

**SUSANVILLE CITY COUNCIL
SUSANVILLE COMMUNITY DEVELOPMENT AGENCY
SUSANVILLE MUNICIPAL ENERGY CORPORATION
SUSANVILLE PUBLIC FINANCING AUTHORITY**

**Regular Meeting Minutes
January 6, 2016 – 6:00 p.m.**

City Council Chambers 66 North Lassen Street Susanville CA 96130

Meeting was called to order at 6:00 p.m. by Mayor Wilson.

Roll call of Councilmembers present: Kathie Garnier, Nicholas McBride, Lino P. Callegari and Brian R. Wilson. Absent: Rod E. De Boer.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney; and Gwenna MacDonald, City Clerk.

1 APPROVAL OF AGENDA:

Motion by Councilmember Callegari, second by Mayor pro tem McBride, to approve the agenda as submitted; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS: No comments.

3 CLOSED SESSION: At 6:03 p.m. the Council recessed to Closed Session to discuss the following:

- A PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
 - 1 Employee Status Report
 - 2 Agency Negotiator: Jared G. Hancock
Bargaining Unit: SPOA
 - 3 Part time / Temporary Employee Salary Matrix

Closed Session recessed at 6:52 p.m.

4 RETURN TO OPEN SESSION: At 7:00 p.m. the City Council reconvened in Open Session.

Staff present: Thomas Downing, Police Chief; James Moore, Fire Chief; Dan Newton, Public Works Director; Deborah Savage, Finance Manager and Gwenna MacDonald, City Clerk.

Mr. Hancock stated that prior to Closed Session the agenda was approved as submitted, and in closed session the City Council gave direction to staff but there was no reportable action taken.

Mr. Hancock provided the Thought of the Day.

5 BUSINESS FROM THE FLOOR: No comments.

6 CONSENT CALENDAR: Mayor Wilson reviewed the items on the Consent Calendar:

- A Receive and file minutes from the City Council's November 18 and December 2, 2015 meetings
- B Approve vendor warrants numbered 95996 through 96172 for a total of \$834,376.94 including \$113,990.68 in payroll warrants
- C Receive and file Finance Report: November 2015

Motion by Councilmember Garnier, second by Councilmember Callegari, to approve the consent calendar; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer

7 **PUBLIC HEARINGS:** No business.

8 **COUNCIL DISCUSSION/ANNOUNCEMENTS:** None.
Commission/Committee Reports:

9 **NEW BUSINESS:**

9A **Consider approval of resolutions relative to June 7, 2016 General Municipal Election:**

Resolution No. 16-5245, Calling for the holding of a general municipal election to be held on Tuesday, June 7, 2016 for the election of certain officers as required by the provisions of the laws of the State of California relating to general law cities

Resolution No. 16-5246, Requesting the Board of Supervisors of the County of Lassen to consolidate a general municipal election to be held on Tuesday, June 7, 2016 with the statewide primary election to be held pursuant to §10403 of the *Elections Code*

Resolution No. 16-5247, Adopting regulations for candidates for elective office pertaining to Candidates' Statements submitted to the voters at an election to be held on Tuesday, June 7, 2016

Mr. Hancock reported that the local election is scheduled for Tuesday, June 7, 2016, and to begin the process, three resolutions are required; a notice to call for the holding of an election, a resolution to request consolidation of the election with Lassen County, and a resolution adopting regulations for candidate statements to be published on the ballot.

Ms. MacDonald added that the filing period for nomination papers is February 15 through March 11, 2016, and extended five days until March 16, 2016 if one of the incumbents chooses to not run for office.

Motion by Councilmember Callegari, second by Councilmember Garnier, to approve Resolution No. 16-5245, 16-5246 and 16-5247; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

9B **Consider approval to circulate Request for Proposals for City Auditing Services** Ms. Savage reported that every year the City is required to have an audit of its financial statements performed by an independent auditing firm. The three-year contract with Badawi and Associates has ended, and staff has prepared a Request for Proposals (RFP) to be sent to a number of auditing firms. The RFP outlines the scope of work to be performed, the proposal process, calendar and requirements. Staff has utilized the most recent RFP and made minor changes to make the dates current. The proposed deadline for submittal is February 19, 2016, with interviews of the selected firms tentatively scheduled for the week of March 1, 2016. With City Council approval, staff will circulate the RFP, and anticipates bringing the name of the selected firm to the Council at the April 6th meeting for review and approval.

Mr. Hancock added that when the City circulates an RFP, if questions or clarifications are received from companies regarding the RFP, then staff will incorporate changes based upon those inquiries. The amended RFP would be brought back to City Council for review and approval, however in this case, no revisions or clarifications to the prior RFP were required.

Councilmember Garnier clarified that only the dates had been changed from the original RFP.

Motion by Mayor pro tem McBride, second by Councilmember Garnier, to approve circulation of the RFP for City Auditing Services; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

10 **SUSANVILLE COMMUNITY DEVELOPMENT AGENCY:** No business.

11 **SUSANVILLE MUNICIPAL ENERGY CORPORATION:** No business.

12 **CONTINUING BUSINESS:** No business.

13 **CITY ADMINISTRATOR'S REPORTS:**

13A **Emergency Water Regulations Report**

Mr. Newton reported that in May 2015, the State Water Board adopted an emergency regulation that required the City of Susanville to conserve water at a level which is 36% lower than the same period in 2013. The conservation effort started off well and in the summer months the community made significant efforts to conserve, however in September we fell far short of the target and that caught the attention of the State. It has become evident that the City will not be able to achieve the 36% conservation requirement over the 9 month period of June 2015 through February 2016 as identified in the regulation.

Mr. Newton explained that the State Water Board has issued an executive conservation order to the City of Susanville which imposes specific additional requirements in order to help us achieve our 36% conservation requirement. The requirements include pursuing a rate study in compliance with Prop 218, with the goal of implementing a tiered water rate structure to encourage conservation, as well as discourage waste or overuse. The deadline for completion of the rate study is the end of February 2016, with proposed implementation by April 20, 2016. The Order includes an increased focus on the outreach program, implementation of a rebate program for high-efficiency toilets and showers, a determination of the volume of non-revenue water being lost due to leaks, then implementation of a plan to address the reduction of leaks in the overall system. Lastly, it includes a requirement to implement a mandatory outdoor irrigation plan that limits watering to one day per week, to begin March 1, 2016.

Mr. Newton stated that staff has been working on the rate study for several months, with attention to the requirements of Proposition 218 and its applicability to Susanville's water system. The preparation of the study involves a comprehensive and technical assessment of the City water system and staff will endeavor to present the results of the rate study in February 2016. The initial emergency regulation was established through February 2016, however the Governor has issued an executive order to extend the emergency regulations through October 2016. The City has submitted comments to the State in response to the conservation order, with the ultimate goal to be removed from the 36% tier and assignment to a tier more appropriate for the community.

Mr. Hancock commented that initially, the State had considered imposing a monetary penalty against the City for failing to meet the conservation requirements. Staff traveled to Sacramento and met with State representatives, and had extensive discussions regarding our community, and explained that the 36% conservation tier is completely unreasonable for Susanville. The discussions were positive and resulted in developing some good contacts, and the State did decide not to impose any fines. However, they issued the executive order and to date, are unwilling to compromise and recognize that the 36% conservation requirement is not reasonable for our community. At the current time, the State is continuing to address the drought problem in California by imposing a one-size-fits all solution and they are not willing to work

with individual communities and adjust according to other circumstances. The community has stepped up and worked to conserve, and when the springs have water spilling over and running down the hill, it is going to be very difficult for the community to accept a one day per week watering restriction. Staff will continue working with the State through the upcoming months, with the ultimate goal of having the City removed from the 36% conservation tier to a level more appropriate to the region.

Councilmember Callegari suggested using the overflow water, or water from the tank in Johnstonville, and transporting it in a tank truck in order to use for irrigating the parks and school ball fields.

Mr. Hancock responded that it is something that staff has been looking into, in addition to the creation of a grey water system, and researching the extent of the Susan River water rights that the City may have.

Councilmember Callegari commented that the State should have some sort of waiver for acts of mother nature, when a ruptured main line could cause the loss of thousands of gallons of water through accident and not over use.

Mr. Newton responded that nothing in the regulations are offering any leniency, the State is receiving a lot of political pressure, and the Water Board is not sympathetic at this point with all of the communities who are having a difficult or impossible time with compliance. The one-size-fits-all solution is faster and easier to implement.

Mr. Hancock stated that staff has been monitoring the comments, questions and answer activity with the State regarding this regulation, and sees no cooperative responses from the Water Board. The fact that our community pulled together and conserved over 20% when we do not even have a water emergency speaks highly of our citizens. The State is looking at every water provider with over 3,000 customers, and the City system serves approximately 3,800 customers.

Councilmember Garnier remarked that in the beginning the City did a lot of outreach and advertising, and then it tapered off. The parks, schools and college ball fields all looked great, and she does not believe that they adhered as strictly to the limited watering schedule as many homeowners whose lawns and plants looked terrible by the end of the summer.

Mr. Newton responded that the conservation restricted the number of days that people were allowed to water, but it did not restrict how long they could water, or limit the usage. The goal initially was 50% reduction for the summer months to achieve the overall reduction of 35% and there is no way that we did not come close to achieving the 50% reduction.

Mayor Wilson requested information about the proposed revised rate structure.

Mr. Newton responded that the rate structure must capture the cost to provide service, with the idea that raising the rates to include a high-usage rate will discourage people from over watering. A case went to appellate court involving the City of San Juan Capistrano, who argued that the development of a tiered rate structure was too complicated, and the court ordered that they had to at least try.

Mayor Wilson stated that the problem is not one that will likely go away in the foreseeable future, and suggested the City investigate options for above ground water storage.

The Council discussed options for water reservoirs, and utilizing water from the Susan River to irrigate the high school ball field.

Mayor Wilson asked if there would be exceptions for businesses that are high water users, such as a micro-brewery or car wash, and if there were any ways to shrink the system that make sense, with separating customers served in a particular area of town.

Mr. Newton responded that there is an exemption for agricultural businesses, and that the system is all connected and it would be very difficult to segregate one set of customers.

14 COUNCIL ITEMS:

14A AB1234 travel reports:

Mayor pro tem McBride announced that CalRecycle has shut down the last recycle center in the City, and there needs to be a push back against the State. Citizens shouldn't have to pay an undue tax on products when there is no way to redeem the cans.

15 ADJOURNMENT:

Motion by Councilmember De Boer, second by Councilmember Callegari, to adjourn; motion carried. Ayes: Garnier, McBride, Callegari and Wilson. Absent: De Boer.

Meeting adjourned at 7:51 p.m.

Respectfully submitted by

Brian R. Wilson, Mayor

Gwenna MacDonald, City Clerk

Approved on February 17, 2016