

"Approved by the City Council/Redevelopment Agency Board on January 14, 2009"

CITY COUNCIL/REDEVELOPMENT AGENCY
MINUTES OF AN ADJOURNED REGULAR MEETING

WESTMINSTER, CALIFORNIA
DECEMBER 3, 2008

6:00 P. M.

OPENING

CALL TO ORDER 6:15 P.M.

SALUTE TO THE FLAG: Council Member Marsh

ROLL CALL

PRESENT: RICE, QUACH, FRY, MARSH, TA

ABSENT: NONE

ORAL COMMUNICATIONS

Gary Burton, resident of Westminster, inquired about the cellular phone tax charge by the City of Westminster. He was informed that it was a Utility User Tax that is billed to the physical address which is subject to the Municipal Code of the City of Westminster.

Dale Bradberry, resident of Westminster, stated that we are in a recession and Council should take this into consideration when discussing the water rate increase. He also said that the U.S. Government is giving senior citizens a 5.6 percent increase in their social security in January which totals about \$63 because everything is so expensive. He feels that seniors can not afford all these taxes and many will eventually become homeless.

Darrell A. Nolta, resident of Westminster, stated that on November 15, 2008 the City experienced the by-products of the fires that occurred in Riverside County, Yorba Linda and Brea. He is concerned with the black cloud that passed over Westminster and the potential of a reoccurrence.

1. Proposed Water Service Rate Increase for Fiscal Year 2008-09. (610-01)

Paul Espinoza, Finance Director, provided a PowerPoint Presentation (on file in the Clerk's office) summarizing this item.

Council Member Marsh presented a handout with charts (on file in the Clerk's office) that were provided by Paul Espinoza, Finance Director.

Ray Silver, City Manager, stated that staff's recommendation for the next Council meeting is a proposed 15% increase effective January 1, 2009 and to ask Council to direct staff to come back, no later than May of 2009, with changes to the existing water rate structure to reflect a reduction based upon two variables. One is a correction to the water rate structure and secondly a correction to the expenses charged to the water rate fund. This report should provide the detailed justifications for the reductions.

Gary Burton, resident of Westminster, addressed charges to the water rate fund and questioned the allocation of funds. He also asked why the water meters have to be replaced?

Dale Bradberry, resident of Westminster, expressed concern with the proposed increase.

Lee Lieberg, resident of Westminster, requested clarification on the original presentation of the water commodity cost increase and current talk about the coverage of the shortfall for the entire water department.

Council Member Marsh explained that the shortfall is for the water department as a whole. The proposed rate increase originally brought to Council by staff asked for a 15% across the board increase for both the fixed and the variable. Staff's current recommendation is for a 15% increase in only the variable component of the water commodity cost, and that the rate percentage be rolled back effective July 1, 2009.

Mr. Lieberg also asked what percentage of water will the City be allowed to pump, to which Scott Miller, Water Superintendent, informed Mr. Lieberg that currently 69% of the water is pumped and 31% is purchased. Mr. Miller said that for next year it is looking like 58% will be pumped and 42% will be purchased. Mr. Miller stated that the Orange County Water District sets the Basin Production Percentage (BPP) on water allowed to be pumped, based on a formula and they can be changed at anytime if the aquifer starts to suffer.

Darrell A. Nolta, resident of Westminster, asked how the \$7,062,487 amount for the variable water revenue 08/09 was reached. Council Member Marsh explained to him that it was provided on a chart from the Finance Director. Mr. Nolta asked if the total expense numbers were being tracked all along, why do we now have this shortfall? Council Member Marsh stated that the charge to purchase water increased greatly after the Council had voted in an 8% water rate increase. Mr. Nolta said that he was not allowed to see the documents that the Chairman of the Financial Review Committee had when the current water rate structure was established, even though he had requested them via the Public Records Act. He opposes the current structure. Mr. Nolta now feels that the increase should be imposed on both the fixed and the variable components of the water rate.

2. MATTERS FROM COUNCIL/AGENCY MEMBERS – None

COUNCIL/AGENCY ADJOURNMENT: 8:53 P.M.

Pat Jacquez-Nares
Assistant City Clerk/Acting Agency Secretary