

**MINUTES
SPECIAL MEETING
CITY COUNCIL & REDEVELOPMENT AGENCY
CITY OF YUBA CITY
AUGUST 29, 2008 – 7:00 P.M.**

Call To Order

The City Council of the City of Yuba City was called to order by Mayor Ramirez at 3:08 p.m.

Roll Call

Present: Councilmembers Gill, Maan, McBride, Miller, and Mayor Ramirez
Absent: None

Public Hearing - continued

1. Hillcrest Water System (HWS) conversion to surface water protest hearing in accordance with Proposition 218

Councilmember Miller recused himself due to a possible conflict of interest.

Mayor Ramirez thanked the City Clerk and her team for counting the protest ballots.

City Clerk Terrel Locke certified the protest results of the property owners and customers of the Hillcrest Water System as follows: the total number of protests received was 2,755. Valid protests constituted 2,301, less 253 valid withdrawals, leaving a total of 2,048 valid protests. The total number of parcels is 3,999. The proposed conversion to surface water for the Hillcrest Water System is defeated by a majority vote.

Mayor Ramirez stated there are an adequate number of protest ballots to defeat the conversion to surface water. Before giving staff directions, Mayor Ramirez opened the public hearing and the following residents spoke:

Elaine Miles, 487 Anita Way, Yuba City
Tony Galyean, 1400 Sherman Ct., Yuba City
Phil Treanor, 1570 Richland Rd., Yuba City
Michael Payne, 223 Anita Way, Yuba City
Holly Stout, 1546 Butte Vista Ln., Yuba City
Lynn Horn, 1999 Nepal Ct., Yuba City
Dennis Jones, 2016 Falls Dr., Yuba City
Deloris Barnett, 1048 Yolanda Dr., Yuba City
John Buckland, 1478 La Grande, Yuba City
Suzanne Connelly, 1660 Alicia Dr., Yuba City
Janet Bauer, 1532 Rancho Way, Yuba City
Raj Banwait, 1717 Hazel Ave., Yuba City

Mayor Ramirez closed the public hearing.

Councilmembers discussed the subsidies made to Hillcrest Water currently estimated to be \$675,000. These subsidies have been in the form of improvements and debt service.

Councilmember Gill noted that the entire city can not legally be asked to pay to convert the Hillcrest Water System to surface water and none of the protestors have offered any viable alternatives to the conversion to surface water. Councilmember Maan said he would like to hear options from the protestors.

Mayor Ramirez asked Attorney Michael Colantuono what subsidies can be granted under Proposition 218. Mr. Colantuono responded that customers can not pay more than their proportional cost. The systems must be balanced. You can lend money but it has to be repaid. A permanent loan is illegal.

Associate Engineer Ian Pietz stated that the water protest was not successful in Region 1. He stated staff would be willing to look at providing surface water to Region 1 if Council so directs. It was determined that Region 1 is operationally separate from Regions 2 and 3. Mr. Colantuono said it would be legal to use this 218 protest ballot results to provide water to Region 1 provided it is the same water for the same fee. Staff stated they would need 30 days to determine the cost to Region 1 alone.

Mayor Ramirez reopened the public hearing to hear possible alternative solutions from the residents. The following residents spoke:

Tony Galyean, 1400 Sherman Ct., Yuba City
Janet Bauer, 1532 Rancho Way, Yuba City

Guy Rector, 201 Nepal Ct., Yuba City
Elaine Miles, 487 Anita Way, Yuba City
Deloris Barnett, 1048 Yolanda Dr., Yuba City
Roberta Fletcher, 203 Butte Ave., Yuba City
John Buckland, 1478 La Grande, Yuba City
Phil Treanor, 1570 Richland Rd., Yuba City
Lynn Horn, 1999 Nepal Ct., Yuba City
Mr. Bains

Mayor Ramirez closed the public hearing. There were no legal alternatives offered by the residents. Councilmember McBride said she had to leave the meeting due to a previous obligation but stated she was in favor of allowing Region 1 to connect to surface water, if determined to be at the same cost, send out a Letter of Interest for the sale or lease of the Hillcrest Water System, and the elimination of subsidies to the Hillcrest Water System. Councilmember McBride left the meeting at 5:00 p.m.

Mayor Ramirez and Councilmembers gave the following directions to staff: (1) investigate the feasibility of providing surface water to Region 1 at or below \$19.80/month, (2) send out a Letter of Interest to potential buyers/leasers of the Hillcrest Water System, (3) Finance is to provide the monthly cost of the Hillcrest water loan and its economic impact, and (4) schedule the results of these items at a future meeting.

Michael Colantuono noted the sale of the Hillcrest Water System would require City voter approval. The lease of the system would not.

Public Communication on Items on the Agenda

None.

Adjournment

Mayor Ramirez adjourned the Special Meeting of the City Council at 5:14 p.m.