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**LANCASTER
CITY COUNCIL/SUCCESSOR AGENCY/
FINANCING/POWER AUTHORITY
MINUTES
MAY 28, 2013**

CALL TO ORDER

Mayor/Chair Parris called the regular meeting of the City Council/Successor Agency/Financing/Power Authority to order at 5:00 p.m.

ROLL CALL

PRESENT: Council Members/Agency Directors/Authority Members: Johnson, Mann, Smith, Vice Mayor/Vice Chair Crist, Mayor/Chair Parris

ABSENT: None

STAFF

MEMBERS: City Manager/Executive Director; Deputy City Manager/Executive Director, City Attorney/Authority Counsel; Assistant to the City Manager; City Clerk/Authority Secretary; Planning Director; Public Works Director; Senior Operations Manager; Finance Director; Economic Development Director; Housing Director; Human Resources Director

INVOCATION

Pastor Robert Enos, Greater Works Christian Center

PLEDGE OF ALLEGIANCE

Vice Mayor/Vice Chair Crist

PRESENTATIONS

1. Recognition of Eastside High School Art Department for the *Wasteland: Turning Illegally Dumped Waste into Art* Project
2. Antelope Valley Best 2013 – The Blvd, City of Lancaster voted Best Free Entertainment
3. Antelope Valley Fair Jazz Festival – June 15, 2013
4. Recognition of Antelope Valley Christian School students for their assistance with recent BYD events
5. UAV Pioneers Softball Award Presentation

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M 1. MINUTES

On a motion by Vice Mayor Crist and seconded by Council Member Johnson, the City Council/Agency /Authority approved the City Council/Successor Agency/Financing/Power Authority Regular Meeting minutes of May 14, 2013, by the following vote: 4-0-1-0; AYES: Johnson, Mann, Smith, Crist; NOES: None; ABSTAIN: Parris; ABSENT: None

CONSENT CALENDAR

Mayor Parris requested that Item Nos. CC 4, CC 5 and CC 7 be pulled for separate action.

On a motion by Vice Mayor Crist and seconded by Council Member Mann, the City Council approved the Consent Calendar with the exception of Item Nos. CC 4, CC 5 and CC 7, by the following vote: 5-0-0-0; AYES: Johnson, Mann, Smith, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

Addressing the City Council regarding the Consent Calendar:

Michael Rives – stated that he was opposed to action the City Council would be taking on Item Nos. CC 4, CC 5 and CC 7.

On a motion by Vice Mayor Crist and seconded by Council Member Johnson, the City Council approved Item Nos. CC 4, CC 5 and CC 7, by the following vote: 5-0-0-0; AYES: Johnson, Mann, Smith, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

CC 1. ORDINANCE WAIVER

Waived further reading of any proposed ordinances. (This permits reading the title only in lieu of reciting the entire text.)

CC 2. WARRANT REGISTER

Approved the Check and Wire Registers for April 28, 2013 through May 11, 2013 in the amount of \$3,207,596.57.

CC 3. MONTHLY REPORT OF INVESTMENTS

Accepted and approved the April 2013, Monthly Report of Investments as submitted.

CC 4. ORDINANCE NO. 991

Adopted **Ordinance No. 991**, an ordinance of the City of Lancaster, California, amending the City Zoning Plan for 28.5± acres located at the northwest corner of Avenue J and 60th Street West, known as Zone Change No. 11-03.

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CC 5. PROJECT NO. 13-HNRD207

Awarded **Housing and Neighborhood Revitalization Construction Project No. 13-HNRD207, Joshua Neighborhood Linear Park Project**, to Malibu Pacific Tennis Court, Inc. of Westlake Village, California, in the amount of \$218,807.00, for the rehabilitation of the linear park with stationary exercise equipment and a fitness trail and authorized the City Manager, or his designee, to sign all documents.

CC 6. PWCP NO. 13-001

Awarded **Public Works Construction Project No. 13-001, Pavement Marking Program**, to Chrisp Company of Bloomington, California, in the amount of \$147,888.00, plus Additive Alternate A1, in the amount of \$60,810.00, to bring the award total to \$208,698.00, plus a 10% contingency and authorized the City Manager, or his designee, to sign all documents. This contract is awarded to the lowest responsible bidder per California Public Code Section 22038 (b). The determination of the lowest bid was the lowest total of the Base Bid Amount plus Additive Alternate A1.

CC 7. ANNUAL ASSESSMENT OF THE PARKING AND BUSINESS IMPROVEMENT DISTRICT (BID) LEVY IN THE BLVD ASSOCIATION BOUNDARY

Adopted **Resolution No. 13-15**, a resolution of the City Council of the City of Lancaster declaring the intention to continue a Parking and Business Improvement District (BID) also known as the Downtown Lancaster Business Improvement Area and set a public hearing to be held on June 11, 2013 to consider the continuation of the District and approved the District's FY 2012-2013 Administrative Report and Financial Statements.

CC 8. RESOLUTION NO. 13-16

Adopted **Resolution No. 13-16**, authorizing the City Manager to apply for assistance under the Southern California Association of Governments (SCAG) Sustainability Program-Active Transportation for the development of a Master Plan of Complete Streets, supporting the development of said plan, and authorizing the City Manager or his designee to execute all documents relative to this action.

CC 9. PROFESSIONAL SERVICES AGREEMENT WITH WHITE NELSON DIEHL EVANS, LLP

Awarded a three year Professional Services Agreement for Audit Services, pursuant to RFP 566-13, to White Nelson Diehl Evans LLP for \$58,000 in FY 12/13, \$58,000 in FY 13/14, and \$59,739 in FY 14/15, with an optional two-year extension and authorized the City Manager to execute such agreement.

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PH 1. SERVICE RATES FOR THE COLLECTION OF REFUSE AND RECYCLABLE MATERIALS

Subsequent to publishing the Public Hearing Notice for this item, it was determined that a Public Hearing would not be required.

CB 1. PROPOSED DOWNTOWN LANCASTER PROPERTY-BASED IMPROVEMENT DISTRICT (PBID)

The Assistant to the City Manager and the Project Manager presented the staff report regarding this matter.

Addressing the City Council regarding this matter:

Michael Rives – stated that he was opposed to this action.

Council Member Smith explained that the vote that would be taking place for this District is not a tax or a fee and that it is self-governed and self-implemented.

On a motion by Vice Mayor Crist and seconded by Council Member Mann, the City Council adopted **Resolution No. 13-14**, a resolution of the City Council of the City of Lancaster accepting the petitions submitted by Downtown Lancaster property owners in support of establishing a Property-Based Improvement District (PBID) in the downtown area and declaring the intention to establish this PBID and set the Public Hearing for July 23, 2013 to consider the formation of the District, by the following vote: 5-0-0-0; AYES: Johnson, Mann, Smith, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

NB 1. NON-DISCLOSURE AGREEMENT WITH OEC – LANCASTER, LLC (ECOLUTION)

It was the consensus of the City Council to waive the presentation regarding this matter.

On a motion by Vice Mayor Crist and seconded by Council Member Johnson, the City Council approved an agreement with OEC – Lancaster, LLC (Ecolution) to work in conjunction with the City of Lancaster to identify a plan to design and operate a Materials Recovery and Conversion Facility (MRF) in Lancaster and authorized the City Manager, or his designee, to execute all documents related thereto, by the following vote: 5-0-0-0; AYES: Johnson, Mann, Smith, Crist, Parris; NOES: None; ABSTAIN: None; ABSENT: None

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CA 1. DISCUSSION AND POSSIBLE ACTION REGARDING CAL WATER PROPOSED WATER RATE INCREASE

Vice Mayor Crist gave a brief update on this matter. CAL Water purchased a small district several years ago. He presented a chart that showed the comparisons. Their proposed water rate is an additional 60 percent increase. The Public Utilities Commission (PUC) conducted a public hearing on May 23, 2013 in regards to the proposed rate increases. Three members of the City Council spoke and expressed their disapproval of this action. The area currently pays three times what everyone else pays. He requested information on how the City can join in as a petitioner of this action.

The Public Works Director stated that he has had discussions with the PUC and it will not be difficult to get involved. There is an application that will need to be filed and will be presented before the Administrative Law Judge for his approval.

Vice Mayor Crist stated there are other effective ways the City can get involved as well. A motion from the City Council stating opposition to this action; adopt a resolution in opposition.

The City Manager stated that it would be appropriate to have a letter drafted to the Administrative Law Judge and the PUC, opposing this action, for the Mayor's signature. Staff would like to request Council direction to become an intervener in this matter to support the citizens.

Mayor Parris clarified that everyone else pays \$50 per month with the exception of Palmdale Water District, which is \$80 a month and CAL Water is asking for \$300.

Council Member Mann stated that there is no logic in the request. Two things were cited: (1) they could not keep employees if they did not raise the rates and (2) to pay their health insurance.

Vice Mayor Crist stated that the rate payers are also responsible for paying CAL Water's Federal taxes.

Council Member Johnson stated the residents were also asked to conserve water if they want their bill to be lower but on the other hand the people are punished by having CAL Water bill them with a large fee if they do not use water.

Council Member Mann stated there is a minimum threshold set for the rate payers. If they conserve water and drop below the minimum threshold, they will still have to pay.

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CA 1. DISCUSSION AND POSSIBLE ACTION REGARDING CAL WATER PROPOSED WATER RATE INCREASE (continued)

The City Manager stated the rate payers were told if they conserved water it would adjust their bill but the company was not selling enough water so there was a charge to the rate payers. The rate payers are charged up to \$96 before they even turn a faucet on.

Vice Mayor Crist clarified that CAL Water was invited by the City to attend the hearing and they declined.

Council Member Johnson stated the message CAL Water is sending to the customers is if they do not want these large bills, they must conserve water. As a community, they have conserved water but as a private company they are not receiving the money that they should be receiving because the community has come together to conserve. Instead of the company rewarding the community for their efforts they are stating they are not getting the money they used to get, therefore the community will be charged 60 percent more.

Mayor Parris requested that staff have water legal counsel look into this matter.

Vice Mayor Crist requested there also be an option to annex current CAL Water people into either Waterworks 40 or another purveyor. There must be an option for these people, this just cannot go through.

The City Manager stated that staff will certainly look into the option of having them either join Waterworks 40 or Quartz Hill Water.

Council Member Johnson stated that she personally knows some of these people. Many are single parents raising a family and people on fixed incomes.

Council Member Mann stated that Code Enforcement has not been onerous and he would hope that this area not be hit with violations while this is going on regarding maintenance of landscape.

Addressing the City Council on this matter:

Kirsten Larson and Liz Diachun – thanked the City Council for siding with the people; proud to be residents of Lancaster; community is ready to fight CAL Water and eager to assist in any way. The County will be pursuing the option to have the community annexed in; Supervisor Antonovich's office is looking into this matter.

Mayor Parris requested information on the legality of the minimum fee that CAL Water is charging.

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CA 1. DISCUSSION AND POSSIBLE ACTION REGARDING CAL WATER PROPOSED WATER RATE INCREASE (continued)

Michael Rives – discussed the division of water agencies; sanitation districts; airports. All of these agencies should be consolidated. Compared the 3 percent increase from LA County Water to the 60 percent increase by CAL Water.

Council Member Smith clarified that water rates increased from LA County due to electricity rates that go through the State agency.

CR 1. REPORT ON THE ACTIVITIES OF THE BOARD OF DIRECTORS FOR THE ANTELOPE VALLEY TRANSIT AUTHORITY

Vice Mayor Crist presented the following information:

The Board received a draft of the FY14 Operating Budget and received an update on the fare evasion issue. Staff presented a State Legislative update to the Board including information on Senate Bill (SB) 469. The Board discussed SB 469 and directed staff to write a letter to Congressmen Buck McKeon and Kevin McCarthy regarding the conflict between this proposal and existing federal legislation prohibiting geographic preference. Staff provided an update regarding the Advertising Policy and wrap program. Full report is available in the City Clerk Department.

Council Member Johnson stated that she attended the meeting; found it to be very interesting and a lot of information is presented.

Vice Mayor Crist stated that ridership is up 11% and the rates are remaining the same.

LANCASTER FINANCING AUTHORITY

No action required at this time.

LANCASTER HOUSING AUTHORITY

No action required at this time.

LANCASTER POWER AUTHORITY

No action required at this time.

LANCASTER SUCCESSOR AGENCY

No action required at this time.

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CITY MANAGER / EXECUTIVE DIRECTOR ANNOUNCEMENTS

The City Manager stated that parts of Highway 14 are closed due to the high winds. The portion closed is from the Kern County line – Avenue A, to Rosamond Blvd; 28 trees in Lancaster are down in various stages; crews clear them right away if they pose a danger.

The City Manager stated that today is Council Member Smith's birthday.

City Attorney, Dave McEwen stated that he submitted a letter today announcing his retirement, effective June 30, 2013. He stated that he has been with the City since April, 1979 working on Redevelopment and in January, 1987 he became the City Attorney.

Mayor Parris commended Mr. McEwen and stated that he has served the City well.

The City Manager stated that plans for a party are being worked on, including accomplishments of his career.

The City Manager stated that the event – Thunder on the Lot will take place at the fairgrounds on June 8-9, 2013. It is a fantastic event; raises money for 20 different charities. Last year they raised between \$240,000 and \$300,000; it is a great event for a good cause and encouraged everyone to attend.

CITY CLERK /AGENCY/AUTHORITY SECRETARY ANNOUNCEMENT

The City Clerk provided the public with the procedure to address the City Council/Successor Agency regarding non-agendized items.

PUBLIC BUSINESS FROM THE FLOOR - NON-AGENDIZED ITEMS

Addressing the City Council at this time:

Jay Close – discussed a water drainage issue along Avenue J-4 that has not been resolved. Water continues to drain and waste away.

The City Manager stated that staff made some improvements to minimize the problem.

The Public Works Director stated he would have staff look at this again and work to rectify the problem.

Mayor Parris stated the City would do all they can. If it is in fact drainage due to people overwatering their yards, there is not a whole lot that can be done.

Andy Visokey – stated that he was very surprised to hear of Mr. McEwen's retirement. He stated that he had the privilege of serving with Mr. McEwen as a Council Member for ten years; he wished Mr. McEwen the very best.

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COUNCIL / AGENCY COMMENTS

Council Member Johnson stated that she is very pleased and proud that the City has been voted as Antelope Valley's Best Free Entertainment. It really shows a lot that the community believes in the City and has been able to take the opportunities that have been given to the community for the entertainment that the City is blessed to have on the BLVD. It is always amazing, fun and safe for the entire family.

Council Member Johnson stated that the organization TIFF (Together in Faith and Family) recently had a fund raiser and they had over 1500 children ranging in the ages of 13 to 17 that donated to children in the community. The organization was able to raise over \$4,000 and over 1,000 toys and clothing items. She is very proud to see children in the community wanting to make a difference for the children. Two of the food sponsors the organization was honored to have donated pizza for the event were Round Table Pizza and Costco.

Vice Mayor Crist gave an update on the Palmdale Power Plant. There was a meeting at the Antelope Valley Air Quality Management District (AVAQMD) and some of the local unions protested that the Board was against jobs in the Antelope Valley. The Board explained their opposition to the Power Plant because of what it does to the community. It alters the landscape of this community forever; pours tons and tons of pollution into the air which will go directly over the Lancaster soccer fields. At times, the visual pollution will go six miles up and this community will see no benefits. The community was sold a bill of goods from the City of Palmdale when they said they were going to do an aggregate which means the entire community's electric rates will go down. They said this is why they were building the Power Plant and this is not true. They stated they would hook into Plant 42 and they were going to lower the rates for the people at Plant 42 and that is not true. They have not told their citizens that the high tension power lines will go through the east side of Palmdale, through the foothills and hook up with Vincent Hill station. There is a reason they have put that Power Plant in this location. They have the ability to locate it in the middle of their town but chose to put it on the edge of Lancaster so Lancaster will receive the "benefits" of all of the pollution. They receive the money, Lancaster receives the pollution. This will supply only 35 permanent jobs. All of the construction jobs are temporary. The Power Plant prohibits the City from bringing in any other industry that will provide thousands of jobs. There are a multitude of reasons why the Board members at AVAQMD have a problem with this. The City of Palmdale recently found out they forgot about a step in the permit process and that was the process of emission reduction credits. The owners of the Palmdale Power Plant are now going to have to buy \$15 million in credits. The A.V. is going to send to either San Joaquin Valley or to South Coast, \$15 million so they can make their air cleaner while making Lancaster air dirtier; this makes no sense.

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COUNCIL / AGENCY COMMENTS (continued)

Council Member Mann thanked the Vice Mayor for his presentation regarding this matter. He stated that he is very disappointed in the way the leaders of City of Palmdale have sold this plan. Now, everyone is finding out they were duped and they are not receiving any benefits. The City of Lancaster will ultimately pay the price for the City of Palmdale benefitting by selling the Power Plant. They will receive the cash and Lancaster will receive the pollution. This is a very bad trade and it needs to be stopped.

Mayor Parris stated that it seems that when the Mayor of Palmdale and the City come out and tell everyone before the public hearings that they will be lowering the power rates for everyone in Palmdale and lowering the power rates around the Plant 42 businesses – knowing this was a lie but saying it right before the public hearings, this should somehow void those hearings. It should void the hearings because now the public does not come out; they see the benefits, not the costs. So people were told their rates would drop; did not go to the public hearings to complain and it was approved. Later, the person building this comes out and states his company was never going to lower rates; it was always about selling the Plant. There must be something the City of Lancaster can do about this.

The City Attorney stated this makes an excellent argument for opening up those hearings again. He will need to look at the rules of the Board to see what can be done but there is a basis for a very good argument in this case.

Mayor Parris requested the City Attorney look into this; clearly this is what was said and a month ago in the newspaper the man in charge of this project said no. He said it was never going to be an aggregate; it was never going to lower the rates for anyone in the Antelope Valley; it was all just a scam. There has to be something wrong with this and the City of Lancaster should not stay silent. The second leading cause of death of people in Lancaster is emphysema and now Palmdale is going to dump tons of that pollution right into the air. The time for being polite is over; maybe the District Attorney should be contacted, as this was a Kim Shaw deal which everyone knows about.

Vice Mayor Crist reiterated the City of Palmdale is selling the Power Plant as if it were pristine. It would not qualify under the current EPA standards due to the fact that it is a ten year old permit process they have gone through and they would not meet current EPA standards. They would have to clean it up much more if Lancaster was to do something about this. The fact is, Lancaster has soccer fields in this area; the prevailing winds will blow from that Power Plant over the soccer fields; Lancaster must protect the youth of this community.

The City Attorney stated he will look into the ways the hearing might be reopened and apply the new rules as opposed to the old rules.

Mayor Parris requested staff contact the State Senator as well.

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RECESS Mayor Parris recessed the meeting at 6:24 p.m. for the purpose of conducting a Closed Session meeting regarding the following matters:

CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation: significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). Three potential cases.

Conference with Legal Counsel--Existing Litigation - Government Code Section 54956.9(a)

- Coalition for Open Government v. City of Lancaster, Case No. BC499047
- Quartz Hills Cares v. City of Lancaster, Case No. BS 122336
- Waterhouse v. Lancaster – Case No. CV 12-00923 SJO
- Palmdale v. Lancaster - Case No. BC443280
- Lancaster v. Housing Authority of the County of Los Angeles (HACoLA) Case No. MC023649
- Antelope Valley Allied Arts Association et al v. Lancaster et al, Los Angeles Superior Court Case No. BC488907
- Rubin v. Lancaster - United States District Court Case No. CV 10-4046 DSF (JCx)
- Miracle Star Women's Recovering Community, Inc. et al. v. City of Lancaster, et al. LASC Case No. MC 020079
- Save Our Neighborhood Group v. City of Lancaster, et al. Los Angeles Superior Court Case No. BS 121501.
- ANTELOPE VALLEY GROUNDWATER CASES
Included Actions:
Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Los Angeles, Case No. BC325201;

Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.
Superior Court of California, County of Kern, Case No. S-1500-CV-254-348

Wm. Bolthouse Farms, Inc. v. City of Lancaster, Diamond Farming Co. v. City of Lancaster, Diamond Farming Co. v. Palmdale Water Dist.,
Superior Court of California County of Riverside, consolidated actions;
Case Nos. RIC 353 840, RIC 344 436, RIC 344 668

Santa Clara Case No. 1-05-CV 049053

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RECONVENE Mayor Parris reconvened the meeting at 6:42 p.m.

CITY ATTORNEY ANNOUNCEMENT

The City Attorney announced that City Council met in Closed Session regarding the aforementioned matters; in particular Quartz Hill Cares v. City of Lancaster; Palmdale v. Lancaster; Lancaster v. Housing Authority; Antelope Valley Allied Arts Association v. Lancaster and Rubin v. Lancaster. Direction was given; no other action was taken.

ADJOURNMENT

Mayor Parris adjourned the meeting at 6:43 p.m. and stated that the next regular meeting would take place on Tuesday, June 11, 2013 at 5:00 p.m.

PASSED, APPROVED and ADOPTED this ____ day of _____, 2013, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
CITY CLERK/
AUTHORITY SECRETARY
Lancaster, CA

R. REX PARRIS
MAYOR/CHAIRMAN
Lancaster, CA

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CERTIFICATION OF MINUTES

CITY COUNCIL/SUCCESSOR AGENCY/FINANCING/POWER AUTHORITY

I, _____, _____ of the City of Lancaster, CA, do hereby certify that this is a true and correct copy of the original City Council/Successor Agency/Financing/Power Authority minutes, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, CA on this _____ day of _____, _____.

(seal)
