

# CLAREMONT CITY COUNCIL SPECIAL MEETING AGENDA

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Taylor Hall  
1775 North Indian Hill Boulevard  
Claremont, CA 91711



Wednesday  
November 6, 2013  
6:00 p.m.

## COUNCILMEMBERS

OPANYI K. NASIALI  
MAYOR

LARRY SCHROEDER

SAM PEDROZA

COREY CALAYCAY

JOE LYONS

NOTICE IS HEREBY GIVEN that a special meeting of the City Council of the City of Claremont, California, as called by the City Council of the City of Claremont will be held on the 6<sup>th</sup> day of November 2013, at 6:00 p.m., at the above location for the purpose of considering the item listed below. The Brown Act provides that at a special meeting members of the public may comment only on the subject(s) of the special meeting as described below. The City Council anticipates that more than 100 people will attend this special meeting. In order to accommodate all potential speakers each speaker will be limited to speaking for three (3) continuous minutes. Time may not be reserved and aggregated with another speaker's time.

## CALL TO ORDER

### Discussion Regarding Claremont Water System

- Welcome and Introduction
- Presentation of Information
- Input from Members of the Public
- Council Discussion and Possible Decision on Whether to Proceed with Next Steps for Acquisition

Recommendation: that the City Council hear the staff report and consider one or more of the following alternatives:

1. direct staff and legal counsel to proceed with the preparation and completion of California Environmental Quality Act ("CEQA"), financial and other legal documents necessary to pursue the potential acquisition of the Claremont water system; and
2. appropriate \$350,000 for financial and other legal documents necessary to pursue the potential acquisition of the Claremont water system.
3. Ask for additional information.
4. Direct staff to take no further action.

**ADJOURNMENT**

The next regular meeting of the Claremont City Council will be held on November 12, 2013, at 6:30 p.m., in the Claremont City Council Chamber, 225 Second Street.

**PLEASE NOTE:**

***MATERIALS RELATED TO AN ITEM ON THIS AGENDA, AND SUBMITTED TO THE CITY COUNCIL AFTER PUBLICATION OF THE AGENDA, ARE AVAILABLE TO THE PUBLIC IN THE CITY CLERK'S OFFICE AT 207 HARVARD AVENUE, CLAREMONT, MONDAY THROUGH THURSDAY, 7 AM – 6 PM. SUBJECT MATERIALS WILL BE MADE AVAILABLE ON THE CITY WEBSITE AS SOON AS POSSIBLE - [www.ci.claremont.ca.us](http://www.ci.claremont.ca.us). For more information, please call the City Clerk's Office at 909-399-5460.***

I, LYNNE FRYMAN, CITY CLERK OF THE CITY OF CLAREMONT, CALIFORNIA, HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING AGENDA WAS POSTED AT CLAREMONT CITY HALL, 207 HARVARD AVENUE, ON NOVEMBER 5, 2013 PURSUANT TO GOVERNMENT CODE SECTION 54956.

**IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, THIS AGENDA WILL BE MADE AVAILABLE IN APPROPRIATE ALTERNATIVE FORMATS TO PERSONS WITH DISABILITIES. ANY PERSON WITH A DISABILITY WHO REQUIRES A MODIFICATION OR ACCOMMODATION IN ORDER TO PARTICIPATE IN A CITY MEETING SHOULD CONTACT THE CITY CLERK AT 909-399-5461 "VOICE" OR 1-800-735-2929 "TT/TTY" AT LEAST THREE (3) WORKING DAYS PRIOR TO THE MEETING, IF POSSIBLE.**

The Claremont City Council welcomes a lively and civil discussion regarding this Town Hall meeting. The opportunity to speak, to be heard and to participate in a public forum is the central focus of the laws that make this meeting possible. To ensure that everyone wishing to participate is given a fair opportunity to speak and be heard, and that we conduct ourselves civilly, the Council asks for your cooperation in following rules of decorum.

1. Comments from anyone not called upon to speak are not permitted. This includes reactions to comments you may not agree with. If you would like to speak, please fill out a speaker card, and you will be given the opportunity.
2. Loud and raucous reactions from the audience that slow and interrupt the public comment process are not permitted. This includes raucous applause, boos, and hisses in reaction to public comments.
3. Individuals who engage in these types of behavior will be warned, and if the behavior continues, will be asked to leave.
4. Finally, be civil. Show respect. While you may not agree with somebody's viewpoint, they are still entitled to respect and civility. Show them the respect you'd expect in return.

**Claremont City Council  
Agenda Report**

Reviewed by:  
City Manager   
Finance Director 

TO: CITY COUNCIL

FROM: TONY RAMOS, CITY MANAGER 

DATE: NOVEMBER 6, 2013

**SUBJECT: COMMUNITY TOWN HALL MEETING – THE FUTURE OF CLAREMONT'S  
WATER SYSTEM**

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**SUMMARY**

Golden State Water Company (GSW) is a privately owned utility company that provides water service to Claremont's residents and businesses. Over the past thirty-five years, GSW has faced questions from the Claremont community concerning the management of local water resources, appropriate investment in water system infrastructure, and the numerous requests to the California Public Utilities Commission (CPUC) for substantial rate increases.

In 2012, the City Council directed staff to explore the feasibility of making an offer to GSW to purchase the water system. Based on a legally required appraisal, the Council made an offer to purchase the water system. Following a subsequent rate increase approved by the CPUC, the Council made an updated offer. GSW's response to both offers is that the water system is not for sale.

The purpose of the town hall meeting is to present information to the public and the City Council. City staff has worked with a group of subject matter experts to provide the detailed information and these individuals will be available to answer many questions related to a potential acquisition of the water system.

The town hall meeting will provide:

1. Background information on GSW;
2. Key factors to consider in the potential acquisition;
3. An overview of water supply issues;
4. Information on the appraisal process;
5. Information on the potential operation of the system if it is ever acquired;
6. A financial review and potential rate impacts;
7. Information on future costs; and,
8. Pros and cons to consider.

## **STAFF RECOMMENDATION**

Staff recommends that the City Council hear the staff report and consider one or more of the following alternatives:

1. Direct staff and legal counsel to proceed with the preparation and completion of California Environmental Quality Act ("CEQA"), financial and other legal documents necessary to pursue the potential acquisition of the Claremont water system; and
2. Appropriate \$350,000 for financial and other legal documents necessary to pursue the potential acquisition of the Claremont water system.
3. Ask for additional information.
4. Direct staff to take no further action.

## **FINANCIAL REVIEW**

Should the City Council direct staff to proceed with alternative number one, the Council must also approve the appropriation of an additional \$350,000 (\$150,000 from the Water System Acquisition Reserve and \$200,000 from unassigned General Fund balance) to prepare and complete the financial and legal documents necessary to pursue the potential acquisition of the Claremont water system.

## **ANALYSIS**

As stated in numerous City reports in the past, the primary goals in a potential purchase of the water system would be to stabilize rates consistent with rates charged by neighboring public water systems, and gain local control of and accountability for the management of water resources and water services for the public safety and welfare of the community and ratepayers, among others.

Following years of consecutive rate increases, in July 2011, GSW applied to the CPUC for an additional 24.54% increase. Residents and officials have voiced concerns about the rate increases and impacts on those who live and do business in Claremont.

### **Potential Acquisition**

GSW has publicly announced that it is not interested in negotiating with the City to sell the Claremont water system. Based on GSW's rejection of the City's recent offers to purchase the system for its appraised fair market value, the City Council has two choices:

1. Abandon the potential acquisition process; or,

2. Continue a process to determine whether findings can be made to allow the City to potentially acquire the system by eminent domain, purchasing the property for fair market value.

Initiation of the eminent domain process would require the adoption of certain findings by a 4/5 vote from the City Council at a noticed public hearing and the filing of an eminent domain lawsuit.

Pursuing the potential acquisition option requires a significant investment of staff time and resources. The City must comply with the requirements of CEQA, prepare financial documentation and present what is called a Resolution of Necessity to the City Council at a public hearing. If the Council were to determine that it can make the necessary findings to approve the proposal under CEQA and adopt the Resolution of Necessity, an eminent domain action could be filed.

### **RELATIONSHIP TO CITY PLANNING DOCUMENTS**

Staff has evaluated the agenda item in relationship to the City's strategic and visioning documents and finds the following:

**Council Priorities** – This item addresses the Golden State Water Company Council Priority.

**Sustainability Plan** – The item complies with the goals of Sustainability Plan in that the City's potential acquisition of the Claremont water system would enable the City to have greater impact on achieving the water conservation goals set forth in the Sustainability Plan.

**Economic Sustainability Plan** – This item does not specifically relate to any of the recommendations outlined in the Economic Sustainability Plan.

**General Plan** – The item addresses Goal 7-13 of the General Plan in that it promotes affordable and quality water service in the City.

**FY 2012-14 Budget** – The item meets the City Manager Departmental Work Plan Goal to coordinate water rate protest, potential water system acquisition and monitor other Golden State Water issues.

**Youth and Family Master Plan** – This item does not specifically relate to any of the objectives in the Youth and Family Master Plan.

### **CEQA REVIEW**

The City Attorney has determined that this matter is covered by the general rule that the California Environmental Quality Act applies only to projects that have the potential for causing a significant effect on the environment in accordance with Section 15061(b)(3) of the Guidelines. The public discussion occurring at the town hall meeting and the resulting directions from the City Council to City staff will not have a significant effect on the environment because the action will not result in or lead to a physical change in the

environment. Therefore no additional environmental review is needed at this time.

**PUBLIC NOTICE PROCESS**

This item has been noticed through the special agenda notification process. Copies are available at the City Hall public counter, the Youth Activity Center, the Alexander Hughes Community Center, the City website, and the Claremont Public Library.

Submitted By:

A handwritten signature in blue ink, appearing to read 'Tony Ramos', with a long horizontal stroke extending to the right.

Tony Ramos  
City Manager