

MINUTES

of an adjourned regular meeting of the City Council of the City of Redlands held in the City Hall Plaza, 15 East Citrus Avenue, Suite 15C, at 9:00 A.M. on December 1, 1992.

PRESENT

Charles G. DeMirjyn, Mayor
Swen Larson, Mayor Pro Tem
William E. Cunningham, Councilmember
Dee Ann Milson, Councilmember
Jim Foster, Councilmember

James D. Wheaton, City Manager
Ronald M. Mutter, Assistant City Manager
Glen Stephens, City Attorney
Lorrie Poyzer, City Clerk
Ted Thomaidis, Redlands Daily Facts

ABSENT

None

Wastewater Fund - Norman K. McPhail reviewed his memorandum dated December 1, 1992, regarding the Integrated Capital Management Program for the Wastewater Fund making a timely response to the revenue coverage problem. His memorandum outlined a program to manage wastewater finances, capital improvement requirements and services charged in a way that would gradually ramp-up service charge rates over the next few years while maintaining the fiscal integrity and self-supporting approach for all the City's enterprise funds. City Attorney Stephens explained the procedure necessary to comply with the bond requirements.

Councilmember Foster left the meeting at 9:50 A.M. The meeting recessed at 10:10 A.M. and reconvened at 10:20 A.M. at which time Mr. McPhail addressed Water Division financing issues. Referring to page four of Mr. McPhail's memorandum which listed elements of the fiscal and capital management program to accomplish these above noted objectives for all of the utility funds, Councilmember Cunningham indicated he would not support the following elements: (1) Wastewater rate study and ordinance adopting a 2-1/2 year phased rate increase program and a five year rate increase plan in fiscal year 1993, (2) refund Wastewater COP's in fiscal year 1993, (3) refund Water COP's in fiscal year 1993, and (6) maintain 39 percent overhead rate charged to the Wastewater Fund by the General Fund (13.5 percent General Government

Service Charge). Councilmember Cunningham indicated he supported the following: (4) Establish Separate Utilities Enterprise Fund Cash Pool in fiscal year 1993, (5) Expedite landfill permit expansion and extension in fiscal year 1993, and (7) Maintain reduced water and wastewater Capital Improvement Program in 1993 and 1994. He wished to hold off on (8) Provide for denitrification construction and (9) Provide for East Valley Corridor water infrastructure. Councilmember Larson indicated his support of Elements 1, 2, and 3. Elements (10) Provide for drought contingency, (11) Plan the best use of resources through Water Resources Management Plan and the Water Facilities Master Plan, (12) Plan for costs to meet Radon Rule beginning in fiscal year 1994, (13) Provide for compliance with Surface Water Treatment Rule beginning in fiscal year 1994, and (14) Meet Air Quality Management District Rule 110.2 in fiscal year 1995 were discussed but there was no response from Councilmembers.

Monthly Utilities Billing - Finance Director Chapman reviewed the additional costs involved in monthly billing/payment for municipal utilities indicating an estimated \$22,000 addition postage and a full-time clerk in the City Treasurer's Office to handle the additional counter work. He suggested a finance charge of one to two percent be applied to accounts taking advantage of a monthly payment.

Councilmembers indicated they wanted to discuss these matters further and were not ready to take any action today. City Manager Wheaton told Councilmembers staff needed to know what information they desired. Councilmember Cunningham wanted to see the impact of a reduction of rates and Mr. Wheaton referred him to a recent memorandum prepared by the Utilities Division.

The meeting adjourned at 11:21 A.M. The City Council's next regular meeting will be held on December 1, 1992, at 3:00 P.M.

ATTEST:

Mayor

City Clerk

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