

MINUTES

SPECIAL JOINT MEETING OF THE DIXON CITY COUNCIL AND SOLANO IRRIGATION DISTRICT (SID) BOARD OF DIRECTORS

DECEMBER 14, 2009

1. **CALL TO ORDER**

The Special Meeting of the Dixon City Council and Solano Irrigation District (SID) Board of Directors was called to order at the hour of 7:00 p.m. to meet in the Council Chambers on December 14, 2009, by Mayor Batchelor.

2. **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Batchelor.

3. **ROLL CALL**

Councilmembers Present: Councilmembers Dane Besneatte, Kay Fulfs Cayler, Michael Ceremello, Jr., Vice Mayor Rick Fuller, and Mayor Jack Batchelor, Jr.

SID Board Present: Directors Bob Bishop, Guido Colla, Glen Grant, John Kluge, and President Robert Hansen

Absent: None

4. **AUDIENCE/PUBLIC COMMENT** (NON-AGENDA ITEMS)

None

5. **ITEMS FROM THE DIXON CITY COUNCIL / SID BOARD**

5.1 Councilmember Ceremello reported that he attended the swearing-in of new Dixon Unified School District Boardmembers.

5.2 Mayor Batchelor welcomed the SID Board and the SID Directors were introduced.

6. **NEW BUSINESS**

6.1 **Final Draft Financial Plan and Water Rate Study for Dixon-Solano Municipal Water Service (DSMWS). On January 12, 2010, the Dixon City Council will consider a Resolution adopting the Water Rate Study and to set a Joint City/SID public hearing (at least 45 days from January 12, 2010) on the proposed increases to DSMWS water rates and authorize the City Clerk to begin the Proposition 218 notice process.**

Nancy Huston, Dixon City Manager, noted that Auditor Michelle Nelson was present to answer any questions relating to the financial statements. Ms. Huston reviewed the DSMWS history, rate history and rate comparison, and rate study with one-year and three-year increases. She discussed reasons for the rate increases, the trend toward a negative cash balance, revenue, expenditures, and developer fees. Ms. Huston and SID Executive Director David Mansfield responded to Council questions.

President Hansen clarified that SID had accepted the Reed Study, but has not voted on the water rates.

Bob Reed, The Reed Group, discussed the financial plan, rate study, financial plan assumptions, his findings, and recommendations.

Director Grant noted that both the City of Dixon and SID are responsible for the Joint Exercise Powers Agreement (JEPA), discussed the need to insure the JEPA is fiscally sound, and recent discussions gave him concern about continuing with the JEPA. He noted if the rate increases are not adopted, the water utility in the City of Dixon is not sound.

President Hansen agreed that if the JEPA is to continue, both agencies need to meet on a regular basis. The system would be financially sound if the agencies work together and other utilities cannot be put at risk.

Councilmember Cayler asked what would happen if the City were no longer partners in the JEPA and what the solution would be.

President Hansen felt continuing together as partners is the best option, the rates would be kept low, and the ratepayers would benefit the most, but expressed concern about the City's commitment.

Councilmember Besneatte felt SID was making threats, did not like the tone of the meeting, and was not convinced about the validity of the information.

Councilmember Ceremello wanted answers to his questions about Fund 320, and discussed surplus funds and cash flow. He noted he does not want another Measure L and wants to do the right thing for the citizens.

Vice Mayor Fuller noted the difficulty in deciding to raise rates and discussed the need for potable water.

Mayor Batchelor disagreed that the comments were a threat. He discussed the need to review the organization of both agencies in the JEPA or Joint Powers Agreement (JPA), the need to move forward with a joint hearing, and to look at what is best for the citizens of Dixon and the City.


Mayor Batchelor asked for public comment.

Russ Cayler discussed communication between the two agencies, keeping rates low, and noted this could be studied to death but, would the rates be lower.

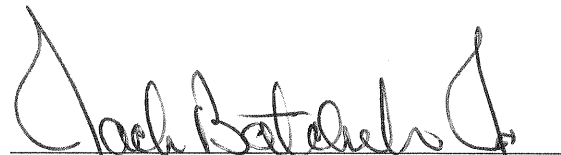
7. **ADJOURNMENT**

The Joint Meeting adjourned at the hour of 8:57 p.m.

ATTEST:



Janice Beaman, CMC
City Clerk



Jack Batchelor, Jr.
Mayor