

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, June 28, 2011

- 1) **ROLL CALL:** President Feldman called the meeting to order at 7:00 p.m. Present at roll call were: Director Ken Coverdell, Vice-President Jerry Donovan and Directors Jim Larimer and Chris Mickelsen.

Also present were: David Dickson, General Manager; Joe Guistino, Superintendent of Operations; Patrick Miyaki, Legal Counsel; JoAnne Whelen, Administrative Assistant/Recording Secretary; Cathleen Brennan, Water Resources Analyst, and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENTS** There were no public comments.

- 4) **FISCAL YEAR 2011-2012 BUDGET, FISCAL YEAR 2011-2012 TO 2020-2021 CAPITAL IMPROVEMENT PROGRAM, JUNE 2011 WATER FINANCING PLAN UPDATE, RESOLUTION AMENDING THE RATE AND FEE SCHEDULE**

A. Staff Presentation

Mr. Dickson reported that the District received a number of letters protesting the proposed rate increase. He stated that the rate increase is necessary due to the San Francisco Public Utilities Commission (SFPUC) Water System Improvements and to the substantial investments the District is making in local water sources as well as the need to maintain and replace CCWD's infrastructure, including the District's 95 miles of pipeline. Mr. Dickson proceeded to emphasize the need for the rate increase by reviewing the slides in his power point presentation, which demonstrated the components and associated percentages that make up the proposed 12% rate increase. He explained that out of the 12%, the cost of purchasing water from San Francisco accounts for 9% of the rate increase, with salaries consisting of 0.6%, non-salary personnel costs at 1.1%, other operating expenses 0.2% and the District's Capital Improvement Program adding up to 1% of the total 12%. Mr. Dickson also reviewed the Fiscal Year 2011-2012 Budget Highlights,

the 2011-2012 Expenses Compared to the Fiscal Year 2010-2011 Budget, and the Capital Improvement Program for Fiscal Years 2011-2012 to Fiscal Year 2020-2021. Mr. Dickson also reviewed the District's Water Financing Plan and a 10-Year Rate Projection Chart.

B. Public Hearing

President Feldman opened the Public Hearing at 7:17 p.m. and requested that members of the public complete and submit a speaker slip if they would like to address the Board. There were a total of four persons in the audience.

Robert Smith - 410 Beach Avenue, Half Moon Bay, CA - Inquired about the percentage of the rate increase that will fund District salaries and commented that this has been one of the worst years in economic times and it is difficult for consumers to dig deeper into their pockets, especially for retired residents living on fixed incomes.

Graham Murray - 458 Laurel Avenue, Half Moon Bay, CA - Stated that he is opposed to the rate increase and questioned why there is a need for an increase every year. He also informed the Board that he had been inaccurately billed by the District when he resided at his previous address at 453 Willow in Half Moon Bay. He expressed his frustration with the experience and questioned the efficiency of the District's billing practices.

Sharon Miller - 669 Palma, El Granada, CA - Commented that she takes extreme measures to conserve water and yet her average bill is \$75.00 each time and inquired whether there could possibly be a leak somewhere on her property.

With no further comments from the public, President Feldman closed the public hearing at 7:34 p.m. and requested that Mr. Dickson address the comments expressed by the members of the public.

Mr. Dickson once again reviewed the first slide in his presentation and reiterated the need for the rate increases. He elaborated on the \$4.6 billion SFPUC Water System Improvement Program, which upon completion will ensure that water service will be restored within twenty four hours of an earthquake. He added that the District's share for these improvements necessary to ensure the reliability of the District's water supply is approximately \$37 million. He also stressed the importance of the District's investment in the local water sources, which will provide an eventual savings in SFPUC water costs.

C. Board Comments / Board Action

President Feldman explained that the rate increase had been given careful consideration and was based on the District's Water Financing Plan prepared by Bartle Wells Associates, consultants that have been working closely with the District for a number of years. He also emphasized that the rate increase originally proposed was at 15% and that the Board and Staff had worked together to try to reduce the rate increase further and had been successful in decreasing it down to 12%.

Director Larimer suggested that any interested party could find a wealth of information on the District's website and there have been a lot of debates and compromises to arrive at this budget and rate increase.

Director Coverdell added that a financial plan had been developed several years ago, and had included and published the amounts of the future proposed rate increases four years ago and that the rate increase proposed for this year actually fell below what was originally predicted at that time.

ON MOTION BY Director Coverdell and seconded by Director Larimer, the Board voted as follows, by roll call vote, to adopt Resolution 2011-13 - A Resolution of the Board of Directors of the Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Rates; to accept the June 2011 Water Financing Plan Update prepared by Bartle Wells Associates; and to approve the Fiscal Year 2010-2011 Operations and Maintenance Budget and Capital Improvement Program for Fiscal Years 2010-2011 through 2019-2020:

Director Coverdell	Aye
Vice-President Donovan	Aye
Director Larimer	Aye
Director Mickelsen	Aye
President Feldman	Aye

5) ADJOURNMENT

ON MOTION BY Director Coverdell and seconded by Director Larimer, the Board voted as follows, to adjourn the June 28, 2011 Special Meeting of the Coastside County Water District's Board of Directors:

Director Coverdell	Aye
Vice-President Donovan	Aye
Director Larimer	Aye
Director Mickelsen	Aye
President Feldman	Aye

The meeting was adjourned at 8:05 p.m. The next regular meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, July 12, 2011.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Robert C. Feldman, President
Board of Directors