



California

ITEM NO. 4

CITY OF OCEANSIDE

JOINT MINUTES OF THE CITY COUNCIL SMALL CRAFT HARBOR DISTRICT BOARD OF DIRECTORS COMMUNITY DEVELOPMENT COMMISSION OCEANSIDE PUBLIC FINANCE AUTHORITY

SEPTEMBER 24, 2014

REGULAR MEETING 2:00 PM COUNCIL CHAMBERS

2:00 PM - OCEANSIDE CITY COUNCIL (COUNCIL),
HARBOR DISTRICT BOARD OF DIRECTORS (HDB)
COMMUNITY DEVELOPMENT COMMISSION (CDC), AND
OCEANSIDE PUBLIC FINANCE AUTHORITY (OPFA)
- REGULAR BUSINESS

Mayor
HDB President
CDC Chair
OPFA Chair
Jim Wood

Deputy Mayor
HDB Vice President
CDC Vice Chair
OPFA Vice Chair
Esther Sanchez

Councilmembers
HDB Directors
CDC Commissioners
OPFA Directors
Gary Felien
Jack Feller
Jerome Kern

City Clerk
HDB Secretary
CDC Secretary
OPFA Secretary
Zack Beck

Treasurer
Gary Ernst

City Manager
HDB Chief Executive Officer
CDC Executive Director
OPFA Executive Director
Steve Jepsen

City Attorney
HDB General Counsel
CDC General Counsel
OPFA Legal Counsel
John Mullen

For this regular and joint meeting, the Council sat as all 4 governing bodies [Council, HDB, CDC and OPFA] simultaneously but took action as the respective agency for the jurisdiction covered by each item. Council titles only will be used for brevity throughout the entire meeting.

The regular and joint meeting of the Oceanside City Council (Council), Small Craft Harbor District Board of Directors (HDB), Community Development Commission (CDC) and Oceanside Public Finance Authority (OPFA) was called to order by Mayor Wood at 2:01 PM, September 24, 2014.

2:00 PM - ROLL CALL

Present were Mayor Wood and Councilmembers Kern, Felien and Feller. Deputy Mayor Sanchez arrived at 2:14 PM. Also present were Assistant City Clerk Trobaugh,

**NOT OFFICIAL
UNTIL APPROVED AT SUBSEQUENT
MEETING BY CITY COUNCIL**

City Manager Jepsen and City Attorney Mullen.

City Attorney Mullen titled the following items to be heard in Closed Session:
Items 1, 2 and 3A.

[Closed Session and recess were held from 2:02 PM to 4:03 PM]

CITY COUNCIL, HDB, CDC AND OPFA CLOSED SESSION ITEMS

Closed Session to discuss litigation, property acquisition, labor relations and personnel matters

1. CONFERENCE WITH LABOR NEGOTIATOR ON STATUS OF NEGOTIATIONS PREVIOUSLY AUTHORIZED IN OPEN SESSION (SECTION 54957.6)

CONFERENCE WITH LABOR NEGOTIATOR – Negotiator: City Manager; employee organizations: Oceanside Police Officers’ Association (OPOA), Oceanside Firefighters’ Association (OFA), Oceanside Police Management Association (OPMA), Management Employees of the City of Oceanside (MECO), Oceanside City Employees’ Association (OCEA), Oceanside Fire Management Association (OFMA), Western Council of Engineers (WCE), and Unrepresented

Item discussed (OPOA); no reportable action

2. CONFERENCE WITH REAL ESTATE NEGOTIATOR

CONFERENCE WITH REAL PROPERTY NEGOTIATOR – Property: Ivey Ranch Development Company parcel of land (APN 160-057-42); Negotiating Parties: City of Oceanside and Ivey Ranch Development Company; Negotiator for the City: Douglas Eddow, Real Estate Manager; Under Negotiations: Price and terms for the exchange of a portion of the real property

Item discussed and direction given; no reportable action

3. LITIGATION OR OTHER ADVERSARY PROCEEDING (E.G., ADMINISTRATIVE HEARING, ARBITRATION) (SECTION 54956.9(a))

A) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- i. Aaron Miller v. City of Oceanside
Superior Court Case No.: 37-2011-00090665-CU-OE-CTL
- ii. Dunex, Inc., Cavalier Mobile Estates v. City of Oceanside.
Superior Court Case No.: 37-2012-00055503-CU-EI-NCL

Items discussed, information only; no reportable action

4:00 PM – ROLL CALL

MAYOR WOOD reconvened the meeting at 4:03 PM. Present were Mayor Wood, Deputy Mayor Sanchez and Councilmembers Kern and Felien. Councilmember Feller arrived at 4:05 PM. Also present were City Clerk Beck, City Manager Jepsen and City Attorney Mullen.

CONSENT CALENDAR ITEMS [Items 4-12]

All items listed on the Consent Calendar are considered to be routine matters or formal documents covering previous City Council/HDB/CDC/OPFA instructions. The items listed on the Consent Calendar may be enacted by a single vote. There will be no separate discussion of any Consent Calendar items unless requested by members of the City Council/HDB/CDC/OPFA or the public through submittal of a Request to Speak form prior to the commencement of this agenda item.

The following Consent Calendar items were submitted for approval:

4. City Council/Harbor/CDC/OPFA: Acceptance of Joint Minutes of the Small Craft Harbor District Board of Directors, Community Development Commission, City Council, and Oceanside Public Financing Authority of the October 23, 2013, 2:00 p.m. Adjourned Meeting
5. City Council/Harbor/CDC/OPFA: Approval to waive reading of the text of all ordinances and resolutions considered at this meeting and provide that ordinances shall be introduced after a reading only of the title(s)
6. City Council: Approval to grant an easement [**Document No. 14-D0578-1**] to San Diego Gas and Electric Company for public utility facilities at Peacock Boulevard; approval to accept a quitclaim deed [**Document No. 14-D0579-1**] to abandon an adjacent easement previously granted; and authorization for the Mayor to execute the necessary documents
7. City Council: Approval to grant an easement [**Document No. 14-D0580-1**] to San Diego Gas and Electric Company for utility purposes to serve the athletic fields complex located at El Corazon; and authorization for the Mayor to execute the easement
8. City Council: Approval of plans and specifications for the Civic Center Fountain Refurbishment Project; and authorization for the City Engineer to call for bids
9. City Council: Approval of Change Order 5 [**Document No. 14-D0581-1**] in the amount of \$406,653 to SC Valley Engineering, Inc., for the Myers Tait Street Sewerline Replacement for the addition of a segment of waterline replacement; and authorization for the City Engineer to execute the change order
10. City Council: Approval of a purchase order in an amount not to exceed \$150,000 to Advanced Exercise Equipment of Littleton, Colorado, for the acquisition of new Fire Department gym equipment and facility improvements; approval of a budget appropriation in the amount of \$150,000 from the Unassigned General Fund Reserve Account to the Fire Department; and authorization for the Financial Services Director, or designee, to execute the purchase order
11. City Council: Approval to accept \$99,000 in grant funds from the 2013 Urban Areas Security Initiative (UASI) Grant awarded to San Diego County and allocated to the City for the Blue Card Incident Management Training System; approval to appropriate these funds to the Fire Department; approval of a purchase order in the amount of \$66,000 to Across the Street Productions of South Bend, Indiana, to provide Blue Card Incident Management System "Train the Trainer" classes; and authorization for the Financial Services Director, or designee to execute the purchase order
12. City Council: Approval of a request by Mr. Collins to add four additional terms to extend the sublease of his Harbor slip from November 18, 2014, to November 18, 2015, as the slip holder is out of the country

DEPUTY MAYOR SANCHEZ moved approval of the Consent Calendar [Items 4-12].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 4-0, Feller - absent.

GENERAL ITEMS

General Items are normally heard after any 5:00 p.m. Public Hearing Items. However, if time permits, some General Items may be heard prior to any 5:00 p.m. Public Hearing

Items, following the Consent Calendar.

13. **City Council: Adoption of a resolution approving and implementing the Memorandum of Understanding between the City and the Oceanside Firefighters' Association (OFA) effective September 24, 2014, through June 30, 2016**

PAT NUNEZ, Human Resources Director, stated the item before Council is a memorandum of understanding with the Firefighters Association. It's a two-year contract. The key economic items are a stipend of \$3,300 per member in the first year; an increase in bilingual pay that is the same as the other unions; and an adjustment in the health insurance cap equal to the police officers. In year two, there is a 2.5% base salary increase and a \$75 increase in the uniform allowance.

As for non-economic issues, we're adding the Assistant Fire Marshall and Senior Fire Safety Specialist classifications to the represented classifications. These are not new classifications. They're just being represented by this union now. We are adding retirement formula information to reflect the Public Employee's Pension Reform Act (PEPRA) changes from 2013. We're also adding language to reflect that we will be talking with them regarding retiree health care during the term of the agreement. There is no financial agreement on that part.

The cost of the stipend is \$366,000, the bilingual pay is \$33,600, the health insurance is \$87,700, and the Public Employee's Retirement System (PERS) and other costs are \$15,000, for a total of \$502,718 for the first year. The second year will have a salary increase of almost \$228,000, a uniform allowance of just over \$8,000 and PERS costs of \$111,300, for a total of roughly \$348,000. The two-year contract total is \$850,311.

DEPUTY MAYOR SANCHEZ moved approval of [adoption of **Resolution No. 14-R0582-1**, "...approving and implementing the Memorandum of Understanding [Document No. 14-D0583-1] between the City and the Oceanside and Oceanside Firefighters' Association", effective September 24, 2014, through June 30, 2016].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 5-0.

14. **City Council: Approval of a three-year Professional Services Agreement with States Recovery Systems, Inc., of Rancho Cordova in an amount based on percentages ranging from 17 to 30 percent of collections received for revenue collection services; and authorization for the City Manager to execute the agreement**

JAMES RILEY, Financial Services Director, stated the recommendation is for Council to approve a three-year Professional Services Agreement with States Recovery Systems of Rancho Cordova in an amount based on percentages ranging from 17%-30% of collections received for revenue collection services, and to authorize the City Manager to execute the agreement. The City has used several companies over the years to assist with revenue collection for debts owed to the City. The companies used depended upon the type of debt and the department billing the service. Throughout the years, the companies were changed based upon the competitive bid process.

We issued a request for proposal (RFP) in June of 2004 for a new contract. Eight responses were received related to this RFP. They were evaluated based upon the criteria listed in the RFP. Three companies were invited to a meeting with City staff. They were asked to be prepared to cover several topics. States Recovery Systems rated the highest. Reference checks confirmed their competency, professionalism and service-oriented focus. States Recovery Systems also offered the lowest commission rates on

first placement services.

DEPUTY MAYOR SANCHEZ moved [approval of a three-year Professional Services Agreement [Document No. 14-D0584-1] with States Recovery Systems, Inc., of Rancho Cordova in an amount based on percentages ranging from 17 to 30 percent of collections received for revenue collection services; and authorization for the City Manager to execute the agreement].

COUNCILMEMBER KERN seconded the motion.

Motion was approved 5-0.

15. **City Council: Approval of Amendment 1 to the Property Lease and Operating Agreements with Agri Service, Recycling, Inc., for the operation of a compost facility at El Corazon, to provide for the reimbursement of an amount up to \$180,000 per year to Agri Service to address the removal of green waste contaminants, revise the legal description of the property, and address other minor changes to the agreements; and authorization for the City Manager to execute the amendment**

DOUGLAS EDDOW, Real Estate Manager, stated staff is recommending approval of this item. It addresses a couple of housekeeping items. One is to slightly modify the legal description. It had to change due to some habitat and grading issues during initial construction in 2009. The other items are changing the definition and exhibit that addresses a buyout, and to change the entity from Agri Service to Agri Service Recycling.

The biggest item has to do with a payment of about \$180,000 a year to Agri Service Recycling to help them offset the cost to remove contaminants from the green waste that is dropped off by the City's green waste hauler. Contaminates include such things as plastic and trash that go into the green waste containers by mistake. When they get to the green facility, they have to be removed before the green waste can be processed.

Under the agreement, Agri Service Recycling has the right to charge a green waste hauler, but then the green waste hauler would raise their rates to pick up the green waste. He was directed by the Water Utilities Department to cut out the middleman and have this paid from the Solid Waste Fund directly to Agri Service Recycling on an annual basis.

DEPUTY MAYOR SANCHEZ stated Agri Service Recycling is one of the greatest treasures we have in Oceanside. A lot of other cities wish they had something like this. She **moved** [approval of Amendment 1 [Document No. 14-D0585-1] to the Property Lease and Operating Agreements [Document No. 14-D0586-1] with Agri Service, Recycling, Inc., for the operation of a compost facility at El Corazon, to provide for the reimbursement of an amount up to \$180,000 per year to Agri Service to address the removal of green waste contaminants, revise the legal description of the property, and address other minor changes to the agreements; and authorization for the City Manager to execute the amendment].

COUNCILMEMBER KERN seconded the motion. He has watched the operation. The green waste that is recycled from the curbside is really dirty. People put trash and other stuff in there like plastic bags, etc. He knows the City has reached out to tell people that only green waste goes into the green waste bins. He asked if we can somehow make people aware of that problem.

CARI DALE, Water Utilities Director, responded most of the educational efforts that we put out on anything related to solid waste talks about segregation of recyclable materials and green waste and what goes into the trash. Ultimately, with all of that

education, we still anticipate a very small amount of contamination to occur regardless of our education efforts. This cost is to address taking those products out of the green waste product.

COUNCILMEMBER KERN stated when he was out there it was more than just a small amount. There seemed to be a lot of contaminates in the green waste coming off the truck. He doesn't know if we can put stickers on the green waste bins that say "green waste only." Some people don't pay attention. It is a real problem. It's why he seconded the motion. We really do need to work on that at the front end so that we don't have to pay for all of this on the back end.

COUNCILMEMBER FELLER asked if Ms. Dale was aware of what the AB 939 goals are.

MS. DALE responded the original goal was to divert 50% from the landfill. That goal has changed to 75% by the year 2020. We're currently at 72%. Our success is in large part due to the facility already accepting green waste materials.

Motion was approved 5-0.

16. **City Council: Approval of plans and specifications for the South Oceanside Waterline Replacement Project; and authorization for the City Engineer to call for bids**

JASON DAFFORN, Water Utilities Division Manager, stated the South Oceanside Waterline Replacement Project is generally located in the southwestern-most part of the City between I-5 and Oceanside Boulevard, the Pacific Ocean on the west side and Carlsbad on the south side. The Department has determined that there are several areas that we consider the downtown area. It's anything west of I-5 that requires upgrades. A majority of these pipes, both water and wastewater, were constructed in the early 1920's through the 1950's.

This project is one of the first phases. It includes improvements to system reliability and fire flow, and it also brings our facilities up to compliance with current standards. Some of the pipeline improvements have already been constructed in 2012. The remaining portions are part of this project. They include improvements along Stewart Street, Whaley Street, Serrano Street, South Horne Street, South Clementine Street, South Nevada Street, South Ditmar Street and South Freeman Street.

The project consists of replacing undersized pipelines, including hydrants and valves. All of the homeowners and businesses will get new meters. We will also upgrade a few sewer segments that are part of this project within the same street that the waterline is being replaced. This will allow us to provide a curb-to-curb overlay of the street. The residents and businesses will have new asphalt pavement. We will continue to perform outreach to the residents and businesses within the affected area.

Our engineer's estimate is approximately \$1,900,000. Our budget for the project is approximately \$2,390,000. Staff is requesting that Council approve the plans and specifications, and authorize the City engineer to call for bids.

DEPUTY MAYOR SANCHEZ stated this has been on the Utilities Commission agenda, and it was before Council during the budget workshops. She **moved** [approval of plans and specifications for the South Oceanside Waterline Replacement Project; and authorization for the City Engineer to call for bids]. This is critical work that needs to be done for infrastructure maintenance and improvements.

COUNCILMEMBER KERN seconded the motion.

COUNCILMEMBER FELLER stated the streets west of Coast Highway are a mess with the work that's going on there. We need to somehow fill the public in on how the streets are going to be where we're going to do this work. He asked what the timeframe is for street repair on that.

MR. DAFFORN believes that Councilmember Feller is talking about the Myers-Tait Project. That is currently under construction. The contractor is moving well ahead of schedule. He anticipates completing the installation of the pipeline later this year. At the first part of 2015, we'll see new pavement in that area. The South Oceanside project is very similar. We do a lot of public outreach to explain to the residents and businesses how they're going to be affected during construction and what they can anticipate at the end of construction with the new asphalt pavement.

CARI DALE, Water Utilities Director, added a considerable amount of flyers have gone out. There is also an informational hotline for residents to call if they have questions.

COUNCILMEMBER FELLER asked if he missed when the repairs would be completed.

MR. DAFFORN responded the Myers-Tait Project is going to be completed at the beginning of 2015. For this project, the asphalt is the last thing that gets accomplished. This is about a twelve-month project. The very last thing they do is the asphalt repairs.

COUNCILMEMBER FELLER asked if the cost estimate includes the street repairs.

MR. DAFFORN responded that is correct.

MAYOR WOOD stated we seem to pave a roadway and then dig it up again shortly thereafter. He asked if we're having any problems with getting everything done ahead of time and then digging it up a week after for a pipe. That's the only concern he has.

MR. DAFFORN responded this project started out as strictly a waterline project. As he was evaluating the plans, he realized that there was sewer pipeline in the same streets that needed to be upgraded. Because we have a program budgeted for upgrades to the sewer, it made sense to go ahead and add those sewer lines. When we're done, we'll be complete with the pipeline installation and digging up the streets. Hopefully, they will have nice streets for several years to come.

MS. DALE added we've been working in close coordination with the Development Services Department on their paving overlay programs. We're doing our work ahead of their planned paving.

MAYOR WOOD stated that's what he wants. He gets a lot of feedback from the public that the City paves streets and then a week later, they dig it up to put in a new pipe.

Motion was approved 5-0.

17. **City Council: Approval of plans and specifications for the Robert A. Weese Filtration Plant Solids Handling Lagoons Project; authorization for the City Engineer to call for bids; and adoption of a resolution adopting the Project Initial Study/Mitigated Negative Declaration**

JASON DAFFORN, Water Utilities Division Manager, stated the Robert A. Weese Filtration Plant is located outside of our City boundaries. It is off Gopher Canyon Road,

closer to Highway 15 than it is to the City boundaries. The plant was originally constructed in the early 1980's. It was expanded in the mid-1990's. It has a rated capacity of approximately 25,000,000 gallons per day. The plant takes raw water purchased from the San Diego County Water Authority. They treat it and send it to the residents of Oceanside.

A computer graphic was used to show a birds-eye view of the existing facility and ponds as they currently exist. Our treatment process utilizes settling ponds. These ponds are also known as solids handling lagoons. The existing ponds were originally constructed of concrete and asphalt. They have a gravel bottom. They have reached their expected lifespan. They are currently struggling in their performance and efficiency and are due for replacement.

A computer graphic was used to show a conceptual view of the proposed ponds. The new ponds will be constructed entirely of concrete. They have been designed to increase efficiency and enhance our ability to comply with the current and future Department of Drinking Water regulations. The project consists of new concrete lagoons and a new pump station, along with associated piping and valves. We will perform public outreach to the residents who will be affected.

The project engineer's estimate is approximately \$2,100,000. The adopted budget for this project is \$4,700,000. Staff is requesting Council to approve plans and specifications and to authorize the City Engineer to call for bids, along with adoption of a resolution to approve the Mitigated Negative Declaration.

DEPUTY MAYOR SANCHEZ moved [approval of plans and specifications for the Robert A. Weese Filtration Plant Solids Handling Lagoons Project; authorization for the City Engineer to call for bids; and adoption of **Resolution No. 14-R0587-1**, "...adopting a Mitigated Negative Declaration and associated Mitigation Monitoring and Reporting Program for the Weese Water Filtration Plant Solids Lagoons Project (Applicant – City of Oceanside)"].

COUNCILMEMBER KERN seconded the motion.

COUNCILMEMBER FELIEN asked for clarification on the difference between the engineering price of \$2,100,000 versus the budget of \$4,797,000.

MR. DAFFORN responded that, when we perform our needs assessment as we did for this facility, we determine what improvements are necessary. We then do an engineer's estimate so that we can best allocate what kind of funds are going to be necessary for the projects. That's done years in advance. We then adjust and set our budgets for the Capital Improvement Program based on those assessments.

The engineer's estimate is a very detailed estimate after the plans and specifications are complete. A lot of times, the difference ends up being some change within the actual design. What we thought we were going to build changes, which can have a substantial effect on the overall price. It could be better construction methods, construction materials or a completely different design. When we budget, we try to make sure to budget on the safe side. Obviously, we did here.

COUNCILMEMBER FELIEN asked if the difference between the two is good news.

MR. DAFFORN responded it is great news. It saves us money for other projects.

Motion was approved 5-0.

CITY MANAGER ITEMS

26. City Council: Update on the HERO Program

STEVEN JEPSEN, City Manager, stated the Home Energy Renovation Opportunity (HERO) Program has offered opportunities to do energy efficiency improvements. They've extended it for water conservation issues.

CARI DALE, Water Utilities Director, provided an informational report along with Matt Messina, who is with the HERO Program. It's a program that Council approved in June of 2013. When Council approved the resolution at that time, it authorized Property Assessed Clean Energy (PACE) Programs to operate in the City. Under that PACE umbrella, there are four programs that are allowed to operate in the City. Those are Ygrene, Figtree, California First and HERO. Three of them have been approved by Council. We're going to hear from the HERO representative about activities that have been going on in Oceanside since that program was developed.

She showed a video describing how HERO-funded improvements through the PACE financing program can save water and money. These include high-efficiency plumbing fixtures, water-saving landscape upgrades and water capture systems. If only 1% of everyone in the current HERO communities participated, 2.5 billion gallons of water would be saved in one year. If every resident of California participated, the water savings would be 525 billion gallons, which is twice the volume of Lake Tahoe saved every year.

HERO makes water efficiency improvements available to more homeowners than traditional financing solutions. It's the fastest growing energy efficiency financing solution in the nation.

MATT MESSINA, HERO Program, stated the HERO Program is one of a number of PACE programs that Council has approved for the property owners of Oceanside. The HERO Program is a Property Assessed Clean Energy program. We operate under State Legislature AB 811, which was passed into law in 2009. The main goal with the HERO Program is to provide a safe and affordable tool for property owners to finance these types of improvements. It's everything from energy efficiency to renewable energy and water conservation measures. By providing a solution for property owners, we're also simultaneously helping communities, cities and counties to reach their goals in terms of making an environmental impact, as well as stimulating the economy.

There are numerous financing options available to residents. HERO is just one of them. Typically about 70% of the property owners in the community are approved for HERO financing when they apply. That tends to be a greater percentage of the population that would otherwise pursue other types of financing. We're hoping to extend this offering to more individuals. One of the other big advantages of this type of financing is that we are not dependent upon credit scores. We're looking at the equity of the home, which is the main reason we see more people qualifying because a lot of people in the community have equity in their homes.

We provide low-cost, fixed-rate financing. People can finance these improvements for five, ten, fifteen or twenty years, and have a predictable low-cost interest rate. The main advantage is that the debt obligation often transfers to the new owner in the event of a sale or refinance, which is a big difference from a lot of other financing options out there.

The resolution was passed in Oceanside in June of 2013. We subsequently launched the program on February 10th of this year. In just seven months, we've completed and funded 153 projects in the City. We received well over 600 applications. We're working through a queue that is about 400+ approved applications right now. We expect that number to grow as we continue.

Relative to the other jurisdictions that are operating under the HERO Program within San Diego County, Oceanside is number one in terms of applications received and funded. It's a testament to making this program available early-on. In addition to the number of applications, the program has resulted in 27 jobs in the City, as well as over \$5,000,000 in economic stimulus that is going directly back into the economy.

One of the main goals of the HERO Program is to positively impact the environment. We are saving energy on a monthly and annual basis. A computer graphic was used to show a graph depicting 52 megawatt hours (Mwh) being produced, which is equivalent to about five residential homes being powered for an entire year. As we continue to fund more applications, these numbers will continue to grow. In addition, the greenhouse gasses being reduced are equivalent to about 3-4 cars being taken off the road permanently. These are already incredible numbers in just a few short months.

In terms of the products actually being installed, Ms. Dale will talk about a number of water saving measures that can be done. Water conservation measures are our biggest growth area right now with the awareness of the drought. It's about 1% of the applications coming in, but we expect that to grow to over 3% by the end of the year. The main product categories that people are installing are doors and windows, solar photovoltaics and heating ventilation and air conditioning (HVAC). This product mix is fairly typical for most coastal communities operating throughout the state.

Anyone wanting to check for eligibility and get started with HERO can contact us by phone or the internet.

MS. DALE mentioned other free items available to residents to help combat the effects of drought. These include conservation tools and rebates. We've mentioned free audits for homeowners and businesses. She gave the contact information for scheduling an audit. It includes a detailed report on leaks and appliances that could be replaced to reduce water use. It's a great free tool for residents.

There are also rebates available through SoCal WaterSmart. There are rebates available for both residential and commercial/industrial customers. We're seeing rebates on toilets, which we haven't seen in several years because it was thought that the market had been saturated. We're going to be taking advantage of these rebates within the department for several projects here at City facilities. The San Diego Gas and Electric (SDG&E) website also offers some energy saving water conservation-type rebates.

Probably the largest programs growing in southern California are the turf/grass replacement programs. Grass is the most water-thirsty crop that you can have. We have recently submitted \$83,000 in rebates through Metropolitan Water District (MWD). We just received word that we were approved. It's an easy application. You can take out your grass and put in drought-tolerant plants or wood chips. Even artificial turf qualifies for this program. This is a nice incentive for people to get money back.

You can also double-dip by applying for the Water Authority's program. It's a \$1.50 per square foot rebate for every square foot of turf removed. Along with the \$2.00 per square foot MWD program, you could in essence get \$3.50 per square foot of turf removed. However, the Water Authority program does not allow for artificial turf to be used. You also need to have an area replaced that's viewable in a parkway area. The MWD program has committed over \$50,000,000 in the Southern California area.

COUNCILMEMBER KERN stated tomorrow at the Water Authority, we're taking up a turf replacement program for commercial users. We talked about residential programs. He asked if there have been commercial applications.

MR. MESSINA responded he was exclusively talking about residential statistics. He works for a private company called Renovate America. We provide the administrative services associated with the residential-side of the HERO Program. There is a partner firm that does the commercial-side of the program. Unfortunately, he does not have the numbers on how many loan applications have been submitted and funded to date. He would be happy to provide that information to Ms. Dale.

COUNCILMEMBER KERN asked if somebody who has a business saw the contact numbers, can they still call those numbers and be directed to the right place?

MR. MESSINA responded absolutely.

CITY MANAGER JEPSEN asked Ms. Dale regarding the water audit that the City provides, can anybody get that if they're a homeowner or renter?

MS. DALE believes so. There are some time limitations. You can't have one every year. You have to wait a two-year period between getting the first and second audit, but it's available to anybody.

CITY MANAGER JEPSEN asked if someone's water bill shows up proportionately large for some unexplained reason, do we work with people on that?

MS. DALE responded we do. We have City staff who can come out and see if there is a leak. This other service is a good tool to supplement that, to get specifics on what's going inside and outside of the home.

CITY MANAGER JEPSEN lives in a neighborhood that has very strict landscaping requirements. They're particular about anybody changing anything. The State passed a law recently that allows people to make changes in their landscaping, regardless of what the requirements are. He asked if Ms. Dale knows anything about that.

MS. DALE responded the Governor's proclamation on the drought restricted Homeowners Associations (HOA's) from requiring people to water their lawns if they wanted to cut back in response to the drought. There was legislation passed by the Governor recently, which required HOA's to allow for artificial turf landscaping. She can come back with specifics on that.

CITY MANAGER JEPSEN has seen some residential properties in the community that have done a really good job of putting in drought-tolerant landscaping, but they've had to take out their front lawn turf to do that. If it's done nicely, it's very attractive. It would be useful for people to know if they can do that or whether it's going to be problematic. He doesn't know if we'll send out information to the homeowners associations or will be working with them to clarify that. Hopefully, we will.

MS. DALE responded our intent is to do outreach to the HOA's. She's interested in hearing from residents if they have a Restrictive Covenant that disallows them from implementing these programs. We'd like to work with them to make sure that those covenants can be changed to allow for these things because drought is a reality.

COUNCILMEMBER FELLER stated there is probably a lot of unreported water use that is happening at 1:00 AM, with water running down the streets. He knows it has happened in his neighborhood. He sees it on our rights-of-way, in the center dividers, etc. He asked when people see that, where should they call so that it can be reported.

MS. DALE responded they can call the Customer Care line. Customer Care will take that information and refer it to the correct department to address it.

CLOSED SESSION REPORT

23. Closed Session report by City Attorney

CITY ATTORNEY MULLEN reported on the items discussed in Closed Session:
See Items 1, 2 and 3A above.

[Recess was held from 4:49 PM to 5:02 PM]

INVOCATION – Zack Beck

PLEDGE OF ALLEGIANCE – Nathan Joseph and Ryan Fisher, Oceanside Breaker's Blue Soccer Club

PROCLAMATIONS AND PRESENTATIONS –

Proclamation – KOCT 30th Anniversary
Presentation – Certificate of Appreciation for OUSD Commitment to Zero Waste
Presentation – Mayor's Business Member Spotlight
Presentation – Mayor's Youth Sports Recognition and Appreciation Award

Presentations were made

PUBLIC COMMUNICATIONS ON OFF-AGENDA ITEMS

No action will be taken by the City Council/HDB/CDC/OPFA on matters in this category unless it is determined that an emergency exists or that there is a need to take action that became known subsequent to the posting of the agenda.

24. Advance written request to reserve time to speak: Cathy Nykiel

CATHY NYKIEL, MainStreet Oceanside, announced Market Day on September 25th; Candidate Night on October 2nd, in which people can meet seven candidates who are up for election for local, county and state offices; and the 7th annual Haunted Market on October 30th. She thanked the seventeen restaurants, nine businesses, nine breweries, Living Tea, the City and all of our supporters and promotion committee for helping with our Taste of Oceanside event. We were happily surprised with the outcome. We hope to do this every year.

25. Communications from the public regarding items not on this agenda

DONNA MCGINTY, 2405 Mesa Drive, is disappointed by what she sees going on. We have a Council majority that has proven to be qualified in performing in our best interests. Obvious progress has continued to show that this community is not as developer-friendly as has been said. Instead, business development, and consequently the rate of employment in the City, is showing steady growth. Workers are beginning to live where they work. It is no longer necessary to drive the freeways to work on a daily basis.

The two candidates vying for Council seat positions have failed in the past. These two repeat failures are back again to attempt to take majority control of our City Council. Obviously, the candidates have shown no real public agency leadership skills or financial management background. What have they done since the last election to prove that their previous failed attempts to be elected were a misjudgment on the public majority's part?

It is truly sad to see the members of this ACTION group continue in their failed attempts to have the same losing candidates represent us as leaders of this community. The elections have shown these supporters that their choice of candidates does not

bode well with the majority of voters in this City. They have no other candidates.

The Mayor's comments to Councilmember Felien last week regarding the balanced budget are not appreciated. We do not have a balanced budget as of this year. We have a \$400,000,000 unfunded debt for pensions and benefits for the employees in this City. She does not consider that a balanced budget.

LESLIE DAVIES, 2015 Winchester, stated last night during the debate, Councilmembers Kern and Felien mentioned that the Hunte Corporation didn't have many complaints filed against them. They currently have an F-rating with the Better Business Bureau. One reason they don't have more complaints is because when most people file complaints, they file directly to the puppy store, not the broker. The Hunte Corporation was almost closed down in 2007 for having a thousand pounds of dead animal carcasses on their property.

Most customers are not even aware that the cute puppy they just purchased for several thousand dollars comes from a puppy broker who distributed 90,000 puppies in 2012. Most people are unaware that the puppy was shipped in a semi-truck traveling 2,000 miles across the country with hundreds of other crying and barking puppies, stopping at the puppy stores along the way. She showed a video clip of a puppy being removed from a hatch on a semi-truck. This is just one of about fifteen dogs that were shoved through the hatch on that particular day. They are then usually shoved in a large Tupperware container. This happens every Wednesday.

There is a reason why this store was unanimously banned from the City of San Diego by their City Council. In November, she will be supporting Dana Corso and Chuck Lowery for City Council, not Councilmembers Felien and Kern.

COLLEEN KELLY lives in Carlsbad. She is a retired deputy district attorney for San Diego County. She mentions this because twenty years in the downtown courthouse has made her familiar with the lack of courtrooms. She knows that people die while waiting for a courtroom to award guardianship or conservatorship. Domestic violence incidents increase while a couple is waiting for a courtroom to have a dissolution of that marriage.

She is also aware of the civil statute referred to as SLAPP, which stands for Strategic Lawsuit Against Public Participation. She is familiar with the fact that David Salinas has been involved in fifteen lawsuits. While the shelters are crowded with these sick puppies, the taxpayers are dealing with these lawsuits. Fortunately, at least one judge upheld the anti-SLAPP statute and kicked David Salinas out. She asked Oceanside to do the same thing with this store.

ANN SCOTT stated for the past several years, she has witnessed a revival of Oceanside. There are very cute stores, restaurants and the flea market. She is very proud to be a part of this community, but every now and then a bad apple slips in. The bad apple is this puppy store. Because of two or three callous Councilmembers, this puppy store is still in existence. Any business that derives its income from the suffering and cruelty of others does not have a place in Oceanside. In this case, it's small helpless dogs that have no voice.

Oceanside is a City of integrity. She is very sorry to see this going on. She has personally witnessed the cruelty in this store.

SHEILA KADAH, 5160 Avenida De La Plata, stated in Oceanside we have a voice. That voice is our vote. She asked Oceanside residents to vote and let their voice be heard. Councilmembers Kern and Felien are up for reelection. They need to go. We need to elect people who will work for the people of Oceanside, not the Building Industry Association (BIA), developers, mobile home park owners and Bill Baber, the Director of Government Affairs for the builder's trade group. Mr. Baber wrote our City

charter. Councilmembers Kern and Felien have received thousands of dollars from these organizations and the people who represent them, none of whom live in Oceanside. No one gives money like that unless they know they will get something for it.

Councilmembers Kern and Felien want to outsource anything they can. Outsourcing does not save money. It just creates hardship for people. We need to elect officials who work to save jobs and who care about people and their families.

Councilmembers Kern and Felien have closed shelters and soup kitchens. We need to elect officials who care about the poor and the needy, who find ways to open shelters and soup kitchens, who create affordable housing, and who do not get rid of fees that create things like this. Councilmembers Kern and Felien voted so that the shop that gets its puppies from puppy mills can be open in Oceanside.

Councilmembers Kern and Felien support the Melrose extension. This is after the Planning Commission said it was a bad idea. The Melrose extension will save less than three seconds of driving time. It will take away many properties through eminent domain, including one that is a business, employs people and brings people to Oceanside. It will cost the people of Oceanside over \$40,000,000 for less than three seconds of driving time.

Councilmembers Kern and Felien also closed Jeffries Ranch Road, so they only have one exit now. To reopen Jeffries Ranch Road will cost at least \$1,000,000. Oceanside has spent \$800,000 for the first study, and now another \$1,400,000 for the second study. That's a waste of money. Councilmember Kern says that it's been on the books for twenty years, so we should go through with it. We need elected officials who do not support something that is a bad idea and wastes money, even if it has been on the books for twenty years.

Councilmembers Kern and Felien do not support Oceanside. People collected over 15,000 signatures against Propositions E and F. Vote for Dana Corso and Chuck Lowery. They will support the people of Oceanside and work for us.

ROSANNE BENTLEY, 4940 Hillside Drive, Carlsbad, talked about how she and others feel about Oceanside Puppy. She may not live in Oceanside, but she spends a lot of money here. She had no idea that these inhumane mills and factories that breed dogs for sale existed. When she learned about the horrific life and abuse these creatures endure on a daily basis, she vowed to become involved and lend her support to end it forever.

The cruelty in which breeder dogs are treated in puppy mills is one of the darkest and most shameful chapters in the history of human arrogance and greed. No society can claim to be compassionate or enlightened if it tolerates puppy mills in any form. People like David Salinas don't care about animals. They care only about money. They use animals for profit.

We now have an opportunity in Oceanside to do the right thing. There is a reason why the San Diego City Council unanimously voted to ban this store from their City. When we go to the polls, we will remember who voted to let this store into Oceanside. That's why she is enthusiastically supporting Chuck Lowery and Dana Corso in the upcoming election.

Will this Council be remembered as the leaders of a town that is proud to let the world know they care about animals, or will they instead be known for the shameful support of those who profit by the abuse of helpless creatures? Do the right and humane thing.

JEANETTE PECK, 2225 Valley Road, has a Master's degree in public administration and is a California-registered civil engineer. She has worked as an

engineer in many California cities, both as an employee and as a consultant. She recently attended the Candidate Forum at MiraCosta College. She heard Councilmember Felien disparage what he calls special interest groups in the City. She wonders who these special interest groups are that Councilmember Felien finds so offensive. He felt that any neighbors who don't like a City project should let their homes be moved out of the way because that's best for the rest of the City. He says it's okay to subsidize the corporate donors, but it's not a good idea to help people who live and work here.

Councilmember Felien also railed against the Rancho Del Oro neighborhood, describing them as a bunch of self-centered nimbys. Isn't having a special interest group a sign of good, interested and involved citizens? Does Oceanside really want a government that is contemptuous of these citizens who are concerned about their City?

We should carefully consider if Oceanside should continue with Councilmembers Kern and Felien, who focus entirely on big business and development. Would Oceanside be better off electing Chuck Lowery and Dana Corso, who have shown that they will work hard to build a stronger community for everyone?

She is voting to elect Chuck Lowery and Dana Corso to our City Council. She hopes her neighbors and friends will do the same.

SUZANNA RAY, 200 North El Camino Real, stated it has been her observation that since the beginning of time, there have always been people who have sold out their country, community and even their family members for personal gain. Such an act is more onerous when that person is in a position of public trust.

We have two such individuals on this Council who are asking that we return them to this Council next November. She is asking voters to ask if we really want to vote for someone who has sold us out for personal gain. She doesn't know if they received money or just promises of political advancement, but they clearly betrayed the voters, their children and their grandchildren when they personally endorsed and voted for the Gregory Landfill, a project that would pollute the water source of a City.

She asked citizens not to vote for these two Councilmembers.

SUSE SHROYER, 276 North El Camino Real, stated last night at the League of Women Voters Candidate Forum, Councilmember Felien made a point of telling the audience that Oceanside was in a fiscal mess when he came to the Council. He prided himself on achieving his goal of making the City more fiscally responsible, but his goal cost people and families their jobs and overworked the people he kept. He cut City services, such as closing the Marshall Street pool. He removed police protection from gang areas and placed them in the tourist section of downtown, jeopardizing the safety of Oceanside residents.

Councilmember Felien's fiscally irresponsible actions included spending \$850,000 on a study for the Melrose extension after the Planning Department found it too costly and rejected it. He spent up to \$250,000 on an election that 15,000 citizens signed petitions to stop. He spent hundreds of thousands of dollars on consulting fees for projects that won't work and that the residents of Oceanside do not want.

If we want a City Council that we can trust, we can't vote for the incumbents. Vote for Chuck Lowery and Dana Corso.

DAVID TERRELL, 276 North El Camino Real, stated Councilmembers Kern and Felien both used the term property rights as an excuse to stick it to certain Oceanside homeowners. They said that they did not want to legislate what property owners could and couldn't do with their property. Generally speaking, property rights are the right to purchase, hold and sell property. All of these rights are specifically defined by law, especially as it pertains to real estate. A homeowner in a subdivision is not allowed to

build a five-story apartment house, shopping mall, etc. The government tells us exactly what we can and cannot do with our property. That's why we have a government.

As an Oceanside homeowner, he has certain rights. One of those rights is the right to the equity in his home. If his land lease payment goes up, the sales price of his home goes down, and he loses equity. This is the same problem with property taxes. The higher the tax, the lower the equity in the home. Proposition 13 protects homeowners from extortionate taxes. Proposition E would have encouraged exorbitant land leases. The specific wording in the law was that land lease raises would be unlimited. This would have eliminated his right to sell his property, which would have stolen his equity. Councilmembers Kern and Felien are trying to steal his property rights and give them away to outside interests.

If people want to protect the property rights of Oceanside homeowners, they cannot vote for the incumbents. Vote for Chuck Lowery and Dana Corso.

LINDA WALSHAW, 151 Robby Lane, is Vice-President of the Alliance of Citizens To Improve Oceanside Neighborhoods (ACTION). At the Oceanside Coastal Neighborhood Association (OCNA) League of Voters forum in 2012, Councilmember Kern stated that Oceanside's rent control for mobile home parks was going away one way or another. Two weeks ago at the KOCT forum, Councilmember Kern said that Oceanside's rent control was a dead issue. For homeowners fighting to keep their homes, this issue is anything but dead.

Oceanside has a zoning conversion ordinance that allows a park owner to convert all or any portion of his/her park. Further, it states that if a homeowner has attempted to sell his or her home, which is impossible to do if a park owner rejects the buyer even without cause, that homeowner is entitled to no relocation expenses. If the zoning is converted from a mobile home park to the park owner's personal rental income property, he can give the remaining homeowners a twelve-month notice of termination. If a park owner claims it would create a financial hardship for him to relocate homeowners, this Council majority has the authority to reduce or eliminate that requirement under the ordinance.

It is for this reason that park owners have contributed tens of thousands of dollars to Councilmember Kern and Felien's current campaigns. Currently in Oceanside, thousands of seniors, veterans and disabled persons are living with the threat of losing their homes hanging over their head. Proposition E did not end this threat. In fact, park owners vowed that they would continue this fight, and they have. Landscaping has been cut down, grass has been removed, roads have crumbled, street lights have burned out and hostile managers have been hired to block home sales. We've even had hospice worker's cars towed while they were caring for patients, even with their parking passes in their car windows.

Councilmembers Kern and Felien have allowed these tactics to continue. They give their support to park owners who contribute money to their campaigns. These Councilmembers did not listen to the 15,484 voters who signed a referendum to stop Proposition E in 2012. Instead, they spent about a quarter of a million dollars in taxpayer money to put it on the ballot for a special election.

When Mayor Wood was reelected 2-1, this Council majority passed their own ordinance, stripping the mayoral powers and transferring powers to themselves. The decision of who should have those powers belongs to the voters of Oceanside. Councilmembers Kern and Felien are still not listening to their constituents. They are listening to special interest campaign contributors.

The voters of Oceanside promised that they would remember these actions when the two Council seats were up for reelection in 2014.

RENA MARROCCO, 1135 York Drive, Vista, is a candidate for the Tri-City Healthcare District. Tri-City is very important to the Oceanside community. It's one of the largest employers in Oceanside. She is very concerned because it has some financial problems. There is a rumor about it being privatized. She is very concerned about this because it means that some unknown private company would be able to come in and make decisions and cut budgets. They would be getting paid with our tax dollars, yet the citizens would have very little input about what's being done. She is opposed to this.

She was a marketing consultant for 21 years. Her clients are major national consumer packaged goods companies, like Coca Cola, Johnson & Johnson, etc. She has done national promotions for them. She is very concerned about Tri-City's reputation. It is poorly received by the public. She read from a hospital safety score report from Leapfrog that Tri-City actually has an A rating when it comes to hospital safety. Nobody knows about this because the current Board is making decisions based on the 20th century, and this is a 21st century problem. We have social networking and social media. When someone has a bad experience, they tell the world. This does affect the bottom line of Tri-City.

BARRY HORTON, 200 North El Camino Real, watched the HERO video presentation earlier. He thought it was a wonderful idea. It's going to save people money.

On November 17th, there's going to be a public hearing on water rates, pass-through charges, wastewater rates and waste service fees going up. That's for any property owner in Oceanside. People need to sign up or else this will pass. The next reading is on December 3rd. It may pass that night, and then 30 days later it would go into effect. There are all kinds of rate increases. They're not giant increases, but altogether they are.

Do not vote based solely upon your political party affiliation or your family's voting tradition. You need to look at what stand each candidate takes on issues. Do not vote based on the candidate's appearance, personality or media savvy. You need to look at the candidate's stand on the issues, and whether he or she will endorse legislation in accord with basic decency principles. Do not vote for candidates just because they self-describe with one moral code or another. Some of the people currently in office regularly reject basic moral concerns. Look at what they do, not what they say.

Vote on November 4th and be ready for a new starting point. Dump Councilmembers Felien and Kern.

THOMAS KROUSE, 6637 Curlew Terrace, Carlsbad, is running for the 76th Assembly District representing Encinitas, Carlsbad, Oceanside and Vista. He commended Council and the other candidates for attending the Candidate Forum yesterday. It was a fairly civil discourse. It's a critical process to help citizens decide who they want to choose to represent them in the November election. He encouraged everyone to continue to participate. He announced Candidate Night at the Sunset Market on October 2nd. He will be appearing there, and they can ask him questions directly.

He offered Mr. Chavez an opportunity to debate him, either on October 8th or October 16th at the Carlsbad City Library. He has arranged for the League of Women Voters to moderate it. He will send an official letter to Mr. Chavez's campaign office. It's the least that Mr. Chavez owes his constituents, to make himself available by debating Mr. Krouse in public so that the voters can have the best information to make their choices on November 4th.

CITY COUNCIL REPORTS

19. **Deputy Mayor Esther Sanchez**

DEPUTY MAYOR SANCHEZ announced opening night of the play, "A Few Good Men," at the Star Theatre on September 26th; the Harbor Days opening ceremony on September 27th; the North County Model Railroad Society picnic at Heritage Park on September 27th; and the annual American G.I. Forum Oceanside Chapter Mariachi dinner at 6:00 PM on September 27th.

20. **Councilmember Gary Felien**

COUNCILMEMBER FELIEN attended the 9/11 Remembrance Walk to acknowledge the losses and sacrifices that took place as part of 9/11; the ribbon cutting ceremony for the completion of the Mission Avenue Improvement Project on September 13th; the Taste of Oceanside event on September 13th; and the Employee Appreciation lunch on September 17th.

21. **Councilmember Jack Feller**

COUNCILMEMBER FELLER announced his mother-in-law's 97th birthday.

22. **Councilmember Jerome Kern**

COUNCILMEMBER KERN attended the Taste of Oceanside event on September 13th. He took a flight over El Corazon and the industrial park for photographs. They have about three-quarters of the grass in.

18. **Mayor Jim Wood**

MAYOR WOOD will be meeting with the new CEO of Kaiser Permanente to look at the facilities in North County. He announced the Harbor Days opening ceremony on September 27th; the Men's annual BBQ at the Second Baptist Church; the North County Model Railroad Society picnic at Heritage Park on September 27th; and the Remembrance Dinner for Dr. Ben Carson at the La Costa Resort with Solutions for Change, to help the homeless people in Oceanside.

5:00 P.M. – PUBLIC HEARING ITEMS – None

MAYOR AND/OR COUNCILMEMBER ITEMS – None

INTRODUCTION AND ADOPTION OF ORDINANCES - None

ADJOURNMENT

MAYOR WOOD adjourned this joint meeting of the Oceanside City Council, Community Development Commission, Small Craft Harbor District Board of Directors and Oceanside Public Finance Authority at 6:37 PM on September 24, 2014. [The next regular meeting is scheduled for 2:00 PM on Wednesday, October 1, 2014].

ACCEPTED BY COUNCIL/HDB/CDC/OPFA:

Zack Beck
City Clerk, City of Oceanside