

CITY COUNCIL
PRE-MEETING WORKSHOP AGENDA
DATE: August 16, 2017
TIME: 5:30 p.m.

Present were Mayor Leon, Mayor Pro-Tem Tamayo, Councilmember Solorio and Councilmember Pimentel. Absent was Councilmember Plasencia.

Council went into closed session at 5:30 p.m. Council adjourned at 5:58 p.m.

CITY OF HURON/CITY COUNCIL/HOUSING AUTHORITY/PUBLIC FINANCING AUTHORITY

DATE: August 16, 2017

TIME: 6:02 p.m.

Regular Meeting Agenda

I. CALL TO ORDER/WELCOME:

Mayor Leon called the meeting to order at 6:00 p.m. Roll call was answered by Mayor Leon, Councilmember Plasencia, Councilmember Pimentel and Councilmember Solorio. Flag Salute led by Mayor Leon. Councilmember Plasencia was excused.

II. REPORT FROM EXECUTIVE SESSION: None.

III. CONFIRMATION OF AGENDA: No changes.

IV. CONSENT CALENDAR:

- A. Adoption of Minutes of Regular Meeting of August 2, 2017
- B. Adoption of A Resolution No. 1952 - of the City Council of the City of Huron Authorizing City Manager to Purchase and Equip Fleet Vehicles

MOTION: To approve the consent calendar by Councilmember Solorio, seconded by Councilmember Tamayo.

VOTE: Ayes: Solorio, Tamayo, Pimentel, Leon
Noes: 0
Abstain: 0
Absent: Plasencia

V. PRESENTATIONS: None

VI. ADMINISTRATION:

- A. *Subject: Discussion and Necessary Action on Resolution to Change Authorized Signers on City Line of Credit and Secure New Line of Credit for New Projects - **Neal Costanzo, City Attorney/Jack Castro, City Manager**

City Manager Castro reported the \$350,000 line of credit through WestAmerica Bank would be used for new project expenses so the city could be reimbursed by funding sources timely.

MOTION: To adopt Resolution No. 1953 – Resolution to Change Authorized Signers on City Line of Credit and Secure New Line of Credit for New Projects by Councilmember Leon, seconded Councilmember Tamayo.

VOTE: Ayes: Leon, Tamayo, Solorio, Pimentel
Noes: 0
Abstain: 0
Absent: Plasencia

B. *Subject: Discussion and Necessary Action on Results of Rate Study and Proposed Water Service Rate Increase – **Neal Costanzo, City Attorney/Jack Castro, City Manager/Dan DeMoss, CRWA**

Mr. Escandon, SUSP, provided a brief background and status of current water system. Water Plant II is 43 years old but still operational. Water Plant III built in 2001 is non-operational because it was scrapped after being 54% complete. Production has suffered because of this and the fear is that Plant II would give out and Plant III would need to be operated manually 24/7 as the computers were non compatible. Also the three PLC's are 17 years old and outlived their 10-year life expectancy and such upgrade would be approximately \$50,000. Having some MTU's is natural for receiving canal water. City Manager said the city needs a new water plant.

Dan DeMoss, SUSP, explained this company is the for profit arm of CRWA, created due to municipalities/agencies asking for help in their Water Departments and shared a power point regarding the need for a rate study to determine if the City was to complete Water Plant III using grant/loan financing with zero % interest for 30 years. At a cost of \$9.7 Million for a new plant \$2.7 Million would be loan. The City could propose an increase of approximately \$9.75 and \$8.75 for a total of \$18.50 to pay for the loan and operations management. As this had not been done in 2014 it would need to be done now to avoid hefty fines. He informed Council how that could be accomplished without burdening the entire cost of upgrades on the 860 water customers and asked Council to think how they would like this done. It needed to follow Prop. 218 process but the increase was necessary to show USDA the city was charging enough to pay off the loan. He felt the 8,000 gallon threshold was too high and the cost of production was not being recovered. He was willing to assist during informational meetings to educate residents prior to public hearings. Mayor Leon asked for a time line. Time was of the essence as city was under three compliance orders issued by SWRCB and needed to provide them with a plan of action. Councilmember Tamayo asked for an amortization schedule one year prior and special verbiage to educate the public.

City Planner Skinner emphasized the importance of upgrading the city's water system because any economic development or future infrastructure would be lost including the Plazcita. Without water there would be no projects of any sort nor a city. It is an expensive project but a necessary one. City Manager Castro concurred that a new plant was necessary and time was of the essence.

Mayor Leon concurred the rate study was necessary but Council needed to move carefully as not to alarm the community and find a way to alleviate the impact.

MOTION: Council to direct staff to complete a water rate study using CRWA and advise State Water Control Resources Board that the city was moving forward by Councilmember Leon, seconded by Councilmember Tamayo.

VOTE: Ayes: Leon, Tamayo, Solorio, Pimentel
Noes: 0
Abstain: 0
Absent: Plasencia

VII. **PUBLIC PRESENTATIONS:** None.

VIII. **CHIEF OF POLICE'S REPORT:** Chief Turegano reported on July's activities.

IX. **PUBLIC WORKS' DEPARTMENT REPORT:** Mr. Escandon, SUSP, reported school was in session and they had painted sidewalks, curbs and stop lines throughout town; AWOP would increase the number of participants; the 9th Street Reservoir was rebuilt at \$700 and an additional one would need rebuilding. New reservoirs were expensive so this was a savings to the city.

X. **FINANCE DIRECTOR'S REPORT:** City Manager announced the dais would be removed from the council chamber tomorrow and kept for future museum. Mayor Leon asked Mr. Escandon to start working on the museum. City Manager Castro reported there was no funds to pay for this project. Staff was directed to set up a meeting with Councilmember Plasencia regarding the museum on site to start planning. The budget session will be on 8-23-17 at 6:00 pm.

XI. **CITY ATTORNEY'S REPORT:** None.

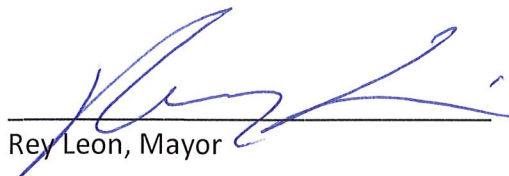
XII. **SENIOR CENTER SITE COORDINATOR:** Written report provided for June and July.

XIII. **CITY COUNCIL COMMUNICATIONS/COMMENTS:** Councilmember Solorio announced school started today. Councilmember Pimentel stated Jim Allen, was appointed Assistant Principal at the High School.

XIV. **ADJOURNMENT:**

MOTION: To adjourn the meeting by Councilmember Pimentel, seconded by Councilmember Tamayo.

VOTE: Ayes: Pimentel, Tamayo, Solorio, Leon
Noes: 0
Absent: Plasencia



Rey Leon, Mayor

ATTEST:


Juanita M. Veliz, City Clerk