

CITY COUNCIL COMMITTEE

INFRASTRUCTURE & FRANCHISE

Laura Hoffmeister, Chair
Dan Helix, Committee Member

5:30 p.m., Thursday, February 13, 2014

Building A, Garden Conference Room
1950 Parkside Drive, Concord

- ANNOTATED AGENDA -

ROLL CALL: Chair Laura Hoffmeister was absent. Council Committee Member Dan Helix was present.

STAFF PRESENT: Victoria Walker, Community & Economic Development Director; Robert Ovadia, City Engineer; Scott Johnson, Assistant City Manager; Mario Camorongan, Sr. Civil Engineer; Jovan Grogan, Budget Officer; Joseph Tagliaboschi, Infrastructure Manager

MEMBERS OF THE PUBLIC WHO ADDRESSED THE COMMITTEE: Ray Barbour; Rick Cole; Chris Cole

PUBLIC COMMENT PERIOD: There were no comments by the public concerning items not on the agenda.

1. **CONFIRMATION** – of the second Thursday of the month at 5:30 p.m. as the regular meeting date and time for the Infrastructure & Franchise Council Committee.

ACTION: The Council Committee confirmed the second Thursday of the month at 5:30 p.m. as the regular meeting date and time for the Infrastructure & Franchise Council Committee.

2. **REVIEW** – Informational Report Concerning the Sewer Enterprise Fund Status and Projections. Report by Robert Ovadia, City Engineer.

ACTION: Robert Ovadia overviewed the current status of the Sewer Enterprise fund as outlined in the written report. The Sewer Enterprise Fund, after accounting for payment to the Central Contra Costa County Sanitary District (CCCSO) for FY 2012-13 service charges, retains a contingency reserve balance greater than the amount outlined in the approved Sewer Enterprise budget. The presentation included a review of the 10-year capital improvement plan, including

capital program deferrals approved with the FY 2013-14 budget, to maintain a positive fund balance over the 10 year period.

Victoria Walker updated the committee on the status of the internal service debt owed by the Pavilion. Of the \$8,000,000 in internal service debt owed by the Pavilion, \$3,000,000 is to the Sewer Enterprise Fund, \$3,000,000 is to the Housing Fund, and \$2,000,000 is to the workers Compensation fund. Repayment of the internal service debt by the Pavilion is scheduled to start in FY 2014-15.

Rick Cole commented that the current sewer fees are too low to provide for an adequate investment to maintain the existing sewer infrastructure and was concerned about “kicking the can down the road” by deferring capital projects. Mr. Cole also expressed his preference to delay the purchase of the video inspection camera in favor of constructing additional improvements in the Downtown Sewer Upgrades - Phase II project, Salvio between Concord Avenue and Mt. Diablo Street in particular. He indicated that greater improvements were needed in the downtown area and investments in the downtown would provide a return with increased business and taxes.

Council Member Helix appreciated the input and understood the issues regarding deferred maintenance and the need for maintaining our system. He expressed the need to purchase the camera to inspect the existing sewer lines and have evidence regarding conditions and needs.

Chris Cole questioned the need to purchase the camera rather than contracting for services by local firms. Joseph Tagliaboschi responded that there is a need to immediately respond to sewer system overflows (SSO's) and be able to investigate and video document line conditions and repairs. He also indicated that there is a risk and increasing liability regarding SSO's and a need to be able to respond immediately. Most sewer agencies use contractor services for augmentation rather than rely on them for base services. Agencies maintain these base capabilities as they are able to respond more immediately and effectively rather than rely on contractor availability.

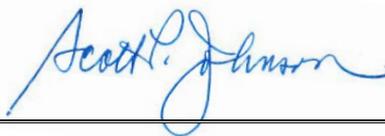
Rick Cole also stated that lateral replacement was necessary to reduce infiltration, which in-turn would reduce the City's cost to CCCSD for treatment Services.

Raymond Barbour commented that the City needs good tools to do good work. He was appreciative that there was no request for additional personnel and agreed with the need for immediate response when issues arise. Mr. Barbour also expressed his concern regarding the projected sewer fee increases shown in the 10-year funding plan. The adopted fee increase was for \$39 annually over two years, totaling \$78. The projection showed an additional \$338 over the next 8 years. He thought that the rate increases were excessive and recommended that the connection charges be raised in lieu of the annual assessments. Victoria Walker responded that the annual assessments were more closely tied to the charges assessed by CCCSD for service and treatment than the connection charges.

Council member Helix appreciated the attendance and input from the public.

The Council Committee accepted the report and affirmed staff's recommendation to purchase a new video inspection camera system for pipeline assessment.

3. **ADJOURNMENT** at 6:30 p.m.

A handwritten signature in blue ink, appearing to read "Scott Johnson", is written over the bottom right portion of the page.

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