

**MINUTES
SPECIAL MEETING
CITY COUNCIL & REDEVELOPMENT AGENCY
CITY OF YUBA CITY
SEPTEMBER 30, 2008 – 6:00 P.M.**

Call To Order

The City Council of the City of Yuba City was called to order by Mayor Ramirez at 6:05 p.m.

Roll Call

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

Invocation

Police Chief Richard Doscher gave the invocation.

Pledge of Allegiance to the Flag

Councilmember McBride led the Pledge of Allegiance to the Flag.

General Item

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

1. Region 1 Hillcrest Water System conversion to surface water rate and possible protest hearings for Region 1 and Region 2/3

Utilities Director Bill Lewis reviewed the policy decisions directed by Council and the August 29, 2008 directions from Council which included:

(1) Determination on whether Region 1 can be served alone for equal to or less than \$3,570 or \$19.80 per month. Region 1, by itself, could be served for \$3,415 or \$18.95 per month.

(2) Determination of interest of investor owned utilities in the lease or purchase of the Hillcrest Water System. Seven Letters of Interest were mailed out and four companies responded that they are interested. Mr. Lewis gave a summary of the four respondent's average winter and summer rates.

(3) Evaluation of the cash flow for groundwater. There was a \$666,851 shortfall from May 2001-June 2007 and there is a tentative \$138,628 operations and maintenance shortfall and \$265,905 capital shortfall for 2007/08 for a total of \$1,071,384.

(4) Determination of any viable options. There really aren't any.

Arsenic concentrations in Regions 2/3 are rising. We will likely be out of compliance at the next testing.

Mr. Lewis said a 30" pipeline is proposed for Regions 2/3. Regions 2/3 require a 22" pipeline but anticipated growth in the area will require a 30" pipeline. By putting in the 30" line and charging only for Region 2/3's share—54%, it is cheaper than the residents paying 100% of a 22" pipeline.

Proposed options include: (1) another 218 protest hearing, and if so, would it be for Regions 1 & 2/3, Regions 1 & 2/3 or Region 2/3. (2) If another protest hearing is not conducted, evaluate selling the system. (3) Combine the rate of surface water and groundwater.

Staff recommends that two separate 218 protest hearings be conducted for Region 1 & 2/3; that Council adopt a resolution of the guidelines for the submission and tabulation of protests; and that protest notices are mailed with a postcard indicating the surcharge.

Public Communication

Mayor Ramirez asked for public comment and the following residents spoke:

Dennis Jones, 1026 Falls Drive, Yuba City
Phil Treanor, 1570 Richland Road, Yuba City
Noal D. Miles, 487 Anita Way, Yuba City
Suzanne Connelly, 1660 Alicia Drive, Yuba City
Elaine Miles, 487 Anita Way, Yuba City

Lynn Horn, 1999 Nepal Court, Yuba City
Janet Bauer, 1532 Rancho Way, Yuba City
Ann Dais, 1576 Jones Road, Yuba City
Larry Stange, 483 Littlejohn Road, Yuba City
Darin Gale, 1945 Phillips Road, Yuba City
Chein da Rosa, 1307 Scotten Court, Yuba City
Scott Sorenson, 1815 Nand Drive, Yuba City
Walt Zukias, 1055 Portolla Valley Road, Yuba City
Cindy Humlick, 428 Camino Cortez, Yuba City
Bradley Harrison, 428 Camino Cortez, Yuba City
John Fitch, 1827 DeRae Court, Yuba City
Paula Linteo, 1529 Lincoln Road, #10, Yuba City
Jackie Sillman, 1964 Cherry Street, Yuba City
Tony Galyeon, 1400 Sherman Court, Yuba City
John Dukes, 1985 Nand Drive, Yuba City
Cindy Geddes, 1800 Pacificia Drive, Yuba City
John Buckland, 1478 La Grande Avenue, Yuba City
Lloyd Leighton, 1300 Delone Drive, Yuba City
Daniel Jacuzzi, 1409 Marble Court, Yuba City

1. Region 1 Hillcrest Water System conversion to surface water rate and possible protest hearings for Region 1 and Region 2/3 (continued)

Mayor Ramirez said the City is only enforcing federal regulations that reduced arsenic from 50 to 10 parts per billion for arsenic. Water is fee based. The customers who use it, pay for it. He reviewed the history of the Ad Hoc Committee. There was a lot of information disseminated, and it may have been difficult to understand.

Attorney Michael Colantuono addressed the options from a legal prospective. He stated that you have to distinguish surface water customers from groundwater customers. One can not pay the expenses incurred by the other.

Councilmembers discussed the options presented. They said many residents have told them that they did not understand the protest hearing. Councilmembers agreed they would like to repeat the 218 protest hearing and discussed the combination of Region options. They decided to separate Region 1 from Regions 2/3 and have two protest hearings.

Councilmember Gill moved to a) Adopt Resolution No. 08-096 approving guidelines for the submission and tabulation of protests in connection with the rate hearings for Region 1 and Region 2/3 as separate protests; b) Direct staff to set the protest hearings for not less than 45 days after mailing of protest notices; and c) Approve form of Notices for Proposition 218 Protest hearings. Councilmember McBride seconded the motion that passed with a unanimous vote.

Adjournment

Mayor Ramirez adjourned the special City Council meeting of the City of Yuba City at 9:35 p.m.

Rory Ramirez
Mayor

ATTEST:

Terrel Locke
City Clerk