Call to Order: 5:30 p.m.
Roll Call, Council: Kelly West, Pedro Martinez, Cameron Hamilton, Richard Stadtherr
Council: Absent: Ronald Irish

Roll Call, Board: James Ballard, Irene Bakich, Jennifer Long, Albert Turner
Board: Absent: Richard Corbit
Board Staff: Bonnie Noll, Manager
Dennis Keller, Principal Engineer
J. Patrick Sullivan, Esq., Attorney

WRITTEN COMMUNICATIONS
The were no written communications.

ORAL COMMUNICATIONS
There were no oral communications.

SCHEDULED MATTER

1. CITY OF PORTERVILLE AND PORTER VISTA PUBLIC UTILITY DISTRICT SEWER REVENUE PROGRAM

Recommendation: That after the presentation, the Porterville City Council and the Porter Vista Public Utility District Board members express their desires regarding:
1. How the staff proceeds in dealing with sewer users to comply with the State requirements.
2. What rates are to be presented to the users; and
3. What schedule is to be used to increase sewer rates.

Hal Hill, Acting Public Works Director gave a short presentation regarding the history and need for improvements due to the cease and desist order from the Regional Water Quality Control Board. Mr. Hill presented maps showing the land purchased and proposed for percolation ponds and improvements out by the airport, and discussed the land purchased from Robert Nuckols for this purpose. He also reviewed a map of the monitor wells in the airport area. Mr. Hill stated that Porterville, and all the other cities in the Valley, were being held to a higher standard, because they have not yet reached their capacities. He stated that staff was proposing a 24% increase in sewer user fees over the next three years, starting with a 10% increase in 2003/2004. Mr. Hill stated that this meeting was for input from the Council and the PVPUD Board, and they would be meeting with the users at a later date.
The Council nor the Board had any comments at that time.

Doug Dove, with Bartle Wells, then spoke on the proposed revenue program and presented a slide presentation on the Waste Water Financial Plan and Rate Study. He stated that it was a draft plan which would be aligning the rates more closely with the cost of service. He stated that the Waste Water reserves were dropping because there had not been any increases in fees for some time. Mr. Dove then presented a capital project summary for $8,000,000. He stated that they were recommending a California Infrastructure and Economic Development Bank (CIEDB) Loan. He explained that although they would be required to pay prevailing wages for an estimated half million, the costs would be offset by the interest rates. He stated that a 3% increase would be recommended early on to cover inflation and future costs. Mr. Dove stated that the new rates needed to go into effect by July 1 because of the Cease and Desist Order. He stated that there was a 90% certainty that the City would get the loan, and they should know within a month.

When asked if any other borrowing on the Waste Water Facility was anticipated in the future, staff stated that a study was being done to show what facilities they needed, but the study would not be completed for twenty-four months.

2. CITY OF PORTERVILLE AND PORTER VISTA PUBLIC UTILITY DISTRICT INDUSTRIAL PRETREATMENT PROGRAMS

Recommendation: That the City Council act to recommend that the PVPUD Board of Directors adopt the City of Porterville’s Sewer Use Ordinance by reference by passing the draft ordinance.

Hal Hill, Acting Public Works Director, presented the staff report. He stated that if the District adopted the City’s ordinance, and if any industries went into the District, there would have to be a joint permit. Mr. Hill stated that there was plenty of time for the Board to adopt this, but they wanted to discuss it with the Board to see if this was the way that they wanted to go.

Barry Hilton, representing the Regional Water Quality Control Board, spoke regarding the State Requirements. Mr. Hilton spoke about the benefits of PVPUD adopting the City’s ordinance which already met all the requirements and necessities.

Mr. Hill stated that the City staff was recommending that the Board adopt the City ordinance. He stated that the City Attorney would draw up an agreement for the issuance of the permits for consideration by the Board and the Council.

Board Member Long stated that she would like the Board to table this until their next meeting when they could discuss it amongst themselves.

J. Patrick Sullivan, Esq, stated that they had met with staff and would go over this matter in depth at the next Board meeting. He stated that the overall idea was for the Board to adopt the City ordinance. Mr. Sullivan stated that the Board ordinance would be an addendum to the City
ordinance. He stated that there were little things that needed to be worked out with the engineers as to the requirements of the State, and they would only use that part of the ordinance that has to do with discharge.

Mr. Hill suggested that the City Attorney prepare a draft to give to Mr. Sullivan, who could take it to the PVPUD Board. He stated that on the rates they just wanted to see if the Board and Council thought it timely to start meetings with the users and discuss the reasons with them for the increase. He stated that the staff wanted to know if the Council and Board were comfortable with the proposed 10%-6%-6% increases. Mr. Hill stated that he hoped the Council would agree that the rates needed to be put into effect on July 1, and staff hoped to have loan documents approved so they could obtain the loan before that and it could all be done by July 1.

The Mayor asked if the increase in rates was based on an increase in users, and was told that they had included a factor for growth and number of connections.

Mr. Sullivan stated that the Board would not be able to raise their rates by July 1, as they were in a different situation because of Proposition 218. He stated that if the District approved the increase, the earliest would be September 1.

Mr. Dove stated that the difference between July 1 and September 1 for the District would not be that significant.

Dennis Keller stated that the dates would be important for them to determine their structuring. He stated that they had a mandatory sixty day notification period, plus everything else included to raise the rates. He stated that they had statutory requirements for Proposition 218.

The City Attorney stated that the question was whether or not the District needed to raise their rates.

The City Manager stated that the question was could the staff proceed with the process and have the discussions with the users.

The Mayor stated that he heard no objections to that.

Mr. Sullivan clarified that the meetings would be for the different user groups.

The City Attorney stated that the District might want to use some resources that the City could provide, such as staff.

The City Manager suggested, and the Council concurred, that a follow-up Joint meeting should be held in June for the Council and Board.

The City Manager stated that the staff would work together and design this so it was understood by all, and then meet with the relative businesses.
Board Member Turner stated clarified that if they did not raise the rates, then they did not have to mess with Proposition 218.

Mr. Sullivan stated that starting July 1 they would get a bill from the City for $6.30 per customer each month that they would have to pay. If after Bonnie did the budget work sheets and they saw a rate increase was recommended, then they would have to proceed with Proposition 218.

ORAL COMMUNICATIONS
There were no oral communications.

ADJOURNMENT
The City Council and the PVPUD Board adjourned at 6:34 p.m.

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Georgia Hawley, Deputy City Clerk

SEAL

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Richard M. Stadtherr, Mayor