

City Council, Regular Meeting  
Civic Center Council Chambers  
777 Cypress Avenue  
Redding, California  
May 19, 2009 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Assistant City Clerk Mize.

The Invocation was offered by Police Chaplain Betty Harrison-White.

The meeting was called to order by Mayor Bosetti with the following Council Members present: Dickerson, Jones, McArthur, and Stegall.

Also present were City Manager Starman, Assistant City Manager Tippin, City Attorney Duvernay, Development Services Director Hamilton, Transportation and Engineering Director Crane, Community Services Director Niemer, City Clerk Strohmayer, Assistant City Clerk Mize, and Executive Assistant Stribley.

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PUBLIC COMMENT

(E-120-250)

Mayor Bosetti stated that many members of the audience present this evening are interested in speaking to the Transmission Agency of Northern California (TANC) proposed project during the public comment period. He suggested that if they were amenable, the City would arrange a future meeting to include the City Council, City staff, the Shasta County Board of Supervisors, and TANC representatives dedicated to answer questions for the public. Mayor Bosetti also announced that TANC is holding a meeting tomorrow at 10:00 a.m. in Rancho Cordova at the Marriott Hotel.

Steve Kerns, Round Mountain resident, thought scheduling a meeting would be a good idea.

Todd Papish said the scoping period for the TANC project ends on May 31<sup>st</sup>, and did not believe a meeting could be held in time to address issues.

City Manager Duvernay interjected that those present wishing to speak to the TANC issue may do so but the matter is not on the this evening's City Council agenda, therefore, the City Council may not take any action regarding this matter.

Rocky Compton wished to address the TANC issue this evening.

Mayor Bosetti advised that the public comment period for those wishing to address TANC issues will be heard at the end of the meeting.

(R-030-145-350)

Elin Klaseen, Chair of the Parkview Neighborhood Association, invited everyone to attend an ice cream social at the Juniper Academy to celebrate the Parkview Neighborhood Association's 10-year anniversary and the Parkview Neighborhood Revitalization Plan.

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PRESENTATION - Graduating Youth Action Council Members

[B-080-600-300]

Community Services Director Niemer presented graduating high school members of the Youth Action Council with a duffle bag in appreciation for their service to the community. She highlighted some of the more important contributions to the City such as weekend concerts and the refurbishment of Fox Tail Park.

Callie Froese, President of the Youth Action Council, thanked the City for its support and assistance.

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Special Meeting of May 5, 2009, and Regular Meeting of May 5, 2009

Approval of Payroll and Accounts Payable Registers

(A-050-100-500)

It is recommended that Accounts Payable Register No. 21, check numbers 873280 through 873626 inclusive, in the amount of \$6,051,182.19, for the period of May 1, 2009, through May 15, 2009; and Payroll Register No. 22 electronic deposit transaction numbers 254401 through 255307 and check numbers 543482 through 543574 inclusive, in the amount of \$2,675,267.64 for the period April 19, 2009, through May 2, 2009, be approved.

TOTAL: \$8,726,449.83

Turtle Bay Exploration Park - Quarterly Report

(C-070-250-250)

It is the recommendation of the Assistant to the City Manager that the City Council accept the Quarterly Report from Turtle Bay Exploration Park for the third quarter of the fiscal year ending June 30, 2009.

Joint Application - Cities of Anderson and Shasta Lake and the County of Shasta to the California Department of Housing and Community Development for participation and funding in the Neighborhood Stabilization Program

[G-100-170]

It is the recommendation of the Assistant City Manager that the City Council authorize submission of a joint application to the California Department of Housing and Community Development with the Cities of Anderson, Shasta Lake, and the County of Shasta for participation and funding in the Neighborhood Stabilization Program in approximate amount of \$1.3 million and, if successful, the City of Redding's portion would be \$565,967.

First Amendment to Development Funding Agreement - Redding Redevelopment Agency and Community Revitalization and Development Corporation

[G-100-075 &amp; R-030-100-055]

It is the recommendation of the Assistant City Manager that the City Council approve the First Amendment to the Development Funding Agreement with the Redding Redevelopment Agency (RRA) and Community Revitalization and Development Corporation for the acquisition and rehabilitation of a multi-family building located at 2052 Placer Street, increasing the RRA Housing Set-Aside Fund commitment from \$177,500 to \$267,500 and deferring the payment of the City's and the Agency's loans.

License Agreement - Friends of Shasta County Libraries for management of bookstore and vending area in the Redding Library

[L-050 &amp; A-070-080]

It is the recommendation of the Community Services Director that the City Council approve a License Agreement with the Friends of Shasta County Libraries for use of space at the Redding Municipal Library for food and beverage vending machines and for the sale of used books in the amount of \$640 per month.

Grant - U.S. Department of Justice through the Edward Byrne Memorial Competitive Grant Program under the American Recovery and Reinvestment Act Category IV: Hiring of Civilian Staff in Law Enforcement Agencies

[G-100-070 &amp; P-150-150]

It is the recommendation of the Police Chief that the City Council approve submission of a grant to the U.S. Department of Justice through the Edward Byrne Memorial Competitive Grant Program under the American Recovery and Reinvestment Act (ARRA) Category IV: Hiring of Civilian Staff in Law Enforcement Agencies in the amount of \$1,941,650 to hire or partially fund 13.5 positions for a two-year period in the Police Department.

First Amendment to Lease Agreement - Stimpel-Wiebelhaus Associates for property at Redding Municipal Airport

[C-070-100 &amp; A-090-100]

It is the recommendation of the Transportation and Engineering Director that the City Council approve the First Amendment to the Lease Agreement (C-4204) with Stimpel-Wiebelhaus Associates for four-acres of property at the Redding Municipal Airport in the amount of \$640 per month, providing an extension of three years expiring August 23, 2012, with one option for a two-year extension if mutually agreed.

Notice of Completion - Bid Schedule No. 4012, Hilltop Drive Widening Over State Route 44 Project

[B-050-020 & S-070-100]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4012 (Job No. 2048/2296), Hilltop Drive Widening Over State Route 44 Project awarded to Shasta Constructors be accepted as satisfactorily completed and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$4,348,193.63.

Notice of Completion - Bid Schedule No. 4193, 2008-09 Sanitary Sewer and Storm Drain Repair and Replacement

[B-050-020/W-020-575/S-060-150]

It is the recommendation of the Transportation and Engineering Director that Bid Schedule No. 4193 (Job No. 2326), 2008-09 Sanitary Sewer and Storm Drain Repair and Replacement awarded to N&T Digmire, Inc. be accepted as satisfactorily completed and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$215,619.15.

Reimbursement Agreement - LD&C, Inc. for the Preconstruction Project-development Support for the Oasis Road Interchange Phase 1 Project; and

Resolution - Appropriating Traffic Impact Fee funds

[G-030-110/^B-130-070]

It is the recommendation of the Transportation and Engineering Director that the Mayor be authorized to execute a Reimbursement Agreement with LD&C, Inc., formerly Levenson Development Company, to provide preconstruction project-development support for the Oasis Road Interchange Phase 1 Project in an amount not-to-exceed \$779,332, and that a contingency fund in the amount of \$100,000 be authorized, and that the City Manager be authorized to approve amendment to the Agreement up to the contingency limit.

It is further recommended that Resolution No. 2009-47 be adopted, a resolution of the City Council of the City of Redding, approving and adopting the 56<sup>th</sup> amendment to City Budget Resolution No. 2007-127 appropriating \$954,340 for the Oasis Road Interchange Phase 1 Project for fiscal year 2008-09.

Resolution - Appropriating Solid Waste Utility Unrestricted Retained Earnings funds for floor reconstruction and slab stabilization at the Transfer Station tipping floor

[B-130-070 & S-020-650]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2009-48 be adopted, a resolution of the City Council of the City of Redding approving and adopting the 58<sup>th</sup> amendment to City Budget Resolution No. 2007-127 appropriating \$254,000 for floor reconstruction and slab stabilization at the Solid Waste Transfer Station tipping floor.

**MOTION:** Made by Council Member Jones, seconded by Council Member Stegall, that the foregoing items on the Consent Calendar be approved and adopted as recommended as indicated above. The Vote:

- AYES: Council Members - Dickerson, Jones, McArthur, Stegall, and Bosetti
- NOES: Council Members - None
- ABSTAIN: Council Members - None
- ABSENT: Council Members - None

Resolution Nos. 2009-47 and 2009-48 are on file in the Office of the City Clerk.

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PUBLIC HEARING - Rate Modifications for Solid Waste, Wastewater, and Water Utilities

RESOLUTION - Amending the Solid Waste Rate Schedule and Service Policies;

RESOLUTION - Adopting a Wastewater Utility Rate Schedule;

RESOLUTION - Adopting a Water Utility Rate Schedule; and

ORDINANCE - Amending Redding Municipal Code Chapters 14.08-Water and 14.16-Sewer re rate changes

[W-030-400/^W-020-590/^S-020-500]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding rate modifications for Solid Waste, Wastewater, and Water Utilities and amendments to the Redding Municipal Code (RMC) Chapters 14.08 and 14.16 relating to changes to Water and Wastewater rates.

Mayor Bosetti advised that any person is welcome to provide comments during the public hearing, however, only property owners within city limits are permitted to protest. He stated that only a ballot submitted to the City Clerk prior to the close of the public hearing will be counted as a protest and that a protest may be made against all or any individual proposed utility rate increase.

The following document is on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing

Assistant City Manager/Municipal Utilities Director Tippin provided highlights of the Report to City Council dated May 6, 2009, incorporated herein by reference, and recalled that at the regular City Council meeting of March 17, 2009, the Council set a public hearing for May 19, 2009, to consider proposed modifications to the Water, Wastewater, and Solid Waste Utility rates. Pursuant to Proposition 218 requirements, 29,214 forms were mailed to affected property owners allowing them to consider and then protest the adjustments, if they wished. Mr. Tippin pointed out that if 50% plus one of the property owners protested the adjustments, the City Council could not modify the rates. He estimated that 14,608 protests would be necessary to equal 50% plus one. If the rate adjustment is approved by the Council, it would be effective on or about July 1, 2009, and then annually through 2011.

According to Mr. Tippin, the proposed rate increase per single family residence for Wastewater Utility would be 9.4% in fiscal year 2009-10, 8.6% in 2010-11, and 7.9% in 2011-12. The Water Utility rate would increase 6% for each of the three fiscal years, and the Solid Waste rate would increase 3% the first and second fiscal years and 4% in fiscal year 2011-12. He noted that two public meetings were held to inform the public of the proposed rate adjustments and the reasons why the increases were being sought.

Mr. Tippin advised that the Redding Municipal Utilities are enterprise funds and, as such, may only collect revenues equal to their expenses, a 5% reserve, and minimum debt service coverage ratios. He stated that based on the average single-family home the monthly increase would be approximately \$3.00 for wastewater, \$1.38 for water, and \$0.54 for Solid Waste based on a 96-gallon container for the fiscal year beginning 2009.

Mr. Tippin related that the principal factors influencing the need for rate adjustments are an aging infrastructure that has increased maintenance and in some instances failed, greater regulations and enforcement, and increased costs for labor, fuel, and capital. He provided an overview of the condition and needs of each utility and noted that key considerations for rate increases are risks of deferring repairs, expansion projects, scheduling projects for minimum risk with maximum efficiency and cost benefit, minimum rate increases to keep costs low, and a positive cash balance.

Assistant City Manager Tippin recommended that the City Council adopt a resolution amending the Solid Waste Utility's Solid Waste Rate Schedule & Service Policies, effective July 1, 2009, and for each of the next two fiscal years (2010 & 2011), adopt a resolution to accept the Wastewater Utility Rate Schedule for the same time period, adopt a resolution approving the Water Utility Rate Schedule for the same time period, and offer an ordinance for first reading, waive the full reading, amending Redding Municipal Code Chapters 14.08-Water and 14.16-Sewer relating to changes to water and wastewater rates.

Mary Rae Bryden, Redding resident, stated that the chart supplied to property owners did not provide total percentages of the proposed increases and thanked Mr. Tippin for including the total percentage of increase for each utility in his presentation. She pointed out that the City's residents on social security have already been informed that they will not receive any increases in their monthly stipends through 2011, and that is essentially the same for retirees and pensioners. She also questioned the billing procedure for rate increases, recalling that in 2007 the rate increase was effective January 1<sup>st</sup>, however, when she received her bill the City had charged the new rate for most of December. That occurred again in 2008 for the rate increase on July 1<sup>st</sup>. She believed the new rate should not be charged until the effective date. Mr. Tippin responded that attempts were made to prorate and to coincide with the meter read date, however, overcharging may have occurred in the past. He noted that staff will work to insure that the increased rates are not charged until the effective date.

Walt McNeill, Attorney representing Shastax and those members of Shastax who are property owners in the City, contended that the rate increases will be used to pay for 25% of the cost of capital improvements for new development. He maintained those improvements should be funded by the developers or new customers. He did not believe that Proposition 218 allowed the utilities to charge existing ratepayers for costs and services that do not directly serve them.

Mr. McNeill believed that the rate adjustment notices were inadequate and did not clearly state the expected rate increase amount, noting that surcharges (footnoted on a customer bill) are added to the basic increase but not counted as part of the percentage of increase. He opined that the average aggregate increase is closer to 25% and each property owner should have been told how much their specific utility charges would increase. He maintained that the City should have performed a cost of service study, a fee study, and analysis of the proposed increases.

In Mr. McNeill's opinion, directing utility late fees to the General Fund instead of the utility fund was a violation of Proposition 218.

In response to Mr. McNeill's comments, City Attorney Duvernay related that a recent court ruling relative to Proposition 218 determined that utility rate revenue could be used to cover the cost of providing all services, short- and long-term, including operation, maintenance, financing and capital improvements. He stated that the court acknowledged that utility providers should consider new development and future expansion when setting rates. He continued that the Council has the latitude to set the balance between the amount of capital improvements to be paid by the developer (75%) and the amount to be paid by the rate payer (25%).

City Attorney Duvernay recalled that Proposition 218 passed in 1996 but was contested through the courts for ten years; therefore, the City did not implement a majority protest compliance process until 2006. Based on the court's ruling that utility rate fees cannot be used to subsidize the General Fund, in 2005-06 the City Council ceased in lieu tax transfers to the General Fund and reviewed its policy regarding late fees which until that time had been placed in the utility fund. He said it was determined that because late fees are a penalty and not a cost of service, and since Proposition 218 stipulated that rates must relate to the cost of providing service, late fees should go to the General Fund. Mr. Duvernay was also satisfied with the content of the notice to property owners and believed it met the intent of Proposition 218.

Mr. Tippin explained that the two surcharges for Pump House #1 have existed since 2006 and will remain on the bill without change. While he understood that property owners would prefer to be notified of an exact increase, water customers are charged for the meter and usage; consequently, the City could not determine the amount of future water use.

Council Member Dickerson pointed out that percentages can be misleading, and the focus should be on the actual dollar amount of increase.

Curtis Brown, Buckeye Water District, did not oppose the increases except the increase that would include infrastructure for new development projects.

Lee Horner did not oppose rate increases in general but maintained he would be paying approximately 12% more overall, and pointed out that consumers were also being burdened with additional increases in state fees such as vehicle license fees and a sales tax increase. He suggested the City consider increasing the rates for two years and then review the needs to determine if the increase is necessary for the third year. He believed that the City should hire an outside rate consultant to perform a study and suggested using tax exempt financing for capital projects. He also asked that utility bills include the date when a surcharge will end.

Mayor Bosetti determined that no other individual wished to address this matter, closed the public hearing, and directed the City Clerk to tabulate the ballots.

In response to Council Member McArthur, Mr. Tippin explained that although staff had considered the two-year rate increase option, it was determined that a three-year plan was more practical due to the lengthy environmental and right-of-way issues related to capital projects. He noted, however, that if revenues collected during the first and second year are

sufficient, the third year increase could be waived. He added that significant costs, including staff time, will need to be considered for any future utility increases because projects will include updating master plans.

Mr. Tippin observed, in response to Mr. Horner, that the City attempts tax exempt financing whenever feasible. With regard to printing the surcharge ending date on the bill, Mr. Tippin acknowledged that it may not currently be on utility bills, but he will request that it be included on future billings.

Council Member Jones expressed opposition to in lieu and utility late fees being paid to the General Fund. He stated that, although he understood the need for utility rate increases, he would vote no until the City Council reconsidered the late fees issue.

City Clerk Strohmayer tallied the ballots for the Wastewater Utility rate increase and reported that 29,214 ballots were mailed to property owners, of which 29,214 receive wastewater service, and 1,868 protests were received; accordingly, there was not a majority protest.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Dickerson, adopting Resolution No. 2009-50, a resolution of the City Council of the City of Redding, adopting a Wastewater Utility Rate Schedule. The Vote:

AYES: Council Members - Dickerson, McArthur, Stegall, and Bosetti  
 NOES: Council Members - Jones  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2009-50 is on file in the Office of the City Clerk

City Clerk Strohmayer tallied the ballots for the Water Utility rate increase and reported that 29,214 ballots were mailed to property owners, of which 26,200 receive water service, and 1,811 protests were received; accordingly, there was not a majority protest.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Dickerson, adopting Resolution No. 2009-51, a resolution of the City Council of the City of Redding, adopting a Water Utility Rate Schedule. The Vote:

AYES: Council Members - Dickerson, McArthur, Stegall, and Bosetti  
 NOES: Council Members - Jones  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2009-51 is on file in the Office of the City Clerk

City Clerk Strohmayer tallied the ballots for the Solid Waste Utility rate increase and reported that 29,214 ballots were mailed to property owners, of which 29,000 receive solid waste service, and 1,802 protests were received; accordingly, there was not a majority protest.

**MOTION:** Made by Council Member Dickerson, seconded by Council Member McArthur, adopting Resolution No. 2009-49, a resolution of the City Council of the City of Redding, amending the Solid Waste Utility's Solid Waste Rate Schedule and Service Policies.

The Vote:

AYES: Council Members - Dickerson, McArthur, Stegall, and Bosetti  
 NOES: Council Members - Jones  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

Resolution No. 2009-49 is on file in the Office of the City Clerk

Council Member Dickerson offered Ordinance No. 2435 for first reading, an ordinance of the City Council of the City of Redding amending Redding Municipal Code Chapter 14.08 Water, Sections 14.08.310 and 14.08.315 and Chapter 14.16-Sewers, Sections 14.16.200 and 14.16.210, all relating to changes to water and wastewater rates.

**MOTION:** Made by Council Member Dickerson, seconded by Council Member Stegall, that the full reading of Ordinance No. 2435 be waived, and that the City Attorney be instructed to read the full title.

The Vote:

AYES: Council Members - Dickerson, McArthur, Stegall, and Bosetti  
 NOES: Council Members - Jones  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

MODIFICATION TO THE PUBLIC COMMENT PERIOD - Regular City Council meetings [A-050-060]

City Manager Starman recalled that in 2006, the City Council modified the public comment period for regular City Council meetings, moving it from the last item on the agenda to the first item. However, it was noted at the time that this action could result in lengthening the meetings. He pointed out that during a few recent City Council meetings, the public comment period lasted more than an hour which caused regular agenda items to be discussed late into the evening. In deference to citizens wishing to comment on items posted on the regular agenda, Mr. Starman said the Mayor suggested that the current policy be reevaluated.

As a compromise between the needs of citizens wishing to address agendized items and those wishing to speak during public comment, Mr. Starman recommended that the regular City Council meeting public comment period be modified to allow up to 30 minutes at the beginning of a meeting, and, if necessary, provide additional time for public comment at the end of a meeting. He added that if Council approves the modifications, the City Attorney would prepare an amendment to Redding Municipal Code Section 2.04.120.

Council Member Stegall supported the proposal pointing out that the 30-minute time limit would almost always be enough time to accommodate everyone wishing to speak during the public comment period.

Council Member Jones believed that fewer people attended the City Council meetings to speak when the public comment period was at the end of the meeting. He preferred the current procedure stating that the proposed modifications are a step backwards in open government.

Council Member McArthur supported the proposed time limit at the beginning of the meeting but suggested that mechanisms be set in place to ensure that a group of speakers on the same topic not be allowed to monopolize the entire 30 minutes thereby pushing speakers on other topics to the end of the meeting.

Council Member Dickerson emphasized that Council should listen to any and all speakers wishing to address an issue but equal consideration should be given to those wishing to speak on an agendized item. He remarked that if a large group speaks extensively about a single issue, it will be citizens wishing to address an agendized item who are inconvenienced by having to wait for hours to voice their concerns. Mr. Dickerson felt certain that Council would be able to sort the speaker cards in a manor that would give some members of each group an opportunity to speak during the first session.

Mayor Bosetti favored the time limit because it would balance the needs of all potential speakers.

**MOTION:** Made by Council Member Stegall, seconded by Council Member Dickerson, conceptually approving modifications to the City Council regular meeting protocol allocating up to a maximum of 30 minutes at the beginning of every regular City Council meeting for non-agendized public comment, and, if needed, providing additional time at the end of the meeting, and directed staff to bring back an ordinance amending Redding Municipal Code Section 2.04.120 regarding same. The Vote:

AYES: Council Members - Dickerson, McArthur, Stegall, and Bosetti  
 NOES: Council Members - Jones  
 ABSTAIN: Council Members - None  
 ABSENT: Council Members - None

OPPOSE PROPOSAL BY THE CALIFORNIA DEPARTMENT OF FINANCE - Suspend Proposition 1A and borrow \$2 billion from local government; and

RESOLUTION - Declaring that a severe fiscal hardship will exist if additional property tax funds are seized by the State

[L-040-300 & ^B-130-070]

City Manager Starman recalled that prior to the passage of Proposition 1A -2004 (Prop 1A) the State of California routinely confiscated local government revenue in order to balance its budget and the proposition, which passed by an 80% margin, was designed to protect local government revenue. Mr. Starman clarified that the California Department of Finance (CDOF) identified a loophole in Prop1A which could allow the state to declare a financial hardship and raid the coffers of local government of up to 8% of property tax revenue, theoretically to be repaid within three years. He advised that when the May 11, 2009, Report to City Council was written, the CDOF had notified cities that suspension of (Prop 1A) was a potential option to help balance the state's budget. Mr. Starman reported that since then the Governor has announced that, should measures on the ballot fail, suspension of Prop 1A will become an official proposal and the state will "borrow" \$2 billion from local government. Mr. Starman explained that this equates to a \$1.8 million loss of property tax revenue for the City and if that occurs, the City would be forced to make additional budget reductions.

Mr. Starman recommended that a resolution be adopted opposing the suspension of Prop 1A and declaring that a severe fiscal hardship will exist in the City if additional property tax funds are seized by the state.

**MOTION:** Made by Council Member Dickerson, seconded by Council Member Stegall, opposing suspension of Proposition 1A and adopting Resolution No. 2009-52, a resolution of the City Council of the City of Redding, declaring that a severe fiscal hardship will exist if additional property tax funds are seized by the state and additional unfunded mandates are adopted by the state. The Vote:

AYES: Council Members - Dickerson, Jones, McArthur, Stegall, and Bosetti

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution No. 2009-52 is on file in the Office of the City Clerk

RESOLUTION - Authorizing the Electric Utility Director to sign Contract No. #09-SNR-01256 and confirmation letter for advance funding with the Western Area Power Administration

[E-120-900]

Electric Utility Director Hauser recalled that there are two major balancing authorities in California, the California Independent Systems Operators and the Sacramento Municipal Utilities District (SMUD) Western Balancing Authority, and there is a line of demarcation for transactions between the users within each Authority. Transactions between the users that cross from one Authority into another Authority have significant fees attached. He said the proposed Contract will provide financial arrangements to mitigate the rate disparity caused by fees charged when energy crosses the electric boundary between the two Balancing Authorities. He related that there will be a one-time cost of \$3,400, in advance, to be placed in a trust account to cover the costs of scheduling coordinating services. Redding Electric Utility (REU) will request through a Confirmation Letter to the Western Area Power Administration (Western) that the one-time cost of \$3,400 come from REU's existing account with Western.

Mr. Hauser advised that no transfer of power exists at this time from another Authority, but it is a distinct possibility for the future.

Mr. Hauser recommended that a resolution be adopted authorizing the Electric Utility Director to sign Contract No. 09-SNR-01256 for Displacement of Base Resource Energy and a confirmation letter for advance funding in the amount of \$3,400 through REU's existing account with Western.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur, adopting Resolution No. 2009-53, a resolution of the City Council of the City of Redding, authorizing the Electric Utility Director to execute Contract No. 09-SNR-01256 for the Displacement of Base Resource Energy and the confirmation letter for advance funding with the Western Area Power Administration in the amount of \$3,400.

The Vote:

AYES: Council Members - Dickerson, Jones, McArthur, Stegall, and Bosetti

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution No. 2009-53 is on file in the Office of the City Clerk

**RESOLUTION** - Approving amendments to the Memorandum of Understanding with the International Brotherhood of Electrical Workers (IBEW), Maintenance Workers

[P-100-050-070]

Personnel Director Johnson related that the Memorandum of Understanding (MOU) with the International Brotherhood of Electrical Workers (IBEW) Local Union 1245-Maintenance Employees expires on November 1, 2008. Bargaining for a new MOU began in September 2008; but with the downturn of the economy, she said it was agreed to postpone the MOU bargaining process until May 1, 2010, with the option for postponement for an additional year if the economy continues its downturn. The current MOU will be in full force and effect with no cost of living adjustments or changes to the health and welfare benefit programs during this period of time. Ms. Johnson noted two equity adjustments, one to the salary range for the Electrical Technician classification and a new classification entitled Building and Facilities Mechanic I/II, effective May 3, 2009, and indicated that these changes will cost \$51,000 annually.

Ms. Johnson recommended that a resolution be adopted amending the MOU with IBEW, Maintenance Employees incorporating the changes set forth above, effective May 3, 2009.

City Manager Starman and Ms. Johnson thanked the IBEW Maintenance Employees for their concessions, thereby saving the City \$169,000.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur, adopting Resolution No. 2009-54, a resolution of the City Council of the City of Redding, amending the Memorandum of Understanding with the International Brotherhood of Electrical Workers, Local Union 1245-Maintenance Employees, effective May 3, 2009.

The Vote:

AYES: Council Members - Dickerson, Jones, McArthur, Stegall, and Bosetti

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - None

Resolution No. 2009-54 is on file in the Office of the City Clerk

**ORAL REPORT** - City Council Member attendance at conferences/meetings reimbursed at City expense (Requirement of Assembly Bill 1234)

(A-050-060)

Council Member McArthur reported attending the Sacramento Valley Division of the League of California Cities meeting in Loomis, California on May 8, 2009.

Mayor Bosetti reported attending the Sacramento Host Reception with the Governor in Sacramento on May 18, 2009.

**CONTINUED PUBLIC COMMENT** re Transmission Agency of Northern California (TANC) proposed project

(E-120-250)

Tracey Licerio, Stan Sours, Roseanna Simonis, Sue, Lynn, Gerald Nelson, Robert Reitenbach, Randy Compton, Betty Messick, Mauro Oliveira, Rocky Compton, Steve Kerns, Jeff Kniep, Dona Snyder, Judy Sours, Donna Caldwell, Myra Swarts, Thomas Schmidt, Sonny Compton, Todd Papesh, Ed Marek, David Strawn, and Jim Pearson expressed opposition to the City's participation in the Transmission Agency of Northern California (TANC) proposed project to bring transmission lines through the Round Mountain area asserting the following: living in proximity of the power lines may cause cancer and other health issues; the response period for the proposed TANC project which ends May 31, 2009, should be extended; power lines will have a devastating impact on the community; the process for the proposal is not transparent; project is not "green" as represented; will use clear cutting swaths and herbicides; non-renewable energy sources would also use the lines; local sources should be pursued for generation of power; the proposal should be studied further; Redding won't get any of the power from Raven; power will be sent southward;

information on the project is contradictory; the project won't accomplish what it is supposed to; it is illegal to put lines over a house; the south state should use more solar and wind power; questioned integrity of government trying to get \$1.5 billion under false pretenses; most productive sites exist in southern California; TANC was not forthright about the Ready Report; it is not good business for the City to be involved in a bogus project; environmental impacts to citizens; multitude of lines will impede fire fighting abilities; loss of bio-diversity, Redding Electric Utility should be environmentally responsible; excess cost for renewable energy; will ruin the tourism economy; lines started the Fountain Fire, children should not have to live under power lines; questioned what the City stood to gain and how much money the City would make off the project; people didn't find out their property was affected until after the scoping meetings; TANC is performing a massive land grab; the TANC issue should be placed on the City Council agenda for reconsideration; the comment period should not be limited.

ADJOURNMENT

There being no further business, at the hour of 10:55 p.m., Mayor Bosetti declared the meeting adjourned.

APPROVED:

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Mayor

ATTEST:

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City Clerk