

**ACTION MINUTES OF REGULAR MEETING  
BOARD OF PUBLIC UTILITIES COMMISSIONERS  
CITY OF TULARE**

April 21, 2016

**A regular meeting of the Board of Public Utilities Commissioners, City of Tulare, was held on Thursday, April 21, 2016, at 3:00 p.m., in the Tulare Public Library & Council Chambers.**

**BOARD MEMBERS PRESENT:** Lee Brehm, Philip Smith, Edward Henry, Mark Watte, Dick Johnson

**STAFF PRESENT:** Don Dorman, Martin Koczanowicz, Joe Carlini, Michael Miller, Darlene Thompson, Trisha Whitfield, Steve Bonville, Janice Avila, Benjamin Siegel, Tim Doyle, Josh Rogers, Shonna Oneal

**I. CALL TO ORDER REGULAR SESSION:**

President Brehm called the regular session to order at 3:00 p.m.

**II. PLEDGE OF ALLEGIANCE:**

President Brehm led the Pledge of Allegiance.

**III. CITIZEN'S REQUEST OR COMMENTS:** *This is the time for citizens to comment on items within the jurisdiction of the Board. The Board cannot legally discuss or take official action on citizen comments that are introduced tonight. Each speaker will be allowed **three minutes**, with a maximum time of 10 minutes per item, unless otherwise extended by the Board.*

There were no citizen comments presented.

**IV. ADJOURN TO CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION(S):**

President Brehm adjourned to closed session at 3:01 p.m. for items as noted by City Attorney Martin Koczanowicz.

a) 54956.9(d)(1) Existing Litigation (2)

City of Tulare vs. Pratt Mutual Water Co & Matheny Tract Committee  
TCSC Case No. VCU26109

City of Tulare vs. W.M. Lyles, et al.  
TCSC Case No. VCU260168

**V. RECONVENE CLOSED SESSION:**

President Brehm reconvened from closed session discussions at 3:34 p.m.

**VI. CLOSED SESSION REPORT (if any):**

President Brehm advised there was no reportable actions.

**VII. COMMUNICATIONS:**

There were no items for this section on the agenda.

**VIII. CONSENT CALENDAR:**

**It was moved by Board Member Johnson, seconded by Vice President Smith and unanimously carried that the items on the consent calendar be approved as presented.**

- (1) Approve minutes of the March 18, 2016; March 25, 2016; and April 7, 2016 regular/special meeting(s).**

**IX. GENERAL BUSINESS:**

- (1) Review the findings of a water system analysis of the Montecito subdivision, and consider staff recommendations to allow 93 of the 179 new connections to the City water system requested by the Owner, The Holt Group, subject to the conditions as presented and adopt Resolution 16-05 approving the conditions and the request for 93 water connections submitted by the Holt Group for the Montecito subdivision and authorizing the Public Works Director to Issue a Conditional Certification of Ability to Serve.** City Engineer Michael Miller provided a report for the Board's review and consideration. The Board raised questions and staff provided responses thereto. Board Member Johnson and Board Member Henry expressed concern with continuing to authorize additional water connection requests without additional capacity improvements to the system. City Attorney Martin Koczanowicz highlighted the conditions contained in the Conditional Certification of Ability to Serve. Following discussion, it was moved by President Brehm to approve 50 water connections and review the balance of the request in six months, seconded by Board Member Watte and carried 3-2 (Vice President Smith and Board Member Johnson voting no).

(City Attorney Martin Koczanowicz requested clarification on General Business 1 to confirm that President Brehm's motion included amending the proposed Resolution to include the 50 water connections with six month review for the remaining connections and the Board affirmed).

- (2) **Provide direction regarding the strategy recommendations in the Baseline Energy Audit for inclusion in the development of the ten-year energy plan to be finalized by July 2016.** Public Works Director Joe Carlini introduced the item and Chris Ott of Hydros Agritech. Mr. Ott explained the energy strategy decisions that have been made by the energy team up to this point and advised the Board of the basic strategy moving forward on the ten-year energy plan. Patrick McLafferty of Hydros Agritech addressed the Board regarding questions raised about tariffs. Following discussion, it was the consensus of the Board to direct staff to proceed developing the ten-year energy plan so long as staff is comfortable with the consultant and that the City does not enter into the utility business.
- (3) **Review and consideration to provide authorization to staff to negotiate a twenty-year contract for the sale of biomethane to Colony Energy Partners (CEP) and the use of fuel cell energy with Fuel Cell Energy, Inc. (FCE) on behalf of the City of Tulare.** Public Works Director Joe Carlini introduced the item and Chris Ott. Mr. Ott introduced Patrick McLafferty who provided an overview of the analysis conducted on the proposals received in response to the City's request for proposals for the utilization of biomethane and introduced Kent Hawkins of CEP. Mr. Hawkins provided a PowerPoint slide presentation for the Board's review and consideration highlighting CEP's response to the City's biogas utilization request for production. City Manager Don Dorman provided clarification that CEP's conditional use permit had expired on its own terms, but Colony Energy had applied to renew it. The Board raised questions and Mr. Hawkins provided responses thereto. Following discussion, it was the consensus of the Board to authorize staff to diligently move the project forward and continue negotiations with CEP.

Mr. McLafferty introduced Ben Toby of FCE. Mr. Toby provided a PowerPoint slide presentation highlighting FCE's proposal for use of fuel cell energy. The Board raised questions and Mr. Toby provided responses thereto. Following discussion, it was the consensus of the Board to authorize staff to continue negotiates with FCE for the use of fuel cell energy.

- (4) **Award the Sierra Lift Station Pump Replacement project to GSE Construction Co. of Livermore, California in the amount of \$74,700.00; approve the revised Project Budget; and Authorize the City Manager to approve contract change orders in an amount not to exceed 10% (\$7,470.00) of the contract award amount.** Field Services Manager Trisha Whitfield provided a report for the Board's review and consideration. Following a brief discussion, it was moved by Board Member Watte, seconded by Board Member Johnson and unanimously carried to approve the item as presented.

(5) **Receive and approve the Water and Sewer Rate Study Report and Proposition 218 notice, authorize staff to proceed with the mailing of the Proposition 218 notices to begin the 45-day public noticing requirement, and set the public hearing date for the adoption of the proposed rates for June 16, 2016.** Field Services Manager Trisha Whitfield provided a report for the Board's review and consideration. Mike Lane, HBIA, spoke in support of the rate increases noting that water supply is important to the building industry. Following a brief discussion, it was moved by Board Member Johnson, seconded by Vice President Smith and unanimously carried to approve the item as presented.

(6) **Public Hearing:**

a. **Public Hearing to adopt Resolution 16-07 approving the 2016/17 Fiscal Year Municipal Utility Budget (including the Fleet Control, Insurance Control and Equipment Replacement Control budget components), and to adopt Resolution 16-08 approving the 2016/17 Fiscal Year Municipal Utility Position Control Budget.** City Manager Don Dorman provided a report for the Board's review and consideration. The Board raised questions and staff provided responses thereto. President Brehm opened the public hearing at 5:47 p.m. No public comment was received. President Brehm closed the public hearing at 5:47 p.m. With no further discussion, it was moved by Board Member Watte, seconded by Board Member Henry and unanimously carried to approve the item as presented.

**X. ITEMS OF BOARD INTERESTS:**

Items of Board interest were discussed among the Board and staff.

**XI. ADJOURN REGULAR MEETING:**

President Brehm adjourned the regular meeting at 5:52 p.m.

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President of the Board of Public Utilities  
Commissioners of the City of Tulare

**ATTEST:**

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Secretary of the Board of  
Public Utilities Commissioners