

**DIXON RESOURCE CONSERVATION DISTRICT (DRCD)
MINUTES FOR
JANUARY 13, 2016**

DIRECTORS

**MARK HOLDENER, PRESIDENT
SAM BEUKELMAN
RICK MARTINEZ
DAVID VIGUIE**

DIXON RCD STAFF

**JOHN S. CURREY, DISTRICT MANAGER
JANICE BEAMAN, OFFICE MANAGER**

OTHER ATTENDEES

**WENDY RASH, DISTRICT CONSERVATIONIST, NATURAL RESOURCE
CONSERVATION SERVICES (NRCS)
JIM CAMPBELL, ASSOCIATE DIRECTOR
DOUG MOORE, WEST YOST AND ASSOCIATES**

1. Call the Meeting to Order

President Holdener called the January 13, 2016, Regular Board meeting to order at 12:00 p.m. at 1170 North Lincoln Street, Suite 110, Dixon, CA.

Present: Beukelman, Martinez, Viguie, Holdener
Absent: None

2. Establish a Quorum

A quorum was established.

3. Approve the Agenda

There was no discussion on this item.

A motion was made by Director Martinez, seconded by Director Beukelman, to approve the agenda. The motion passed as follows:

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Ayes: Beukelman, Martinez, Viguie, Holdener
Noes: None
Abstain: None
Absent: None

4. Comments from the Public - None

5. Presentations – None

6. DRCD/Solano RCD Water Quality Coalition (Irrigated Lands Regulatory Program) – Monthly Reports

a. Approval of Expenses from December 9, 2015, To January 13, 2016, and review of the 2015 / 2016 Budget Update.

Mr. Currey reviewed the Water Quality Coalition expenses, budget, total payments received, and year-to-date totals.

Director Martinez suggested reaching out to First Northern Bank to sponsor one of the workshops.

A motion was made by Director Martinez, seconded by Director Beukelman, to approve the Water Quality Coalition expenses. The motion passed as follows:

Ayes: Beukelman, Martinez, Viguie, Holdener
Noes: None
Abstain: None
Absent: None

b. Activities Reports – None

7. Natural Resources Conservation Service (NRCS) Report

Ms. Rash discussed the Water Quality Coalition Workshops being held. The Board complimented Ms. Rash for her presentation they had attended.

Ms. Rash noted that NRCS is taking EQIP applications and there is time to submit applications, and asked that everyone spread the word. She noted that Sally Negroni retired December 31, 2015, will be working for Dixon RCD, and asked Board members, if there are certain skills they would like to see included in their recruitment of new employee.

Director Martinez discussed the differences between Soil Conservationists from different areas.

Director Viguie would like someone to help with paperwork.

This item was filed.

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10a. TAKEN OUT OF ORDER

USDA and District Agreement – Receive update on the Cooperative Agreement (#68-9104-4-227) for Engineering Services Amendment.

Mr. Currey noted the recruitment process for Soil Conservationist would take about six months. With this agreement there would be no cost for extension of the contract for six months, unless the contract is approved for extension. Ms. Negroni would work two days a week at NRCS and Ms. Colby will be returning on February 15, 2016, and will concentrate on the rate study first.

This item was filed.

8. DRCD Consent Calendar

- a. **Approval of Minutes for the Regular Board Meeting dated December 9, 2015.**
- b. **Approval of Expenses from December 9, 2015, to January 13, 2016, and review of the 2015 / 2016 Budget Update.**

There was no discussion on this item.

A motion was made by Director Viguie, seconded by Director Martinez, to approve the Consent Calendar. The motion passed as follows:

Ayes: Beukelman, Martinez, Viguie, Holdener
Noes: None
Abstain: None
Absent: None

9. Old Business – None

10. New Business

- a. **Drainage Fee Rate Study – Review Draft Rate Study and provide direction to Staff and establish the timeline, purpose and objectives for the Rate Study.**

Mr. Currey discussed the purpose of the rate study is to justify rates based on compliance of regulations of Proposition 218.

Director Martinez noted the report has much information. He felt the largest variable was within ditch expenses, excavation and engineering and should be discussed first. He felt the purpose and objective are fine, the increase may be more than what should be included, and was not in agreement with the numbers.

Director Martinez asked if the study could be ten years or if it has to be five. Mr. Currey replied the study cannot go beyond five years.

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Mr. Currey discussed the history of reserves and expenses and noted the study is based on budget versus expenses, including capital improvements.

Director Martinez thought the study over the next five years may be easier to evaluate knowing what the expenses are and to match fee. He preferred not to set rate and go to highest rate. He felt landowners will think the cost will go to the highest rate regardless if needed or not. The landowners will also want know what the expenses are to justify the rate increase. He felt a possible choice could be to hire an employee and buy equipment for maintenance instead of contracting out the service.

Mr. Currey discussed paying prevailing wage to contractor and in total time and mileage spent was higher cost. He felt more efficiency can be an alternate model for the study.

Director Martinez thought there may be a certain point when the District may want to review financially if it should stop contracting for services and hire an employee. It could also open up opportunities for the District to have more control with the drainage plan.

Mr. Campbell discussed cash flow and 20 – 75 percent reserves at the Solano Irrigation District.

Director Beukelman noted the cost of leasing versus buying an excavator may be an option to consider.

Director Martinez thought identification and justification of expenses are most important, Yolo Bypass definitely needs to be included for revenues received in the past and reason for rate increase now. He also suggested Figure X-2 be deleted and be included as averages.

Mr. Moore suggested historical and revenues in one chart, including description. Also, the Board may want to include engineering and legal cost in the budget for the Ag Service Area.

Director Martinez recommended to start with a five year history, focus on ditch maintenance, actual ditch expenses, the breakdown of excavation and spray, then add what options may be needed. He thought that the excavator may be digging deeper than necessary and may be a reason for increasing the cost. If the excavator is about to exceed the budget, the Board may want to review the work first.

Relating to 2.5 - Key Operating Expense Assumptions, Mr. Currey discussed the average of 2.5% was used for planning salaries, depending on the Board's direction.

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Director Martinez felt the Western United States rate of 2% should be used instead of Bay Area rate. He preferred to fine tune expenses first, identify proposed expenses, priorities, revenue projections for the timeframe and how it affects reserves, and list capital improvements separately.

Mr. Currey discussed the need to monitor the expenditures for upgrades to the District's billing system, drainage policies and status of non-agricultural parcels that would add substantial costs and would further increase cost to the customer.

Mr. Moore expressed concern about the disparity of costs between Solano County and the City.

Director Martinez thought the growth will be within the City and that should be addressed.

Mr. Currey noted the County policy is the net increase needs to be managed and discharged slowly over time, a protracted discharge. He felt permitting should be reviewed, especially if development changes.

Mr. Currey noted on the map the boundaries for Reclamation District 2068 and Dixon RCD will be identified, properties at \$5 per acre.

Director Martinez felt the \$5 reference for the Reclamation District should be deleted.

Mr. Currey noted the District's tax base of \$100,000 annually from Solano County pays for office and staffing. He will determine how tax rate identification number is created and how tax rate is calculated. He will review if there are any benefits of not being a Special District and how to detach/cancel as a Special District, and possibly contract services with other agencies. He thought the administrative staff could be consolidated with Solano RCD and there could be less Board meetings and audits.

Director Martinez felt for this rate study to concentrate on maintenance efficiencies, to determine if the magnitude of time and energy is worth it, if there could be saving with a joint relationship, and how much tax base would change. He asked for simplification of expenditure and averages and for the report to be sent early for the Board's review.

Director Viguie preferred bullet points of expenditures, reserves, and extras with costs and annual costs.

Mr. Currey hoped revisions to the draft report would occur in February or March and to announce a rate increase in March.

Director Martinez felt there was no rush and it would be fine if it took longer.

Staff was provided direction and report was filed.

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- b. **USDA and District Agreement – Receive update on the Cooperative Agreement (#68-9104-4-227) for Engineering Services Amendment.**

This item was taken out of order. See Minutes on Page 3.

11. DRCD Staff Reports

a. **District Manager's Report:**

Mr. Currey reported that:

- Ditch spraying will be in March;
- Ditch cleaning will be in spring or summer on Bulkley;
- Almost 78% of Ditch fees have been received;
- He will research Tremont 1 and set meeting with Mr. Pachoel;
- There will be questions / issues from rate study that will affect the Long Range Plan and he will bring the Plan to the Board by the end of the fiscal year;
- He is continuing to participate in the Sustainability Groundwater Management Agency (SGMA) meetings; there will be a Policy Committee meeting in February, and public meeting in the end of February or beginning of March;
- Regarding the Joint Powers Authority, the settlements will be finalized by January 27th, Dixon RCD should be reimbursed for final study and discussed the next phase and his meeting with Campbell Soup;
- The audit is ongoing;
- He and the Project Manager are attending leadership training;
- He will be attending the Solano County Water Agency (SCWA) Strategic Planning Process meeting;
- Mr. Campbell asked if surrounding cities are participating in the SGMA process. Mr. Currey responded that there is ongoing discussion between those agencies within the Solano sub-basin and those agencies outside the sub-basin. His suggestion to SCWA is all they should support planning in all three sub-basins and facilitate coordination between the sub-basins.

b. **District Engineer's Report – None**

12. **Directors Report - None**

13. **Communications - None**

14. **Upcoming Events - None**

15. **Announcements**

The next Dixon RCD Business Meeting will be on Wednesday, February 10, 2016, at 12:00 noon.

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16. Adjourn Meeting

The Dixon RCD Board meeting adjourned at the hour of 3:15 p.m.



**Janice Beaman, CMC
Office Manager
Dixon Resource Conservation District**