

MINUTES OF THE REGULAR MEETING OF THE TRINIDAD CITY COUNCIL
WEDNESDAY, OCTOBER 12, 2011

I. CALL TO ORDER/ROLL CALL

- Mayor Bhardwaj called the meeting to order at 7:00PM. Council members in attendance: Morgan, Miller, Fulkerson. ***Davies was absent.***
- City Staff in attendance: City Clerk Gabriel Adams, City Manager Karen Suiker, City Engineer Steve Allen and Rebecca Crow, and City Attorney, Sarah Hauck.

II. PLEDGE OF ALLEGIANCE

III. ADJOURNMENT TO CLOSED SESSION – *No closed session scheduled.*

IV. RECONVENE TO OPEN SESSION

V. APPROVAL OF AGENDA

- Pull item #5 and 7 for discussion at a future meeting.
Motion (Miller/Fulkerson) to approve the agenda as amended. Passed 4-0.

VI. APPROVAL OF MINUTES – August 10, 2011 cc, September 14, 2011 cc, and September 28, 2011 scc
Motion (Morgan/Fulkerson) to approve August 10 and September 28 as submitted. Continue Sept. 14 to the next meeting for review. Passed 4-0.

VII. COMMISSIONERS REPORTS

Morgan: Nothing to report.

Fulkerson: Nothing to report.

Miller: Nothing to report.

Bhardwaj: HCAOG discussed State law that was recently passed allowing Tribes to join Associations of Governments. .

VIII. STAFF REPORTS

Karen Suiker – City Manager

- Summarized staff report included in the Council meeting packet.

IX. ITEMS FROM THE FLOOR

Jim Cuthbertson – Trinidad

The light at the corner of Scenic and Main Street needs to be replaced. It is extremely dangerous for pedestrians and vehicles navigating the intersection.

X. CONSENT AGENDA

1. Staff Activities Report through September 2011
2. Financial Status Reports for August 2011
3. PG&E Contract for Relocation of Streetlight
4. Acceptance of Bid and Project Award from Whitson, Inc. for the Water Treatment Plant Monitoring Upgrade Project.

Motion (Fulkerson/Miller) to approve the consent agenda as submitted. Passed 4-0.

XI. AGENDA ITEMS

1. Discussion/Decision regarding Draft Water Rate Structure Proposals

City Engineer Rebecca Crow presented the preliminary results of the water rate analysis being conducted for the City by Winzler & Kelly. Questions and discussion from the August and September Council meetings were taken into account when rate scenarios were being developed. Fourteen rate scenarios were run and four alternatives are included in the presentation.

All alternatives eliminated the minimum volume of water (currently 300 cubic feet) being included with the base rate. The alternatives evaluated both a 25 % and 10% differential between the in-City and out-of-City customers. As expected as the percentage difference decreased, costs were shifted to in-City customers. Several types of consumption rates were also evaluated, and included a uniform rate for all water, rate blocks that increased by 5%, and rate blocks that increased by 10%. As the difference between the low end rate blocks and the high end rate blocks increase, costs are shifted to higher volume users.

Different base rates were considered. The higher the base rate, the more stable rates are and less susceptible to decreases in water use decreasing revenues. However if the base rate is too high, there is less incentive to conserve. In general, as more of the system costs are recovered through the base rate, costs for the lower end users increases, while high volume users see a small reduction. There is little information available to predict the exact impact of increased rates on water use, but experience in other communities has shown over time that as rates increase people will use less water. One item for Council's consideration is to increase the revenue requirement to account for potential 5 – 10% reduction in water use. Once the presentation has been reviewed with council and questions answered, the next steps will be to select a final rate scenario and then to complete the Proposition 218 public noticing and protect hearing process.

Public comment included:

Jim Cuthbertson – Trinidad

How and why did the City get into a \$100,000 deficit when the budget has been balanced over the last 5 years? How many employees does it take to run the treatment plant?

Council comments included:

Bhardwaj: New projects that the Water Department is working on should be clearly explained. Like sales taxes, someone will always be stuck paying for services that government provides. Not everyone will be happy. However, very concerned with how proposed rate will impact Trinidad School. Their rate will triple. We should look into a different structure for institutions. I don't support the progressive rate structure. Let's try 15% differential.

Fulkerson: These rates seem too complicated. The proposed rates will be hard to sell. We'll hear from many customers when they get their first bill. We should look at a 20% differential, and try to curb the impact to Trinidad School.

Miller: I can support the 20% differential. The rates should be high enough to support a robust water treatment and distribution system. With the current, proposed rates, money won't be piling up. It will be spent on improvements to the system as planned and maintain a healthy reserve. Rates could be lowered in future years when appropriate reserves are met and as capital improvement projects are completed. I support a uniform rate, a differential reduction to 15%, \$40 base rate, and a 2.5% CPI annual increase.

Morgan: A uniform structure seems fair. The rates should be based upon need, not planning too far into the future. According to the City Engineer, a reserve of 1-1.5 Million is sufficient.

*Motion (Miller/Morgan) to direct the City Engineer to run the following rate scenario and return to the next meeting with results: **Uniform rate structure, 15% differential, \$40.00 base rate, and 2.5% annual CPI increase. Passed 3-1. Fulkerson = No.***

2. Discussion/Decision regarding Agreement Between City and Winzler & Kelly for Water System Upgrade Design, Permitting, and Technical, Managerial, and Financial Assessment.

City Engineer Rebecca Crow explained that Winzler & Kelly has been working with the City and California Department of Public Health since late 2008 on a funding proposal for the design of a water system upgrade project, and as a result of those efforts, the City has obtained an 80% grant toward the \$193,100 project to prepare the design, permit application and technical, managerial and financial assessment. The Agreement provides for Winzler & Kelly to commence such work for an estimated task fee of \$179,600. Funds were included in the budget adopted in June 2011.

There were no comments from the Council or public.

*Motion (Morgan/Miller) to authorize the City Manager to execute the agreement as submitted. **Passed 4-0.***

3. Discussion/Decision regarding Agreement Between City and Winzler & Kelly for Assistance with Trinidad Head ASBS Stormwater Management Improvement Project.

City Engineer Rebecca Crow explained that in 2009, Trinidad was approved for a State Proposition 84 grant for \$2,500,000 for major design and construction of improvements to the stormwater drainage system. The Council adopted a resolution in August 2010 authorizing the City Manager to enter into a financial assistance agreement with the State Water Board to begin planning for this project. The agreement provides for Winzler & Kelly to commence such work on the Trinidad Head Areas of Special Biological Significance Stormwater Management Improvement Project that will be funded by the Proposition 84 Grant Program. The purpose of this improvement project is to implement enhancements to the existing stormwater system to capture and treat stormwater runoff from most rainfall events. Much of the runoff from the city currently discharges to the Trinidad Head Area of Special Biological Significance.

There were no comments from the Council or public.

*Motion (Miller/Morgan) to authorize the City Manager to execute the agreement, and adopt the following corresponding budget in Fund 5.13 – ASBS Stormwater Project: Revenue: Grant Income \$880,900, Expenditure: Contracted Services \$880,900. **Passed 4-0.***

4. Discussion/Decision regarding Draft Ordinance 2011-03; State Video Service Franchises.

City Attorney Sarah Hauck explained that adoption of the Digital Infrastructure and Video Competition Act of 2006 (DIVCA) by the State Legislature eliminated the ability of local agencies to franchise cable service providers and replaced it with a statewide franchising system through the CPUC. The City's existing franchise with Suddenlink was grandfathered in until its expiration on October 09, 2011. Ordinance 2011-03 implements the DIVCA to allow for implementation of a State level franchise.

Public comment included:

Jan Krapalien & Shawn McGlaughlin – Access Humboldt

Explained what Access Humboldt is, described what franchises mean, the benefits of franchise, and a dig once policy. The current state video franchise will establish a new legacy, support the jurisdiction in retaining public right of ways, establish a customer service obligation, and increase revenue for PEG fees.

Council asked various questions about Access Humboldt, but agreed and supported the draft ordinance unanimously.

There was no public comment.

*Motion (Miller/Fulkerson) to approve and adopt Ordinance 2011-03, amending chapter 5.12 – Cable TV Franchise. **Passed 4-0.***

5. Discussion/Decision regarding updated Draft Town Hall rental Rates and Application Procedure
Continued to a future meeting.

6. Discussion/Decision regarding Purchase of Fire Truck from Blue Lake Fire Department
City Manager Suiker explained that Chief Tom Marquette has requested the Council authorize \$20,000 to be expended for the purchase of a fire truck being offered by Blue Lake Fire Department. A description of the fire truck and justification for its purchase is detailed on the attached email. The current year budget allocated \$50,000 in capital reserves for fire department equipment.

There were no comments from the Council or public.

*Motion (Fulkerson/Miller) to authorize purchase of Blue Lake fire truck for \$20,000 from the \$50,000 allocated in capital reserves. **Passed 4-0.***

7. Discussion/Decision regarding request to waive fees for design review of the banners intended to celebrate the commercial fishing fleet.
Continued to a future meeting.

XII. COUNCIL REQUEST FOR FUTURE AGENDA ITEMS

XIII. ADJOURNMENT

- Meeting ended at 10:00 pm.

Submitted by:

Approved by:

Gabriel Adams
City Clerk

Kathy Bhardwaj
Mayor