ORLAND CITY COUNCIL REGULAR MEETING
Tuesday, November 3, 2026

CALL TO ORDER
The meeting was called to order by Mayor Barr at 6:00 PM.

ROLL CALL

Councilmembers Present:	Councilmembers JC Tolle, John McDermott, Wade Elliott, Vice Mayor Alex Enriquez and Mayor Terrie Barr
Councilmembers Absent:	None
Staff Present:	Interim City Manager Justin Chaney, City Clerk Jennifer Schmitke, City Attorney Scott Drexel, Library Director Jody Meza, Public Works Director Zach Barber and City Engineer Paul Rabo

CITIZENS COMMENTS ON CLOSED SESSION - None

MEETING ADJOURNED TO CLOSED SESSION AT 6:01 PM

CLOSED SESSION ENDED AND RECONVENED TO REGULAR SESSION AT 6:17 PM

REPORT FROM CLOSED SESSION - *City Council met in Closed Session with City staff and City Attorney Scott Drexel to discuss conference with labor negotiators, as posted on the agenda. Pursuant to Government Code § 54957.6. Mayor Barr reported that there was no reportable action taken during Closed Session.*

PLEDGE OF ALLEGIANCE

ORAL AND WRITTEN COMMUNICATIONS

PUBLIC COMMENTS: None

CONSENT CALENDAR

- **A.** Warrant List (Payable Obligations)
- **B.** Approve City Council Minutes for October 20, 2026
- **C.** Receive and File Arts Commission Minutes from May 6, 2026
- **D.** Receive and File Arts Commission Minutes from July 15, 2026
- **E.** Receive and File Arts Commission Minutes from September 16, 2026
- **F.** Orland Police Department Purge Policy

ACTION: Vice Mayor Enriquez moved, seconded by Councilmember Elliott, to approve the Consent Calendar. The motion carried by a voice vote, 5-0.

ADMINISTRATIVE BUSINESS

Water Projects Update

City Engineer Paul Rabo provided an update on the City's water system improvement projects, including the Orland Emergency Groundwater Resource Project (OEGRP), Urban and Multi-benefit Drought Relief Grant (UMDRG), and Walker Street Well.

Mr. Rabo reported that Phases 1, 2A, 2B, 2C, and 3A of the OEGRP are 100% complete, with Phase 4, which includes the one-million-gallon water storage tank, more than 95% complete. PG&E installed the electrical transformer and connected power to the site on October 27, 2026. The contractor will return to complete the control systems and required testing. The project exceeded its construction budget by approximately $306,000, which the City is responsible for funding.

He reported that the UMDRG projects were completed in March 2026. The projects included replacing outdated water mains in the alleys between 3rd/4th and 4th/5th Streets with new eight-inch water mains, water services, and fire hydrants, as well as rehabilitating the Central Street Well. The City's share of the project costs is approximately $188,724.

Mr. Rabo also provided an update on the Walker Street Well, reporting that the project is approximately 60% complete. The pumps, discharge column, and motor were installed the week of October 26, 2026. The contractor will return to complete the control systems and required testing. The project is funded entirely by the City at a cost of $1,412,000.

Mr. Rabo concluded that the combined impact to the City's Water Fund for the three projects is approximately $1.9 million, with approximately $4.2 million currently available in the Water Fund. No action was requested by staff.

County resident Susie Smith expressed concerns regarding residents having to pay for project costs when funding exceeds the original budget. She also shared concerns about wells going dry.

Councilmember McDermott asked questions regarding the new well electronics, including whether the system is protected against cyber threats and whether the water tank can be operated manually. Mr. Rabo shared he could look into the systems being protected and shared that the tank can be operated manually.

Councilmember Elliott thanked Mr. Rabo for his report on City projects and asked him to discuss the City's current water capacity and the anticipated benefits of the new million-gallon water tank once operational, including domestic water supply, fire protection, and the City's ability to accommodate future population growth.

Mr. Rabo reported that the City is currently in a good position regarding its wells and water source capacity. He explained that the new million-gallon tank will provide additional capacity to serve the more than 200 connections to county residents, as well as support firefighting needs and everyday water demands. He also discussed plans for an additional well on the east side of town near the proposed Quiet Creek development. Future developers may also be required to dedicate land for potential future well sites.

Councilmember Elliott asked which alleys were next on the City's repair list. Mr. Rabo explained that the Water Master Plan, which needs to be updated, identifies future improvements, with the next several alley repairs located in the downtown area. Councilmember McDermott expressed interest in exploring grant opportunities to help fund ongoing maintenance and repairs.

Annual Review and Possible Adjustment to Water and Sewer Rates

City Engineer Paul Rabo presented the annual review of the City's water and sewer rates, explaining that Municipal Code Section 13.04.350 requires an annual review and adjustments as necessary. He reported that the Consumer Price Index increased 4.7% and construction costs increased 3.7% from September 2025 through September 2026.

Mr. Rabo recommended a 4.4% increase in water rates and a 4.6% increase in sewer rates, effective January 2027. The proposed increases would adjust the bi-monthly fixed water rate to $79.50 for customers inside City limits and $159.00 for customers outside City limits. The bi-monthly fixed sewer rate would increase to $77.50 inside City limits and $155.00 outside City limits.

He explained that the increased revenues would help fund Capital Improvement Plan (CIP) projects, maintenance, repairs, and daily system operations.

County resident Kristy Rumble asked how long it would take to fill the new water tank. Mr. Rabo estimated that it would take approximately 2 days. Ms. Rumble also asked whether there are any City streets without fire hydrants. Interim City Manager Justin Chaney shared that most City blocks have at least one hydrant and added that fire trucks carry additional hose to allow firefighters to access hydrants that may not be located near a property in need of assistance. Ms. Rumble also expressed concern about the water and sewer rate increases, particularly with the number of properties within City limits that have brown lawns.

County resident Susie Smith expressed concern for residents who may not be able to afford the annual rate increases. Mayor Barr explained the importance of annual rate adjustments and how they help the City keep up with necessary infrastructure repairs, maintenance, and improvements.

Orland resident Earl Megginson expressed appreciation for the City's consideration of elderly residents who may have difficulty affording the increases. He noted that it is easier for the City to keep up with infrastructure costs rather than fall behind and have to catch up later. Mr. Megginson also thanked the City Council for its continued efforts on behalf of the Orland community.

Vice Mayor Enriquez asked how many customers have their water service shut off each cycle due to nonpayment. City Clerk Jennifer Schmitke explained that the number varies monthly and stated she would email the Council with the total from the next shutoff list once available. Vice Mayor Enriquez also discussed the situation in Chico, noting that years without rate increases have resulted in significant rate hikes that the community is now facing.

Councilmembers discussed the proposed rate increases and agreed that implementing gradual annual increases, rather than delaying adjustments and facing larger increases in the future, is in the best interest of the City and its residents.

> **ACTION:** Councilmember Elliott moved, seconded by Vice Mayor Enriquez, to approve Resolution 2026-20, establishing the 2027 water and sewer rates. The motion carried by a voice vote, 5-0.

Vice Mayor Enriquez expressed interest in seeing more trees throughout the City and asked whether additional water allowances could be considered for residents who plant more trees.

Colusa Street Improvements

City Engineer Paul Rabo presented the proposed Colusa Street curb, gutter, and sidewalk improvement project adjacent to Newville Brewing, extending from 5th Street to the alley west of 5th Street. He explained that the existing improvements are in poor condition, with numerous cracks and areas of settlement. The project was previously discussed at the March 17, 2026, City Council meeting, where Council directed staff to prepare plans and contract documents for a cost-sharing arrangement between the City and Newville Brewing, with the City's portion funded through Measure J.

Mr. Rabo reviewed the proposed improvements, which include replacement of the existing curb, gutter, and sidewalk; installation of ADA-compliant improvements near the brewery entrance; a commercial driveway for the alley; an 11-foot sidewalk; street signage; parking bumpers; tree well grates; and asphalt repairs.

Mr. Rabo reported that two bids were received on October 22, 2026. Franklin Construction, Inc. submitted the lowest bid at $104,625, and R & R Horn submitted a bid of $123,548. Both bids exceeded the engineer's estimate of $63,200.

Mr. Rabo explained that City staff recommended rejecting both bids, revising the project scope, and exploring opportunities for the Public Works Department to complete portions of the work, depending on staff availability and workload. He presented the following three options for Council consideration:

1. Accept the lowest responsible bid: This option would require proportionally increasing the costs covered by Measure J and Newville Brewing. Staff did not recommend this option because it would conflict with the thresholds established in the City's Purchasing and Contracting Policy.

2. Reject all bids and revise the project limits: This option would allow the Public Works Department to complete portions of the work, potentially including removal of existing concrete curbs and flatwork, installation of parking bumpers, and installation of street signs. Work would be completed based on staff availability and workload.

3. Reject all bids and withdraw from the project: Under this option, the City would not participate in the construction of the proposed improvements.

Orland resident and Newville Brewing owner, Kristen Baugher, expressed concern regarding the high bid amounts received for the project, describing them as excessive. She asked whether the City had reached out to local general contractors for bids. Ms. Baugher also shared that she had not received or reviewed the agreement between Newville Brewing and the City of Orland and requested that a copy.

Councilmembers discussed the project and the three options presented for moving forward with the improvements. Councilmember McDermott asked Public Works Director Zach Barber whether the Public Works Department had the capacity to assist with the project. Director Barber explained which portions of the work Public Works could complete and noted that now would be the best time to have staff assist before the weather changes and the rainy season begins. He also expressed concerns about coordinating the work around the business owner's schedule while working alongside other contractors.

Mayor Barr asked about the anticipated opening date of the brewery. Ms. Baugher shared that she is hopeful the business will open in Spring. Councilmember Elliott thanked Ms. Baugher for investing in Orland and shared that her business would help revitalize downtown Orland. Vice Mayor Enriquez asked questions regarding prevailing wages and the overall project costs.

Council consensus was to direct City Engineer Paul Rabo to revise the project scope consistent with Option 2, rejecting all bids and revising the project limits. The revised scope would allow the Public Works Department to complete portions of the work, potentially including removal of existing concrete curbs and flatwork, installation of parking bumpers, and installation of street signs, depending on staff availability and workload.

City Manager Verbal Report

Mr. Chaney reported that, effective November 2, 2026, RGS had received a 30-day notice to cease providing services to the City. He also shared that Finance Director Joanne Moore would be taking over all financial responsibilities moving forward.

City Council Communications and Reports

Councilmember Elliott: Attended the City-County Annexation/Tax Share Ad Hoc Committee meeting on October 19 and a proposed annexation meeting on October 29. On November 3, received a tour of the City's 1-million-gallon water tank from City Engineer Paul Rabo. Also announced that he had been reelected to the Orland City Council for another two-year term.

Councilmember McDermott: nothing to report.

Councilmember Tolle: nothing to report.

Vice Mayor Enriquez: nothing to report.

Mayor Barr: Thanked the Community for coming out

MEETING ADJOURNED 7:55 PM

Jennifer Schmitke, City Clerk

Terrie Barr, Mayor