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## **SPECIAL MEETING MINUTES**

The City Council/Redevelopment Agency of the City of Firebaugh  
Vol. No. 07/02-28

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**Location of Meeting:** Andrew Firebaugh Community Center  
1655 13<sup>th</sup> Street, Firebaugh, CA 93622  
**Date/Time:** February 28<sup>th</sup>, 2007/7:00 p.m.

### CALL TO ORDER

Meeting was called to order by Mayor Knight at 7:04 p.m.

### ROLL CALL

**PRESENT:** Mayor Craig Knight, Mayor Pro Tem Javier Marquez  
Council Members Marcia Sablan, Chris J. DeFrancesco  
Council Member Clyde Fannon  
**OTHERS:** Deputy City Clerk R. Lozano, City Treasurer A. V. Castaneda

### PLEDGE OF ALLEGIANCE

### PUBLIC COMMENT

At this time any member of the public may address the Council on items of interest to the public that are within the jurisdiction of the City Council which are not already on the agenda this evening. You will be permitted a single visit to the podium to state your comments & concerns. Please be brief, to the point, and limit your comments to three (3) minutes. No action or discussion shall be taken on any item not appearing on the agenda, except that Council members may briefly respond to statements made, or questions posed, by members of the public, if they so desire. Concerns, questions, or complaints will be referred to the City Manager's office.

### INTRODUCTION

### PRESENTATION

## CORRESPONDENCE

None

## CONSENT CALENDAR

Items listed on the calendar are considered routine and are acted upon by one motion unless any Council member requests separate action. Typical items include minutes, claims, adoption of ordinances previously introduced and discussed, execution of agreements and other similar items.

## PUBLIC HEARING

## OLD BUSINESS

None

## NEW BUSINESS

City Manager Jose Antonio Ramirez stated that after an overview of the Water and Wastewater Treatment Plant it is very important that the City address the issues and problems of these facilities. Several years have passed with little repairs and maintenance provided for these facilities, therefore they have deteriorated severely. A study reported by Kennedy & Jenkins Engineering, stated what needs were required to improve and rehabilitate the existing wastewater plants, estimated cost was 4.8 million to optimize the plant, that didn't include any additional capacity to the plant. In result, the City anticipates to heavily increase water and sewer rates to fund such project.

Clayton Tuckfield of Tuckfield & Associates provided a report on the overall study regarding both water and wastewater treatment plants. He stated that the city hired Provost and Pritchard Consulting Engineers to evaluate the water system. The upgrades of Treatment Plant No. 1 total cost would be approximately \$2,752,000 and upgrades to Plant No.2 would approximately cost \$2,611,600. Mr. Tuckfield explained that the wastewater fund balance is near zero currently and will need to be increase to at least \$200,000 in the next 5 years. Water Fund is o.k. at this time, wastewater revenue is below needed for operation and maintenance when divided by the debt service requirements.

City Manager Jose Antonio Ramirez has been working with USDA to apply for grants to elevate some of the financial burden. The USDA is expected to provide a \$1,000,000 grant and a \$4,365,000 loan for water system improvements. The water loan is anticipated to have an interest rate of 4.375%, while the wastewater loan is expected to be at a 4.5% interest rate, both for a 40 year term. City has received a \$2,300,000 grant from the Dept. of Water Resources under their Leak Pipes Program to assist in financing water main repairs.

The review and analysis of the projected water and wastewater revenues and revenue requirements indicate the rate increases are required. The criteria included maintaining a working capital reserve for operation and maintenance expenses, keeping the water fund balance at a level of at least \$1,000,000 and maintaining a debt service coverage ratio of greater than 125%. It would also include maintaining the Wastewater Fund balance for the next five years.

City Manager explained that the city needs to adopt the rate increases to meet the coverage ratio in order to receive the grant from USDA. City will receive \$1 million of the \$5.6 million from USDA for the water plant improvements.

Dr. Oscar Sablan, 1908 Vasquez Drive, inquired if it is necessary to increase the rates so much, could the city afford to raise the increase at a lower rate?

Mrs. Esther Ramirez, 1754 Ramirez Drive, if the city reaches the requirement or surplus the funds required would the water/sewer rates decrease in the future?

Dr. Oscar Sablan, 1908 Vasquez, asked about incorporating a carbon filtration system to improve the taste of the water.

Mr. Pete Ramirez, 1754 Ramirez Drive, is concerned of the increase of wastewater required to provide for new homes and businesses that are being constructed currently or in the future. Mr. Ramirez asked, "Where or if the city will have storage for the additional wastewater for future construction."

City Manager Jose Ramirez replied that the city has the land for such purpose near the existing wastewater treatment plant.

Mr. David Flores, inquired if the City receives future grants will it help in reducing the rate of the increases?

Mr. Tuckfield stated he believed grants will allow lower rates increases, but rather than predict what may happen it is in the city's best interest to present the maximum rate increase required should grants or others funds not be available. It is also possible to increase the proposed rates at this time and make adjustments in the future or any other changes that might help relieve the burden to the residents.

Dr. Oscar Sablan, 1908 Vasquez Drive, inquired on how much water is unaccountable on leaking pipes, non-metered homes, which is not included in the city output usages reports? These are issues that affect the study and rate increases.

Mrs. Esther Ramirez, 1754 Ramirez Drive, questioned how many residents in the city are unemployed, is senior citizens, and is living in metered homes.

Council Member Sablan recommended that all homes in the city should be metered, and inquired if it is possible for the city to install them, so that the residents will be more aware of their water consumption.

City Attorney Don Nuefeld, informed Council if they decide to offer discount rates the revenue would have to be made up from other resources to meet the expenditures.

Mrs. Ramirez, 1754 Ramirez Drive, inquired how many signatures are required to prevent increases from happening.

City Attorney Nuefeld replied that more than half of water service recipients would be required to sign a petition, and there can only be one member from each household and their name must be on the account.

Council Member Sablan, requested to have alternate proposals that offer a minimum increase on rates.

City Manager Ramirez, stated the grant is combined with the proposed expenditures and proposed increase to fund the expenses, if the city minimizes the fund it might in result of minimizing the \$1 million dollar grant from USDA, he will confirm. City Manager is also looking at state and federal levels for assistance in grants that may be available.

Motion to approve with alternate proposals provided before May 7, 2007 City Councils' Meeting made by Council Member Fannon, seconded by Council Member DeFrancesco. Motions carried.

#### PENDING ITEMS

#### PUBLIC COMMENTS QUESTIONS

#### STAFF REPORTS

City Manger Jose A. Ramirez;

- Tax credit projects – Two major projects, on March 6<sup>th</sup> the city will host a State Enterprise Zone Tax Credit Workshop at the Middle School. Bastian Partners LLC are looking for a 6 acre site to build an 81 unit tax credit multifamily project.

#### COUNCIL ITEMS

#### CLOSED SESSION

#### ADJOURNMENT

The meeting was adjourned at 8:52 p.m. by consensus.

