

City Council, Regular Meeting  
Civic Center Council Chambers  
777 Cypress Avenue  
Redding, California  
June 16, 2009 7:00 p.m.

The Pledge of Allegiance to the Flag was led by Charles Menoher.

The Invocation was offered by Police Chaplain Debbie Ivey.

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

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, and Assistant City Clerk Mize.

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PUBLIC COMMENT

[A-050-060]

Elizabeth Messick described a community forged together after a fire, voicing opposition to the proposed high-voltage transmission project by the Transmission Agency of Northern California (TANC).

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RESOLUTION - Connie Strohmayer

[A-050-055]

Mayor Bosetti commended retiring City Clerk Connie Strohmayer for 33 years of outstanding dedicated service to the City.

City Clerk Strohmayer thanked the City Council, staff, and the community for the resolution honoring her and for the opportunity to serve.

**MOTION:** Made by Council Member McArthur, seconded by Council Member Jones, adopting Resolution No. 2009-66, a resolution of the City Council of the City of Redding, commending Connie Strohmayer for 33 years of outstanding dedicated service to the City.

The Vote:

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

Resolution No. 2009-66 is on file in the Office of the City Clerk

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CONSENT CALENDAR

The following matters were considered inclusively under the Consent Calendar:

Approval of Minutes - Special Meeting of June 2, 2009

Approval of Payroll and Accounts Payable Registers

[A-050-100-500]

It is recommended that Accounts Payable Register No. 23, check numbers 873976 through 874378 inclusive, in the amount of \$4,693,632.47, for the period of June 1, 2009, through June 12, 2009; Payroll Register No. 23 electronic deposit transaction numbers 255363 through 256276 and check numbers 543584 through 543721 inclusive, in the amount of \$2,662,749.50 for the period May 3, 2009, through May 16, 2009 and Payroll Register No. 24 electronic deposit transaction numbers 256328 through 257268 and check numbers 543731 through 543841 inclusive, in the amount of \$2,704,189.32 for the period May 17, 2009, through May 30, 2009, be approved.

TOTAL: \$10,060,571.29.

Ordinance - Amending Redding Municipal Code Sections 16.20.040-Citywide Transportation Development Impact Fee; 16.20.070 - North Redding Traffic Benefit District Impact Fee; and 16.20.110 - Storm Drainage Impact Fee  
[F-205-600/T-080-400/S-060]

It is the recommendation of the Development Services Director that Ordinance No. 2436 be adopted, an ordinance of the City Council of the City of Redding, amending Redding Municipal Code Chapter 16.20-Development Impact Fees relative to timing for calculation of inflation adjustments for Citywide Transportation Development Impact Fees, North Redding Traffic Benefit District Impact Fees, and Storm Drainage Impact Fees establishing the date of the annual Construction Cost Index inflation adjustment as January 15 of each year.

Lease and Funding Agreements - Shasta County Arts Council for the Old City Hall Arts Center  
[B-130-030/C-070-100/C-050-500]

It is the recommendation of the Support Services Director that City Council authorize the Mayor to execute the Funding Agreement in the amount of \$16,830 for the term of July 1, 2009, through June 30, 2010, and the Lease Agreement with an estimated cost to the City of \$40,000 for Fiscal Year 2009-10 to maintain the facility and provide utilities, with the Shasta County Arts Council (SCAC) for the Old City Hall Arts Center.

First Amendment of Lease Agreement - Shasta Gem and Mineral Workshop & Lapidary School  
[C-070-100]

It is the recommendation of the Support Services Director that City Council approve the First Amendment to the Lease Agreement with the Shasta Gem and Mineral Workshop & Lapidary School (SG&M) for use of the Marx House located at the Stillwater Sewage Treatment Facility, extending the term for an additional five years with automatic one-year renewals.

Funding Agreement - Shasta Cascade Wonderland Association  
[B-130-030-700]

It is the recommendation of the Support Services Director that City Council authorize the Mayor to execute the Funding Agreement with Shasta Cascade Wonderland Association (SCWA) to promote outdoor recreation and tourism for the eight-county Shasta Cascade Region, in the amount of \$53,300 for the term of July 1, 2009, through June 30, 2010.

Resolution - Intent to renew the Tourism Marketing Business Improvement District, and Set Public Meeting and Hearing - July 21, 2009, and August 4, 2009, respectively  
[A-170-015-004]

It is the recommendation of the Support Services Director that Resolution No. 2009-67 be adopted, a resolution of the City Council of the City of Redding, declaring its intention to renew the Tourism Marketing Business Improvement District (TMBID) and setting the public meeting for July 21, 2009, and the public hearing for August 4, 2009 at the City Council Chambers at 7:00 p.m.

Resolution - Consenting to the restructuring of Charter Communications, Inc.  
[T-040-050]

It is the recommendation of the Support Services Director that Resolution No. 2009-68 be adopted, a resolution of the City Council of the City of Redding, consenting to Charter Communications restructuring due to filing of Chapter 11 Bankruptcy.

Energy Efficiency and Conservation Strategy - Re: grant funding under the American Recovery and Reinvestment Act and Energy Efficiency Community Block Grant  
[E-120-030/G-100-070]

It is the recommendation of the Electric Utility Director to adopt the Energy Efficiency and Conservation Strategy to establish consideration for grant monies under the American Recovery and Reinvestment Act and the Energy Efficiency Community Block Grant Program through the U.S. Department of Energy, and begin implementation.

Resolution - Proclaiming July 2009 as "Parks and Recreation Month"

[A-050-060-600 &amp; A-050-220]

It is the recommendation of the Community Services Director that Resolution No. 2009-69 be adopted, a resolution of the City Council of the City of Redding, declaring July 2009 as "Parks and Recreation Month".

Resolution - Adopting Standards for Purchase of Fire Apparatus and Authorizing Sole Source Procurement

[B-050-100 &amp; P-150-070]

It is the recommendation of the Fire Chief that Resolution No. 2009-70 be adopted, a resolution of the City Council of the City of Redding, establishing the standard for the purchase of fire apparatus for the City and authorizing a sole source procurement through Pierce Manufacturing of Appleton, Wisconsin, pursuant to Redding Municipal Code 4.20.120, for a period of five years, beginning on June 16, 2009, with one five year extension.

Ground Lease Agreement - ITT Corporation at Redding Municipal Airport

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

It is the recommendation of the Transportation/Engineering Director that City Council approve the Ground Lease Agreement with ITT Corporation to construct and maintain an Automatic Dependent Surveillance Broadcast system for the Federal Aviation Administration at the Redding Municipal Airport, to provide aircraft traffic, weather, terrain maps, and flight information to controllers and pilots, with no fee for a term of six years commencing on October 1, 2009, through September 30, 2015, with two five-year options to extend the terms of the agreement.

Notice of Completion - Bid Schedule No. 4183, West Redding Manhole Rehabilitation

[B-050-020 &amp; W-020]

It is the recommendation of the Transportation/Engineering Director that Bid Schedule No. 4183 (Job No. 2320), West Redding Manhole Rehabilitation Project, awarded to Suncoast Environmental NW, Inc., be accepted as satisfactorily complete and that the City Clerk be authorized to file a Notice of Completion with the Shasta County Recorder. The final cost was \$370,299.95.

Award Request for Proposals - Bid Schedule No. 4232, Engineering Design Services for the Stillwater Wastewater Treatment Plant Expansion

[B-050-100 &amp; W-010-560]

It is the recommendation of the Transportation/Engineering Director that Request for Proposal Bid Schedule No. 4232 be awarded to Water Works Engineers, LLC and that the Mayor be authorized to execute an agreement in an amount not to exceed \$2,195,194 to provide engineering services for Phases 1A, 1B, and 1C of the Stillwater Wastewater Treatment Plant Expansion Project.

Resolutions - Setting public hearings for July 21, 2009, re Landscape Maintenance Districts A, B, C, D, E, F, G, H, H-Zone 1, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, 01-06, 02-06, 03-06, 04-06, 05-06, 06-06, 07-06, 09-06, 11-06, 01-07, and 02-07

[A-170-075-050, ^051, 052, 053, 054, 055, 056, 057, 059, 060, 061, 062, 063, 064, 065, 066, 067, 068, 069, 070, 071, 072, 073, 074, 075, 076, 077, 078, 079, 081, 083, 084, 085]

It is the recommendation of the Transportation and Engineering Director that Resolution No. 2009-71 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "A" for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "A" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

It is further recommended that Resolution No. 2009-72 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "B" for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "B" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-73 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "C" for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in

LMD “C” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-74 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “D”, the Vistas, for July 21, 2009, approving the Engineer’s Report, declaring intention to levy and collect assessments in LMD “D” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-75 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “E”, Blue Shield, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “E” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-76 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “F”, Placer Pines, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “F” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-77 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “G”, Quail Run, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “G” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-78 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “H”, Clover Creek Village, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “H” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-79 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “H, Zone 1”, Clover Creek Village, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “H1” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-80 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “J”, Sunset Avenues, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “J” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-81 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “K”, Nob Hill, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “K” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-82 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “L”, Terra Vista Estates, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “L” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-83 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) “M”, Parkview/Leland Subdivision, for July 21, 2009, approving the Engineer’s Report, and declaring intention to levy and collect assessments in LMD “M” for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-84 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "N", Villages at Shasta View Gardens, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "N" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-85 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "O", Nicolet Estates, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "O" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-86 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "P", Mill Pond Lane, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "P" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-87 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "Q", Clover Acres Units 1-2, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "Q" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-88 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "R", Cerro Vista, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "R" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-89 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "S", Fleur Du Lac, Unit 1, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "S" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-90 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "T", Redwood Meadows, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "T" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-91 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "U", Bel Air Estates, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "U" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-92 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "V", Lakeside Avenues, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "V" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-93 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "W", Crown Meadows Estates, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "W" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code, and staying the levy of same for fiscal year 2009-10.

Resolution No. 2009-94 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "01-06", Tarmac Ridge Villas, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "01-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code

Resolution No. 2009-95 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "02-06", Galaxy Way, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "02-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-96 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "03-06", Hope Subdivision, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "03-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code, and stay the levy of same for fiscal year 2009-10.

Resolution No. 2009-97 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "04-06", Rivercrest, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "04-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-98 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "05-06", Monopoly, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "05-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code, and staying the levy of same for fiscal year 2009-10.

Resolution No. 2009-99 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "06-06", Lowes HIW, for July 21, 2009, approving the Engineer's Report, declaring intention to levy and collect assessments in LMD "06-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-100 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "07-06", Buckeye Pines, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "07-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-101 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "09-06", Buenaventura Park (formerly Airpark Manor), for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "09-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-102 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "11-06", Tuscany Villas, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "11-06" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-103 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "01-07", State Compensation Insurance, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "01-07" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution No. 2009-104 be adopted, a resolution of the City Council of the City of Redding setting a public hearing for Landscape Maintenance District (LMD) "02-07", Hilltop Center, for July 21, 2009, approving the Engineer's Report, and declaring intention to levy and collect assessments in LMD "02-07" for fiscal year 2009-10 pursuant to the Landscaping and Lighting Act of 1972, commencing with Section 22500 of the Streets and Highways Code.

Resolution - Approve Engineer's Report, Set Public Hearing, and Declare Intention to Levy and Collect Assessments for Sanitary Sewer Maintenance District SSMD 01-07  
[A-170-080-001]

It is the recommendation of the Transportation/Engineering Director that Resolution No. 2009-105 be adopted, a resolution of the City Council of the City of Redding, approving the Engineer's report as filed; set a public hearing for July 21, 2009; and declare its intention to levy and collect assessments in Sanitary Sewer Maintenance District SSMD 01-07 for Fiscal Year 2009-10 pursuant to the Improvement Act of 1911.

Award of Bid - Bid Schedule No. 4246, 2009 Asphalt Concrete Surfacing Replacement  
[B-050-020 & S-070-200]

It is the recommendation of the Transportation/Engineering Director that Bid Schedule No. 4246 (Job No. 2330), 2009 Replace AC Surfacing Project, be awarded to Tullis, Inc. in the amount of \$176,732, that an additional \$25,000 be approved for administration and inspection fees, and that an additional \$100,000 be approved for a construction contingency fund, for a total amount of \$301,732.

Sewer System Management Plan  
[W-020]

It is the recommendation of the Municipal Utilities Director that the City Council approve the City's Sewer System Management Plan (SSMP) as directed by California General Waste Discharge Requirements and to provide for budgeting and long-term infrastructure planning.

Resolution - Amending Solid Waste Rate Schedule & Service Policies  
[S-020-500]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2009-106 be adopted, a resolution of the City Council of the City of Redding, amending the Solid Waste Utility's Solid Waste Rate Schedule and Service Policies to provide updates and language revisions.

Resolution - Approving Loan Application to the State Water Resources Control Board's State Revolving Fund for the Expansion of the Stillwater Wastewater Treatment Plant  
[G-100-170 & W-010-560]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2009-107 be adopted, a resolution of the City Council of the City of Redding, authorizing the City Engineer or Municipal Utilities Director to execute a Financial Assistance Application in an amount not-to-exceed \$25 million for American Recovery and Reinvestment Act funds through the State Water Resources Control Board's State Revolving Fund to provide a financing agreement with the State Water Resources Control Board for planning, design and construction of the Expansion of the Stillwater Wastewater Treatment Plant Project.

Resolution - Approving Loan Application to the State Water Resources Control Board's State Revolving Fund for the Mary Street Lift Station Replacement and Mary Street Sewer Force Main Projects  
[G-100-170 & W-020-560]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2009-108 be adopted, a resolution of the City Council of the City of Redding, authorizing the City Engineer or Municipal Utilities Director to execute a Financial Assistance Application in an amount not-to-exceed \$3.4 million for American Recovery and Reinvestment Act funds through the State Water Resources Control Board's State Revolving Fund to provide a financing agreement with the State Water Resources Control Board for the Mary Street Lift Station Replacement and Mary Street Sewer Force Main Projects.

Resolution - Approving Loan Application to the State Water Resources Control Board's State Revolving Fund for the Boulder Creek Interceptor Sewer Project  
[G-100-170 & W-020-610]

It is the recommendation of the Municipal Utilities Director that Resolution No. 2009-109 be adopted, a resolution of the City Council of the City of Redding, authorizing the City Engineer or Municipal Utilities Director to execute a Financial Assistance Application in an

amount not-to-exceed \$13.5 million for American Recovery and Reinvestment Act funds through the State Water Resources Control Board's State Revolving Fund to provide a financing agreement with the State Water Resources Control Board for the Boulder Creek Interceptor Sewer Project.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur, 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, and Bosetti

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - Stegall

Ordinance No. 2436 and Resolution Nos. 2009-67 through 2009-109 are on file in the Office of the City Clerk.

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PUBLIC HEARING - Grant Application and Spending Plan for the 2009 Edward Byrne Memorial Justice Assistance Grant  
 [G-100-070 & P-150-150]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding the proposed grant application and spending plan for the 2009 Edward Byrne Memorial Justice Assistance Grant (JAG).

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

Affidavit of Publication - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

Police Chief Hansen related that the Redding Police Department applies annually for the Edward Byrne's Memorial Justice Assistance Grant (JAG) program through the U.S. Department of Justice. This year, he said there is no required matching funds for the \$53,708 grant, which will be used to retain personnel subject to layoff. He pointed out that this year a joint application with the Shasta County Sheriff's Office must be submitted.

Chief Hansen recommended that the City Council approve the submission, acceptance, and proposed spending plan for the JAG grant in the amount of \$53,708 for 2009.

Mayor Bosetti determined that no one present wished to address this matter and closed the public hearing.

**MOTION:** Made by Council Member McArthur, seconded by Council Member Jones, approving submission, acceptance, and proposed spending plan for the Edward Byrne Memorial Justice Assistance Grant (JAG) program grant through the U.S. Department of Justice in the amount of \$53,708 for 2009. The Vote: Unanimous Ayes

PUBLIC HEARING

RESOLUTION - Adjusting the City's Schedule of Fees and Service Charges  
 [F-205-600]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding adjustments to the City of Redding Schedule of Fees and Service Charges.

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

Affidavit of Publication - Notice of Public Hearing

City Clerk Strohmayer advised that no protests were received.

City Manager Starman advised that at the meeting of June 15, 2009, City Council adopted revisions to the proposed Schedule of Fees and Service Charges regarding the Redding Electric Utility (REU) late penalties and disconnect notices.

Finance Officer Strong provided an overview of the Report to City Council, dated June 5, 2009, stating that in accordance with City Council Policy No. 802, City fees and service charges are evaluated annually and submitted to the City Council for review and approval.

He recalled that a description of the proposed adjustments and modifications to the Schedule of Fees and Service Charges (Schedule) was submitted to the City Council at its meeting of June 2, 2009. He pointed out that the proposed fees, increases, and decreases will not exceed the administrative costs of providing these services for fiscal year 2009-10.

Mr. Strong said that most of the recommended changes are tied to the Consumer Price Index (CPI) of a negative 1.3% as of May of 2009, while other changes are tied to the Construction Cost Index (CCI) and will increase by 5.3%.

Mr. Strong recommended adoption of the resolution amending the City's Schedule of Fees and Service Charges for fiscal year 2009-10.

Walt McNeill, attorney representing ShasTax, expressed opposition to the REU late penalty approved by the City Council the night before, as well as the separation of late penalty revenues to the General Fund. He believed that in 2005, REU late fees were redirected to the General Fund to mitigate the loss of in-lieu property tax. He also took issue with the REU late fee referenced as a penalty instead of a fee.

Mayor Bosetti determined that no other individual wished to address this matter and closed the public hearing.

**MOTION:** Made by Council Member Dickerson, seconded by Council Member McArthur, adopting Resolution No. 2009-110, a resolution of the City Council of the City of Redding, amending the Schedule of Fees and Service Charges and adding the revisions adopted by the City Council at its meeting of June 15, 2009, relative to REU late penalties and disconnect notices.

The Vote:

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

Resolution No. 2009-110 is on file in the Office of the City Clerk.

PUBLIC HEARING - Westridge Master Plan

ORDINANCE - Rezoning Application RZ-11-03

RESOLUTION - Certification of the Revised Final Environmental Impact Report (FEIR) EIR-2-03 and Mitigation Monitoring and Reporting Program;

RESOLUTION - Initiation of annexation and detachment proceedings AN-1-04 (Greenview and Campo Calle areas);

RESOLUTION - Approve Tentative Subdivision Map S-04-04, Westridge II Subdivision

RESOLUTION - Approve Tentative Subdivision Map S-19-03, Westridge III and Park In-Lieu Fee Credit Agreement; and

RESOLUTION - General Plan Amendments GPA-7-03 and GPA-3-04

[S-101-068/S-101-073/L-010-075/G-030-010/L010-230/A-150]

The hour of 7:00 p.m. having arrived, Mayor Bosetti opened the public hearing regarding the Westridge Master Plan including Certification of the Revised Final Environmental Impact Report (FEIR) EIR-2-03; Initiation of annexation proceedings AN-1-04; General Plan Amendments GPA-7-03 and GPA-3-04; Rezoning Application RZ-11-03; and Tentative Subdivision Map Applications S-04-04, Westridge II by Guiton, Gerboth and Guiton, and S-19-03, Westridge III by Greenview Development, Inc.

The following documents are on file in the Office of the City Clerk:

Affidavit of Publication - Notice of Public Hearing

Affidavit of Mailing - Notice of Public Hearing

City Clerk Strohmayer advised that letters and documents from the Friends of Canyon Creek and the Sierra Club were received today before noon regarding the revised EIR and the Westridge project.

Development Services Director Hamilton recalled that the original approval of the Westridge Master Plan occurred at the regular City Council Meeting of June 19, 2007, but due to litigation of the process and subsequent July 2008 ruling from the court, the project has been revised pursuant to court direction. He provided highlights of the Report to City Council dated June 2, 2009, incorporated herein by reference, and provided a Powerpoint presentation reviewing the Westridge Subdivision Master Plan Project and subsequent

changes. The Project proposes development of approximately 400 acres on the west side of Redding located northeast of Power Line Road, east of Placer Road, and west of the Canyon Creek Road terminus at Blazingwood Drive. The project would provide 198 single-family homes, 260 acres of open space and also proposes annexation of approximately 75 acres of land to include the Greenview and Campo Calle areas, but excludes the previously proposed Powerline Road area.

Mr. Hamilton stated that the revised Final Environmental Impact Report (FEIR) and Mitigation Monitoring and Recording Program provide a summary of issues in a more understandable format for the public, particularly regarding the Centerville water supply issue. He pointed out that all previous approvals for the Westridge Master Plan were rescinded in January 2009, and therefore, must be reconsidered for approval at this meeting.

The proposed General Plan Amendments GPA-7-03 and GPA-3-04 would remove the Canyon Creek Road extension to Placer Road from the General Plan Transportation Element and provide rezoning for the proposed annexation properties. He added that the General Plan amendments must be approved in concept and brought back later in the meeting for adoption. Mr. Hamilton stated that the annexations would also revise the Primary Growth Boundary identified in the Community Development and Design Element, and the rezoning would change the land use classification of property from "Residential, 1 to 5 acres per unit" to "Residential, 2 to 3.5 dwelling units per acre." He stated that the project also provides several traffic mitigation measures to be funded by the developer, including widening Placer Road to four lanes from the Westridge project entrance to Buenaventura Boulevard and the developer's financial participation (19%) in the widening of Buenaventura Boulevard to Airpark Drive.

Mr. Hamilton stated that the main issues for the project are: fire protection, water supplies, mitigation monitoring, a park in-lieu fee agreement, Placer Road connection - interim and permanent, emergency secondary access, Campo Calle access, Tree Management Ordinance, and an off-site sewer line extension, which has been relocated to the ridgetop. These issues are discussed and mitigated to the greatest extent possible through the FEIR, Mitigation Monitoring and Reporting Program, and in some instances through the Conditions of Approval for the Subdivisions. He pointed out that the Centerville Community Services District (CCSD) would supply the water service and has advised that it has the ability to provide treated water to the project at full buildout. He stated that a letter from CCSD provides information to make the necessary findings required by Government Code Section 66473.7 regarding delivery of a "sufficient water supply."

Mr. Hamilton advised that the City's Master Sewer Plan includes an extension of the sewer line along the Canyon Creek stream corridor, but because of environmental issues, it has been changed and is now proposed for the ridgeline above Canyon Creek.

Mr. Hamilton related that the Westridge II Subdivision (S-4-04, by Guiton, Gerboth, and Guiton) will consist of 66 single-family lots, 22.4 acres of public or private open space, 25.5 acres designated remainder, an overall density of 2.19 units per acre, and dedication of 1.2 acres of land as a portion of the 13-acre public park planned for the Westridge Master Plan. The Westridge III Subdivision (S-19-03 by Greenview Development, Inc.) will have 132 single-family lots with 168 acres in open space, an overall density of 1.93 units per acre, and the developer will dedicate land and construct an approximately 13-acre public park, pursuant to the proposed Park In-Lieu Fee Agreement which is included for consideration.

Mr. Hamilton explained that with the various recommendations, certain findings must be made as follows:

1. Project is compatible with the Redding General Plan;
2. Project will not significantly alter existing land form;
3. Project is compatible with surrounding land use;
4. Project is compatible with the Code of the City of Redding, California
5. Final Environmental Impact Report (FEIR) has been completed in conformance with the California Environmental Quality Act (CEQA)
6. FEIR was presented to the City Council, who reviewed and considered the information contained in the FEIR
7. There is no substantial evidence that the Project as proposed, together with the mitigations listed in the FEIR, will have a significant effect on the environment
8. FEIR reflects the City's independent judgment and analysis
9. That pursuant to Government Code Section 66473.7(e), the Centerville Community

Services District has the ability to deliver treated water to the Project at full buildout

Mr. Hamilton recommended that the City Council: 1) adopt a resolution making findings and certifying the completeness and adequacy of Revised Environmental Impact Report EIR-2-03 prepared for the Westridge Master Plan and Annexation Area Project, and adopting the Mitigation Monitoring and Reporting Program for the Westridge Master Plan Project; 2) adopt a resolution making findings and approving Tentative Subdivision Map Application S-4-04 for the Westridge II Subdivision Project subject to Conditions of Approval by Guiton, Gerboth, and Guiton; 3) adopt a resolution making findings and approving Tentative Subdivision Map Application S-19-03 for the Westridge III Subdivision Project subject to Conditions of Approval and approving the Park In-Lieu Fee Agreement with Greenview Development, Inc. for construction of a 13-acre park site as set forth in the Westridge Master Plan; 4) adopt a resolution requesting the Local Agency Formation Commission (LAFCO) to initiate proceedings for the reorganization of territory for Annexation No. AN-1-04 (Westridge Master Plan-Greenview and Campo Calle areas and detachment of County Service Area No. 15-Street Lighting and County Service Area No. 1-Fire Protection), generally located east of Placer Road, northeast of Power Line Road, and west of Canyon Creek Road terminus at Blazingwood Drive; 5) offer an ordinance for first reading and waive the full reading, amending Redding Municipal Code Section 18.01.050 (Zoning Map) by approving Rezoning Application RZ-11-03, rezoning and pre-zoning property identified as the Westridge Master Plan and Annexation Area site generally located northeast of Power Line Road, east of Placer Road, and west of Canyon Creek Road terminus at Blazingwood Drive, rezoning from "RS-2" and "RS-3" Residential Single Family District to "RS-3" Residential Single Family District and "OS" Open Space District and pre-zoning to "RE-1" Residential Estate District, "RS-3" Residential Single Family District, and "OS" Open Space District, and 6) adopt a resolution approving General Plan Amendment Applications GPA-7-03 and GPA-3-04.

Marily Woodhouse, Bruce Waggoner, and Susan Weale, all representing the Sierra Club and the Friends of Canyon Creek, opposed adequacy of the revised EIR based on their perception of the water supply of the Centerville Community Services District, which they felt was inadequate, and they noted that new documents had been added to the EIR. A list of documents that were submitted to the Planning Department just before noon today (regarding the Westridge project) was read into the record.

Council Member Dickerson questioned why these lengthy and technical documents were submitted to the City today, thereby disallowing Council Members an opportunity to review them adequately before being asked to consider their content.

City Attorney Duvernay advised that all the technical information was included in the 2007 EIR, excepting a clear and concise summary, which is included in the revised EIR, along with a water agreement that did not exist until 2008. He noted that during the litigation process the petitioner agreed to submit all pertinent information by February 2009. Mr. Duvernay stated that there is a secure, long-term water supply through the Centerville Community Services District. He advised that CCSD has a firm allocation of 3800 acre feet per year, of which they currently use approximately half of that amount. In order to allow staff to adequately review and respond to the volume of technical material that Sierra Club/Friends of Canyon Creek submitted this evening, he recommended that Council continue the public hearing.

**MOTION:** Made by Council Member Dickerson, seconded by Council Member McArthur, to continue this Public Hearing until July 21, 2009 at 7 p.m.

The Vote: Unanimous Ayes

#### "FREE DAYS" FOR CERTAIN CITY SERVICES

[P-050-700-600 & S-020]

City Manager Starman stated that due to the economic downturn and the recent increase in utility fees, Council Member McArthur proposed waiving fees at the Aquatic Center and Solid Waste Transfer Station once a month over the summer. He pointed out that research revealed the costs for this "free service" would constitute a \$7,000 and \$25,000 loss of revenue, respectively, and noting that Ms. McArthur was previously unaware of the fiscal impact. Mr. Starman noted that the City already has a coupon program that provides free days at the Solid Waste Transfer Station.

Council Member McArthur opined that city residents may appreciate some mitigation of current economic hardships and asked Council to consider offering free services as a way of giving back to the community.

Council Member Jones did not support waiving Aquatic Center fees, but did support waiving fees for what he felt was a more essential service of solid waste disposal, and opined that the estimated lost revenue might be offset by a reduction in illegal dumping. He believed that there were a lot of restrictions on what is accepted at the Solid Waste Transfer Station.

In response to Mayor Bosetti, Assistant City Manager Tippin advised that from July through October 2008, 1483 coupon customers brought 420 tons of waste material to the transfer station, which equates to a cost of \$25,000 in tipping fees alone, and does not take into account the ancillary costs of transportation, personnel, traffic control, etc., necessitated by increased customer flow. Mr. Tippin stated that a free day would exacerbate the problem because everything would be on a single day and not spread over several months. He noted that and some limitations would be needed to control abuse. Mr. Tippin related that current fees are based on the City's cost of services provided and higher fees overall may be required to offset increases to the current level of fee waivers. He also expressed concern that allowing some restricted items could cause damage to the transfer station, while some are not allowed under the City's operating permit that can be taken to the West Central Landfill directly. Mr. Tippin suggested that staff prepare a proposal for expansion of the coupon program for Council consideration.

With the concurrence of the City Council, Mayor Bosetti directed staff to prepare additional information regarding the possibility of expanding the coupon program at the Solid Waste Transfer Station for residential customers.

GRANT - U.S. Economic Development Administration re Stillwater Business Park; and  
RESOLUTION - Appropriating Funds  
[G-100-070/^B-130-070/E-050-500]

Assistant to the City Manager Clark announced that the City has been approved to receive another grant for the Stillwater Business Park Project from the U.S. Economic Development Administration (EDA) for construction of a south bridge and secondary access road. Phase 1 of the business park is due to be completed in August 2009 and the project has realized an approximate \$4.5 million surplus due to construction bid savings, which could be used to match grant funding.

He recommended that the City Council accept the grant from EDA in the amount of \$3,470,000 for construction of a south bridge and secondary access road at the Stillwater Business Park and that a resolution be adopted appropriating \$6,940,000, of which \$3,470,000 in grant funds and \$3,470,000 City's Capital Projects Fund be set aside for Stillwater Business Park .

Charlie Menoher, past Police Facility Review Committee member, suggested that Council reject the EDA grant and use the City's Capital Project Fund to purchase the KMS building on Mountain Lakes Boulevard to provide a new police facility, citing good timing and currently low construction costs.

Council Member Jones expressed doubts about the Stillwater Business Park project in its entirety but recognized that the project must be completed at this point in time. He believed the project cannot move forward without the bridge and secondary access road and, although he remains critical of the project, he supported staff's recommendation.

Although Council Member McArthur expressed strong support for a new police facility, she agreed that the Stillwater Business Park must be completed in order to achieve success and realize projected jobs and revenue and stated that an opportunity of this type should not be rejected.

Mayor Bosetti concurred with Mr. Menoher regarding an opportunity to provide funds for the purchase of a police facility by utilizing the Capital Projects Fund.

**MOTION:** Made by Council Member McArthur, seconded by Council Member Jones, accepting the grant from the U. S. Economic Development Administration in the amount of \$3,470,000 for construction of a south bridge and secondary access road at the Stillwater

Business Park and that Resolution No. 2009-111, a resolution of the City Council of the City of Redding, approving and adopting the 62<sup>nd</sup> amendment to the City Budget Resolution No. 2007-127, appropriating \$6,940,000, of which \$3,470,000 is grant funds and \$3,470,000 is City Capital Projects Funds set aside for Stillwater Business Park for Fiscal Year 2008-09.

The Vote:

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

CONVENTION CENTER AND/OR THE CONVENTION AND VISITORS BUREAU  
 [A-050-040 & A-050-500]

City Manager Starman stated that the City owns and operates the Convention Center, as well as the Convention and Visitors Bureau (CVB). He noted that, in California, it is unusual for a city to directly operate this type of community amenity facility; it being more common for a private company to operate a convention center and a Chamber of Commerce to operate a visitor center.

Mr. Starman described a wide variety of uses of the Convention Center and noted that fees are heavily discounted for non-profit organizations. He advised that the Convention Center operating budget is approximately \$1.9 million annually, with incoming revenues of \$700,000, and the CVB operating budget is approximately \$900,000 with revenues of less than \$2,000. The City subsidizes the remaining costs for both facilities with Transient Occupancy Tax (TOT) revenue, in the amount of approximately \$1.2 million for this fiscal year. He related that these shortfalls in funding have brought discussions regarding privatization of the two amenities to the fore and noted that the City has successfully privatized animal regulation, library services, transit services, and museums.

Mr. Starman recommended that Council request the Community Services Advisory Commission (Commission) evaluate the possibility of privatizing the Convention Center and/or the Convention and Visitors Bureau by; (1) performing a comprehensive review of the operations, (2) identify comparable facilities on the West Coast managed and operated by private companies to ascertain feasibility, (3) develop a list of pros and cons regarding privatization, (4) identify other business models that may be applicable, (5) determine if the City should issue a Request for Proposals to identify possible private companies interested in such a venture, and (6) prepare a report for consideration by the City Council within six months.

Bruce Alexander, Redding Rodeo associate, expressed concern regarding privatization of the Convention Center because City staff has been an excellent and considerate neighbor. He did not support privatization because City staff is doing such a good job and felt there only needed to be new avenues to produce revenue. However, he offered to assist in the search for a proper private firm if the City moves in that direction.

Ginne Mistal, former budget committee member, urged the City Council to remain supportive of the community's non-profit organizations who very often depended primarily on utilization of the Convention Center for fund raising. She feared that increased fees or privatization could preclude some fund raising events to the detriment of community service organizations.

Council Member McArthur supported the use by non-profits groups and felt use of the Convention Center provided ancillary benefits to the community and was reluctant to support the loss of an amenity that helps the community and its citizens based solely on revenue producing criteria.

In response to Council Member McArthur, Support Services Kersten explained that non-profit groups pay less than half the normal rate for an event, and they account for approximately 56% of the usage days for the Convention Center annually. Mr. Kersten pointed out, as an example, the Kool April Nites event generated \$800,000 in hotel and meal revenues, (which does not include sales tax on gasoline, retail, groceries, etc.), so many events should not be judged solely on the revenue received by the Convention Center.

Council Member Jones contended that the Convention Center should operate efficiently, and non-profit organizations can adapt if fees need to be increased. While not against privatization, he believed that all options should be explored. He expressed support for staff's recommendation to ask the Commission to evaluate all options to run both facilities

in a cost effective manner.

Council Member Dickerson opposed privatization, but supported a Commission analysis. He believed that the City was returning a dollar for dollar revenue if viewed from the proper perspective.

Mayor Bosetti believed all options should be explored by the Commission, including privatization, and cited the successful example of privatizing library services.

**MOTION:** Made by Council Member McArthur, seconded by Council Member Jones, to authorize the Community Services Advisory Commission to evaluate privatizing of the Convention Center and/or the Convention and Visitors Bureau as set forth in the scope of work above, and prepare a report for consideration to the City Council within six months.  
The Vote: Unanimous Ayes

#### LOCAL GOVERNMENT SUMMIT ON GOVERNANCE AND FISCAL REFORM

[L-040-150]

City Manager Starman stated that State government is dysfunctional. Sharing this opinion, the League of California Cities, the California State Association of Counties, and the California School Boards Association have scheduled a Local Government Summit on Governance and Fiscal Reform on July 17 and 18, 2009, in Sacramento California, to identify needed reforms and determine if there is a need for a Constitutional Convention.

Mr. Starman recommended that the City appoint Mayor Bosetti and Council Member Dickerson as official delegates to attend and represent the City at this summit.

**MOTION:** Made by Council Member McArthur, seconded by Council Member Jones, authorizing Mayor Bosetti and Council Member Dick Dickerson to represent the City at the Local Government Summit on Governance and Fiscal Reform to be held in Sacramento, California, on July 17 and 18, 2009.

The Vote: Unanimous Ayes

GRANT - Indian Gaming Local Community Benefit Fund for Fiscal Year 2008-09; and  
RESOLUTION - Appropriating Funds

[G-100-170/B-080-650-639]

Assistant to the City Manager Clark related that the Indian Gaming Local Community Benefit Fund (Fund) was established by the State to mitigate impacts created by Indian gaming facilities. He reported that the City has been very fortunate to receive grants through the Fund for Fiscal Year 2008-09 in the amount of \$258,515 for the Cascade Zone Water System Improvement Project, which serves the Win-River Casino and surrounding area.

Mr. Clark recommended acceptance of the aforementioned grant from the Indian Gaming Local Community Benefit Fund and adoption of a resolution appropriating funds in the amount of \$258,515 to raise an underground vault to ground level on Railroad Avenue and make improvements to a pump station along South Bonnyview Road. He acknowledged the contributions by Win-River Casino to the community through the Indian Gaming Local Community Benefit Fund for Fiscal Year 2008-09.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur, accepting the 2008-09 grant from the Indian Gaming Local Community Benefit Committee in the amount of \$258,515, and that Resolution No. 2009-112, a resolution of the City Council of the City of Redding, approving and adopting the 63<sup>rd</sup> amendment to the City Budget Resolution No. 2007-127, appropriating \$258,520 for the Cascade Zone Water System Improvement Project for Fiscal Year 2008-09.

The Vote:

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

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - Stegall

#### HELIOMIST SYSTEMS

[E-120-030]

City Manager Starman informed Council that Redding Electric Utility (REU) received a proposal from AC Research Lab, a private company in San Jose, to install 41 HeliomistR21 systems in Redding for the amount of \$59,450. The proposal stated that this would be a pilot

program designed to reduce residential air conditioner electric consumption with a cost of \$1,450 per unit.

Mr. Starman related the REU evaluated this proposal and found that although the project would save some energy, it increased potable water usage 5 to 20 gallons per day for an average household during summer months when potable water supplies were lowest and conservation is urged. He advised that it would ultimately increase the City's annual treated water usage. He noted that the City also has a limited amount of public benefit funds available for energy efficiency rebates and customer assistance programs and REU felt those funds could be better spent on programs such as Lifeline. He advised that funds for installation of better insulation in a home would provide greater benefit for less cost and it could be less expensive to install an evaporative cooler that would supply much the same effect.

Mr. Starman recommended that Council reject this request, based on REU's evaluation of the product, but added that if the Council wishes to move forward, perhaps an alternative would be to purchase two to four units.

Mr. Vo, representing AC Research Lab, opined that REU did not fully evaluate the HelioMist product and distributed a summary to Council. He maintained that 41 units out of a customer base of approximately 40,000 is a small program and that larger utilities were less suitable for pilot programs due to pressures to be profitable. Mr. Vo rebutted each REU objection and purported that the HelioMistR21, a self-contained pre-cooling mister system powered by solar panels, can reduce energy consumption for air conditioning by up to 35% during the hottest days, is an ideal application for older existing systems, and reduces the amount of time modified units run. He asserted that these findings are based on results at a PG&E Lab and from a unit installed at the Gibson Heating and Air facility in Redding.

In response to Council Member Dickerson, Mr. Vo explained that Redding was chosen for the pilot program because it experienced a greater number of hot days than most communities.

Mr. Jay Gibson, Gibson Heating and Air, attested that a unit installed at his place of business approximately one year ago has reduced energy usage, however, he did not have specific information on his electric or water costs over this period of time. He also summarized the working process of the misters.

In response to Mr. Vo's claim that for every 1,000 kilowatts of energy saved with his product there would be 1.8 acre feet of water saved at Shasta Dam, Electric Utility Director Hauser cautioned that the U.S. Bureau of Reclamation, (who operates Shasta Dam), released specific amount of water that would not change because of the City's usage and there is zero water savings because electricity generation did not use water other than flowing through the process. He noted that energy generation is a by-product of the dam. He also pointed out that even the HelioMist system would have to operate at maximum during the hottest summer days, and would only realize some savings on days that were around 90 degrees fahrenheit.

Mr. Kent Dagg, Chief Executive Officer of Shasta Builders' Exchange, asserted that he had inspected the unit at Gibson Heating and Air and found it to be promising. He contended it could qualify under the federal stimulus package weatherization program and expressed support for the pilot program. He believed that his energy auditors could select the proper homes for installation.

Council Member Jones commented that the technology was very exciting to him, asked Mr. Hauser if American Recovery and Reinvestment Act Funds were available for this purpose, opined that this product may be beneficial to a targeted, low-income segment of the community, and suggested that REU should consider purchasing this new technology for those users.

Council Member Dickerson advised that although the technology was very interesting, he was concerned about water usage and suggested waiting until the product had proven and measurable results.

Mayor Bosetti expressed support for the pilot program and emphasized the importance of tracking measurable results.

**MOTION:** Made by Council Member Jones to accept the proposal by AC Research Lab to purchase and install 41 HelioMistR21 systems in the City.

Motion failed for lack of a second.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur, to authorize installation of 25 HelioMistR21 systems in the City, and negotiate an agreement with AC Research Lab for appropriate price.

The Vote:

AYES: Council Members - Jones, McArthur, and Bosetti

NOES: Council Members - Dickerson

ABSTAIN: Council Members - None

ABSENT: Council Members - Stegall

**RESOLUTION** - Gas Prepay Program with M-S-R Energy Authority  
[E-120-501 & E-120-058]

Electric Utility Director Hauser provided highlights of the Report to City Council dated June 8, 2009, incorporated herein by reference, recalling that in August 2007, the City Council directed the Electric Utility Director to negotiate one or more 30-year take-and-pay natural gas contracts. In July 2008, the City Council authorized Redding Electric Utility's (REU) participation in the M-S-R Energy Authority (Authority) as a joint powers agency (formed July 15, 2008) with Modesto Irrigation District and the City of Santa Clara and to complete a 30 year gas prepay program under the new Authority. A discount of not-less-than \$0.75 per MMBtu (one million British thermal units) was set with aggregate quantity of prepay gas not-to-exceed 6,000 MMBtu per day through December 2010, and 8,500 MMBtu per day, thereafter, to 2038.

Mr. Hauser recalled that market conditions in mid-to-late 2008 disallowed executing the final steps to complete the gas prepay transaction with Citigroup Energy, Inc. Recently, markets have moved to more historic norms and REU deemed the execution of a long-term Gas Supply Agreement with the M-S-R Energy Authority as now viable.

Mr. Hauser reviewed risks and mitigations of take-and-pay transactions to the City, relaying that he believed that CitiGroup is able to perform as anticipated and submitted a letter of recommendation from the PFM Group in its capacity as REU's financial advisor. He concluded that this opportunity has an estimated \$2 million annual value to REU's ratepayers for the next 30 years.

Mr. Hauser recommended that Council adopt a resolution to: 1) approve the issuance by the the M-S-R Energy Authority of not-to-exceed \$1.2 billion aggregate principal amount of M-S-R Energy Authority Gas Revenue Bonds, with the City's share not-to-exceed \$380 million 2) approve the execution of a long-term Gas Supply Agreement with M-S-R Energy Authority; 3) approve the Redding-related portions of the Official Statement for the bonds; and 4) authorize the City Manager, Assistant City Manager, or the Electric Utility Director to sign one or more take-and-pay agreements, subject to noted restrictions.

Council Member Jones questioned REU's ability to enter into other gas contracts if more advantageous terms become available.

**MOTION:** Made by Council Member Jones, seconded by Council Member McArthur, adopting Resolution No. 2009-113, a resolution of the City Council of the City of Redding, approving issuance by the M-S-R Energy Authority of not-to-exceed \$1.2 billion aggregate principal amount of M-S-R Energy Authority Gas Revenue Bonds in one or more series (the City's share not-to-exceed \$380 million); approving the form of and authorizing execution and delivery of a supply agreement with the M-S-R Energy Authority and certain portions of an Official Statement; and authorizing City Manager, Assistant City Manager, or electric Utility Director to complete related actions and matters.

The Vote:

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

NOES: Council Members - None

ABSTAIN: Council Members - None

ABSENT: Council Members - Stegall

Resolution No. 2009-113 is on file in the Office of the City Clerk.

ADJOURNMENT

There being no further business, at the hour of 10:09 p.m., Mayor Bosetti declared the meeting adjourned.

APPROVED:

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Assistant City Clerk