



MINUTES

REGULAR MEETING OF THE HEMET CITY COUNCIL

September 8, 2015

6:00 p.m.

**City of Hemet Council Chambers
450 E. Latham Avenue**

www.cityofhemet.org

Please silence all cell phones

Call to Order

Mayor Krupa called the meeting to order at 6:02 p.m.

Roll Call

PRESENT: Council Member Milne, Mayor Pro Tem Wright and Mayor Krupa

ABSENT: Council Members Raver and Youssef

Council Member Milne moved and Mayor Pro Tem Wright seconded a motion to excuse Council Members Raver and Youssef. Motion carried 3-0.

Work Study

Discussion regarding these items, with possible direction to staff

1. Anaerobic Digestion Facility Presentation – Alex Braicovich, CR&R

Alex Braicovich, CR&R, we are here to give you a brief presentation on an Anaerobic Digestion Facility that is under construction at CR&R's Perris facility. At build out this facility will take 335,000 tons of organic waste which includes green waste, food waste and compostables. This is the first facility of its kind in the United States using this technology. There are a number of smaller facilities in Europe. Mr. Braicovich explained the "Evolution of Solid Waste Management". In the 1970's, trash bags and cans of refuse were sent to landfills. In the 1980's, recycling efforts started and recycled materials were sorted. By the 1990's, Material Recovery Facilities were started. Now in the 2010's, we have Anaerobic Digestion Facilities.

Mike Silva, CR&R, recognized CR&R's partners on the project Eisenmann Company, Greenlane, Lyles Construction Group and JRM&A. The Anaerobic Digestion will convert all of the organic (yard and food) wastes into fertilizer and renewable natural gas (RNG) to run CR&R's truck fleet. This program will keep all of the city's organic waste out of the landfill, where they would naturally degrade and release methane into the atmosphere. Methane is 26 times more damaging to the atmosphere than carbon dioxide. Compressed Natural Gas (CNG) is the cleanest burning fossil fuel. Anaerobic digestion (AD) is simply replicating Mother Nature in a more controlled and cost effective environment. Organic solid and organic liquid waste are put in the Main Digester. Some of the material goes to the Final Storage/Post Digester, the other material goes to the Pump. The Material that goes to the Pump is put in a separator with some material going to the Final Storage/Post Digester and some going to the Digestate Solids. Material from the Final Storage/Post Digester is separated to the Gas Upgrading and eventually fuel for the CNG Refuse Truck. The other material becomes Liquid

Soil Amendment. The material that went to the Digestate Solids becomes Solid Soil Amendment. The facility and the processing runs 24/7 365 days a year and is fully automated. The process provides maximum flexibility up to four different mixes and temperatures can be run simultaneously. No other facility in the U.S., operating or planned, can match CR&R's capabilities due to their exclusive technology contracts with Eisenmann and Greenlane. CR&R's process is full enclosed with zero untreated emissions and has the highest energy conversion rate in the industry due to its design and controls. The plant will handle 335,000 tons per year, generate 4 million gallons per year (GDE) of RNG, and create about 260,000 tons of fertilizer both liquid and solid per year. The plant will use "recycled" water from the local waste water treatment plant. An aerial picture of the Facility was displayed. Financial incentives include: Assembly Bills 1594 & 1826 Organics Management; Assembly Bill 32 Green House Gas Reduction; Assembly Bill 341 75% Recycling; Carbon Credits; Excise and Sales Tax Rebate; Low Carbon Fuel Standard; RIN Credits; CEC Grants \$4,520,00 Phase I; ACMD Grants \$500,000 Phase I; and CalRecycle \$3,000,000 Phase 2. Organics Management Overview: Landfilling – 75% Energy Recovery, 75% Emissions Capture and 0% Nutrient Recovery; Composting – 0% Energy Recovery, 0% Emissions Capture and 100% Nutrient Recovery; and Anaerobic Digestion – 100% Energy Recovery, 100% Emissions Capture and 100% Nutrient Recovery. This is "The Most Cost Effective, Environmentally Intelligent, and Sustainable Organics Management System."

Mayor Krupa, asked where CR&R is in the project.

Mr. Silva, Phase I should be complete by December 2015 which includes electrical and plumbing for the entire project. Phase II will catch up quickly after that.

The City Council and Mr. Braicovich discussed special instructions for the customers. Free kitchen pails will be available upon request. The City Council and Mr. Braicovich also discussed the available RIN Credits and how they will be applied.

Council Member Milne, asked what the rate increase will be for the customers.

Mr. Braicovich, the rate for residential is an additional \$1.98 per month for home. CR&R has sought all of the available funding. That increase is about \$0.06 per day.

Mayor Pro Tem Wright, asked about CR&R fleet and if current vehicles will be retrofit.

Mr. Braicovich, approximately 40% of the current fleet is natural gas and we will continue to convert as new vehicles are purchased. The existing gas vehicles will not be retrofit.

The City Council thanked CR&R for their presentation and congratulated them on this facility.

2. Update on HERO Program - Rick Bishop, WRCOG

Rick Bishop, WRCOG, HERO is the leading Energy Efficient Financing program in the nation. The HERO program provides financing to property owners to improve their homes and businesses with energy efficient, renewable energy, and water conserving improvements. Funding is paid back through property taxes over time. State legislation (AB 811) enables this Program. WRCOG initiated the HERO Program in December 2011 for its members. WRCOG expanded its Program (called California HERO) to allow other cities and counties in the State to participate. Currently there are 263 cities and counties participating and counting. Program benefits for Western Riverside County are: creates and retains jobs; provides a mechanism to retrofit thousands of properties and achieve significant energy savings; creates water/energy certainty to allow for future growth; and results in air quality improvements and greenhouse gas emission reductions. Examples of eligible improvements: heating and air conditioning; cool roofs; natural gas storage water heater; tankless water heater; windows and glass doors; outside irrigation; insulation; window filming; home sealing; lighting control systems; solar

thermal systems (hot water); solar thermal systems for pool heating; photovoltaic systems; and low flush toilets. Between January 2012 and August 31, 2015 38,730 applications were submitted and 25,838 applications were approved in Western Riverside County a 66.7% approval rate. 15,680 projects have been completed for a total of \$293+ million dollars. That equates to: \$508+ million economic impact; 2,495 jobs created and/or retained; 34,330 tons of GHG reductions; \$16.7+ million utility bill savings; and 66+ GWh savings. Cumulative Property Owner Complaints since May 1, 2013: 107,544 applications received with 106,981 with no complaints for 99.47% property owner satisfaction. 188 or 0.17% of the property owners voiced major complaints and 375 or 0.35% of the property owners voiced minor complaints. Of the 188 major complaints one still needs resolution. Issues were addressed by the Associations of Realtors. Concerns with consumer protection and form disclosures, regulatory scrutiny, FHFA resolution and property value increase claims. WRCOG provided responsive information and attended various state and local Association of Realtors meetings. WRCOG partnered with the realtor groups to exchange information and develop improvements. A joint statement was signed by the Inland Valley, Inland Gateway, and the Southwest Riverside County Associations' of Realtors, and WRCOG stating: "We are encouraged that our efforts are pointing toward specific, constructive, and responsive solutions – some of which have already been introduced in recent weeks." HERO has addressed the realtor concerns by: updated consumer protections; created "HERO Property Advisors" to assist Realtors with transactions; created improved disclosures; launched "HERO Protect" to investigate and resolve contractor issues; eliminated pre-payment penalties; send the preliminary title to the listing agents when a house goes on the market; and created a subordination agreement. HERO updated the following consumer protections: registered contractors; CSLB confirmation, insured, bonded; contractor training; identity verification; in good standing; product eligibility check; fair pricing; permits required; terms confirmation; paid upon job completion; and dispute resolution. HERO offers more consumer protection than other payment options. Addition consumer protection includes: product requirements; contractor requirements; fair pricing requirements; permit requirements; funding provided only upon successful completion of project and homeowner sign off; pre- and post-funding dispute resolution; and protection for seniors. HERO Property Advisors staff members have experience as prior realtors, brokers, and title/escrow agents. HPA assists before, during and after with: property transactions; title document searches; and subordinations and payoffs. HPA offers Realtor training events.

Council Member Youssef arrived at 6:32 p.m.

Mr. Bishop, we have created improved disclosure forms that clearly outline the HERO Program costs and fees, including definition of the fees. The forms break out the interest accrued before their first payment. The forms require a property owner to initial next to the financing terms, interest rate and Estimated Annual Property Tax Bill Amount. They also require the property owner to initial next to 3 important sections to ensure the homeowner understands the HERO program and how they make HERO payments. HERO created a subordination agreement that says that HERO will: subordinate on a purchase to the new 1st mortgage; remain as a tax assessment; and relinquish the right to proceed and to initiate foreclosure. There have been 35 successful subordinations thus far. August 26, 2015, the White House and Federal Housing Agency (FHA) recognized PACE as an innovative policy that can unlock alternative sources of capital to accelerate renewable energy and efficiency retrofits for households, and reduce energy costs for consumers. The FHA will make financing available for single family homes with existing subordinated PACE loans, as long as they meet

certain conditions. The HERO Program presently meets/exceeds the minimum conditions that FHA is examining. About 30% of program loans are for solar, water saving improvements are increasing due to the Governor's support of the program. The criteria for eligibility is: current on mortgage and taxes; 10% equity; and no bankruptcy for 7 years. The other PACE programs are newer and are great for competition. Mr. Bishop recommended that the program track records, protections, financing and oversight of their program be considered when making the decision to participate. Local jurisdictions might let them mature elsewhere. The argument about competition is a good one as long as the perimeters are consistent.

Mayor Pro Tem Wright, with regard to the realtor issue is it correct to say that a home seller needs to work with a lender that is familiar with this issue.

Mr. Bishop, that would be the key, however it is not known early on to make that decision. The way to overcome this is the Subordination Agreement and this agreement will be retroactive. Regardless of the FHA Directive this issue should go away quickly.

Barbara Spoonhour, when a property goes on the market we reach out with the title report and offer help.

Council Member Milne, asked if the complaints are just in Riverside County and the nature of the complaints. Council Member Milne also requested that a member of the Board of Realtors come address the City Council from their perspective.

Mr. Bishop, the complaints are for the entire program area. The nature is all over the map: pricing, contractor and forms. We do follow up on complaints and as a result have removed about 60 contractors from our program.

Walter Wilson, WR Board of Realtors, the big issue has always been the subordination clause. The Realtors have always supported the program. Concern was expressed with the lack of disclosures and that was worked out with WRCOG. As of yet, I have not seen a reconveyance with any of the loans from the County. We are ready for FHA, Freddie Mac and Fanny Mae, to fix their documents.

Council Member Youssef, asked about the current lawsuits or class action suits.

Mr. Bishop, there is no litigation against WRCOG and the program. There are some between property owners and contractors. We started HERO Protect which enhances our customer's protection.

Council Member Youssef, asked if residents can apply for multiple loans through the HERO Program

Ms. Spoonhour, as long as the resident can meet the criteria they may obtain multiple loans.

Mayor Krupa, asked if the program only applies to residential or small businesses or commercial property owners apply.

Ms. Spoonhour, \$2.2 million in Projects have been approved for commercial projects. Certain rules apply, such as all members of an LLC must qualify and sign. Loans can be granted for up to 20% of the property value and are still required to have 10% equity on the property.

Mayor Krupa, glad to see WRCOG and the Realtor Associations working together for the benefit of the property owners.

3. Proposed TUMF Increase - Rick Bishop, WRCOG

This item was not discussed at this time.

The City Council recessed at 6:53 p.m. to the Regular Session.

Closed Session was continued to the end of the Regular Session.

Closed Session

4. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)
 5. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*
RSC Case No. MCC1301868
 6. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: Interim City Manager
Employee organization: *Hemet Mid-Managers Association*
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REGULAR SESSION

7:00 p.m.
City of Hemet City Council Chambers
450 E. Latham Avenue

Call to Order

Mayor Krupa called the meeting to order at 7:03 p.m.

Roll Call

PRESENT: Council Members Milne and Youssef, Mayor Pro Tem Wright and Mayor Krupa

ABSENT: Council Member Raver

Council Member Youssef moved and Council Member Milne seconded a motion to excuse Council Member Raver. Motion carried 4-0.

OTHERS PRESENT: Interim City Manager Thornhill, City Attorney Vail and City Clerk McComas

Invocation

Invocation was given by Krystyne Gray, Hemet-San Jacinto Interfaith Council

Pledge of Allegiance

Pledge of Allegiance was led by Council Member Youssef

Continued to the end of the Regular Session

City Attorney Closed Session Report

7. Conference with Legal Counsel - Anticipated Litigation
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-

City Council Business Consent Calendar

10. **Approval of Minutes** – August 25, 2015
11. **Receive and File** – Investment Portfolio as of July 2015
12. **Receive and File** – Warrant Register
 - a. Warrant register dated August 20, 2015 in the amount of \$1,091,404.12. Payroll for the period of August 3, 2015 to August 16, 2015 was \$671,314.52.
13. **Recommendation by Housing** – Agreement for Services – New Turtle Island
 - a. Authorize the Interim City Manager to enter into a three year Agreement for Services not to exceed \$40,000 per year with New Turtle Island (N.T.I.) for Housing Program support services; and
 - b. Authorize the finance division to establish an appropriation in the amount of \$40,000 in account 245-8225-2400 for the CalHOME 2011 Grant.

Item No. 13 was removed from the Consent Calendar. **Council Member Youssef moved and Mayor Pro Tem Wright seconded a motion to approve the remaining Consent Calendar items as presented. Motion carried 4-0.**

Item No. 13

Council Member Milne, requested clarification for the public.

Edna Lebron, Housing Technician, since the reduction in Housing Division staff in 2011, the City has contracted out for assistance in administering the CalHOME and CDBG Programs. The cost to administer these programs is paid for by the grants.

Council Member Milne moved and Council Member Youssef seconded a motion to approve this item as presented. Motion carried 4-0.

Communications from the Public

Marie McDonald, Hemet, asked about certificates for residents that turn 100. Ms. McDonald told the City Council about two Hemet residents that recently turned 100.

Mayor Krupa, the City will do a proclamation, please gather life facts about both residents and contact the City Manager's office. Arrangements will be made for the proclamations to be presented by a member of the City Council.

Melissa Diaz Hernandez, Hemet, expressed concern that the City Council is not trying to reach out and engage the community and recommended that more of an effort be made by the entire City Council. In January, the City Council talked about holding town hall meetings and that hasn't happened yet. Ms. Diaz Hernandez feels that there is no follow through unless the City Council is forced to. Ms. Diaz Hernandez expected a report to be given tonight regarding an August 26th Economic Development meeting. Ms. Diaz Hernandez also expressed concern with the Downtown Revitalization Committee's lack of knowledge of the races that make up the demographics. The "State of the City" flyer did not have enough information. The residents should not be required to pay for the event since there are corporate sponsors and the event should be held when the majority of the residents could attend.

Daryl Terrell, Moreno Valley, explained his understanding of the City's fiscal challenges and noted that they are similar to Moreno Valley's. The City has done all of the right things. Yet despite those efforts, the expenditures outweigh the revenues. You have to try something new. Over the past few months, I presented options to the County Board and the City of Beaumont. Riverside County has adopted some of my ideas. Mr. Terrell left a binder titled "A Way Forward" that includes 13 ideas for the City Manager to review.

Discussion/Action Item

14. **Third Amendment to Exclusive Franchise Agreement for Comprehensive Refuse Services with CR&R Incorporated** – Public Works Director Jensen
 - a. Approve the Third Amendment to Exclusive Franchise Agreement for Comprehensive Refuse Services with CR&R Incorporated ("Third Amendment"); and
 - b. Authorize the Interim City Manager to execute the Third Amendment.

Kris Jensen, Public Works Director, this is a third amendment to the Franchise Agreement with CR&R. The amendment addresses some of the program changes that were explained during the workstudy on the Anaerobic Digestion Facility. This amendment brings the City into compliance with AB 1826 which mandates organic waste recycling for commercial customers. In order to do that, the City has to have a program in place by January 1, 2016. The Franchise Agreement currently only recognizes green waste in the definition of organic waste. The amendment will expand the definition to meet state law. This amendment will authorize the single family food waste program. By early adoption of this program we will have the opportunity to begin educating our customers of future mandates. The amendment

established a one-time cost for additional kitchen waste pails upon request. It updates the current green waste processing fees. The rates will not go into effect until the Anaerobic Digester is in operation and our materials are being processed through that facility which is anticipated the first quarter of 2016.

The City Council and staff discussed the state mandates. If the City still operated the refuse the rates would have to be raised to participate in a facility of this type.

Council Member Youssef, this is a great example of a private/public partnership. CR&R is on the forefront of this technology so far ahead of the curve. This facility will benefit the consumers for a very reasonable charge. I had the opportunity to tour this state of the art facility.

For the sake of the audience that was not present for the workstudy session. Mr. Braicovich and Mr. Silva gave the powerpoint presentation regarding the Anaerobic Digestion Facility again.

Council Member Youssef moved and Council Member Milne seconded a motion to approve this item as presented. Motion carried 4-0.

15. **Retiree Medical Benefit Incentive Program** - Interim City Manager Thornhill

- a. Adopt a resolution authorizing an incentive payment program through September 30, 2015 for retirees enrolled in the Aetna Managed Choice and Traditional Choice Plans and authorize the City Manager to implement an orderly wind-down and termination of these two plans by September 1, 2016.

Resolution No. 4642

Gary Thornhill, Interim City Manager, 20 years ago the City entered into retiree medical agreements when good medical insurance plans were provided at a low cost. The costs associated with these Cadillac plans went off the charts for a number of reasons. The escalating cost of provide medical to the retirees has been a concern for years. If we continue down this path the City would be out of business in two years. That is why this Incentive Program is so significant. There are a small number of retirees that enjoy the Cadillac plans, however the cost is huge. We have met with the affected retirees and they understand this is unsustainable. This is the City's biggest fiscal issue next to PERS.

Jessica Hurst, Deputy City Manager/Administrative Services Director, Citywide medical cost was \$3.5 million for 2015 by 2020 that cost is estimated to be \$9.2 million with the current plans in place. The budget for 2016 is \$4.2 million. A graph showing the Annual Cost of Medical Plans by plan was displayed. Annual cost for: MC and TC is \$41,951; Aetna HMO \$21,876; Aetna Basic HMO \$15,185; Kaiser \$19,231; Aetna Medicare \$3,469 and Kaiser Medicare \$3,020. MC and TC were made available for out of state retirees that did not have local HMO options, they are expected to increase by 40% or more for the next plan year beginning September 1, 2016. This would bring the cost to \$58,731 annually. The current "Cadillac Plan" threshold is \$27,500 per year. The proposed Retiree Medical Benefit Incentive Program only applies to retirees on the Managed Choice/Traditional Choice plans. It would provide a \$5,000 incentive for retirees to move off plans and onto an alternative HMO, Medicare or out-of-state plan by September 30, 2015. The program also offers Cash-in-lieu options as well as a lump –sum cashout option. MC and TC will be discontinued as of September 1, 2016. This gives the City a year to find comparable plans for the retirees. If every participant moves and takes the incentives the estimated cost will be \$325,000. The cost for lump-sum cash-outs is unknown at this time. The Interim City Manager will evaluate most cost effective mean on a case-by-case basis. The savings will offset the cost to provide

the incentives. The anticipated savings in FY 2015/16 is \$700,000 to \$1.2 million. This has the potential of saving the City \$13 million over the next 5 years. All costs to be offset by savings. There is no additional appropriation request at this time.

Mayor Krupa, this has been a project working with the retirees and the insurance broker. Everyone involved sees the benefit in this.

Marie McDonald, Hemet, asked how many retirees the City has and if their benefit will be comparable.

Mayor Krupa, there are 263 retirees. However, this is only applies to approximately 60 retirees. The others are already on alternative plans.

Mayor Pro Tem Wright, in some cases the benefit will be greater.

The City Council thanked staff for finding a reasonable and equitable way to deal with this.

Mr. Thornhill, any retiree that voluntarily moved when we had the information meetings will still get the incentive.

Mayor Pro Tem Wright moved and Council Member Milne seconded a motion to approve this item as presented. Motion carried 4-0.

16. **Municipal Code Amendment (MCA) No. 15-003** – Community Development
Director Elliano

- a. Introduce, read by title only and waive further reading on an ordinance adding Article XII to Chapter 14 (Buildings and Building Regulations) of the Hemet Municipal Code to provide an expedited permitting process for small residential rooftop solar systems, as mandated by State Assembly Bill No. 2188.

Ordinance Bill No. 15-046

Deanna Elliano, Community Development Director, AB 2188 requires agencies to adopt streamlined permitting processes by September 30, 2015. Ms. Elliano explained the State requirements in detail. This amendment puts into place what the City has already been doing in the form of an ordinance to meet the State's requirements. This will create more paperwork for the contractors, but the City will be in compliance.

Mayor Krupa, asked if the additional paperwork will delay the inspection time.

Ms. Elliano, the additional paperwork is due at the time of the permit request and will not change the workload or the timing for City staff.

Council Member Milne, confirmed that the additional paperwork will be required statewide not just in Hemet as a result of AB 2188.

Council Member Milne moved and Mayor Pro Tem Wright seconded a motion to introduce, read by title only and waive further reading of Ordinance Bill No. 15-046. Motion carried 4-0.

The Ordinance was read by title only

City Council Reports

17. CITY COUNCIL REPORTS AND COMMENTS

A. Council Member Milne

1. Riverside County Habitat Conservation Agency (RCHCA)
2. Riverside Conservation Authority (RCA)
3. Disaster Planning Commission

- B. Council Member Raver
 - 1. Planning Commission
 - 2. Traffic and Parking Commission
 - 3. Riverside Transit Agency (RTA)
 - 4. Riverside County Transportation Commission (RCTC)
 - 5. Watermaster Board

- C. Council Member Youssef

- D. Mayor Pro Tem Wright
 - 1. Park Commission
 - 2. Riverside County Habitat Conservation Agency (RCHCA)
 - 3. Ramona Bowl Association
 - 4. League of California Cities
 - 5. Western Riverside Council of Governments (WRCOG)

Mayor Pro Tem Wright attended SCAG's Energy and Environmental Committee. The committee discussed a new product that allows homeowners to recycle their own water and Lancaster's requirements for new developers to include a number of energy efficient upgrades for an incentive.

- E. Mayor Krupa
 - 1. Riverside Conservation Authority (RCA)
 - 2. Ramona Bowl Association
 - 3. Riverside Transit Agency (RTA)

RTA is still dealing with the Federal Department of Labor over PEBRA issues.

- 4. Watermaster Board
- 5. Library Board

This is National Library Card Month. If you don't have a Library Card the first one is free.

- 6. League of California Cities
- 7. Riverside County Transportation Commission (RCTC)
- Meets tomorrow -
- 8. Western Riverside Council of Governments (WRCOG)

Mayor Krupa attended SCAG's Transportation Committee meeting. A 3-Step Proposal was approved for the 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy. The total forecast for core revenues through 2040 which does not include increase in the tax rates or new taxes is \$356 billion. \$255 billion will come from local sources, \$64 billion from the State of California and \$38 billion from the Federal Government. This is a complete flip flop in funding sources from years past.

- F. Ad-Hoc Committee Reports
 - 1. West Hemet MSHCP Ad-Hoc Committee (June 11, 2013)
 - 2. Regent Development Agreement Ad-Hoc Committee (December 10, 2013)
 - 3. Diamond Valley Lake Recreation Ad-Hoc Committee (January 27, 2015)
 - 4. Public Safety Ballot Measure Ad-Hoc Committee (January 27, 2015)
 - 5. Ad-Hoc Committee to Explore Revenue Options (May 26, 2015)

6. Grant Ad-Hoc Committee (June 23, 2015)

Eric Vail, City Attorney, the date of formation of the Ad-Hoc Committee's was added to the agenda. We need to discuss each of the committees to see if they need to be terminated, reconstituted and or made into standing committees.

G. Interim City Manager Thornhill

1. Manager's Reports
2. Request to participate in the PACE Program

The City Council had a request to consider adopting a resolution to participate in the PACE Program. You heard from Rick Bishop, WRCOG tonight saying that they are not opposed to the competition.

Mayor Krupa, recommended and the City Council concurred that the Interim City Manager investigate the program and bring back as a workstudy for discussion.

3. Board of Supervisor's approval of the Taxi Voucher Program

This was not discussed since the matter was resolved by the Board of Supervisors.

Fire Chief Brown, gave the City Council an update on last night's fire at the Potato Shed. The fire was reported by a passerby after 7:00 p.m. There was a large volume of fire when the first engine company arrived. There were no injuries. This is a vacant building due to the risk the fire was attacked from defensive standpoint with two exposures, AMR headquarters and U-Haul. It took several 100,000 gallons of water to put the fire out. This was a collective effort from Hemet's Public Works, PD and PD Volunteers, Riverside County Health, CALFire and the City of Murrieta. This had to be treated as a hazmat and entry was isolated after the fire and samplings were obtained. Chief Brown explained that the structure still remains hazardous and that staff is working on the next steps.

Mayor Krupa, asked if the City of Hemet would receive a penalty by the State for the high water usage.

Kris Jensen, Public Works Director, the water used for the fire will not be applied to our residential water produced report. It must be reported but does not count against us.

Mayor Pro Tem Wright, announced that the City has conducted at least three town hall meetings at facilities allowing residents an opportunity to meet and speak with Council Members.

State of the City will be held Thursday, September 10th at the Library.

Continued Closed Session

Notice of Opportunity for Public Comment

There were no public comments presented at this time.

The City Council recessed to Closed Session at 8:15 p.m.

4. Conference with Legal Counsel - Anticipated Litigation

One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

5. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
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6. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: Interim City Manager
Employee organization: *Hemet Mid-Managers Association*

Reconvened at 8:35 p.m.

City Attorney Continued Closed Session Report

7. Conference with Legal Counsel - Anticipated Litigation
One (1) matter of significant exposure to litigation pursuant to Government Code section 54956.9(d)(2) & (3)

The City Council received a briefing from the City Attorney and the Deputy City Manager/Administrative Services Director. There was no additional reportable action.

8. Conference with Legal Counsel - Existing Litigation
Pursuant to Government Code section 54956.9(d)(1)
Names of case: *Norman, et. al. v. Charles Webb, III, et. Al.*
RSC Case No. MCC1301868

The City Council received a briefing from the City Attorney. The City Council gave direction regards to the conduct of the case.

9. Conference with Labor Negotiators
Pursuant to Government Code section 54957.6
Agency designated representatives: Interim City Manager
Employee organization: *Hemet Mid-Managers Association*

The City Council received report from staff and gave direction. There was no additional reportable action.

Future Agenda Items

There were no future agenda items requested at this time.

Adjournment

The City Council adjourned in memory of all those lost on September 11, 2001 at 8:37 p.m. to Tuesday, September 22, 2015 at 7:00 p.m.