



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

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

**July 11, 2011
5:30 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 solely for the purpose of preparation of minutes.

CALL TO ORDER – 5:30 p.m.

ROLL CALL

PRESENT: Mayor Ronald H. Carter; Vice Mayor Jerry D. Taylor; Council Member Steven P. Morgan; and Council Member Jason Patin

ABSENT: Mayor Pro-Tem Marshall 'Chip' Holloway

STAFF: Kurt Wilson City Manager; Rachel J. Ford, City Clerk; Keith Lemieux, City Attorney and other personnel

APPROVAL OF AGENDA

Motion To Approve Agenda Made By Council Member Morgan, Second By Council Member Patin. Motion Carried By Voice Vote Of 4 Ayes, 0 Nays, 0 Abstain, 1 Absent (Council Member Holloway).

SPECIAL SESSION – 5:30 p.m.

- Pledge Of Allegiance
- Invocation

WORKSHOP DISCUSSION – 5:40 p.m.

1. Workshop Discussion Of Red Oak Wastewater Proposal

DISCUSSION – ITEM 1 – 5:40 p.m.

- Dennis Speer – gave staff report.
- Mark Hildebrand – PowerPoint presentation from Red Oak Consulting, sub-consultants to Provost and Pritchard who are consultants for the new

wastewater treatment plant. PowerPoint reviewed financial planning, current rates, reserve levels, and projected capital spending scenarios. *(copy on file in the clerk's office)*

- Jerry Taylor – asked where the construction estimate came from
 - Mark Hildebrand – based on replacement cost of all pipelines over a number of years at today's costs.
- Steve Morgan – did you get the \$40 million estimate from the previous study discussions? You mentioned to get the financing we have to have the rate structure but until we know what we are going to build we can't get the rate structure. Appreciate you working with the consultant to get the numbers together but want everyone to be clear this is based on a \$40 million dollar upgrade that may or may not occur.
 - Mark Hildebrand – this is just a scenario of what could be the plan if the previous proposal is actually constructed.
- Steve Morgan – rates have not been upgraded because we did not have a plant to build but reality is that rates will go up. Confused as to the higher costs.
 - Mark Hildebrand – in the second scenario which is a delayed build the rates are lower than if you build immediately. Overall rates will have to go up to the same amount regardless of the increased reserve but could save some money by deferring construction but there are engineering risks in deferring.
- Jason Patin – surprised that we have not increased rates in 17 years, even knowing that we were going to have to construct a new facility. If we had started years ago and compounded it would not have been so painful to citizens.
- Steve Morgan – discussion was held and council wanted to cut the fee about 10 years ago because we did have the reserves at that time. Now are planning for the future.
- Jason Patin – had we done this then would not have to borrow as much now to build the new facility. Not comfortable with a 200% increase to the rates.
- Jerry Taylor – see both sides of the argument. Look to staff for us to work thru the engineering with regards to the collection system. Concerned about \$1 million per year probably won't be enough to maintain a 60 year old infrastructure. Very possible those costs will be higher and will result in increase fees to cover those costs. Good information but when actually looking at rate development will need engineering analysis and understanding of replacement rates. Will need to have the equivalent of a 218 hears. Lancaster facility being built, do you know what their rate was before?
- Mark Hildebrand – they have 2 rates because they have a collection system and a treatment system. The rate is new and intended to help finance the new plant.
- Jerry Taylor – looks forward to identifying the costs and starting the process for adjusting the rates. Is this a prop 218 process?

- Kurt Wilson – yes
- Mark Hildebrand – can set a market but not beyond 5 years for rates then have to revisit. Can do 3 years or 5 years tied to the market but can't go beyond without hearings.
- Jerry Taylor – gave scenario of rates structure.
- Mark Hildebrand – advisor to city, absent solid number on plant and what it will cost, many cities could not get rates in place because waiting for plans to come thru. Can look at reserves to establish a healthy level.
- Jerry Taylor – cost of money if we raise the rate to build reserve, can't invest. Look to staff to understand the financial advantages to us to raise the rates now and build reserves then not have to borrow as much later. If economy overheats and interest rates go up then we could be borrowing at a higher rate. Is it reasonable to start raising rates now to lower debt service costs later?
- Jason Patin – agree with Jerry Taylor.
- Jerry Taylor – this is a fund that can be borrowed but has to be paid back.

PUBLIC COMMENT – ITEM 1 – 6:05pm

- Dave Matthews – first, the reserve fund being discussed is the wastewater fund which we keep borrowing money from. Was mentioned that it has been about \$11 million and will decrease by \$5 million this year and want to know why. Secondly, commercial rates have been based on water usage from previous year. Is that a useful calculation in the future with the water district encouraging water conservation?
 - Jerry Taylor – not based on 100% of usage but based on a percentage of what does go into the sewer system.
 - Mark Hildebrand – regarding conservation, there are 2 separate meters indoor/outdoor and commercial will be charged by what goes into the sewer system. Rates should go hand-in-hand with usage.
 - Dennis Speer – this is overview of rate study, entire financial plan will be coming back to council at a later date with multiple categories and variable rates based on type of businesses.
 - Jerry Taylor – cannot raise the rate if we don't understand how it is set. We cannot negotiate relative to the new plant specifics such as leasing the land. Need to understand the rates when negotiating with the base.
 - Dennis Speer – need to have a real property interest to attract funding sources and current agreement with the Navy for treatment we cannot approach them with rates until we take care of our own accounts.
 - Dennis Speer – capital spending of the wastewater fund covers the consultant contract, the GIS mapping system, and improvements to the collection system.

- Skip Gorman – first discussion about a month ago was interesting. Raising rates judiciously with an eye on the future. We daydreamed about building a new plant many years ago. Was surprised that commercial fee is computed with an eye on water usage, sounds like a good idea. Should be a universal structure with residential. Would support that type of rate structure. Glad to hear these discussions, let's make this happen during our lifetime.
- Howard Auld – been a staunch defender of enterprise fund. Understanding thru the years that the enterprise fund has been increasing and rates not raised because it was taking care of itself. Surprised to hear now that the fund is a break even situation and not paying for its-self. How much is in the reserve. At one point it was \$20 million. Second question is how does the Navy fit into this arrangement, could be sharing of expenses.
 - Dennis Speer – it is an enterprise account with approximately \$10 million in reserve, only have \$6 million available to go toward the collection system and have to keep a reserve of \$4 million. Estimated new plant would cost between \$40-\$46 in today's money. With respect to how Navy fits in, we treat the base facilities water. We have permission to operate the facility on the base and treat about 30% of the base water. Amount they pay for the agreement is about 18%.
- Manuel Farmer – on the chart showing single family dwelling higher than multi-family.
 - Dennis Speer – that is per unit costs.
- Howard Auld – understand current relationship with the Navy, just wondered if Navy could share some expense for the construction since it is their plant also.

COUNCIL DISCUSSION – ITEM 1

- Jason Patin – if Navy owns the plant, would new agreement protect us if we build a new plant on their property?
 - Kurt Wilson – yes.
 - Jerry Taylor – need to get the rates set early in order to begin negotiations with the Navy because will be a long process.
- Jason Patin – we had a rate increase on septic dumping into the system, how is that factored into these figures?
 - Steve Morgan – revenue over a 3 year period is fairly small. Not based on property value.
- Ron Carter – appreciate the discussion, thank you for being here.
 - Jerry Scherer – consultant with Provost and Pritchard, just here to get feedback from council.

2. Workshop Discussion And Staff Presentation Of Committee Structure

COUNCIL DISCUSSION – ITEM 2 – 6:30pm

- Kurt Wilson – gave PowerPoint presentation regarding current committee structure and alternative suggestions. (*copy on file in the clerk's office*) Identified negative impacts in the current structure and challenges resulting from having council and planning commissioners as committee members, staffing shortages, conflicting directives, etc. Recommended a modified committee structure which removes council members and planning commissioners from the committees and each member appoint a member of the public to represent them on committees. Also would consolidate some boards with others such as the construction appeals board could also be part of the planning commission.
- Jerry Taylor – advantage to current system is the experience gained for planning commissioners and council. Previously questioned the need for committees, but this is an opportunity for council to interact with members of the public and discuss issues. Have no problem with changing things slightly, could come to full council but would want it at a regular meeting. Is a need for some committees to go away and am sensitive to staff time. Perhaps noon meetings for staff but then have less public participation.
- Ron Carter – have shifted gears over the past year and a half. Originally did not want to change anything but looking at a commitment council made was to not meet unless there is an actual item to be discussed. Number one concern is staff shortages. Having staff members spending 2 days to do committees when they should be doing their jobs. Ready to move in the direction to appoint citizens on the committees which will put community leaders into constructive positions.
- Jason Patin – staff time is a big concern and some of these could be eliminated or consolidated. Interested in knowing what public has to say on a larger scale, what it would mean to them to remove council members from the committees. A committee with no elected officials making decisions of what will come to council. How will the process happen? Is this what the citizens really want or do they want the council on these committees. Do agree it needs changed but not sure what that change will be. Counting on public input, how does public think they will have the greatest voice. If they want to be committee members then great, let's move forward.
- Steve Morgan – when city had the committees listed in the ordinance, we wanted to create a different way of doing the work. Council committees are set up to provide a working relationship between the elected officials, staff, and public to do the groundwork in a non-threatening environment. Technical expertise, staff, council, public working together to lay the groundwork. Minutes available to everybody in the public so anyone who did not attend and has a comment or concern they can get copies and see what was done. Very inclusive process which allows the formal work to be done at council meetings. If we eliminate

committees and laying groundwork here and items are sent back to committee and each time a different member of the public brings up ideas and items are sent back to committee again. Committees should not be making their own scope of work. Some council doesn't like that we allow staff and city manager to bring their own items to council without it going thru committee but this is an administered process. Committee members are allowed the same training as Council Members. Gave scenario of acronyms and how discussions and knowledge gained thru training is used. If members of general public are on committees they need to be educated and staff would have to do the educating. Each time a new member is appointed then training begins again. Elected are stuck but only because we want to be here. It would behoove us to redefine the function and work to be done in committees. System is cumbersome because if one committee discusses a topic then must come before council who vote to send to another committee to speak on that topic but can't be the same discussion, only their individual function. If we eliminate committees will have to meet every Wednesday to lay groundwork and then have longer council meetings. Not sure if that would help staff and be prepared to be here until 2am to get the work done. Agree to redefine the committees and may need to change the rules to the committee process. I like the committee process because it gives the opportunity to sit with the public eye to eye or hold a dinner meeting/townhall to talk with public about issues. If staff will allow me to buy dinner then willing to do that. Would like to see the definitions and if we need to combine functions. Community development committee is the economic development and planning and zoning committee from the past. That is all they should be talking about and only when there is something to discuss. If there isn't something to talk about then they don't meet. Current committees have been consolidated once, could do so again. Willing to look at reorganization but not committed to eliminating committees.

- Ron Carter – agree with all the comments, this is difficult to work with and have tried different things. Last reorganization created quality of life committee which encompasses everything in the committee and don't want to lose some of this. Maybe it's time to take a Saturday and reorganize and find a way that we can stay focused. Interested in restructuring down to 3 or 4 committees.
- Jason Patin – like what is being said, if going to keep then need to keep the big 4 and move those that rarely meet could be moved into other committees. Not opposed to eliminating but everyone would need to be prepared for longer and more council meetings and don't want public to feel that they have lost the communication.
- Jerry Taylor – appointed my planning commissioner to the other committees.

PUBLIC COMMENT – ITEM 2 – 7:00 p.m.

- Barbara Auld – have spoken to all of you and attend committee meetings. Would hate to see these committees disbanded because it is important for the public to participate. If you want to tighten or focus the structure that's fine, but each council candidate should attend committees and council meetings before they try to become a council member. Great for the public and community involvement.

- Jason Patin – do you think if council is removed would there be value or would it be better as a citizen committee.
- Barbara Auld – didn't think there was a problem with the brown act but if so then more inclined to limit it to one planning or one council member.
- Dave Matthews – total elimination is out of the question. Thanked Steve Morgan for the synopsis of the committees. Often wondered why only planning and council on the committees but training makes it understandable. Don't think council and planning should be eliminated completely because they have a better feel of what is going on in the council and can maintain direction and throw out what doesn't belong in the meeting. At one time there were volunteers on some of these committees. Speaking for a couple of the planning commissioners, there are not in favor of total elimination because it eliminates the workshop environment which is productive. Been to a number of committee meetings and the one that has the largest participation is quality of life committee when looking at community events. Modification maybe but elimination is a no.
- Howard Auld – Ray Thurm attended all the meetings, now beginning to feel like Ray. Agree with Steve and Dave. Elimination of committees is not acceptable, committees study matters thoroughly and came up with solutions that had not been thought of before then make recommendations to council. Gave scenarios from past committees. Many issues taken up ahead of time and resolving problems before it came to council. Saves council a lot of trouble on emotional issues. Agree with keeping the committee system.
- Ron Carter – would like to get the committees down to 2 or 3 and would like staff input to city manager. Looks like we are headed to reorganize and define and reduce the number of committees. Appreciate Steve's comments.
- Jerry Carter – recommend city organization going away. Quality of life and economic development are opposites. Infrastructure is open to ideas.
- Ron Carter – infrastructure/City Org and then Community Development/Quality of Life combined.
- Jerry Taylor – personnel and others are less used so could be assigned to planning commission.
- Ron Carter – of the 4 committees there are 2 that don't always meet. Do we need the RACVB report on the agenda?
- Jason Patin – would want Chip to comment but doesn't bother me.
- Jerry Taylor – report could be sent as email and occasionally give a report like an annual report.
- Jason Patin – like to hear from staff.
- Ron Carter – noon time meetings still get the same number of people attending and are successful. Still in discussion stage but good progress.
- Kurt Wilson – what format would you like this to return?
- Ron Carter – last time was a Saturday morning session which seemed more relaxed and had good attendance. Informal Saturday would be helpful.
- Jerry Taylor – would ask that we have an opportunity at full council meeting to solicit input before the Saturday meeting. Looking at the idea that a regular meeting may generate different public comment.

PUBLIC COMMENT - GENERAL

- Barbara Auld – thanked all the people who cleaned up the medians on Downs street and also the rotary sign is beautiful.
- Dave Matthews – special quality of life committee meeting and understand they will discuss the parks consultant who is looking at refurbishing the parks. My understanding was the consultant was to hold public information gathering, and if this quality of life is it then it is insufficient. There are people who want to comment on the item that will not be available for a noon meeting.
- Howard Auld – comments made about staff, Barbara and I are still working hard to find ways to get money. City has to get the money to have sufficient staff to not have furloughs and be closed on Friday's. hopefully will be having a meeting with Kevin McCarthy.

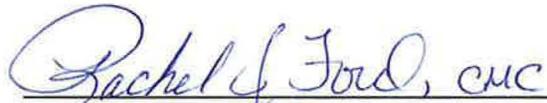
CLOSED SESSION

GC54957 Personnel Matters – Public Employee Performance
Evaluation – City Manager

REPORT OUT OF CLOSED SESSION

- No reportable action taken.

ADJOURNMENT at 8:30 pm


Rachel J. Ford, CMC, City Clerk

