



**MINUTES OF THE SPECIAL MEETING OF THE
RIDGECREST CITY COUNCIL AND
RIDGECREST REDEVELOPMENT AGENCY AND**

**City Council Chambers
100 West California Avenue
Ridgecrest, California 93555**

**June 30, 2010
6:00 p.m.**

This meeting was recorded and will be on file in the Office of the City Clerk for a certain period of time from date of approval by City Council/Redevelopment Agency. Meetings are recorded for the purpose of preparation of minutes.

CALL TO ORDER to reconvene from adjourned meeting of June 29, 2010 at 6:05 pm

ROLL CALL

Council Members Present: Mayor Morgan, Council Member Ron Carter, Tom Member Wiknich, Chip Holloway, and Jerry Taylor

Staff Present: Interim City Manager Harvey M. Rose; City Clerk Rachel J. Ford; Other Staff

SPECIAL SESSION – 6:05pm

DISCUSSION ITEMS

**1. Budget Review And Discussion For Fiscal Year 2010-11
Harvey Rose**

A Draft Budget for Fiscal Year 2010-11 was distributed to Council on June 2, 2010 for preliminary review and special budget hearings were scheduled to begin June 29, 2010. Public may view the draft budget by accessing the city of Ridgecrest website at <http://ci.ridgecrest.ca.us/index.aspx?id=118> or in person at City Hall, 100 W. California Ave.

Department Directors have prepared presentations to Council to be reviewed at this time. Council and Public will be given time to respond with questions and comments after each department presentation and the Special Meeting will be adjourned to other dates as needed to allow ample time for discussions. Council may approve the budget at the conclusion of Budget hearings.

Budget Presentation will be as follows:

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Public Works (Streets; Wastewater; Transit; Engineering)

- Harvey Rose – explained divisions within public works. Intention to reorganize building maintenance from Parks and Recreation into public

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works. New city engineer Loren Culp, budget has two engineers which are currently filled. Tax allocation bonds to be executed tomorrow and sales will close on the 8th. Budget fund of \$24,900,000 council will be able to access. Will bring forward projects for approval and public works will organize the projects over the next few years.

- Dennis Speer – gave PowerPoint presentation highlighting six divisions of engineering, streets, transit, wastewater, fleet, and administration.
 - Engineering – New city engineers working on planning, budgeting, design preparation, bid docs, project management etc. Goals are outlined. Activities and accomplishments for FY10 listed.
 - Streets Maintenance – Staffing and responsibilities; Goals and objectives; and activities and accomplishments were listed.
 - Transit – Staffing and responsibilities outlined including the vacant transit supervisor which is not to be filled this year. Program description including current fares was listed and joint city services within the area were highlighted. Funding sources were discussed including TDA Article 4, Article 8. Goals for 2010-11 were reviewed. Activities and accomplishments for 2010 were listed including revenues, operating revenue, fare box revenue and ridership.
 - Wastewater – staffing summary and responsibilities reviewed. Goals for 2010-11 outlined. Activities and accomplishments for 2009-10 including statistics of treated wastewater, compliance program, sanitary sewer management plan (SSMP), design build of new wastewater treatment plant.
 - Council Member Taylor – trend is water usage is going down, is that anomaly?
 - Dennis Speer – fluctuation from year to year.
 - Fleet Maintenance – Staffing and responsibilities reviewed.
- Dennis Speer – Resources for each division was reviewed including proposed budget figures and FY09-10 adjusted budget numbers. Street budget is reduces and Transit revenue is down. Wastewater has been increased to engage design and build engineering firm for new wastewater treatment plant. Fleet maintenance has been reduced.
 - Council Member Taylor – fleet maintenance, are we outsourcing maintenance.
 - Dennis Speer – in light of golden handshake and fewer vehicles requiring service.
 - Tyrell Staheli – typically all vehicles purchased out of fleet maintenance and ISF recoups those funds. Gas prices also down.
 - Council Member Taylor – police vehicles.
 - Tyrell Staheli – those are coming out of general fund.
 - Council Member Taylor – computers but not vehicles?
 - Tyrell Staheli – typically we do use ISF to help replace vehicles but not at this time.
- Dennis Speer – Perspective for streets is minimal: not optimal funding and no staffing or equipment requested. Refer to chart provided to council. Ensure council that though not making headway to improve street

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condition is following the pavement management study on how to spend the funds. Reviewed pavement management study and a 2005 pavement management system priority matrix. Spending money based on procedure to preserve streets based on PCI. Looking for streets that can be preserved and using slurry seal on those meet the study requirement. Pavement Management System flowchart for AC and RMAS reviewed. Estimated maintenance costs of streets based on type of street was presented.

- Dennis Speer – compliance issues include traffic engineer which is not addressed in the municipal code. This position patrols, planning, studies, night driving, sign inventory, PD Pm Design, CM, PW inspection, EP review/inspection, surveying, drainage CIP, SRTS, and PMS updates. New sign regulations and testing for reflectivity. Currently utilizing a WIA student to identify regulatory signs and is updating the sign inventory. Also have no design team for project development and implementation, inspection and plan check services, don't have survey capability. These are services that are costing funds. Don't have anything projected to implement drainage capital improvement program identified in master plan. Do not have mapping required by state law for safe routes to schools. Will try to implement in-house. Other systems are outdated and have not been updated. May come a time when a heavy hand from Kern COG or state will require we get these things. Positions in code identifies requirement for traffic and design engineer. Policies exist but are not organized or arranged and as time and staff permit will try to correct this.
- Dennis Speer – budget comparisons of other comparison cities street budgets and staffing.
- Dennis Speer - compliance and consequences in terms of traffic and streets programs out of compliance. We are at liability risk. Program penalties, if don't have people to do paperwork properly, may require repayment of all funds and automatic refusal of future funds.
- Dennis Speer – observations/recommendations/requests
 - Public Works Budgets
 - a. Operations – TDA-STAF- WW-CA WWTF #2 dollars suspended, eliminated.
 - b. Contingency – 10%
 - c. No Matching Funds
 - Public Work Expenditures
 - a. Staff – 1 Construction Maintenance Worker, 1 Design Engineer.
 - b. Service, Supplies & Equipment, WW + \$ GIS Mapping; Street Materials + \$.
- Dennis Speer – two years ago purchased inline camera for sewers and as we have run the camera have identified areas of sewers that will need replaced in near future. Expenditure of GIS mapping will assist with identification of locations of sewer pipes to be replaced.
 - Fixed Assets listed reviewed. Equipment list of street vehicles needing to be replaced.

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- Mayor Morgan – this has been an area of concern for several years. How many pieces of equipment are currently out of compliance and how many will be out of compliance in near future.
- Dennis Speer – everything on the list will have to be parked by 2015. Received a reprieve because an application for low population area was approved or most of these would already be parked.
- Mayor Morgan – couple of vehicles replaced?
- Dennis Speer – street sweeper and road patcher.
- Mayor Morgan – what about generators?
- Dennis Speer – one at city hall but all others have not been replaced.
- Mayor Morgan – portable generators will soon be out of compliance.
- Council Member Taylor – with this list, if take total replacement cost is approx. 140,000.
 - Mayor Morgan – retrofit is not reasonable?
 - Dennis Speer – that is correct.
 - Mayor Morgan – retrofit is not the right way to think about this.
 - Dennis Speer – cost prohibitive.
 - Council Member Taylor – 3 look reasonable, ½ ton pickup but specialty vehicles may not be able to go after any money. No ISF fund and not generating funds for vehicles, only IT.
 - Council Member Taylor – ask staff to identify what you want out of this.
 - Dennis Speer – this reflects limited TDA funds available.
 - Council Member Taylor – noticed did not have PMS system.
 - Dennis Speer – wanted to make council aware of things not part of this budget, written in list form. PMS is at top of list. Engineering firm for engineering services have proposed to do an updated PMS system but is not included in budget. Also there has always been interest in utilizing funds for carpool lane. Now have a new project manager for SCE and received several phone calls regarding that project. Verification, long beach office is headquarters for underground engineering. Tonight make statement; yes we have 2.5 million they could use to underground. They sent listing they need completed before can move forward. Not in a position to create engineering report of come before council to create district. Form district and turn over to SCE for engineering and move forward. Won't start the project until we demonstrate approved plans for Downs between Ridgecrest blvd. and Upjohn. Estimate \$100,000 cost. Can't proceed with SCE for underground without approved plans. This is not in budget.
 - Dennis Speer – also not in budget are additional traffic studies. Specific project of master plan are not in budget, equipment list discussed is not in budget. 2012 signage requirement and sign replacement requirements, we have grace that as signs become worn can replace but leave until 2012, then replace in 2012. Next year substantial cost for signage anticipated.
 - Dennis Speer – GIS mapping of sewers. As consultant comes on board and we have better understanding of what needs to be done, costs have not been budgeted.

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- Dennis Speer – Ridgecrest municipal code regarding traffic needs to be changed to reduce liability for city with respect to traffic engineer.
- Harvey Rose – for years have wanted to develop Transit maintenance center at corporate yards. Currently function is spread around inefficiently. Also USO building given to historical society included 3 outbuildings that currently house parks maintenance. These are to be turned over in 2012 and have no place for parks maintenance to be housed. At one time city put aside 400k to build the building but those funds are now gone.
- Dennis Speer – budget format has made progress. Identified a format that I am accustomed to which includes profit/loss and fund balances. Reviewed the format example. Important in streets to keep carry over fund balances maintained and a running indication of what is available. Current situation is working with expenditures and assumed revenues. This is essential if going to task budget manager to be accountable. Need monthly report for budget managers with near real time data.
- Dennis Speer – revenues and cost reduction proposals include street sweeping fees, assessment districts for new subdivisions, street lighting fees, Safe Routes to Schools (SRTS) reimbursements.
- Dennis Speer – appreciate council support for public works, positive outlook with new city engineer and engineering firm.
- Harvey Rose – add in order to make city budget balance (duplicate current budget next year) had to take cost of street materials for routine street maintenance, other equipment purchases out of development impact funds. Also reduced street lights and took savings by eliminating street sweeping program next year.
- Mayor Morgan – proposes recess and come back for questions.

COUNCIL QUESTIONS AND COMMENTS

- Mayor Morgan – probably will be difficult and drawn out discussion because a lot of things to consider. Propose to break down by division and begin with engineering division. Questions from the council then public.
- Council Member Taylor – capital requests. This seems to be unfunded list, what you have listed are considered to be the critical items of list. Engineering is relative to traffic, what is estimate of cost for PMS engineering services.
 - Dennis Speer - \$92k to \$160k. Engineering document but tool for street maintenance.
- Council Member Taylor – PSE for underground for SCE is this engineering shortfall of estimated \$100k.
 - Dennis Speer – correct.
- Council Member Taylor – explain PSE underground, what does that gain us.
 - Dennis Speer – 2.5 million only provides for utility companies for their contractors, no street paving included.
 - Council Member Taylor – not planning on widening road or doing improvement projects at this time.

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- Dennis Speer – correct however a time frame to use the funds. Can accumulate for several years but then must do something with it. Don't lose it but if becomes stale then they can transfer somewhere else.
 - Council Member Taylor – could end up with street widening issue. Trying to engineer section for right of ways and curb heights.
- Council Member Taylor – estimate for signage issue?
 - Dennis Speer – surprised did not have one at all, WIA person trying to update and provide inventory and have no idea of cost until inventory is complete.
 - Council Member Taylor – predict to be short for 2012.
- Council Member Taylor – sewer line repair, can we put on?
 - Dennis Speer – part of cost for design system and part work with them to assess size of program and probably entail bonding to pay fees for sewer.
 - Council Member Taylor – so if do analysis, then per capita?
 - Dennis Speer – existing system and future.
- Council Member Taylor – street sweeping impact on Ridgecrest blvd. Any part you would prefer over total elimination?
 - Dennis Speer – if asking a part that needs more often than other, yes there is an area that requires more attention.
 - Council Member Taylor – how much would you request be put back in budget?
 - Dennis Speer – none at this time.
 - Council Member Taylor – imply some money in the budget?
 - Dennis Speer – no, but not asking to put money back. There are historically areas that require more sweeping but am comfortable with budget eliminating street sweeper.
 - Council Member Taylor – cleaning out drains considered street maintenance.
 - Harvey Rose – have one neighborhood with private contract for street sweeping, if others come forward with private contract may consider.
- Council Member Carter – all needs are serious, budget process scares because not enough money. How much money from bonds will take care of your needs?
 - Dennis Speer – very little of bonds proceeds would provide operations needs for public works.
 - Harvey Rose – consults instruction on how money could be used and includes streets, drainage project, corporate yard, solar park. A number of projects revolving around this budget that could be done with bond fund.
 - Council Member Carter – want staff to work on list of what project bonds can support.
- Mayor Morgan – on street sweeper issue, we have 200k piece of equipment and will save money from dump fees however can't just let it sit because when we want to use it, it dies. Would like to make sure the unit will be utilized enough to keep it in good operation.
 - Harvey Rose – normally correct but sweepers tend to beat themselves up and have a relatively short lifespan. Habit of keeping old sweepers and using parts to keep at least one sweeper operation. Confident in staff to keep one sweeper working.

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- Dennis Speer – depending on how much money for street maintenance, work in conjunction with company to provide supplies but our crews prep and sweeper will be used under street maintenance budget.
- Mayor Morgan – may be delay in PSE for underground utilities but cannot consider widening that street correctly because of ball fields and Mather dairy. Am I incorrect?
 - Dennis Speer – no
 - Mayor Morgan – ok for a year with money sitting there.
 - Dennis Speer – yes.
- Mayor Morgan – engineering, need some amount of money for signage and PMS. Watch deadline come at us because we don't have money to fund, keep delaying and don't want to do this again.
- Council Member Holloway – engineering firm, what problems will that alleviate for you?
 - Dennis Speer – that firm is our design firm and allows us to proceed with design of projects pending to get them on the board. They are the link we do not have in-house. Can also do traffic engineering and project development. Goal is to file necessary documents thru TPA and other federal monies.
- Council Member Taylor – shovel ready projects and using RRA funds. Does the engineering firm fall under engineering or streets?
 - Dennis Speer – streets.
 - Council Member Taylor – what additional amount should we put into engineering funds to support the engineering firm for other shovel-ready projects? Example super Wal-Mart development plan could identify other projects and begin preparing them for construction.
 - Dennis Speer – typically 10% for design and 10% for engineering.
 - Council Member Taylor – how much capacity for projects?
 - Dennis Speer – example college heights is 500k is costing us 20% for engineering.
 - Council Member Taylor – how much additional shovel ready projects do you want to have available? Current bond list is relative to super Wal-Mart list. If we decide to go after other projects, had on the shelf ready to be constructed. Is there a number or is this not the year to put other projects on the shelf.
 - Dennis Speer – ARRA projects were funded, switched from STP to ARRA to fill the void. No out of pocket expenses for college heights projects. Identifying other projects for shelf-ready, need to identify other factors first.
 - Council Member Taylor – ok.
 - Harvey Rose – the bond issue does carry some specific streets in Wal-Mart region. Theory was money come from Wal-Mart into impact and then out to streets, using bonds funds because impact fund is more flexible. Can go back at a later date to identify PSE's. In past had list identified ahead of the game for Kern COG approval but not recently. Question Jim McRea has miscellaneous funds in infrastructure for unnamed street projects. If want to take 100k for PSE for Downs would be logical use for money.

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- Jim McRea – sufficient capacity for downs. 11 million in reserve.
- Council Member Taylor – want to make sure we have capacity to move on projects like Downs. Significant issue under development agreement with Wal-Mart, need to get paved. Due diligence, all for paying for road and not waiting on state to come help us.
- Harvey Rose – definitive list of projects from several years ago had approx. 80 million in asphalt jobs. 25million from tax allocation bonds will have discussed with of these 80 million of asphalt projects will be included. Have possibility of using that money for PSE for Downs.
- Council Member Wiknich – main point is need a couple projects engineered and on the shelf for future construction when funds become available. If going to do it, how are we going to fund it? Need that answer?
 - Dennis Speer – still suggest update PMS first due to federal audits, Caltrans was axed recently. Every municipality is required to have and utilize a PMS system.
 - Council Member Taylor – is added to infrastructure agenda.
- Mayor Morgan – engineering staff, are you ok with the current set up?
 - Dennis Speer – with new city engineer and engineering firm are staffed to do the projects.

PUBLIC COMMENT ON ENGINEERING

- Stan Retoraj – attended multiple infrastructure meeting to discuss PMS and roads. Really don't know how much in arrears because not updated in eight years. Be nice to know what streets need priority and how much arrears we have. Would like to see added to the budget.
- Howard Auld – are we in good shape for Lahontan district
 - Mayor Morgan – yes
 - Howard Auld – TTP, what is it?
 - Dennis Speer – not related to transit repairs.
 - Howard Auld – current market prices?
 - Dennis Speer – several years ago.

STREET MAINTENANCE DIVISION DISCUSSION

- Council Member Taylor – sealing wait till spring after rainy season?
 - Dennis Speer – paving season runs from April to fall. Rejuvenation of forces undertakes vendor to provide material are better off waiting to next rain season.
- Mayor Morgan – staff issues in this budget
 - Dennis Speer – we have minimum crew. Five people constitute minimum crew. We have five including supervisor. Liability of improper flagmen, signage and less than five you run risk of potential safety issues.
 - Mayor Morgan- not proposing increase.
 - Dennis Speer – based on amount of funds available to me. Was an increase but are down one construction maintenance worker from two years ago. Unfunded staff position.
 - Mayor Morgan – you do not have the minimum amount of people to do proper street maintenance.

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- Mayor Morgan – dollars allocated per project
 - Dennis Speer – dollars allocated equate to what should be if all streets were in line with PCI. Which they are not.
 - Council Member Taylor – multiple times, number?
 - Tyrell Staheli – 500k put back in from impact fees
 - Council Member Taylor – actually need 2 million?
- Mayor Morgan – do you have adequate equipment for street maintenance crew?
 - Dennis Speer – there is indication where we are at. Some replacement needed.
 - Mayor Morgan – first three are top three?
 - Tyrell Staheli – in budget have money for roller, dump truck, and fork lift.
 - Council Member Taylor – your price doesn't match and this list is three years old. It is less than what these numbers show three years ago.
 - Mayor Morgan – understanding monies do not match, if get these three items in budget, would you still recommend we try for the loader?
 - Dennis Speer – yes.
 - Mayor Morgan – striper a problem?
 - Dennis Speer – further down list but needs more maintenance
 - Mayor Morgan – crack filler ok?
 - Dennis Speer – yes the want filler is ok. Mixed results on the machine and the parking lot were practiced on. Infrastructure will be approached, may be something could be done with condition of streets. Require emulsion and aggregate. Exploring options that will be more effective.
- Council Member Holloway – latest on pothole patcher?
 - Dennis Speer – operational at this time.
 - Council Member Holloway – you cut about \$50k from asphalt budget, how will that affect pothole filling?
 - Dennis Speer – inherent with this machine and working on modification with Tulare, effective but has couple flaws. Two hoses at head with emulsion and aggregate mix, takes experience individual. One hose with aggregate which is abrasive has a way of shredding the hose. Metal sleeve adaption to preserve the hose. Estimate of 3 hoses per year. Our corp. yard people will turn the hose so time on hose is divided. Have had down time with replacing parts. Apart from that machine does good job.
 - Council Member Holloway – on this list, if in emergency situation can it be obtained as a short term rental?
 - Dennis Speer – everything could be rented but is expensive.
 - Council Member Holloway – discussion of joint with school districts and base. Base has some of this equipment. Can we work on a future deal with them?
 - Council Member Taylor – company that maintains the equipment on the base could be approached but need to think about it and come back with options. City was willing to help the base but is harder going the other direction.
- Council Member Taylor – capital request slide is different from what Dennis Speer is saying. Which list is preferred?
 - Dennis Speer – the capital request list.

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- Council Member Taylor – need current cost estimates, some is in budget and looking for unfunded items.
- Dennis Speer – understand the dump truck roller and forklift portion is in budget
- Harvey Rose – when discussed, we intend to purchase used equipment.
- Dennis Speer – issue is air quality with used equipment and shortens the life of the equipment.

PUBLIC COMMENT

- Howard Auld – where is the dump truck
 - Dennis Speer – it is in the budget
 - Howard Auld – why do you need the roller?
 - Dennis Speer – when you do patching with overlay or RMS need to roll it.
 - Council Member Taylor – Ridgecrest blvd. cap was rolled.
 - Howard Auld – for one specific purpose or long-haul need?
 - Mayor Morgan – current roller is coming up against California air resource board air quality regulation.
- Stan Retoraj – color of money issue on page 42 of preliminary draft budget, transfer of traffic impact fees. What are rules of using traffic impact fees, thought was for improvement and did not see anything in presentation but maintenance.
 - Harvey Rose – impact fees was created to fund needs other than labor.
 - Stan Retoraj – page 42 there is 1.3 million in street maintenance that includes at least 618k of non-labor?
 - Tyrell Staheli – correct.
 - Stan Retoraj – amount of money differs, is this update from budget? 500k for street supplies and 1.3 million for streets
 - Dennis Speer – numbers proposed on far right, budget committee review summary proposed budget for FY10-11. 500k is included in 1.3 figures.
 - Stan Retoraj – if go back to 2003 PMS indicates need 128 million and if redo study today may go as high as 200 million. We are giving streets budget less than 1% of what is needed. Really no reason to allow street to get below 40 PCI because costs go up dramatically. Don't know cost to keep roads above 40 and don't have PMS. Suggest giving streets less than 1% of what they need is sad. Let's try to keep all streets above 40 because don't have the money to replace those currently below 40 PCI.

FLEET MAINTENANCE DIVISION

- Mayor Morgan – staffing current?
 - Harvey Rose – garage foreman and mechanic. Mr. Cornelius was replaced with journeyman mechanic. Same number of people.
- Mayor Morgan – building?
 - Harvey Rose – one building and one outdoor space under cover. Overall yards are lousy example of garage maintenance facility.

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- Mayor Morgan – do we have adequate funds for parts and pieces. Do not have lift for front wheel drive vehicles that has been requested for past three years. In your opinion have we adequately funded fleet maintenance?
 - Dennis Speer – unless there is an emergency. Same budget as last year.
 - Harvey Rose – in past contracted to local garages for special services and UFCW MOU specifies how we will do this.
- Council Member Holloway – recent trip and went to fill up vehicle, pile of boxes of computerized inventory control system for over a year. Staff is so behind, do we need to subcontract that to be installed?
 - Dennis Speer – in progress, vendor contractor will provide installation and should be up and running in about six weeks.
- Council Member Taylor – what is cost for upgrades to yard?
 - Harvey Rose – we have over years come up with different costs. If we include transit system and new parks maintenance, modify old building and put in pole barns total cost was four million. Expected to do pieces as we could afford it. Parks will be on streets in two years and transit would be better off at one facility
 - Council Member Taylor – any general funds or bond engineering or just RRA funds.
 - Harvey Rose – engineering could be funded from bonds. Design build for industrial building was looked at several years ago.

PUBLIC COMMENT – NONE

WASTEWATER DIVISION

- Mayor Morgan – wastewater is flush but need to understand the funds previously borrowed and being paid back need to stop doing that.
 - Harvey Rose – in past have said not a good idea to depend on internal borrowing. One significant 2million loan by RRA from wastewater to be used to help develop Business Park, purpose was to try to protect RRA funds from state. History if RRA funds were committed to debt services. Last governor changed that and current governor has followed. State continues to take from RRA. RRA has been paying back the loan and is not an issue.
- Mayor Morgan – wastewater enterprise fund collected thru fees, we believe that engineer will put plans on the shelf and also have process for camera system to look at current sewer lines. Undetermined cost for replacement of lines will wipe out the fund. How much money is that?
 - Harvey Rose – hit a peak at around 11 million. Last time (dozen years ago) analysis indicated replacement cost and indicated should be increases over time. Need to do a rate analysis. Water district did rates analysis. To be eligible for EPA and state funds for new plant, have to do current rate analysis. That is one project you should do that is not currently in the budget.
 - Dennis Speer – is in the budget.

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- Council Member Holloway – alfalfa figures discussed. How many gallons of effluent used for these fields. Net benefit but think in new era might be better off working with water district to clean up and use as water source. Sanitize and make useful.
 - Harvey Rose – offered to water district several years ago, looking at price between different types of plants. Proposed water district they partner with us and pay for part of new plant to increase plant capability. Was discussed and understand political and psychological impact to customers knowing that effluent was part of their water and the district was not interested in pursuing at the time.
 - Council Member Holloway – interested in technology to clean up and sell for other uses.
 - Council Member Taylor – staff also discussed use with solar millennium.
 - Council Member Holloway – wastewater maintained ownership of our effluent when we wanted to use it.
 - Harvey Rose – have talked with solar companies for several years. They wanted all of our effluent and we agreed. Last proposal was they build new treatment plant on lease back plan with effluent and they were open to the proposal. At some point they were forced to consider a dry cooling system rather than wet. Recent hearings are discussing wet cooling systems.
 - Council Member Taylor – significant water system for cleaning. Piping would be further but not unreasonable. Technology looking at recharging the aquifer.
 - Harvey Rose – correct. Also approached by Searles Minerals who need water supply and have pipeline in place. They wanted effluent. Years earlier had made a proposal at that time and more recent proposal nothing came of it. Water district was concerned about taking the resource out of the area but did support Searles Mineral proposal. No offer was made and if solar millennium wants it then would be excellent deal for city. Discussion of continuing alfalfa fields. That is ideal site for new plant; you may be giving up fields anyway.
 - Mayor Morgan – Lahontan agreement was alfalfa fields. Change is good.
 - Council Member Taylor – also need to look at other organization we accept waste from and make sure fee structure is balanced.

PUBLIC COMMENT - NONE

- Mayor Morgan – we can't operate this system below 10%
 - Dennis Speer – that is correct, state mandate. Also mandate you provide transportation before using dollars for streets. As long as making progress, TDP suggested the obvious and tri-annual reports with recommendations. Said need to do a flex route. Selling time not space. Need to have seats occupied. Flex route led to transition plan that has been before council. Two kinks, staffing low and loss of state money. Estimates require me coming back for 100k – 150k. Down to 900k and that will be cut by 20% and more the following year. Now down to 750k. Actual amount won't be known until study is done.

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- Mayor Morgan – why have you not suggested a rate increase? I believe the rates need to be increased. We are receiving less money from state and are at 6.4% and need to be at 10%. Only way to make system survive is a rate increase.
 - Dennis Speer – rate increase two years ago saw ridership drop. Same time the rate increase was approaching mid-upper range for comparable rates.
- Council Member Carter – there was a time funding from county was used to make up the 10%.
 - Dennis Speer – not permissible to add contract to fare-box ratios. Did that until a few years ago until I came here and pointed out that the procedure was incorrect.
- Council Member Holloway – been asking for five years, ridership figures broken down to number of people riding multiple times.
 - Dennis Speer – new software will be able to give those reports after a full year of use.
 - Council Member Holloway – told previously that could not use cab service to supplement transit. Can you check on that?
 - Dennis Speer – two cities doing it now, can be done. If you have the vehicles and drivers, is additional burden to budget. No longer have to provide dial-a-ride service. Doing it with deviated fixed route.
- Council Member Taylor – page 43, overhead transfers?
 - Tyrell – covers general fund, self-insurance overhead costs.
 - Council Member Taylor – same page beginning balance carried forward?
 - Tyrell Staheli – no uses it all, balance forward would be zero.
 - Council Member Taylor – potential problem next year.
- Council Member Holloway – county contract a wash?
 - Tyrell Staheli – yes, if they cut service off won't matter to us.
- Council Member Wiknich – Program description rates. Explain county being less?
 - Dennis Speer – when we raised our rates, county did not raise their rates. However they pay us and cause them to pay more. We know if you are county or city citizen and charged appropriately.
 - Council Member Taylor – cost is where being picked up from not where they live.
 - Dennis Speer – still get full reimbursement.
 - Council Member Wiknich – page 22, staffing transit reduced by two positions yet page 50 labor costs still high, doesn't appear to represent loss of two positions.
 - Tyrell Staheli - one is a full time reduction and the other is a part time employee reduction. Accounted for one part time employee with full time hours, salary amount is similar. Will look into that.
- Council Member Taylor – page 11 of fee structure, Inyokern route and normal single ride are same on schedule. Not sure if PowerPoint is what we go by or what is on the table.
 - Tyrell Staheli – Inyokern should be lower.

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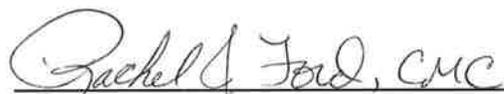
- Council Member Wiknich – we know extra cost to pick someone up at Inyokern is appropriate when we ask for reimbursement from county.
 - Dennis Speer – yes. All factors are in formula for calculating the fee.
- Council Member Taylor – we bill actual trips to county?
 - Dennis Speer – yes, based on formula in the agreement.
 - Tyrell Staheli – actual rides are logged.

PUBLIC COMMENT

- Dave Matthews – about two years ago used transit system with late wife for wheelchair. At that time fare for handicapped was \$1.00 for passenger and attendant rode free. Rate increase was shortly, does the attendant ride free.
 - Mayor Morgan – yes
 - Dave Matthews – was willing to pay my own fare which would increase the fare box.
- Craig Bradley – software tracks exact cost per mile and is very precise.
 - Council Member Taylor – does that mean we would have a good idea of distribution of ridership now?
 - Craig Bradley – yes that information is in the database. One year in 15 days.
 - Council Member Taylor – interested in looking at that information in infrastructure meeting.
- Council Member Wiknich – online search for building officials, senior is between 60k and 100k.
- Council Member Taylor – take list and update current capital costs.
- Mayor Morgan – how much time will staff need to make adjustments? May or may not pass budget tomorrow night depending on adjustments. May do a continuing resolution to continue to pay the bills in new fiscal year.

ADJOURNMENT

Meeting adjourned at 9:27pm to reconvene tomorrow at 6:00pm on July 1, 2010.



Rachel J. Ford, CMC - City Clerk