

CITY OF PERRIS

MINUTES: Regular City Council Work Session
Date of Meeting: 11 March 2003
Time of Meeting: 5:00 p.m.
Place of Meeting: City Council Chamber – City of Perris

1. CALL TO ORDER:

The Honorable Mayor Busch opened the Regular City Council Work Session to order.

5:05 p.m. Meeting Called to Order

2. ROLL CALL:

Council Member Present: Landers, Motte, Rogers, Busch

All Present

Councilmember Yarbrough entered the Council Chambers at 5:10 p.m.

Staff Member Present: Interim City Manager Apodaca, City Attorney Dunn, Finance Director Rogers- Elmore, Community Development Director Gutierrez, City Engineer Motlagh, and City Clerk Rey.

3. PUBLIC COMMENT: None

4. WORK SESSION:

A. Discussion regarding the design of the Roundabout to be located at Redlands Avenue and 4th Street.

Community Development Director Gutierrez introduced the subject and indicated that Caltrans met with staff for the design of the interior for the Roundabout. The project faced a deadline. Caltrans would implement the landscaping and other aspects of the entire project. However, the center of the project would be the statement the City desired to make/design, construct and pay for. There was urgency in terms of information required for Caltrans to move forward with the design. They would complete their plans in the very near future and had targeted the summer for construction of the Roundabout. Mr. Izumita was retained by the City to design the feature within the Roundabout; and had three concepts for Council's review and consideration. Staff requested input from Council. The Roundabout was a very prominent entry into the City and staff desired to make more than a mediocre statement.

Community Development Director Gutierrez's Introduction

Mr. Izumita, IMA Design, distributed a proposed design to Council. The design included site plan, landscape design, scaled site plan (Roundabout 1/3 size of a football field), section of 11 foot area/reminder zone, middle landscape area. Mr. Izumita indicated the statement should contain Perris today and future. There were three phases/concepts: 1) Caltrans required a landscape right-a-way; which would take care of the ground plain; 2) monumentation: low or tall; 3) use as a piece of art to illustrate the City's excellence in the extreme sports area. Mr. Izumita had three suggested approaches for the ground plain/design theme: Phase I) desert garden; color garden; and forest garden; Phase II-Monumentation: vertical element/uplight; and Phase III-art sculptures. By March 15th Caltrans required a landscape design.

*IMA Design, Mr.
Izumita's Presentation*

Community Development Director Gutierrez indicated that the cost/funding could be determined later. The design was critical for Caltrans in order to move the project forward.

*Community Development
Director Gutierrez's
Comment Re: Cost/Funds*

Mayor Busch inquired about a train concept.

*Mayor Busch's Query
Re: Train Concept*

In response, Mr. Izumita indicated that the train concept was focused on the 'D' Street Promenade.

*IMA Design, Mr.
Izumita's Response*

Mayor Pro Tem Motte voiced pleasure of the sports concept.

*Mayor Pro Tem Motte's
Comment Re: Sports
Concept*

Councilmember Rogers voiced agreement with the monument concept with the colored lighting.

*Councilmember Rogers'
Comment Re: Monument
Concept*

Councilmember Landers also agreed with the monument concept.

*Councilmember Landers'
Comment Re: Monument
Concept*

Councilmember Yarbrough voiced pleasure with the last rendition; the conceptual art sculptures; and suggested utilizing the monument as a cellular site. Adelphia or any other cellular business could fund the tower/cellular site through commitment.

*Councilmember
Yarbrough's Comments
Re: Roundabout Design*

Mayor Busch suggested including Perris Valley Airport for funding and asked if the desert concept would be appropriate.

*Mayor Busch's Comment
Re: Funding*

In response, Mr. Izumita said the desert concept was appropriate and a dramatic concept with lighting; it was also low-maintenance.

*IMA Design, Mr.
Izumita's Response*

Community Development Director Gutierrez said Caltrans would cover some of the funding.

*Community Development
Director Gutierrez's
Comment Re: Caltrans'
Funding*

City Engineer Motlagh reminded Council that Caltrans placed \$750,000 for the project and the City had a grant of \$200,000 for signals that would go towards the project. However, monumentation and art sculpture would be excluded.

*City Engineer Motlagh's
Comments Re: Funding*

Mayor Pro Tem Motte asked if there was a way to tie in the lettering with 'D' Street project.

*Mayor Pro Tem Motte's
Query Re: Tie the
Concept with 'D' Street
Project*

Mr. Izumita confirmed that it could be tied and suggested to include a Lake Perris theme. They would be budgetary constrains and could be added in the future.

*IMA Design, Mr.
Izumita's Comment Re:
Concept*

Mayor Busch stated that he understood that Caltrans was expediting the project through other mechanisms.

Mayor Busch's Query

In response, City Engineer Motlagh said the original plan was for the City to advertise award and administrate the contract. However, Caltrans changed their mind and asked the City if they had a problem with advertising and they would process with administration of the contract. They were informed that whoever would expedite the project and meet their approval Council would agree.

*City Manager Motlagh's
Response*

Councilmember Yarbrough asked if there was anything that would prohibit concrete platforms or placement of a banner for events. A fee could be implemented.

*Councilmember
Yarbrough's Query Re:
Platforms/Banner*

In response, Mr. Izumita said that could be implemented; however, Caltrans would need to be convinced.

*IMA Design, Mr.
Izumita's Response*

B. Discussion on ECO Resources, Inc. Operation, Maintenance and Meter Replacement Proposal.

Interim City Manager Apodaca introduced Mr. Richardson of ECO Resources.

*Assistant City Manager
Apodaca's Introduction*

Mr. Richardson, Vice President for the Western Region of ECO Resources, made a presentation on a combination of water meter replacements, operation and maintenance of the water system and waste/water collection system for the City of Perris. ECO Resources had three hundred fifty clients/cities and had over \$100 million annually in revenues. ECO Resources was a division the Southwest Water Company, which was headquartered in West Covina, was publicly traded, assets exceeding \$250 million, over fifty years of industry experiences, water provider to ¼ of a million people, and 1.5 million nation wide. The services provided would include:

*ECO Resources, Mr.
Richardson's
Presentation*

- Increase city revenue;
- Improved services for the Finance Department and community; upgrade of the billing system, meter reading, collections;

- Guaranteed operation of the water system/waste water collection, new meters for the water system, and pre-technical support.

*Con't. ECO Resources,
Mr. Richardson's
Presentation*

The City looked at replacing existing meters with radio-read meters and ECO just install meters. But, what was proposed were two options: 1) installation of new industry standard manual meters as part of a ten year contract; or 2) at the beginning of a second ten year contract, if economically feasible, install radio-read meter. ECO Resources looked at a program that allowed the City to obtain new meters without expending any money. ECO Resources financed over the period of the first ten years and generated a guaranteed savings to the City.

- No up front costs and meter replacement funded by guaranteed recovery and cost reduction;
- Upgraded meter provided were experience, accurate/timely monthly meter reading to finance;
- Responsible that the reading corrected/reread if necessary, mails customer invoices, and tracks delinquent and low/high usage accounts.
- Deposit payments would be processed to the City's account;
- Account reconciliation, customer service, walk up payment, and turn on/off;
- ECO Resource Manager was the City's manager and would attend all required meetings;
- Guarantee to operate the facilities in compliance with the applicable laws; produce, sign, and properly submit all regulatory reports;
- Payment of fines;
- Rebate to the City any unspent maintenance funds;
- Respond to emergencies within two hours of notification; conduct all reports and testing;
- Operate the facility within OSHA guidelines;
- Provide all insurance;
- Guarantee that the City would accumulate \$30,000 annually in lost revenue recovery;
- Perform all the services over a ten year period for \$660,000 annually;
- Staff facility with certified personnel;
- Rebate would rollover in the next year budget of the City's choice of any unspent maintenance funds;
- Guaranteed \$1.17 million in water revenue recovery over the next ten years; and achieved in one of two ways: 1) revenue increases; 2) cost reduction by accurate meter readings.

ECO Resources thought they could make a relatively small investment and using our technology give the City the \$1 million return over a ten-year guarantee. How it was determined was to install the meters in the first year; and the \$130,000 per year we think the revenue would go up; that's what it would cost us for the first year. The first year ECO would break even. From years two through nine ECO would pay the City \$130,000 annually. The fixed price operation of maintenance contract was \$660,000. Mr. Richardson produced a brief analysis of radio-reads versed manual reads. More details needed to be worked out with staff and Mr. Richardson was available to answers any questions from staff or Council.

Mr. Tanney, City Employee asked if any meters pulled would give an average as to what was in the system and if any calibration was conducted.

City Employee, Mr. Tanney's Query Re: Meters Pulled/Calibration

In response, Mr. Richardson indicated that majority of the meters had not been replaced in over twenty years. Calibration was not conducted. Some industrial meters had not been replaced in over six years. The efficiency of current meters was in the high eighties. The proposal had no down side to the City. There was a fixed amount for the contract and a guarantee of \$130,000 or more to the City. ECO Resources typically offer existing employees jobs.

ECO Resources, Mr. Richardson's Response & Comment Re: Meter Efficiency & Proposal

Mayor Pro Tem Motte asked for the current cost in operation of the water department.

Mayor Pro Tem Motte's Query Re: Water Department Operation Cost

In response, Finance Director Rogers-Elmore said the department had a little over \$1.7 million of expenses.

Finance Director Rogers-Elmore's Response

Councilmember Yarbrough commented on the transition of employees (5) and asked if it would be an option.

Councilmember Yarbrough's Comment Re: Employee Transition

In response, Mr. Richardson confirmed the transition was an option and usually ¼ of employees chose to remain with the City. The company had the ability to provide resources. The office of ECO Resources would be located on a site where people paid their bill.

ECO Resources, Mr. Richardson's Response

Councilmember Rogers asked Finance Director Rogers-Elmore what the water departments' profit was. Finance Director Rogers-Elmore confirmed that the City broke even. Councilmember Rogers asked if it would be more cost effective if all the meters were replaced with the radio-read meters.

Councilmember Rogers' Query Re: Water Department's Profit

Mr. Richardson indicated that their company guaranteed the City \$130,000 annually. ECO Resources retained a fixed contract and assumed all the cost responsibilities. The company's average profit level was about 5%. The radio-read meters were not the cost-effective way to go.

ECO Resources, Mr. Richardson's Comments Re: Fixed Contract & Meters

5. **ADJOURNMENT:** By unanimous consent, the Regular City Council Work Session was adjourned at 6:00 p.m.

6:00 p.m. Regular City Council Work Session Adjourned

Respectfully Submitted,

Margaret Rey, City Clerk

