

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

July 21, 2016

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

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

STAFF PRESENT: Don Dorman, Martin Koczanowicz, Joe Carlini, Michael Miller, Darlene Thompson, Trisha Whitfield, Nick Bartsch, Benjamin Siegel, Josh Rogers, Tim Doyle, Bobby Dykes, Frank Rodriquez, Roxanne Yoder, 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. MOMENT OF SILENCE IN HONOR OF MARK WATTE:

IV. 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.

V. COMMUNICATIONS:

City Manager Don Dorman advised the Board of communication received from Ashley Werner of Leadership Counsel for Justice & Accountability dated June 27, 2016 regarding City of Tulare providing sewer service to Matheny Tract.

VI. CONSENT CALENDAR:

It was moved by Board Member Johnson, seconded by Board Member Henry and unanimously carried that the items on the consent calendar be approved as presented with the exception of item 3).

(1) Approve minutes of the June 16, 2016 regular/special meeting(s).

- (2) **Accept May Investment Report.**
- (3) **Accept Financial Status Report.**
President Brehm pulled this item for clarification on the water financial report. Finance Director Darlene Thompson provided a response thereto. With no further discussion, it was moved by President Brehm, seconded by Board Member Johnson and unanimously carried to accept the item as presented.
- (4) **Accept Drought Surcharge Report.**
- (5) **Accept Potable Pumped vs. Metered Delivery Report.**
- (6) **Accept Public Works Comparator Tool update reflecting projected versus actual data.**
- (7) **Receive the May and June 2016 water conservation reports.**
- (8) **Accept Public Works work performance reports for June 2016.**

VII. GENERAL BUSINESS:

- (1) **Public Hearing:**
 - a. **Adopt Resolution 16-13 approving the Water and Sewer Rate Study Final Report dated April 8, 2016; and Public Hearing to Adopt Resolution 16-14 establishing new water rates effective October 1, 2016 and to Adopt Resolution 16-15 establishing new sewer rates effective October 1, 2016.** City Manager Don Dorman provided a report for the Board's review and consideration. City Attorney Martin Koczanowicz briefed the Board on the Proposition 218 process. Mr. Koczanowicz advised the public in attendance that protest will be accepted until the close of the public hearing. Field Services Manager Trisha Whitfield provided an additional report for the Board's review and consideration highlighting the process in preparing the rate study. Ms. Whitfield advised the Board that a small clarifying revision was made to Resolution 16-15 to add the class to the chart on page 1 in parenthesis following Industrial and Schools. Kevin Burnett of Willdan Financial Services provided a PowerPoint presentation highlighting the purpose of the rate study, the rate setting process, financial plans for water and sewer, proposed rates for water and sewer, comparison of monthly water bills, sewer bills and the next steps in the process. President Brehm opened the public hearing at 3:25 p.m.

Frank Allen addressed the Board to inquire what will happen to the drought surcharge if water rates are increased.

Alberto Aguilar, Peggy Wright, Raul Gallegos addressed the Board opposing the proposed water and sewer rates.

Mike Lane, HBIA, addressed the Board in support of the rate increases.

Roberto Gusto addressed the Board to express his concern of the quality of water at his home.

Mike Grassi, Land O' Lakes, addressed the Board to express his concern regarding the impacts of the increased rates on their budget in 2016 and to request relief from the proposed rates until 2017.

Ray Harmon, Saputo, addressed the Board to express his concern regarding the disproportionate increases to industrial users and the impacts the increase rates will have on their budget.

Charles Ritchie addressed the Board to inquire if the drought surcharge will go away if the new rates are adopted.

Kerissa Chapman, Tulare Chamber, and Ben Brubaker addressed the Board in support of the water rate increase.

Debbie Fierro addressed the Board to inquire why more houses are being built if the City has water issues and needs to raise rates.

Marvin Kruger addressed the Board to provide tips to save water.

The Board and staff addressed questions posed by the public. President Brehm closed the public hearing at 4:02 p.m. Following a brief discussion, it was moved by Vice President Smith, seconded by Board Member Johnson to adopt Resolution 16-13 as presented. President Brehm trailed the matter to provide the clerk opportunity to open and tabulate the ballots.

Deputy City Clerk/Budgets Coordinator reported the following:

- 19 water protest letters had been received;
- 936 mailings were returned as not deliverable, unable to forward, vacant, etc.;
- A summary spreadsheet reflecting the reasons returned were provided to the Board and were available for review;
- Out of abundance of caution, the returned mailings were counted as protest letters bringing the total to 955; and
- The number failed the 50% + 1 threshold and allowed the Board to move forward with consideration and adoption of the water rates.

Deputy City Clerk/Budgets Coordinator further reported:

- 16 sewer protest letters had been received;
- 936 mailings were returned as not deliverable, unable to forward, vacant, etc.;

- A summary spreadsheet reflecting the reasons returned were provided to the Board and were available for review;
- Out of abundance of caution, the returned mailings were counted as protest letters bringing the total to 952; and
- The number failed the 50% + 1 threshold and allowed the Board to move forward with consideration and adoption of the sewer rates.

With no further discussion, it was moved by Vice President Smith, seconded by Board Member Johnson and unanimously carried to adopt Resolution 16-14 as presented; it was moved by Board Member Johnson, seconded by Vice President Smith and unanimously carried to adopt Resolution 16-15 as amended.

- (2) **Authorize the Public Works Director to sign a contract change order not to exceed \$43,000 from the Domestic and Industrial Professional and Technical Services accounts to Hydros Agritech of San Francisco, California for assistance to complement the 10 year Energy Plan which will reflect the changes in energy use, metering, tariffs, and energy generations.** Public Works Director Joe Carlini introduced the item and Operations Manager Josh Rogers. Mr. Rogers provided a PowerPoint presentation highlighting the background, task necessary to complement the 10 year energy plan and staff's recommendations related to this item. Following a brief discussion, it was moved by Vice President Smith, seconded by Board Member Johnson and unanimously carried to approve the item as presented.
- (3) **Approve renewal of Temporary Water Purchase Agreement between the City of Tulare and College of the Sequoias allowing the City of Tulare to sell and convey water and the College of the Sequoias to purchase and acquire water, on a temporary basis for agricultural purposes at One Hundred Twenty Dollars (\$120.00) per acre foot from Well 43 located on the COS Campus under the terms and conditions of the agreement for the period of one (1) year and authorize the Public Works Director to execute the contract.** Water and Wastewater Collection Utility Manager Tim Doyle provided a report for the Board's review and consideration. The Board raised questions and staff provided answers thereto. Following discussion, it was moved by Board Member Johnson, seconded by President Brehm and unanimously carried to approve the item as presented.

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

President Brehm adjourned to closed session at 4:15 p.m. for items as noted by City Attorney Martin Koczanowicz. Vice President Smith recused himself from the second closed session item due to a conflict of interest.

a) Conference with Real Property Negotiator (2)

Location: Property located at 1258 North J Street, APN: 169-090-042
Under Negotiation: Purpose: To provide real property negotiator with directions regarding price, terms, and conditions for potential development of purchase agreement
Negotiating parties: Steve Bonville, Trisha Whitfield

Location: Property located at 2508 W. Tulare, Tulare, CA 93274, APN: 168-020-015-000
Under Negotiation: Purpose: To provide real property negotiator with directions regarding price, terms, and conditions for potential development of purchase agreement
Negotiating parties: Steve Bonville, Trisha Whitfield, Blain Realty on behalf of Blain Properties

IX. RECONVENE CLOSED SESSION:

President Brehm reconvened from Closed Session at 4:38 p.m.

X. CLOSED SESSION REPORT (if any):

President Brehm advised that there were no reportable actions.

XI. ITEMS OF BOARD INTERESTS:

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

XII. ADJOURN REGULAR MEETING:

President Brehm adjourned the regular meeting at 4:39 p.m.

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

ATTEST:

Secretary of the Board of
Public Utilities Commissioners