

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Thursday, June 28, 2018

- 1) **ROLL CALL** - President Bob Feldman called the meeting to order at 7:00 p.m. Present at roll call: Directors Glenn Reynolds, Arnie Glassberg, and Vice-President Ken Coverdell. Director Mickelsen was absent.

Also present: Mary Rogren, Assistant General Manager; Catherine Groves Legal Counsel; Cathleen Brennan, Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT** - There were no public comments from members of the audience, however Vice-President Coverdell took the opportunity to reference the District's 2017 Water Quality Report that was recently delivered to customer's mailboxes. He complimented staff on the report, noting that in his opinion it is the best presentation of the Consumer Confidence Report that he has seen to date and added that he appreciated the photos and the water conservation tips and was very impressed with the overall report.

- 4) **SPECIAL ORDER OF BUSINESS - FISCAL YEAR 2018-2019 AND FISCAL YEAR 2019-2020 OPERATIONS AND MAINTENANCE BUDGETS, FISCAL YEAR 2018/2019 TO 2027/28 CAPITAL IMPROVEMENT PROGRAM, RESOLUTION AMENDING THE RATE AND FEE SCHEDULE TO INCREASE WATER RATES,**

Staff Presentations

- Fiscal Year 2018/19 and 2019/2020 Operations and Maintenance Budgets
- Fiscal Year 2018/2019 to 2027/2028 Capital Improvement Program
- Proposed Amendment of Rate and Fee Schedule to Restructure and Adjust Water Rates and Charges for Fiscal Year 2018-2019 and Fiscal Year 2019-2020

Ms. Rogren provided a brief overview of the District's budget process, referencing the ten budget-related public meetings that have been conducted since January of 2018, as well as the District's outreach efforts. She reviewed revenue requirements and reviewed the District's proposed operations and maintenance budget for the next two years. Next Ms. Rogren summarized the Capital Improvement Program, including a five-year focus. She referenced the chart provided earlier in the Notice of Public Hearing that was mailed to

District customers, which featured the District's investment in infrastructure, both completed from 2008 to 2018 and the projects and improvements planned from 2018 to 2028. Ms. Rogren then reviewed the District's Financing Plan, explaining the targeted reserve balance.

Ms. Rogren demonstrated the impact of staff's recommended 2.3% revenue increase and the impact of projected revenue changes in future years. Concluding her presentation, she summarized the Rate Proposal and Cost of Service Analysis, noting that the items were both supported by Raftelis Consultants are both legally compliant and met all requirements of Proposition 218.

Ms. Rogren then introduced Sanjay Gaur, Vice President, with Raftelis Consultants. Mr. Gaur began his presentation by reviewing the District's Rate Study Process and the agenda for his presentation, which included a review of the Study Objectives, the Legal Environment, where he emphasized that all requirements of Proposition 218 had been met, the Rate Design and Results and the Customer Impacts, which he reviewed in detail. Mr. Gaur stated that it is the recommendation of Raftelis and District staff that the Board of Directors adopt the two years of proposed rates. He then answered several questions and addressed comments from the Board.

Director Glassberg then made a motion to conduct a public hearing on changes to the water rate structure and proposed overall revenue increases of 2.3% effective July 1, 2018 and 4.0% effective July 1, 2019 and to adopt Resolution 2018-05 Amending the Rate and Fee Schedule and finding that the amendments are exempt from the California Environmental Quality Act, which was seconded by Vice-President Coverdell. Legal Counsel advised that a vote was not required to open the Public Hearing, and the President of the Board could open the Public Hearing.

Open Public Hearing

President Feldman opened the Public Hearing regarding the Proposed Amendment of Rate and Fee Schedule to Increase Water Rates and Charges for Fiscal Year 2018-2019 and Fiscal Year 2019-2020 at 7:40 p.m., inviting members of the audience to address the Board on the subject of the proposed rate increase.

Craig Lavaysse, resident of Lesley Gardens Senior Community in Half Moon Bay - spoke about the impact of water rate increases on residents of the senior housing complex where he resides.

Jo-Ann Ordano, 701 Arnold Way, #6D, Half Moon Bay; Lesley Gardens Senior Community Noted that she had submitted a letter of protest and has issues with the residents of Lesley Gardens having to pay their personal water bills when neighboring senior housing facilities operate under other programs, not requiring residents to pay for their individual water bills.

Linda Evans, 701 Arnold Way, # 214A, Half Moon Bay; Lesley Gardens Senior Community
Ms. Evans noted that she had submitted a letter of protest earlier but after attending this meeting and listening to the presentations and discussions, she now fully understands the circumstances and process and expressed her appreciation to District staff and the Board for their efforts. She also stated that she now realizes that her suggestion of a one-time fixed rate for all low-income seniors at Lesley Gardens is not within legal realms of the law.

Les Ross, Lesley Gardens Senior Community Resident – Inquired if there are any plans for recycled water in the future.

Close Public Hearing – Director Reynolds and President Feldman thanked the public for their input and President Feldman closed the Public Hearing at 8:07 p.m.

ON MOTION BY Director Reynolds and seconded by Director Glassberg, the Board voted by roll call vote to adopt Resolution 2018-05 Amending the Rate and Fee Schedule to Increase Water Rates and Finding that the Amendments are Exempt from the California Environmental Quality Act and furthermore to Approve the Fiscal Year 2018-2019 and 2019-2020 Operation and Maintenance Budgets and Capital Improvement Program for Fiscal Year 2018-2019 to 2027/2028:

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|---------------------------------|---------------|
| Vice-President Coverdell | Aye |
| Director Mickelsen | Absent |
| Director Glassberg | Aye |
| Director Reynolds | Aye |
| President Feldman | Aye |

5) **ADJOURNMENT** - The meeting was adjourned at 8:19 p.m.

Respectfully submitted,

Mary Rogren, Assistant Manager

Robert C. Feldman, President
Board of Directors