

MEETING MINUTES

The City Council/Redevelopment Agency of the City of Firebaugh Vol. No. 07/05-07

Location of Meeting: Andrew Firebaugh Community Center
1655 13th Street, Firebaugh, CA 93622
Date/Time: May 7th, 2007 @ 7:30 p.m.

CALL TO ORDER Meeting called to order by Mayor Craig Knight at 7:30 p.m.

ROLL CALL

PRESENT: Mayor Craig Knight
Mayor Pro Tem Javier Marquez
Council Member Clyde Fannon
Council Member Marcia Sablan
Council Member Chris J. DeFrancesco

ABSENT:

OTHERS: City Manager, Jose Antonio Ramirez; City Attorney, Don Neufeld; City Finance Director, Jose Garay; City Clerk, Priscilla Meza; Deputy City Clerk, Rita Lozano; City Treasurer, Alice Castaneda; Interim Public Works Director, Ben Gallegos; Police Chief, Elsa Lopez; Fire Chief/Code Enforcement Officer, John Borboa; Community Service Coordinator, Phyllis Baltierra; Tony Chavarria; Jim Lowe; John Baltierra; Miguel Flores; David Flores; Jack Minnite; Dixie Lindsay; Josephina Magallanes; Rose Westbrook; Pete Ramirez; Esther Ramirez; Dr. Oscar Sablan; Sean Howard; Norma Fontana; Pat Lancaster, Lillian Roberson, Evelyn Cunha, Manuel Trujillo.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance led by Council Member Chris DeFrancesco

PUBLIC COMMENT

CODE ENFORCEMENT UPDATE: SPORTSMEN HOTEL

Fire Chief/Code Enforcement Officer John Borboa addressed concerns regarding the Sportsmen Hotel owned by the Bersabe family. Council Member Fannon requested information regarding the timeline and process the Bersabe family would need to follow in order to bring the said property into compliance. As per Mr. Borboa, the Bersabe family has four months to comply with city ordinances in bringing up their property up to code.

Mrs. Trinidad Bersabe stated that prior to the city’s abatement letter her family wrote a letter to the City Manager regarding these issues; however, has not received any response. Mrs. Bersabe requested a public hearing to address her concerns with council.

Mayor Knight encouraged the Bersabe family to submit request for a public hearing to City Manager Ramirez.

Mr. Pete Ramirez, 1754 Ramirez Drive, suggested City Building Inspector along with City Manager Ramirez and Fire Chief Borboa meets with the Bersabe family to discuss issues. Mayor Knight clarified that the issue needs to be included in the next meeting’s agenda.

INTRODUCTION

None

PRESENTATION

1. AT & T CO.

Mayor Craig Knight announced that the scheduled presentation of Mr. David Spengeman, AT & T Co., presenting a check to the Firebaugh City Council was removed from the council agenda.

2. **WATER AND WASTE WATER TREATMENT PLANTS**

Provost & Pritchard along with Kennedy Jenkins provided power-point presentations regarding the Water and Waste Water Treatment Plants (*Presentation handouts available at City Hall*).

Representatives of Provost & Pritchard and Kennedy Jenkins reviewed the project justification for the proposed water and waste water improvements.

Jack Minnite, 5865 Eastside Ct., questioned if proposed project budget included training for city personnel. Mr. Al deHaai, (Provost & Pritchard) confirmed that the proposed budget included training for city personnel regarding use of new equipment and technology.

Pete Ramirez, 1754 Ramirez Drive, expressed concern with overall costs associated with proposed improvements and the impact the proposed costs would have on city residents. Mr. Ramirez questioned whether or not there was a more cost-effective method of making necessary improvements and/or upgrades. Mr. Al deHaai, (Provost & Pritchard) stated that building and/or upgrading tanks and installing new equipment would benefit the city and its residents. City Manager Ramirez also stated that logistically, the city needs to take more of a proactive approach and avoid just putting “bandages” on the problems. According to City Manager Ramirez, local experts were sought to assess the city’s water and waste water systems to identify problems and develop methods of addressing problematic areas.

Mayor Knight pointed out that the City Manager has a background in engineering and expressed agreement with the City Manager’s statement regarding avoiding a “quick fix” approach to addressing problems. Mayor Knight also stated that it will cost city resident’s more if problems are not effectively addressed soon.

Mayor Knight requested City Manager to provide a review of the proposed budget and the various sources of grant funding contributing to the overall project. City Manager Ramirez discussed the costs associated with the proposed project and stated that the city was successful in obtaining a grant from USDA for \$2 million (*\$1 million for water and \$1 million for waste water treatment plant improvements*). As per Mr. Ramirez, these funds are more than what is usually awarded by USDA to one grantee. City Manager Ramirez stated that city staff will continue to research other grant funding and low interest loans to subsidize remaining costs; however, USDA grant funds are contingent upon the council’s approval of rate increases.

As per council’s request, City Manager Ramirez stated that city staff has identified areas within the proposed project that can be eliminated reducing overall project costs. City Manager Ramirez recommended council not move forward on Water Treatment Budget items 3, 4 & 7 and removing recommended improvements to the septic holding tank in the Waste Water Treatment Budget, totaling a savings of \$933,000. City Manager Ramirez explained that these areas within the proposed project can be addressed at a later time. Ramirez also stated that this savings, in conjunction with grant funding, would reduce rate increases from a 5% per year for three consecutive years to a one-time 5% rate increase over a three year period.

City Manager Ramirez stated that as per council’s request, city staff also researched costs associated with including the installation of water meters to 800 city homes and businesses that do not have meters. The cost of installing each meter is approximately \$200.00. City Manager Ramirez presented two options to council: (1) Require local, unmetered property owners to pay for meter installation, or (2) Require city staff to continue looking for grant funds to absorb costs.

City Manager encouraged council to address issue of septic dumping. Mayor Knight expressed concern with illegal septic dumping; however, stated that the city is currently addressing this concern by securing manholes prohibiting illegal dumping. City Manager Ramirez encouraged council to address the issue of septic dumping soon.

Mayor Knight pointed out that proposed water treatment improvements will not improve the taste of city water. City Manager Ramirez stated that city water meets drinking standards outlined by the state. Mr. Ramirez stated that daily water samples are collected and provided to the California Department of Health Services (DHS) for analysis. Tony Chavarria described DHS' water sampling and monitoring process. City Manager Ramirez stated that DHS would notify city staff and residents of any hazards associated with drinking city water. Mr. Ramirez stated that the city's drinking water is not much different than bottled water. Mr. Ramirez also reminded council and public audience that city staff was successful in obtaining \$2.3 million to upgrade water lines throughout the city.

Council Member Sablan requested clarification on the total project costs. City Manager Ramirez and Finance Director Garay provided a breakdown of overall project cost. As per Mr. Garay, total cost is \$15 million which includes grants funds already received.

CORRESPONDENCE

None

CONSENT CALENDAR

3. APPROVAL OF MINUTES – The City Council meeting on April 16th, 2007, and Special Meeting on April 30th, 2007.

Motion to approve Consent Calendar, item 3, by Council Member Fannon, second by Mayor Pro Tem Marquez. Motion passed by consensus vote.

PUBLIC HEARING

4. PUBLIC HEARING ON PROPOSED WATER AND WASTEWATER RATE INCREASES:

Mayor Knight opened Public Hearing on Proposed Water and Waste Water Rate Increases.

Dr. Oscar Sablan, 1908 Vasquez Dr. expressed the importance for public to understand the project budget. Dr. Sablan suggested a powerpoint/overhead presentation or printed handouts of the budget be made available at the next council meeting.

Sean Howard, 1461 R St., former Mayor of Firebaugh/Council Member, stated that he was involved with initial improvements conducted 25 years ago. Mr. Howard requested staff to address the issue of TomaTek's participation in the proposed water/waste water treatment improvements and if TomaTek has a special rate agreement with the city. City Manager Ramirez explained that TomaTek does not have a special rate agreement with the city and that the city does not receive any domestic waste from TomaTek; however, receives industrial waste of 3.2 million gallons per day. City Manager Ramirez stated that the city is reimbursed for any related costs associated with receiving industrial waste plus a 20% service charge. The City Manager also pointed out that TomaTek would be required to pay appropriate rates as stated within the rate study.

Mr. Howard also expressed concern with the impact of proposed rate increases for the school district. Mr. Howard stated that the proposed rate increases would be punishing the school district and ultimately affecting the student's learning environment. Mr. Howard requested council to consider impact of proposed rate increases for the school district.

Mr. Howard requested information regarding the status of any outstanding balances by local residents and/or businesses. City Manager Ramirez stated city staff have addressed this issue and are currently working with a few clients to avoid shutting down access to water. Finance Director Garay stated that the total amount of

outstanding balances ranges from \$5,000 - \$10,000. Mayor Knight acknowledged that city staff has done a great job in addressing this issue.

Dixie Lindsay (Dixie's Alterations, 1071 "O" St., requested clarification on business rates increasing within the rate study. Mrs. Lindsay expressed concern with paying \$81.00 per month for water/waste water. As per Deputy City Clerk, Rita Lozano, Mrs. Lindsay's business does not have a water meter. Mayor Knight encouraged Mrs. Lindsay to contact landlord and request the installation of a water meter. Council Member Sablan requested Finance Director Garay to clarify rate increases affecting Mrs. Lindsay. Mr. Garay stated that he would need to speak with Mrs. Lindsay's landlord; Mayor Knight agreed to contact Mrs. Lindsay's landlord.

David Flores, 37647 W Behymr, requested city staff to describe damages, if any, to lift gates when Firebaugh Disposal Services conducts septic dumping and if residents are financially impacted. Tony Chavarria stated that septic dumping causes damages to pumps, distribution lines, etc. City Manager Ramirez explained that septic dumping is extremely problematic. Mayor Knight mentioned that the city has decreased allowable septic dumping to two accounts.

Josephina Magallanes, 123 Leyva Ave., stated that she would appreciate meeting agendas, including copies of any attachments provided to council members, be made available prior to and/or during council meetings. Mrs. Magallanes expressed support of the proposed project; however, also expressed concern with residents on a fixed income, especially the elderly, paying increased rates.

Dr. Oscar Sablan expressed concern regarding safety of tank located on Vasquez Drive in case of a chlorine leak. Finance Director Garay stated that this issue has been resolved. Dr. Sablan requested clarification of rates affecting the Riverfront Bed & Breakfast in comparison to other motels and apartment complexes. Mr. Garay explained that all motels and apartment complexes have meters therefore rates would depend on usage.

Dr. Oscar Sablan also expressed concern regarding the impact of proposed rate increases on the local school district, stating that schools must be physically and environmentally appealing for its students.

Finance Director Garay pointed out that whatever decision made by council will be reviewed and evaluated by USDA.

Pete Ramirez requested how much residents of East Side Acres pay per month. Finance Director Garay stated that East Side Acres residents pay \$15.00 per month. Mayor Knight highlighted variables why residents of East Side Acres pay a lesser amount.

Council Member Sablan requested clarification on Dixie Lindsay's situation. Council Member Sablan questioned how four business feed into one meter. City Manager Ramirez explained that in the past this was not an issue; however, businesses today have individual accounts but actually feed into the same meter. As per City Manager Ramirez, those businesses that are not metered would be required to pay an average cost which can be greater than actual usage. City Manager stated that the city will continue to address individual issues, such as Mrs. Lindsay's issue.

City Manager Ramirez stated that the city will waive fees associated with installation of water meters for local senior citizens.

Mrs. G. Rubio, 1792 Cline St., presented signatures of local residents opposing rate increases. Written signatures were provided to City Manager Ramirez.

Miguel Flores, 9624 N Dos Palos, stated that in 2005, the city raised rates then again in 2006. Mr. Flores requested information from city staff regarding total amount received by the city for sewage accounts. Mr. Flores stated that he had requested this information from city staff; however, never received any information. Finance Director Garay stated that the city currently receives approximately \$670,000 annually in waste water rates. Mr. Flores expressed doubt regarding the city's water being drinkable. Mayor Knight and City Manager Ramirez both stated that the city's water is drinkable and that issues regarding leaky pipes have been addressed.

Mr. Flores also raised the issue of \$100,000 that was "missing" or unaccounted for a few years ago from the city's general fund. Mr. Flores questioned why council stopped City Manager Ramirez from looking into the

matter further. City Manager Ramirez clarified that there never was \$100,000 “missing”. As per City Manager Ramirez, the city owed CalTrans approximately \$298,000 for overpayment received several years ago for the bridge construction. CalTrans has agreed to accept bi-annual payments, including a minimal interest charge, until balance is paid in full. Upon initial payment, CalTrans will release other grant funding to the city.

Council Member Fannon questioned what overpayment of funds was used for. Finance Director Garay stated that more than likely these funds were placed and used in the city’s general fund in 2000. City Manager Ramirez and Finance Director Garay clarified that this occurred prior to them coming on board.

Jack Minitte stated that representatives from Provost & Pritchard and Kennedy Jenkins provided great presentations regarding the proposed project; however, presentations did not include how improvements will address future growth of the city. Mr. Minitte also expressed concern with the impact of proposed rate increases for senior citizens, displaced workers, etc. Mr. Minitte also pointed out that as a business owner (Jack’s Prime Time Restaurant) it is becoming more and more difficult to stay in business. Mr. Minitte requested council and/or staff to provide a clear picture of overall project. City Manager Ramirez stated that the proposed project allows for 20-30% growth per treatment plant allowing more than 4.5 million gallons to be processed per treatment plant per day. City Manager Ramirez stated that in time the city will need to construct two additional water wells.

Miguel Flores also expressed concern with water line located along Clyde Fannon Road between Highway 33 and “T” Road. Interim Public Works Director, Ben Gallegos, stated that issues regarding leaks have been addressed and resolved.

Dolores Camacho, 1502 Saipan Ave., requested clarification of proposed rate increases regarding her apartment complex. Deputy City Clerk Lozano stated that Ms. Camacho’s property does not have a water meter and is charged per unit. Finance Director Garay stated that according to the rate study, Ms. Camacho will experience an increase in waste water rates; however, will also receive a decrease in water rates. Finance Director Garay encouraged Ms. Camacho to consider installing a water meter. Mr. Garay also pointed out that leaky faucets and/or toilets can increase water bill. City Manager Ramirez stated that staff is researching available funding to repair such problems.

Rose Westbrook, 6153 Berenda Rd., Pat Lancaster, 5698 Ave 7 ½, and Norma Fontana, 5804 Pamona Rd., expressed concern of proposed rate increases for families on fixed incomes living in East Side Acres. Mrs. Lancaster stated that council should have set monies aside to address needed improvements. City Manager Ramirez stated that the city has built up a \$1 million dollar reserve for water treatment improvements; however, does not currently have a reserve to address waste water treatment improvements. City Manager Ramirez also encouraged residents living in East Side Acres to contact their county Board of Supervisors encouraging collaborative effort to address their needs.

Mrs. Fontana also expressed concern with lack of growth of local businesses. City Manager Ramirez announced that city was successful in obtaining designation as an Enterprise Zone allowing businesses to receive tax credit.

Mrs. Fontana also requested clarification regarding the issue of “double hook-up”. As per City Manager Ramirez, the city is currently addressing this issue.

Esther Ramirez, 1754 Ramirez Drive, encouraged council to consider the impact of proposed rate increases on local senior citizens and families on a fixed income.

City Manager Ramirez reiterated that several areas within the proposed project could be removed reducing the overall project costs.

City Attorney Don Neufeld, informed council that existing rates can not be increased without completing this process. As per Mr. Neufeld, if council receives written protests by 51% or more of city residents, council is unable to move forward; however, if written protests are less than the majority, council can move forward with proposed rate increases. City Attorney Neufeld, stated that all written protests submitted will need to be verified.

City Manager Ramirez stated that staff has not received more than 150 signatures (*well below the majority needed to stop process*) opposing proposed rate increases. City Manager Ramirez stated that staff will still need to verify these signatures.

Mrs. Fontana questioned how residents were notified of tonight's public hearing. As per Deputy City Clerk Lozano and Mayor Knight, announcements of tonight's public hearing was included in individual water bills, the Shopping Guide Newspaper and posted at city hall.

Mrs. Fontana questioned if residents could submit additional signatures protesting the proposed rate increases. City Attorney Neufeld, stated that residents were informed and required to submit any written protests before the end of the public hearing.

Hearing no further comments and/or questions from the public, Mayor Knight closed the Public Hearing.

RESOLUTION NO. 07-19 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH ESTABLISHING RATES FOR THE WASTEWATER SERVICES.

RESOLUTION NO. 07-20 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH ESTABLISHING RATES FOR WATER SERVICE.

Mayor Knight emphasized the importance of council addressing the problems identified within the proposed project in a proactively manner.

City Manager Ramirez stated that staff has contacted Congressman Costa's office requesting \$500,000 for the proposed project.

Mayor Knight requested clarification on how additional grant funding could affect water and waste water rates. As per City Manager Ramirez, if additional funding is obtained at a higher rate than costs related to the overall project, the city would need to refund the difference to the funding source. City Attorney Neufeld, stated that any action taken tonight should be tentative then brought back at next scheduled council meeting allowing city staff to verify written protests. As per the City Attorney, council can modify tentative action at next council meeting. City Attorney Neufeld, stated that if council took action eliminating the Consumer Price Index, city would be required to repeat the process from the beginning to propose any future rate increases.

City Manager Ramirez stated that he agreed with legal counsel to verify signatures of written protests prior to council taking any action. Council Member Sablan expressed agreement with City Manager Ramirez and also requested staff provides council and the public with information reflecting changes to proposed project budget as previously discussed. Council Member Sablan encouraged staff to push for incremental increases, totaling 5%, over the next three years rather than a one time 5% rate increase. City Manager Ramirez stated that he would provide new information regarding available options at the next meeting.

Council Member Sablan requested the issue of septic dumping be placed on the next council meeting agenda. City Manager Ramirez stated that there are two local businesses currently dumping. As per City Manager Ramirez, council needs to address the following options regarding the matter: (1) Build a separate septic holding tank costing approximately \$300,000 or, (2) Remove septic dumping. Council Member Sablan also suggested the option of having businesses pay for new septic holding tank.

Council Member Sablan stated that she would prefer to wait until the next council meeting prior to taking any action on this matter. Council Member Fannon agreed. Council Member DeFrancesco questioned if proposed action would delay the project. City Manager Ramirez stated that council must take formal action prior to June 1, 2007.

City Manager Ramirez addressed issue of the 800 non-metered homes and businesses. City Manager Ramirez stated that costs associated with meter installation could be absorbed within the proposed project budget. City Manager also stated that local senior citizen's may qualify for installation of a free meter.

Pete Ramirez, 1754 Ramirez Drive, questioned if his tenants, mostly being senior citizen's, would qualify for a new meter. City Manager Ramirez expressed concern with installing individual meters within the same/shared property.

Jack Minnite, 5865 Eastside Ct., suggested city use utility tax to pay for installation of new meters.

Mayor Knight stated that this issue is very difficult to address and suggested staff provide additional information, as requested by council members, prior to the next council meeting. City Attorney INSERT LAST NAME informed council that the agenda item can be continued until the next meeting at which point council can approve a decreased rate increase or approve proposed rate increases. As per City Attorney INSERT LAST NAME, council can not approve an increased rate increase.

Mayor Pro Tem Marquez questioned City Manager Ramirez' approach to reducing other costs associated with proposed project. City Manager Ramirez stated that Interim Public Works Director is taking active measures to implementing a Preventative Maintenance Plan.

No action taken to approve RESOLUTION NO. 07-19 and RESOLUTION NO. 07-20. Agenda items continued to next council meeting scheduled 5/21/07.

OLD BUSINESS

None

NEW BUSINESS

None

PENDING ITEMS

- 5. **Emergency Disasters Plan** – A Draft Plan is currently being circulated for review and comment.
- 6. **Medical Retirement Benefits/Audit Report** – CPA Bryant Jolley is compiling information.

Council Member Sablan requested additional information regarding this matter. Council Member Sablan also questioned why this issue has been pending for more than six months. City Manager agreed to have Finance Director obtain another independent study assessing the matter further. Council Member Sablan questioned if there were a cap on vacation and sick time accrued by city employees. Finance Director Garay and City Manager Ramirez stated that it would depend on whether or not employees negotiated individual contracts with council. City Manager Ramirez agreed to look into the matter further.

Chief Lopez stated that city employees are allowed to use any unused accrued sick time to pay for Cobra benefits during retirement. Council Member Sablan questioned if this was in writing. Chief Lopez stated that it is included within the Memorandum of Understanding passed two years ago and council would need to negotiate any changes. Council Member Sablan requested item be placed on next council meeting's agenda. City Manager agreed.

Council Member Fannon requested clarification regarding Council Member Sablan's expressed concern. Council Member Sablan requested to review written policy. City Manager agreed to provide information at next council meeting.

PUBLIC COMMENTS QUESTIONS

None

STAFF REPORTS

- City Manager, Jose Antonio Ramirez :

As previously mentioned CalTrans agreed to enter a payment schedule over the next two years allowing city to pay outstanding balance with minimal interest charges. If council approves payment schedule, CalTrans will release approximately \$300,000, currently on hold, to the city. Finance Director Garay explained that payment schedule consists of two annual payments over a two year period. City Attorney advised council to bring item back on next council meeting's agenda.

USDA's Undersecretary is scheduled to visit City of Firebaugh. City Manager suggested arranging a luncheon in his honor.

City staff met with airport representatives to address concerns. City Manager agreed to share this information regarding the discussion with council at next council meeting. City Manager stated that there maybe a need to create a fee schedule for related airport fees.

COUNCIL ITEMS

None

CLOSED SESSION

None

ANNOUNCEMENT AFTER CLOSED SESSION

None

ADJOURNMENT

Motion to adjourn meeting by Council Member Fannon, second by Mayor Pro Tem Marquez. Meeting adjourned by Consensus vote at 10:45 p.m.

SUBMITTED BY:
City Clerk, Priscilla Meza