards high intensity office and residential uses. The Site Development Permit is required because the project is requesting minor deviations from the applicable development regulations. The Tentative Map is required to develop the project as condominium units.

The proposed General/Community Plan Amendment has been analyzed pursuant to the issues identified by the Planning Commission during the initiation phase of the project. The staff analysis has concluded that the proposed amendment implements the policies and recommendations embodied in the General Plan and Progress Guide and the Uptown Community Plan. Further, staff has determined that the proposed Rezone to replace the NP-3 Zone designation with the NP-1 Zone designation would be compatible with the existing neighborhood and consistent with the future development pattern prescribed in the Uptown Community Plan. Staff reviewed the proposed Site Development Permit including the requested deviations to encroach into the required yard setbacks and determined that the deviations were minor in scope and enhanced the overall appearance of the project design. Staff reviewed the proposed Tentative Map that would allow the residential units to be sold individually as condominiums and determined that the project would comply with the State Map Act and the Subdivision regulations of the Land Development Code. The project was considered by the Planning Commission during a public hearing on April 8, 2004, which recommended that the City Council approve the project as conditioned by a unanimous vote of 7-0-0.

**FISCAL IMPACT:**

All of the costs associated with processing this application are paid for by the applicant.

Loveland/Christiansen/JPH

**LEGAL DESCRIPTION:**

The project site is located at 2561 First Avenue in the Uptown Community Planning Area and is more particularly describes as Lots A, B, C, and D in Block 287 of Horton's Addition.

FILE LOCATION: LUP-Banker Hill Townhomes 6/8/04 (65)

COUNCIL ACTION: (Time duration: 11:20 a.m. - 11:20 a.m.)

MOTION BY ATKINS TO CONTINUE THIS ITEM TO TUESDAY, JULY 27, 2004, AT THE REQUEST OF THE CITY MANAGER FOR FURTHER REVIEW. Second by Maienschein. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-yea.

ITEM-331: New Sewer Rate Structure.

(See City Manager Report CMR-04-112.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution:

(R-2004-1293 REV.) ADOPTED AS RESOLUTION R-299322

Declaring that the City Council finds and determines that the foregoing Recitals are true and correct;

Authorizing and directing the City Manager to implement a new rate structure for sewer service fees and increase sewer service fees as appropriate in accordance with the new rate structure.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 2:16 p.m. – 3:52 p.m.; 4:08 p.m. – 5:24 p.m.)

MOTION BY FRYE TO ADOPT WITH THE FOLLOWING DIRECTION TO THE CITY MANAGER AS REQUESTED BY COUNCIL MEMBER INZUNZA: INVESTIGATE AND EVALUATE PROGRAMS TO IMPROVE THE EFFICIENCY OF THE SEWAGE SYSTEM BY FUNDING INCENTIVES TO SIGNIFICANT SEWAGE DISCHARGERS OF CHEMICAL OXYGEN DEMAND TO REDUCE THE COD LOAD ON THE SYSTEM AND REPORT BACK NO LATER THAN SEPTEMBER 30, 2004. Second by Atkins. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-332: Increased Sewer Capacity Charges.

(See City Manager Report CMR-04-118.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution:

(R-2004-1306) ADOPTED AS AMENDED AS RESOLUTION R-299321

Declaring that the City Council finds and determines that the foregoing Recitals are true and correct;

Authorizing and directing the City Manager to increase Capacity Charges to \$3,710 per equivalent dwelling unit, except for affordable housing units and residential units constructed in redevelopment areas and commercial and industrial enterprises qualifying for reduced Capacity Charges pursuant to Council Policy 900-12 and Resolution R-287543.

FILE LOCATION: MEET

COUNCIL ACTION: (Time duration: 11:25 a.m. – 11:55 a.m.)

MOTION BY FRYE TO ADOPT THE RESOLUTION AS AMENDED WITH DIRECTION TO THE CITY MANAGER TO REVIEW COUNCIL POLICY 900-12 RELATED TO THE BUSINESS AND INDUSTRY INCENTIVE PROGRAM PARTICULARLY RELATED TO THE WATER AND SEWER CAPACITY CHARGES, AND TO DIRECT THE CITY MANAGER TO LOOK AT THE CONVERSIONS AND WASTEWATER CAPACITY CHARGES TO SEE WHAT NEEDS TO BE DONE, AND TO REPORT BACK TO COUNCIL WITHIN THREE MONTHS. Second by Atkins. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-yea, Inzunza-yea, Mayor Murphy-yea.

ITEM-333: Increased Water Capacity Charges.

(See City Manager Report CMR-04-121.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution:

(R-2004-1307) CONTINUED TO TUESDAY, JUNE 22, 2004

Declaring that the City Council finds and determines that the foregoing Recitals are true and correct;

Authorizing and directing the City Manager to increase Capacity Charges to \$2,550 per equivalent dwelling unit, except for affordable housing units and residential units in redevelopment areas and commercial and industrial enterprises qualifying for reduced Capacity Charges pursuant to Council Policy 900-12 and Resolution R-287543, adopted on June 24, 1996.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 11:09 a.m. – 11:20 a.m.)



MOTION BY TO LEWIS TO CONTINUE THIS ITEM TO TUESDAY, JUNE 22, 2004, AT THE REQUEST OF THE CITY MANAGER FOR FURTHER REVIEW. Second by Maienschein. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-yea.

ITEM-334: Two actions related to Reaffirmation of Water Fees and Charges Previously Adopted on April 30, 2002.

(See City Manager Report CMR-04-120.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolutions:

Subitem-A: (R-2004-1268) CONTINUED TO TUESDAY, JUNE 22, 2004

Reaffirming water rates increases previously adopted on April 30, 2002.

Subitem-B: (R-2004-1272) CONTINUED TO TUESDAY, JUNE 22, 2004

Reaffirming prior increases of water commodity charges and base fees due to increases in the wholesale cost of water and authorizing and directing the City Manager to increase, as necessary, water rates due to future increases in the wholesale cost of water.

FILE LOCATION: SUBITEMS A & B: NONE

COUNCIL ACTION: (Time duration: 11:09 a.m. 11:20 a.m.)

MOTION BY LEWIS TO CONTINUE THIS ITEM TO TUESDAY, JUNE 22, 2004, AT THE REQUEST OF THE CITY MANAGER FOR FURTHER REVIEW. Second by Maienschein. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-yea.

ITEM-335: New Water Rate Structure.

(See City Manager Report CMR-04-119.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution:

(R-2004-1288) CONTINUED TO TUESDAY, JUNE 22, 2004

Declaring that the City Council finds and determines that the foregoing Recitals are true and correct;

Authorizing the City Manager to implement, effective July 1, 2004, the New Rate Structure as set forth in Exhibit A, and by this reference incorporated into this resolution;

Authorizing the City Manager to implement the Prior Rate Increases to the New Rate Structure, by applying the 6% rate increases proportionately to the base fee component and to the commodity charge component of the New Rate Structure, and that such adjustment be implemented on July 1, 2005, and July 1, 2006.

FILE LOCATION: NONE

COUNCIL ACTION: (Time duration: 11:09 a.m. – 11:20 a.m.)

MOTION BY LEWIS TO CONTINUE THIS ITEM TO TUESDAY, JUNE 22, 2004, AT THE REQUEST OF THE CITY MANAGER FOR FURTHER REVIEW. Second by Maienschein. Passed by the following vote: Peters-yea, Zucchet-yea, Atkins-yea, Lewis-yea, Maienschein-yea, Frye-yea, Madaffer-not present, Inzunza-yea, Mayor Murphy-yea.

**NON-DOCKET ITEMS:**

None.

