

Minutes For March 30, 2001

SOLANO COUNTY BOARD OF SUPERVISORS' MINUTES

March 30, 2001

The Solano County Board of Supervisors met in adjourned session on this day at 9:02 a.m.

The meeting was called to order by Chairman Thomson followed by the Pledge of Allegiance and a moment of silence. Present were Supervisors Carroll, Kromm, Silva, and Chairman Thomson. Supervisor Kondylis excused.

APPROVAL OF AGENDA

On motion of Supervisor Silva and seconded by Supervisor Carroll, the Board acted to approve the submitted Agenda, incorporated herein by reference. So ordered by a vote of 4-0; Supervisor Kondylis excused.

ORDERS

(Item 6) RESOLUTION NO. 2001-66 EXTENDING SOLANO COUNTY'S FULL FAITH AND CREDIT GUARANTEE FOR THE REPAYMENT OF THE DEPARTMENT OF WATER RESOURCES' \$5 MILLION LOCAL PROJECTS CONSTRUCTION LOAN CONTRACT NO. E85001, UNDER THE SAFE, CLEAN, RELIABLE WATER SUPPLY ACT, ADOPTED

Harry Englebright, Department of Environmental Management, gave a brief background on the loan process that has taken place since 1998 with the Department of Water Resources, noting approval of a commitment letter for loan approval, with pending litigation against the Rural North Vacaville Water District, and conditions on the loan commitment. To ensure the project would moved forward the County had approved securities in the amount of \$800,000 to cover exposure from the effected parties for fire protection to Department of

Health Services

(DHS) and Department of Water Resources (DWR). The State has now raised the issue of exposure and is requesting further security for the loans.

Responding to questions posed by Supervisor Kromm regarding the County losing the lawsuit, and County recourse on the lawsuit, County Counsel Dennis Bunting noted the State feels this is an innovative program and does not want the loan at risk. DHS is willing to accept the risk except for the fire protection portion, which is now at about \$600,000. Mr. Bunting outlined four potential scenarios of exposure, and noted the 1915 Bond Act that the district was formed under has never been challenged in Court, and discussed the concern of DWR and the request for security as long as the lawsuit is pending. Mr. Bunting feels any further determinations for recourse if needed would be done after the court decision on the case.

Responding to concerns voiced by Supervisor Kromm that the County could be liable for the \$5 million, County Administrator Michael Johnson noted the County could install the entire system, and could charge anyone wanting service, or the assessment process could be done again.

Responding to questions by Supervisor Kromm regarding the loan portion from DHS, Mr. Englebright noted DHS is willing to accept the original security of \$600,000.

Responding to questions posed by Supervisor Carroll regarding repayment of the loan, Mr. Bunting noted the loan would have to be paid over the term of the loan.

Chairman Thomson noted the court had found in the County's favor, the pending litigation is on an appeal.

Clif Poole, Vacaville, feels the lawsuit is trying to kill the loans, the loans do not have to be

paid all at once, people have already committed to the process at 2.9%, the 1915 Bond Act has been

tested and has held up in court, everything that has been done complies with the Proposition 218 and

with the 1915 Bond Act, and Mr. Poole does not see a downside since there is a means to recover

costs.

Supervisor Kromm feels this has been a bad decision, and is not in support of the action.

Chairman Thomson feels it is the responsibility of the Board to help the citizens

in achieving

a goal that in the long run will not cost the County any money.

Supervisor Carroll noted the County is only guaranteeing \$5 million when the loan is for

approximately \$9 million at very low rates, how controversial the issue has been, but voiced concern

for the people in the past that have not had water when it was needed for an emergency, and feels

the Board has made the best judgement possible. Supervisor Carroll discussed the Board's role as the

Board of Directors for the water district, and is proud the Board has been able to put a district

together through all the difficulties.

Supervisor Silva noted different areas of the County need help at different times, at this time

the Board is helping the citizens in the English Hills area to get water, the County could end up

owning a water distribution system, and noted the need for each supervisor to care about the entire

County.

On motion of Supervisor Carroll and seconded by Supervisor Silva, the Board acted to adopt

Resolution No. 2001-66 Extending Solano County's Full Faith and Credit Guarantee for the

Repayment of the Department of Water Resources' \$5 Million Local Projects Construction Loan

Contract No. E85001, Under the Safe, Clean, Reliable Water Supply Act. So ordered by a vote of

3-1; Supervisor Kromm voted no, and Supervisor Kondylis excused.

ADJOURN - This meeting of the Board of Supervisors adjourned in memory of F. Joseph

Retherford at 9:25 a.m.

SKIP THOMSON, Chairman

Maggie Jimenez
Clerk to the Board of Supervisors