# CITY COUNCIL MINUTES
## November 16, 2013
## SPECIAL SESSION

A Special Session of the Auburn City Council was held in the Council Chambers, City Hall, 1225 Lincoln Way, Auburn, California on Saturday, November 16, 2013 at 3:30 p.m. with Mayor Hanley presiding and Deputy City Clerk Amy Lind recording the minutes.

**CALL TO ORDER**

**ROLL CALL:**

**Council Members Present:** Keith Nesbitt, J. M. "Mike" Holmes, William W. Kirby, Bridget Powers, Kevin Hanley

**Council Members Absent:** none

**Staff Members Present:** City Manager Robert Richardson, City Attorney Michael Colantuono, Public Works Director Bernie Schroeder, and Administrative Analyst Megan Siren.

**PLEDGE OF ALLEGIANCE**

**Public Comment**

None.

1. **Regional Sewer Common Pipeline Intent to Commit – UPDATE**

Council Member Kirby apologized for holding a special session on a Saturday but said there is great urgency in this issue. He reviewed the history of the project. He provided a summary on the discussion held between the City of Lincoln, Placer County, Mayor Hanley and himself. He addressed the two pertinent issues discussed in this meeting: ownership of pipeline and construction schedule payments. He spoke about the right to transfer ownership of capacity. He also spoke about the agreed lower costs in regards to construction of the common pipeline. He said this agreement would be with Placer County and if in the future the city were to want to connect to use the common pipeline, an agreement would have to be made with the City of Lincoln.

Public Works Director Bernie Schroeder spoke about alternatives available to Council. She said if it is decided to continue pursuit of the common pipeline, staff will initiate steps to begin the rate study, hold a

prop 218 hearing, and rates would be raised in order to fund this commitment. She said the anticipated rate increase is around a $4-5 dollar range (per month), primarily because of this commitment and the oxidation ditch upgrades needed at the local plant to stay in compliance. She said the other alternative is to not continue the pursuit of participation in the common pipeline.

City Attorney Michael Colantuono said Placer County Counsel sent him a funding agreement to be approved by resolution. He reviewed the resolution draft and explained why and how it was drafted.

City Council questions followed regarding 1) future agreements regarding buy-in, 2) total costs with contingencies, 3) anticipated rate increase, 4) connection point, 5) treatment at Auburn plant, 6) sewer fund balance, 7) reserves in sewer fund, 8) clarification on agreement with Placer County, 9) impact to reserves/ projects if rate increase is protested/ failed, 10) future compliance, 11), construction payment schedule 12) the COJA agreement and 13) Auburn's involvement in the project/ meetings.

No public comment.

Council Member Kirby said this is an opportunity Auburn can't afford to leave on the table. He said if the capacity is not needed in the future, it could always be sold or transferred. He said the COJA protects Auburn's basic rights. He said $3.25 per rate payer is a reasonable price for this kind of security.

Council Member Nesbitt said the most important issue for him is the right to sell capacity back in the future. He said the rate payers are being asked to pay for something, and if some point in the future it is determined the city doesn't need to utilize the capacity, he wants to ratepayers reimbursed or the sewer fund reimbursed to hold off future rate increases.

Council Member Holmes spoke about the missed opportunity in the 1950's in regards to annexation, and the importance of not missing this opportunity for a regional shared pipeline.

Council Member Powers said this is important to have regional sewer and the common pipeline as an option for the residents.

Council Member Kirby said the policy makers need to be involved in these types of projects earlier in the process.

Mayor Hanley recognized everyone involved in this process. He said he doesn't think the public will understand why the Council made this decision at a special session on a Saturday. He said Auburn was not

given enough time to make this decision. He said he doesn't agree with making a multi-million dollar decision without public review. He said forwarding money for this buy-in is inconsistent with what the City Council did in 2007 because at the time it was presented as an increase to fix the local sewer system. He said the Council is taking a big risk with the prop 218 hearing, future compliance and improvements. He said he has had concerns with this project over the past 7 years. He said Placer County is giving up its right to determine rates for its users by connecting to Lincoln under the current agreement.

Council Member Kirby spoke about the lack of need for a Joint Powers Authority at this time because Auburn is not ready to connect to the pipeline. He said the COJA gives Placer County latitude on how they set their rates for ratepayers.

Council Member Hanley spoke about future options Placer County could possibly be tethered on. He said he has never seen a staff analysis stating the Auburn ratepayers would save by going Regional in less than 20 years.

Council Member Nesbitt said this is more of an insurance policy. He said if it's never needed, this "policy" can be cashed in and somewhere down the line the ratepayer's can be saved money.

By **MOTION**, waive a full reading and adopt the resolution approving a funding agreement relating to the Mid-Western Placer Regional Sewer Project. The motion was made by Council Member Kirby seconded by Council Member Powers. Passed by the following roll call vote:

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|---|---|
| Ayes: | Nesbitt, Holmes, Kirby, Powers |
| Noes: | Hanley |
| Absent: | |
| Abstain: | |

**ADJOURNMENT**

Mayor Hanley adjourned the meeting, without objection, at 4:30 p.m.

Kevin Hanley, Mayor

Amy M. Lind, Deputy City Clerk

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