

December 3, 2013, 6:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

Mayor Ives called the meeting to order at 6:00 p.m

Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.

3. Items from the Audience – None.
4. Wastewater Ratepayer Workshop – Steve Bayley, Project Specialist, provided a presentation regarding wastewater rates. Mr. Bayley discussed wastewater collection system asset management and outlined the major sewer system areas. Mr. Bayley also discussed maintaining an acceptable level of risk and how risks are scored. Mr. Bayley outlined salinity issues and stated the City of Tracy does not meet current or future standards.

Mr. Bayley discussed the Combined Solar Technology project, its estimated costs and benefits. Mr. Bayley stated the City of Tracy has a well-managed system evidenced by effective wastewater treatment, few violations, few complaints, and competitive rates. Mr. Bayley suggested Council adopt new rates in 2014 to become effective in 2016.

Mayor Pro Tem Maciel asked what type of rate increase would be expected if the desalination project did not go forward. Mr. Bayley stated there would be another type of rate increase, but he was not sure what type. Mr. Bayley added the desalination project was still speculative pending funding.

Mayor Pro Tem Maciel asked what type of rate increases the City would be looking for if the project did not move forward. Mr. Bayley stated the City would be looking for an alternative project such as reverse osmosis and pretreatment of water. Mr. Bayley added that the rate impact would be more than currently shown.

Mayor Pro Tem Maciel asked if the Outfall project included a new pipeline and a reinforcement of the existing pipeline. Mr. Bayley stated that was correct and desirable to have redundancy.

Council Member Rickman asked for clarification regarding the life span of asbestos cement pipe. Mr. Bayley stated asbestos cement pipes are used for both water and wastewater lines and could be used for wastewater for a very long time if it was kept 100% full of water at all times. Mr. Bayley explained how high spots in the City's wastewater pipeline could have deteriorated due to the presence of air.

Council Member Rickman, referring to risk management, asked if the City should spend the money to replace the pipeline. Mr. Bayley outlined the hazards in case of a failure. Mr. Bayley added that the pipeline was also needed to support continued growth.

Council Member Rickman asked if the growing of sugar beets has started. Mr. Bayley stated the project has grown 300 acres of sugar beets in Tracy to determine the amount of yield and to see what type of beets grow best.

Council Member Rickman asked why Mr. Bayley suggested raising rates in 2014 if the project was not anticipated until 2016. Mr. Bayley stated he did not believe the project would be speculative in 2014 which is why he suggested the rate increase at that time.

Mayor Ives asked if other cities in San Joaquin Valley were also looking at new discharge requirements. Mr. Bayley indicated some cities meet the current standards, but many cities will have issues meeting the proposed salinity standards which are more lenient than current standards.

Mayor Ives asked if this was a function of groundwater. Mr. Bayley stated not in Tracy. Mayor Ives asked why salinity was an issue for Tracy. Mr. Bayley attributed the salinity issue to water softeners and industries that generate salt.

Mayor Ives asked for capacity of the desalination plant. Mr. Bayley stated the plant is proposed to run at approximately one million gallons of distilled water coming back to the City of Tracy daily.

Mayor Ives asked for clarification regarding beet processing. Mr. Bayley explained the processing of beets and indicated the processing was done in a closed facility that will not emit odor.

Mayor Ives invited members of the audience to address Council on the item.

Robert Tanner asked why it was important to increase rates in 2014, before making sure the process worked. Mr. Bayley stated it was important to have the same City Council that causes the rate increase to do the increase.

Leon Churchill, Jr., City Manager, added that sometimes the rate increase is critical to the financing of the project which is privately financed. Mr. Bayley added that rates would not be increased until the City knew that the project would work and was under construction.

Kuldeep Sharma, City Engineer, provided additional information regarding the Outfall project. Mr. Sharma discussed accessibility of the Outfall pipeline and the various structures it passes through including Eastside Drainage, Tom Paine Slough and Paradise Cut, ending at Old River. The existing capacity of the Outfall project is 9 million gallons per day (mgd) with the future expansion to 12 mgd.

Mr. Sharma outlined possible construction issues including dewatering, traffic control on MacArthur Drive, repaving of roads, and restoring of farm lands between MacArthur Drive and the River. Mr. Sharma added that the project requires over 100 permits which the City has already obtained and will take over 900 days to complete.

Mr. Sharma stated the City will undergo two major expansions of the wastewater treatment plant which will be funded by the development community. Mr. Sharma stated phase one of the wastewater treatment plant will expand from 10.8 mgd to 12 mgd and will cost approximately \$25 million.

Council Member Rickman asked for clarification regarding the number of expansions. Mr. Sharma stated there will be three projects; the Outfall project, and two expansions of the wastewater treatment plant which will be funded by future development.

Mayor Ives asked if the 16 mgd plant would include recycled water. Mr. Sharma stated recycled water is part of the Water and Wastewater Master Plans. Mr. Sharma stated there will be a recycled water system in place compatible with the City's water distribution network.

Mayor Ives asked if the backbone infrastructure would be in place for purple pipes (recycled water). Mr. Sharma stated the City will have the main pipelines on Corral Hollow and Chrisman Road moving to the south side of the City.

Mr. Churchill added that development pays for expansion of the plant and that development cannot occur until the plant is expanded. For that reason, Mr. Churchill stated a change was needed in the Utilities Department to ensure projects move forward. Mr. Churchill stated he will be proposing an organizational change creating a Utilities Director position and adding depth to the Development Services Department, asking Council for their positive disposition on these items when brought forward.

Council accepted the report.

5. ADJOURNMENT – It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered. Time: 6:43 p.m.

The above agenda was posted at the Tracy City Hall on November 26, 2013. The above are summary minutes. A recording is available at the office of the City Clerk.

Mayor

City Clerk