

# **SPECIAL MEETING MINUTES**

## **JOINT MEETING OF THE DIXON CITY COUNCIL AND SOLANO IRRIGATION DISTRICT BOARD OF DIRECTORS**

**TUESDAY, AUGUST 31, 2010**

**DIXON COUNCIL CHAMBERS  
600 EAST A STREET  
DIXON, CALIFORNIA  
7:00 P.M.**

**1. CALL TO ORDER**

The Special Joint Meeting of the Dixon City Council and the Solano Irrigation District Board of Directors was convened at 7:00 p.m. in the City Council Chambers on August 31, 2010, by Mayor Jack Batchelor, Jr.

**2. PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Mayor Jack Batchelor, Jr.

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

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

Absent: None

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

Present: Boardmembers Guido Colla, Bob Bishop, Glen Grant, John Kluge, President Robert Hansen

Absent: None

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

5.1 Drew Graska thanked the City Council for approving the ordinance authorizing Veterans exemptions.

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

- 6.1 Councilmember Besneatte reported he was feeling well following the last of his medical procedures.
- 6.2 Councilmember Cayler thanked everyone for their participation in the Wine Stroll and the Dixon Family Services Dinner.

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

None.

8. **BUSINESS**

8.1 **Matters relating to the Dixon Solano Municipal Water Service (DSMWS Joint Exercise of Powers Agreement (JEPA):**

- 1. **Discussion, direction, and adoption of a Joint Resolution approving a Joint Powers Agreement (JPA) creating the Dixon/Solano Water Authority;**  
**OR Alternative Action**
- 2. **Adopt Joint Resolution extending the term of the Joint Exercise of Powers Agreement between the City of Dixon and The Solano Irrigation District through December 31, 2010.**

Nancy Huston, Dixon City Manager, reported that since the August 19, 2010, Joint meeting, attorneys for both entities reviewed the Joint Powers Agreement (JPA) and are in agreement with the current language. She discussed double-majority votes, arbitration, the importance of structuring a fiscally sound, comprehensive, document for the future, and recommended adoption of the JPA as written.

Royce Cunningham, City Engineer, discussed Schedule A and B facilities, water service boundaries in Dixon, water supply facilities, and underground water facilities.

Mike Dean, City Attorney, reviewed asset ownership provisions for each party, transfer of assets, asset distribution upon termination of agreement, the ten-year exclusion period, attorney fee responsibilities, rate increases, arbitrary and capricious standards, and arbitration.

Dave Mansfield, SID General Manager, noted arbitration is not a new provision since it was included in the original Joint Exercise of Powers Agreement (JEPA) and discussed responsibility for shortfalls.

Councilmember Ceremello felt profits upon the sale of assets should be reimbursed back to the ratepayers rather than be a windfall for the City.

Councilmember Besneatte noted he favored the JPA but felt that criteria in Section 7 favored SID, put the City at a disadvantage, and the City Attorney should have fought for better terms.

Mr. Dean responded the JPA is a compromise agreement and there are terms SID is also not happy with.

Councilmember Cayler noted her questions had been answered, although it would be difficult to provide arbitrary and capricious actions.

Vice Mayor Fuller noted the terms of arbitrary and capricious in Section 7 apply to both parties equally.

Mayor Batchelor noted changes requested at the last meeting were made, the scope was narrowed significantly, rate increases were negotiated, and he favored approval.

President Hansen noted the goal is clean, safe, high-quality drinking water at a fair price and although the agreement is not perfect, it will work and can be amended over time.

Boardmember Kluge commented that JPA's are commonplace throughout the State, this agreement brings the City up to speed, and it was accomplished through compromise and working together.

Boardmember Bishop favored approval of the JPA.

Boardmember Grant noted significant improvements in the JPA but he was not ready for approval because SID is placed as a secondary partner, particularly in ownership of assets.

Councilmember Ceremello noted the bonding capacity should be reviewed, the Water Technical Committee should include one Boardmember and one City Councilmember, there is inadequate reference to changes in rates, no compensation back to ratepayers, and the agreement was not in condition for approval.

Mayor Batchelor asked for public comments.

Russ Cayler noted the agreement is a living document that can be modified, attorney compromise was appropriate, and he supported approval without further delay.

Drew Graska felt there is more work to be done on the agreement, the two entities should air their issues and the attorneys should translate legally.

Councilmember Besneatte noted a fair vote may not be possible based on the SID Board's lack of objections to previous rate increases, JPA's are common but "getting up to speed with others" is not a good reason, the agreement needs

more work on scheduled analysis and arbitration, and he supported the JPA but felt problems need to be addressed.

Boardmember Grant objected to references of "we", the citizens, and "them", SID, since both agencies are representing the same group.

A motion was made by Councilmember Cayler, seconded by Mayor Batchelor, to adopt Resolution No. 10-150 approving a Joint Powers Agreement (JPA) creating the Dixon/Solano Water Authority (AG 10-030). Roll call was taken as follows:

AYES: Cayler, Fuller, Batchelor  
NOES: Besneatte, Ceremello  
ABSTAIN: None  
ABSENT: None

A motion was made by Solano Irrigation District Boardmember Colla, seconded by Kluge, to adopt Resolution No. 10-43 approving a Joint Powers Agreement (JPA) creating the Dixon/Solano Water Authority. Roll call was taken as follows:

AYES: Bishop, Colla, Kluge, Hansen  
NOES: Grant  
ABSTAIN: None  
ABSENT: None

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

None.

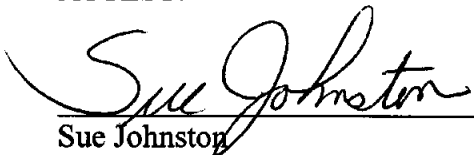
**10. ITEMS FROM THE SID GENERAL MANAGER**

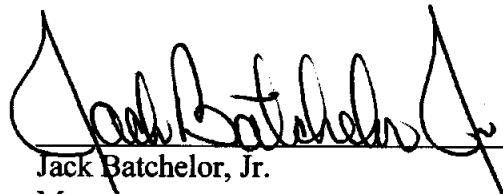
None.

**11. ADJOURNMENT**

The Special Joint Meeting of the City Council and the SID Board of Directors adjourned at the hour of 8:55 p.m.

ATTEST:

  
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Sue Johnston  
Secretary

  
\_\_\_\_\_  
Jack Batchelor, Jr.  
Mayor