

MINUTES

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

JANUARY 11, 2010

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 January 11, 2010, by Mayor Batchelor.

2. **PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Batchelor.

3. **ROLL CALL FOR CITY OF DIXON**

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

Absent: None

4. **ROLL CALL FOR SOLANO IRRIGATION DISTRICT BOARD**

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

Absent: None

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

None

6. **ITEMS FROM THE DIXON CITY COUNCIL**

None

7. **ITEMS FROM THE SOLANO IRRIGATION DISTRICT (SID) BOARD**

None

8. **NEW BUSINESS**

8.1 **City of Dixon Resolution approving the Financial Plan and Water Rate Study, dated October 6, 2009, prepared by the Reed Group, Inc., for the Dixon-Solano Municipal Water Service (DSMWS), setting a Joint (City/SID) public hearing date for March 8, 2010, on the proposed increases to DSMWS water rates, and authorizing the City Clerk to begin the Proposition 218 notice process.**

8.2 **Solano Irrigation District Resolution approving the Financial Plan and Water Rate Study, dated October 6, 2009, prepared by the Reed Group, Inc., for DSMWS, setting a Joint (SID/City) public hearing date for March 8, 2010, on the proposed increases to DSMWS water rates, and authorizing the Dixon City Clerk to begin the Proposition 218 notice process.**

Nancy Huston, Dixon City Manager, noted the purpose of this meeting is to review the information requested from the last meeting, address any questions from the Council and the Board, and to consider the two resolutions.

Jeremy Craig, Finance and Technology Director, reviewed the Operating Fund, the deficit for eight years from 2001-2008, funds transferred from the Operating Fund to the Rehabilitation Fund, depreciation, operating fund deficits, and Capital Improvement history.

Ms. Huston recommended a three-year rate increase at nine percent and for each Resolution be adopted.

Mayor Batchelor asked for public comment.

Larry Simmons discussed the deficit for so many years and was baffled with what went wrong.

Dave Scholl asked about the rate increase process, expressed concern about the information just being received, felt rushed, and requested a one-month delay for public review.

Ms. Huston responded that there is a 45-day notice period and every customer will receive a letter on behalf of DSMWS, in English and Spanish, regarding the proposed rate increase.

Ourania Riddle asked for clarification about when the notice is mailed under the Proposition 218 process.

Michael Dean, City Attorney, responded that the City has to provide 45-days notice before the hearing.

Mr. Craig responded to Council questions during their deliberation.

A motion was made by Councilmember Ceremello to table this matter for two weeks. The motion was seconded by Director Kluge.

Mr. Dean advised that the second to the motion must be from a Councilmember. SID will have their own motion.

Councilmember Besneatte expressed concern that budget increases are based on assumptions and not budget reductions or reduction in expenditures.

Ms. Huston discussed salaries being reduced and reducing expenditures.

David Mansfield, SID General Manager, discussed the decrease in operating reserves.

After further deliberation by the Council, a motion was made by Vice Mayor Fuller, seconded by Councilmember Cayler, to adopt Dixon Resolution No. 10-001 approving the Financial Plan and Water Rate Study for a proposed three-year rate increase, setting a joint hearing for March 8, 2010, and authorizing the City Clerk to begin the Proposition 218 notice process. Roll call was taken as follows:

Ayes:	Cayler, Fuller, Batchelor
Noes:	Besneatte, Ceremello
Abstain:	None
Absent:	None

President Hansen thought the Reed Report proposed a rate increase over five-years. Ms. Huston noted staff recommendation to the City Council was to approve a three-year rate increase and conduct another study in three years.

President Hansen asked for Board questions. There were no questions.

President Hansen asked for public comment. There were no public comments.

A motion was made by Director Grant, seconded by Director Colla, to adopt SID Resolution No. 10-01 approving the Financial Plan and Water Rate Study for a proposed three-year rate increase, setting a joint hearing for March 8, 2010, and authorizing the Dixon City Clerk to begin the Proposition 218 notice process. Roll call was taken as follows:

Ayes: Bishop, Colla, Grant, Kluge, Hansen
Noes: None
Abstain: None
Absent: None

9. **ITEMS FROM THE DIXON CITY MANAGER**

None


10. **ITEMS FROM THE SOLANO IRRIGATION DISTRICT GENERAL MANAGER**

None

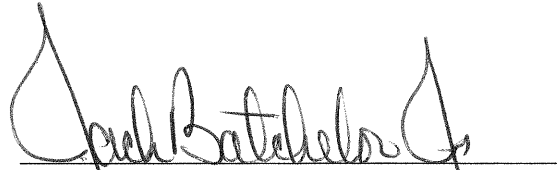
11. **ADJOURNMENT**

The Joint City Council / SID meeting adjourned at 8:20 p.m.

ATTEST:



Janice Beaman, CMC
City Clerk



Jack Batchelor, Jr.
Mayor