

**JANUARY 8, 2019 MINUTES
REGULAR WHEATLAND CITY COUNCIL MEETING
WHEATLAND COMMUNITY CENTER
101 C STREET, WHEATLAND, CA
6:30 –7:20 P.M.**

COUNCIL MEMBERS PRESENT: R. Coe, J. Henderson, L. McIntosh, *R. West
Absent - J. Pendergraph

OTHERS PRESENT J. Goodwin, City Manager
T. Raney, Community Development Director
J. Buckman, City Attorney
S. Mahoney, Finance Director
A. Wightman, Police Chief
A. Paquette, Fire Chief

PLEDGE OF ALLEGIANCE:

Council Member R. Coe led the pledge of allegiance.

PUBLIC COMMENT

None.

CONSENT CALENDAR

Motion was made by Council Member R. West, Seconded by Council Member R. Coe to **approve minutes of the regular meeting on December 11, 2018; continuation of the Malone Culvert Failure and Emergency Replacement Project; 2019 Council Committee appointments; Appointment of Justin Guzman to the Sutter-Yuba Mosquito & Vector Control Board; FRAQMD appointments to the Board of Directors and adoption of Resolution No. 01-19 for the Wheatland Climate Action Plan Initial Study/Negative Declaration and the Wheatland Climate Action Plan.** Vote called: AYES – All. Motion carried.

REGULAR CALENDAR

1) Community Development Director Tim Raney presented the staff report for appointment of two individuals to the City of Wheatland Planning Commission. The Wheatland Planning Commission has three seats that the term has expired and require the City Council to appointment commissioners to a new four year term. Commissioner Panteloglow has requested to be re-appointed to her position on the commission. However, with the passing of Commissioner Karan Curbow and the retirement of Commissioner Robert Glynn, the city has two vacancies that will require the appointment of two new commissioners. City staff has released a 30-day notice to the public regarding the Planning Commission vacancies and received applications from Commissioner Panteloglow and Mr. Scott Witt. Therefore, staff requests City Council consider appointing these two individuals to the Planning Commission. According to Section 2.20.030 of the Wheatland Municipal Code, a Planning Commission appointment requires majority vote of the City Council.

Motion was made by Council Member R. Coe, Seconded by Council Member R. to **re-appoint Commissioner Debbie Panteloglow and to appoint Mr. Scott Witt to the City of Wheatland Planning Commission.** Vote called – AYES: All. Motion carried.

2) City Manager Jim Goodwin presented the staff report for water and sewer rates. On December 11, 2018, Council directed staff to prepare a Notice of Intent to Adjust Water and Sewer Rates based on the outcome of the rate study conducted by Clearsource Financial. Previously the City Council approved an agreement with Clearsource Financial for review of both water and sewer rates and recommendations for adjustment of those rates. An Ad-hoc committee including Mayor Joe Henderson and Vice-Mayor Rick West subsequently was appointed to work with the consultants. Ad-hoc Committee meetings were held in November 2017, January 2018, October 2018 and November 2018. The primary objective of these discussions was to develop a rate proposal that meets current legal standards and operational needs while being sensitive to impacts on the rate-payer. Terry Madsen from Clear Source presented Council and audience members with information related to conclusions reached through discussions which included; rate structures to cover costs, including operational cost, debt service and maintenance of a prudent reserve, explaining that the current rate structure does not accomplish this and shortening the timeline covered by a rate action due to the potential of new homes being built during the rate cycle. During this process the Ad-hoc Committee members challenged staff to bring forward a proposal that minimizes impact on the rate-payers. Staff presented information to the Ad-hoc Committee members demonstrating that rate adjustments are necessary. At the December 11, 2018 City Council meeting, Council endorsed the recommendations of the Ad-Hoc Committee and directed staff to move forward with the rate adjustment. The proposal endorsed by the City Council on December 11, 2018 included; adopting a water rate proposal with adjustments in April 2019, October 2019, October 2020 and October 2021. At the end of the cycle, rates would adjust annually according to the Engineering News Record (ENR) index until a future rate action is approved by the City Council and adopting a sewer rate proposal with a set adjustment in April 2019, followed by annual adjustments according to the ENR index until a future rate action is approved by the City Council. In follow-up discussion with Clearsource Consulting, staff was advised they could not proceed with an open-ended indexed rate at the end of the pre-determined adjustments. In addition, during the meeting on December 11, a question was asked regarding the possibility of including a larger water allowance in the proposed water rate structure. Given the need to make a change to the Council-endorsed rate action, staff thought it prudent to also provide the information regarding the impact of increasing the water allowance to 12 units. Madsen will be present to review with Council the current proposal, adjusted to reflect a defined term. He will also provide information regarding an alternative proposal of a rate that includes a 12-unit water allowance. Once Council has reviewed all the information, staff is seeking final direction on the preferred action. Based on this decision, a formal Notice of Intention to adjust water and sewer rates will be prepared for the January 22 meeting. The public hearing will still be set for March 26, 2019.

Council Member McIntosh questioned if rates could be adjusted in the future if it found that the City is over recovering water/sewer charges. Madsen explained that rates could be adjusted at any time, however over recovering is very unlikely. McIntosh stated she would not be in favor of the 9 CCF base rate.

Council Members Coe and West stated they are inclined to agree with the 12 CCF base rate.

Mayor Henderson commented he agrees with charges to recover water and sewer delivery, maintenance and operations without making fees too uncomfortable for tax payers.

Motion was made by Council Member L. McIntosh, Seconded by Council Member R. West to **direct staff to prepare a Notice of Intent to Adjust Water and Sewer Rates advising residents of the rate adjustment on March 26, 2019 with final review of the Notice at the January 22, 2019 city council meeting.** Vote called – AYES: McIntosh, West, Coe and Henderson. ABSENT: Pendergraph. Motion carried.

*Council Member R. West left the meeting at 7:10 p.m.

3) City Manager Jim Goodwin presented the staff report for discussion and consideration of adoption of

Resolution No. 02-19 Establishing Proposition 218 Protest Procedures. Article XIID, Section 6 of the California Constitution, established by Proposition 218 in 1996, requires the City to allow for a written protest of any proposed increase of water and/or sewer utility rates. However, the constitutional provision does not offer specific guidance as to who may submit protests, how protests are to be submitted, or how the city is to tabulate the protests. Resolution No. 02-19 establishes local procedures for the submission and tabulation of written protests. These procedures have been reviewed by the City Attorney and are consistent with the intent of the constitutional provisions.

Motion was made by Council Member R. Coe, Seconded by Council Member L. McIntosh to **adopt Resolution 02-19 Establishing Proposition 218 Protest Procedures**. Vote called – AYES: Coe, McIntosh and Henderson. ABSENT: Pendergraph and West. Motion carried.

REPORTS – None.

7:15 P.M. MEETING ADJOURNED TO THE REGULAR MEETING OF THE WHEATLAND FINANCING CORPORATION

7:19 P.M. REGULAR CITY COUNCIL MEETING RECOVERED

ADJOURN

There being no further business, Council Member J. Henderson adjourned the meeting at 7:20 p.m.

Minutes approved and adopted this 22nd day of January 2019.

Joseph Henderson, *Mayor*

Lisa J. Thomason, *City Clerk*