

SUSANVILLE CITY COUNCIL
Regular Meeting Minutes
September 7, 2016 – 6:00 p.m.

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

Roll call of Councilmembers present: Brian R. Wilson, Kevin Stafford, Joe Franco, Rod De Boer and Kathie Garnier.

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

1 APPROVAL OF AGENDA:

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

2 PUBLIC COMMENT REGARDING CLOSED SESSION ITEMS:

Carol Forbes stated that she was not familiar with the public comment process and requested that she be allowed to speak on an item not on the agenda. She shared that she had submitted correspondence to staff and the Council regarding issues with the flood control measures taken on Carroll Street. The concrete barricades that have been installed muffle the sound of the river and are blocking the view that residents enjoy. She has talked to everyone on the street and they share the same complaints.

3 CLOSED SESSION: At 6:18 p.m. the Council entered into Closed Session to discuss the following:

- A PUBLIC EMPLOYMENT – pursuant to Government Code §54957:
 - 1. Police Chief
 - 2. Golf Course Manager
 - 3. Employee Status Report
- B CONFERENCE WITH LABOR NEGOTIATOR – pursuant to Government Code §54957.6:
 - 1 Agency Negotiator: Jared G. Hancock
 Bargaining Unit: All Employees
 - 2 Agency Negotiator: Jared G. Hancock
 Bargaining Unit: Administrative, Miscellaneous, Public Works
 - 3 Agency Negotiator: Jared G. Hancock
 Bargaining Unit: Administrative, Fire Fighters, Professional-Technical
- C CONFERENCE WITH REAL PROPERTY NEGOTIATOR – pursuant to Government Code 54956.8:
 - 1 Property: APN: 101-270-10
 Agency negotiator: Jared G. Hancock
 Negotiating parties: City of Susanville/Lassen Community College
 Under negotiation: Price/Conditions/Terms
 - 2 Property: APN: 116-180-04
 Agency negotiator: Jared G. Hancock
 Negotiating parties: City of Susanville/United Parcel Service
 Under negotiation: Price/Conditions/Terms
- D CONFERENCE WITH LEGAL COUNSEL – anticipated litigation pursuant to Government Code 54956.9; IRS Employee Classifications

Closed Session adjourned at 7:05 p.m.

4 **RETURN TO OPEN SESSION:** At 7:06 p.m. the City Council recessed Closed Session and reconvened in Open Session.

Staff present: Jared G. Hancock, City Administrator; Jessica Ryan, City Attorney; Jim Uptegrove, Interim Police Chief; James Moore, Fire Chief; Dan Newton, Public Works Director; Deborah Savage, Finance Manager; Craig Sanders, City Planner and Gwenna MacDonald, City Clerk.

Mr. Hancock reported that prior to closed session the agenda was approved with no revisions. There was no reportable action taken in Closed Session and at the end of open session, the City Council would be reconvening in Closed Session.

Dan Newton offered the Thought of the Day.

5 **BUSINESS FROM THE FLOOR:**

There were no comments.

6 **CONSENT CALENDAR:** Mayor Garnier reviewed the items on the Consent Calendar:

- A Receive and file minutes from the City Council's August 3, 2016 meeting
- B Approve vendor warrants numbered 98042 through 98224 and 98235 through 98242 for a total of \$378,903.91
- C Receive and file Transient Occupancy Tax (TOT) Report: 4th Quarter 2015/2016

Councilmember Wilson requested the removal of Item 6C for separate discussion.

Motion by Mayor pro tem Franco, second by Councilmember De Boer, to approve Consent Calendar Item 6A and 6B; motion carried unanimously. Ayes: Wilson, Stafford, Franco, De Boer and Garnier.

Ms. Savage reviewed the report regarding the amount of Transient Occupancy Tax collected for the period of April through June 2016 and noted the comparison to prior quarters.

Councilmember Wilson asked where the City is at with compliance and collection.

Ms. Savage responded that the City would have to conduct an audit in order to provide the information regarding collection and compliance.

Motion by Councilmember Wilson, second by Councilmember Stafford, to approve Item 6C; motion carried unanimously. Ayes: Wilson, Stafford, Franco, De Boer and Garnier.

7 **PUBLIC HEARINGS:** No business.

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

9 **NEW BUSINESS:**

9A **Consider Lassen County Animal Shelter Fees** Chief Uptegrove reported that staff has been reviewing the contract between the City and the Lassen County Animal Shelter regarding animal control

services provided by the County to the City. The review includes an assessment of the fees charged by the City to residents for impounding dogs at large that are picked up by City staff and taken to the shelter.

Currently, the animal impound fee is \$20.00 per impound, plus \$5.00 per day for each day or partial day that the animal is kept. In the event the same dog is impounded by the City during the twelve months immediately following the first impound, the service charge is increased to \$40.00 for the second impound and \$60.00 for the third or subsequent impound occurring during the twelve month period.

Since the Animal Control Services contract was adopted, the City has hired an Animal Control Officer with the responsibilities of addressing animal control and dog at large complaints within the city limits. On each call for a dog at large, the Animal Control Officer must spend the time to first locate the animal, catch and secure it, and once the dog is detained, the Animal Control Officer will try to identify and locate the owner. If they are unsuccessful in locating the owner, the dog is driven to the Lassen County Animal Shelter. The officer is then required to write and submit an incident report documenting the call. When these calls are received after hours or on weekends they are answered and handled by a patrol officer.

The animal shelter supervisor estimates they spend approximately 25 minutes per day feeding, exercising and caring for each animal brought to the shelter. Upon reviewing the amount of personnel time spent to respond, handle and document animal impound complaints and time spent by shelter employees to care for impounded dogs, staff is recommending an increase in fees to \$50.00 per impound, plus \$12.00 per day for each day or fraction thereof the dog is kept. In the event the same dog is impounded by the City a second time, the service charge is increased to \$100.00 for the second impound and \$200.00 for the third or subsequent impound. It is estimated that the increase in the increased fees would generate an additional \$3,330 in impound fees and \$2,452 in boarding fees.

It was the consensus of the City Council to bring back an ordinance amending the fee schedule as recommended.

9B Consider approval of Resolution No. 16-5314 authorizing Notice of Acceptance for Rapid Construction for completion of 2016 Water Main Replacement Project and authorizing budget amendment in the amount of \$881.00 Mr. Newton explained that the item was related to the completion of the project awarded in April 2016 for the replacement of sections of water main and tying it in to the connections within the existing water system. There were some minor over run expenses related to additional costs in replacement of damaged asphalt along with curb and gutter or the need for longer lengths of water main and additional water services. The actual costs, including construction engineering, for the entire project are \$463,415.00 for an increase of \$881, or two percent. Mr. Newton stated that the contractor did a good job, was great to work with and they did a bit extra over and above what was called for.

Councilmember De Boer stated that the crew working on the street near his house was very helpful and informative to the neighbors during the construction process.

Motion by Councilmember De Boer, second by Councilmember Wilson, to approve Resolution No. 16-5314; motion carried unanimously. Ayes: Wilson, Stafford, Franco, De Boer and Garnier.

9C Consider approval of Resolution No. 16-5315 approving street closure for Old Courthouse Neighborhood Watch Group block party on September 10, 2016 Mr. Newton presented the request for a street closure on South Gay Street between Court Street and Brashear Street on September 10th

between 5:00 p.m. and 10:00 p.m. in support of a neighborhood watch group BBQ. He invited Mr. John Lisiecki to comment regarding the request.

Mr. Lisiecki thanked the Council for considering the street closure request so a neighborhood gathering to discuss neighborhood safety and a possible neighborhood watch program.

Motion by Councilmember De Boer, second by Councilmember Stafford, to approve Resolution No. 16-5315; motion carried unanimously. Ayes: Wilson, Stafford, Franco, De Boer and Garnier.

9D Consider approval of Resolution No. 16-5316 authorizing execution of agreement with Veriforce for Operator Qualification Training for Public Works Employees Mr. Newton explained that the City operates a natural gas utility and is subject to numerous Federal and State regulations that provide for the safe operation of the utility. Under Federal Law, the City is required to have several procedural documents that are updated regularly as the laws are changed, including the "Operation and Maintenance Plan"; "Emergency Response Plan"; "Operator Qualifications Plan", "Distribution Integrity Management Plan" and others. The City has historically used the assistance of an outside consultant to implement and maintain the Operator Qualifications Plan, which is the document that lists covered tasks and identifies the training that must be completed by the individual working to perform the task.

Mr. Newton explained that the City previously utilized the services of Utility Services Southwest to update the Operator Qualification Plan and provide training procedures for covered task, however they are no longer available. Staff contacted three firms that provide the service and the quotes were evaluated based on several criteria including cost, services provided, and largest presence in the western states. The firm of Veriforce was determine to be the best value based upon the evaluation criteria. The annual cost of service for Operator Qualification plan maintenance and implementation is estimated at \$2,800 per year. In addition to providing OQ plan services, Veriforce has a team with a broad experience base in the gas industry. Veriforce will be available to provide technical expertise on various matters on an as needed basis.

Motion by Mayor pro tem Franco, second by Councilmember Stafford, to approve Resolution No. 16-5316; motion carried unanimously. Ayes: Wilson, Stafford, Franco, De Boer and Garnier.

9E Consider request to waive purchase option of Hangar #37 Mr. Hancock reported that as part of the agreement between the City and those individuals who own hangars at the Susanville Municipal Airport, the City has the first right of refusal when an owner intends to sell his or her hangar. The City has received a letter from the attorney representing the estate of Bruce Rhymes, the owner of Hangar #37. The Rhymes family would like to donate the hangar to the Experimental Aircraft Association (EAA) and has requested that the City waive the first right of refusal and allow the donation.

It was the consensus of the City Council to waive the option to purchase the hangar and allow the donation of Hangar #37 to the EAA.

10 SUSANVILLE COMMUNITY DEVELOPMENT AGENCY: No business.

11 SUSANVILLE MUNICIPAL ENERGY CORPORATION: No business.

12 CONTINUING BUSINESS:

12A Consideration of Water Rate alternatives Mr. Newton reported that on August 24, 2016 the City Council conducted a workshop to review water rates and at the workshop, direction was given to staff to analyze two rate alternatives and provide a report comparing the impacts to customer's bills at different usage levels. The rate alternatives presented in the Susanville Water Rate Alternatives Report are based on a modified Capital Improvement Program that results in a decrease in the annual cost to provide service of \$114,230. The alternatives as considered provide an option to include a monthly infrastructure surcharge to all customers, and option two leaves the existing base rate the same, but increases the quantity rate.

It was discovered that the Councilmembers did not have all of the attachments provided for the report. A recess was called at 7:34 p.m. to allow the City Clerk to prepare copies. The meeting resumed at 7:45 p.m.

On August 24, 2016 the City Council conducted a Water Rate Workshop and received valuable input from the public. Council directed staff to analyze two rate alternatives and provide a report comparing the impacts to customer's bills. The attached Susanville Water Rate Alternatives report contains the analysis.

The rate alternatives presented in the report are based on two options. Option one incorporates the cost of an infrastructure surcharge into the rate structure. Option two leaves the base rate unchanged and increases the quantify rate. For both options, the Capital Improvement Plan has been modified to remove the Nathan Well development project, emergency power upgrades, and the Water Main replacement on Third Street from Ash to Hall, and a water main replacement on Main Street has been added, for a net decrease of approximately \$570,000. Mr. Newton explained that the added project would be a replacement of the 6 inch steel mainline from Weatherlow to Park Street, as it has had a high frequency of water leaks over the past ten years and increase in leaks in the last 12 months. Mr. Newton also reviewed the projects to be completed with potential Block Grant funding, pending State approval of the application.

Mr. Newton reviewed the Service Costs Table which represent the needs of the water system for operations and management, water delivery, depreciation, capital improvement program, conservation programs and debt repayment. The annual cost has been reduced to reflect the changes in the Capital Improvement Program, and is projected over the next five years.

Mr. Newton explained that the infrastructure surcharge table illustrates the effect of assessing a \$15 infrastructure surcharge on each customer account, regardless of size and usage. Under this option, there would be three rates assessed, a base rate which would remain unchanged, a quantity rate for irrigation and non-irrigation season, and an infrastructure surcharge. This structure would result in less variability and a more stable revenue stream as well as spreading the infrastructure operating costs more evenly among each customer.

Option two is identified as no change in the base rate, and the amount of revenue needed to cover the service costs is generated entirely from the quantity rate. This rate would encourage conservation effort, but would also continue to impact higher water users especially during the irrigation season.

Mr. Newton requested feedback from the Council.

Mayor pro tem Franco stated that he likes the idea of raising the base rate with a surcharge. It provides a stable revenue source, and depending on what the State does next year with any drought or water restrictions, the City will be able to depend on the stable revenue.

Councilmember Stafford agreed with Mayor pro tem Franco.

Councilmember De Boer concurred, stating that he prefers a stable revenue source.

An unknown member of the audience asked if there would be a start date and end date on the surcharge, and suggested a five year review of the project list.

Mr. Newton explained that the rate study has a five year sunset date, and that time staff would have to prepare a new report and re-evaluate the rate structure. The City is obligated to conduct that review every five years.

Mayor Garnier stated that the items on the Capital Project List represent the most critical needs, and not all of them.

Mr. Newton agreed, stating that the worst areas of leak frequency are listed in the Capital Project Improvement list, and the City needs to look at the system holistically through the Water Master Plan, which has not been updated since 1994. That is a means to identify long term capital needs, and the CIP covers the immediate projects that are the most critical.

Mayor Garnier indicated that her preference would be for the surcharge to sunset in five years along with the water rate study.

Mr. Newton explained that during the irrigation months, the irrigation quantity rate would be in effect in addition to the surcharge. That is a rate that promotes conservation, which was mandated by the State. The larger quantity rate was more effective however it will be variable in the revenue that it generates.

David Teeter referred to Chart 5, with the 50th percentile users. The majority of the bill will be due to the infrastructure charge, and while he supports the City Council in whatever decision they make, he is going to submit his comment that the lowest water users will see the largest percentage of increase in their bill and he does not support that.

Mayor Garnier stated it was her concern as well, and was one of the reasons that she was against raising the base rate. However, if the State imposes more mandates due to future drought situations that limits the City in how much revenue it can generate to operate the system. Something has to give, and \$15 a month is a lot of money for citizens on a fixed income.

Mayor pro tem Franco asked if there was a way to implement a criteria for folks who were qualifying as low income to receive some relief in the form of a reduced rate.

Mr. Newton stated that the law as written in Prop 218 states that it is OK identifying a category of customer, but the City would have the responsibility of proving why the cost to provide water to that particular category of customer is less. The Supreme Court has been upholding law suits against the tiered rate system for this reason.

There was a general discussion regarding the structure of a subsidy that could be provided in the form of a grant or rebate, similar to the Lassen County Home Energy Assistance Program that offers subsidies and

assistance to low income resident on their utility bills. Such a program could potentially be funded through the Community Development Block Grant program.

Mayor Garnier stated that it is everyone's responsibility to pay for the infrastructure of the system.

Mayor pro tem Franco supported the proposal because it ensures a steady and dependable revenue stream.

Mayor Garnier asked what the next steps are.

Mr. Newton reviewed the process which includes a monthly amendment to the Water Rate Analysis, prepare the information regarding what the rates will be in order to meet the public noticing requirements, which mandate that the proposed rates are included in the notice that is circulated. The public hearing notification provides for a protest process which would require a majority of the customers.

There was a consensus of the City Council to support raising the base rate with an infrastructure as proposed.

13 CITY ADMINISTRATOR'S REPORTS:

13A Cameron Park Workshop Update Mr. Hancock explained that staff held a workshop to discuss the creation of a neighborhood park in the Cameron Way neighborhood. There were six or seven members of the public who attended, and most of them lived adjacent or close to the proposed park. They had a lot of questions related to why the City chose that location, concerns about the need for a park, noise issues, and the potential to create an attractive nuisance. They provided very good information and feedback regarding the project.

Among the concerns addressed, there was unanimous support to remove the footbridge from the design in order to prevent the creation of a trail that would lead people onto adjacent private property. They requested pedestrian lighting which was a bit of a surprise, as generally neighbors are more concerned with light pollution issues. There was a request to remove the barbecues due to the possible fire hazard, concerns related to food trash and garbage that people would leave behind, and to reduce the play equipment for older children and focus more on the tot play area. They also requested benches in lieu of picnic tables, and a consideration to limit the hours of usage in order to prevent misuse during the late evening or nighttime hours.

Mr. Hancock explained the difference between a community park, which ranges from 15 to 20 acres and includes sports fields and encourages heavier use, and a neighborhood park which is typically one half to two acres in size, does not include bathrooms or drinking fountains, and is designed for a more moderate use by members of the neighborhood. Susanville does not currently have any neighborhood parks, and it may take time for residents to accept what that will look like in their neighborhood.

Councilmember Wilson asked if new drawings have been prepared that reflect the changes that were discussed at the last Council meeting.

Mr. Hancock responded that staff would be bringing back cost estimates with the next update, and requested any additional updates or requests from the Council regarding the design.

Councilmember Wilson asked if the neighbors were concerned with over-use and if that is the reason they have requested a reduction in the benches. He is concerned with limiting the hours of operation, as it is a park that should be available to use when it is convenient for the neighbors.

Mayor pro tem Franco asked if there was sufficient parking available. He understands the concerns of the neighbors, as there is a certain element that is attracted by the parks, and it may require additional patrols in the area.

Mayor Garnier stated that it needs to be discussed further with more than just six or seven neighbors, and she requested an update be scheduled for the next agenda.

Mr. Hancock agreed, stating that the outcome of a workshop can be very different, depending on which neighbors show up.

13B Police Department Update Chief Uptegrove reviewed a summary of the activities and projects of the Susanville Police Department including personnel, community outreach, animal control, dispatch, communications, parking and traffic. He stated that the police service fee schedule was updated in May, the remodel project at the department is scheduled to begin soon, and he provided crime statistics for the first two quarters of 2016 as compared to the same period last year. The numbers have stayed relatively the same with the exception of burglary and theft which show decreases from the 2015 figures. Increase in community awareness and neighborhood watch groups has shown to have a positive impact on the neighborhoods.

The City Council thanked him for providing the report.

13C Golf Course update Ms. Savage reviewed the Golf Course revenues, expenses and cash balance for November 2015 through June 2016, explaining that the annual membership revenue collected has to be allocated throughout the whole season. She explained that the drop in cash was due to extra equipment purchases, and the course is looking great.

There was a general discussion regarding operation of the restaurant and bar for the 2017 golf season, and the effort needed to maintain a consistent collection of fees for winter play through the use of an honor system and regular checks from City staff. They discussed outreach efforts to increase winter play by golfers who may take advantage of the winter closure of the Bailey Creek course.

13D Outdoor watering restriction update Mr. Newton reported that on May 18, 2016 the State Water Resources Control Board adopted a statewide water conservation approach that included a provision for the water utility to self-certify their conservation goals based on water supply. The revised approach allows water providers to evaluate and anticipate water availability for the next three years and based upon the evaluation, a new conservation percentage is established. Water suppliers are permitted to self-certify the level of conservation required. Staff has prepared a conservation standard self-evaluation for Susanville and submitted it to the State Water Board per the regulation. The result of the evaluation is that a zero percent conservation standard is required for Susanville. On August 19, 2016 the state published a list of self-certifications from several water agencies. The City of Susanville is listed with a new state-mandated conservation standard of zero percent, effective June 1, 2016.

Mr. Newton explained that Interim Urgency Ordinance 16-1005, which was adopted on May 4, 2016, is set to expire on October 31, 2016. However, in consideration of the new conservation mandate and the fact that Susanville municipal water supplies have not been significantly impacted by the drought, there is no

need to continue to restrict permissible outdoor watering days. Due to timelines required for the adoption of an ordinance repealing Urgency Ordinance 16-1005, the City does not have the ability to immediately repeal the ordinance prior to October 31st and is recommending that the ordinance be allowed to expire.

There was a general discussion regarding the time required to repeal the ordinance by passage of a new ordinance, which would require first and second readings, versus allowing the existing urgency ordinance to expire.

Councilmember Wilson asked the City Attorney if the City Council could direct staff to not enforce an ordinance.

Ms. Ryan responded that she would be unable to provide an answer without conducting additional research and that it would be prudent to not give that direction to staff.

There was no further discussion.

14 COUNCIL ITEMS:

14A AB1234 travel reports:

15 ADJOURNMENT:

Motion by Councilmember De Boer, second by Mayor pro tem Franco, to adjourn; motion carried unanimously. Ayes: Wilson, Stafford, Franco, De Boer and Garnier.

Meeting adjourned at 9:00 p.m.

Respectfully submitted by

Kathie Garnier, Mayor

Gwenna MacDonald, City Clerk

Approved on October 19, 2016