

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

TUESDAY, JUNE 30, 2015

- 1) **ROLL CALL** - President Chris Mickelsen called the meeting to order at 7:01 p.m. Present at roll call: Directors Ken Coverdell, Glenn Reynolds, Steve Flint and Vice-President Arnie Glassberg.

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

There were two members of the public in the audience.

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **SPECIAL ORDER OF BUSINESS - FISCAL YEAR 2015-2016 BUDGET, FISCAL YEAR 2015/2016 TO 2024/25 CAPITAL IMPROVEMENT PROGRAM, RESOLUTION AMENDING THE GENERAL REGULATIONS REGARDING WATER SERVICE AND RESOLUTION AMENDING THE RATE AND FEE SCHEDULE**

A. Staff Presentations

- a. Fiscal Year 2015-2016 Operations and Maintenance Budget
- b. Fiscal Year 2015/2016 to 2024/25 Capital Improvement Program
- c. Proposed Amendment to General Regulations Regarding Water Service
- d. Proposed Amendment to Rate and Fee Schedule

Ms. Rogren began her presentation of the FY 2015-2016 Operating Budget and Capital Improvement Plan by reviewing a timeline and summary of the budget process, including the eight public meetings that were conducted beginning in February of 2015. She provided the FY 2015-2016 Budget

Overview and then reviewed the Key Budget Assumptions, followed by a summary of the Capital Improvement Plan. Next Ms. Rogren reviewed the proposed rate increase, supported by the Cost of Service Analysis recently provided by HF& H Consultants. She also explained the new proposed tier structure realignment and the impact on residential and non-residential bi-monthly customer bills. Ms. Rogren also explained that the District's 24% rate increase is largely driven by the drought. Next she reviewed Drought Related Budget Risks and a list of Frequently Asked Questions.

Mr. Rogren then reviewed proposed changes to the District's Regulations, affecting shut off warnings, unauthorized turn-on of water connections, and reconnection fees.

B. Public Hearing

President Mickelsen opened the Public Hearing at 7:37 p.m., inviting members of the audience to address the Board on the subject of the proposed rate increase.

Elizabeth Thompson, Half Moon Bay, CA - Thanked the Board and staff for taking the time and effort to explain the factors associated with the rate increase and inquired about the availability of recycled water, adding that if it is not available, does this interest the District as an alternative to restricting water use and raising the rates.

Kerri Kemp Gardner - 307 Coronado, El Granada - Thanked the District for the budget presentation and stated that she has been actively pursuing water conservation and is concerned as she does not see additional ways to cut more usage from her consumption. She added that although she is aware that the water problems are state-wide, she felt the need to express that she feels the District's rate increase is significant.

President Mickelsen acknowledged the forty letters of protest submitted to the District by rate payers. He thanked the members of the audience for their questions and comments and invited discussion from the Board.

Director Reynolds commented that the District's emphasis has been on the proposed rate increase for the last several months and has been working diligently to explore options to keep the rate increase at a minimum. He acknowledged that the District's responsibility is to continue to provide high quality water, while keeping the District's operations efficient and fiscally safe.

Director Glassberg stated that he was impressed with the overall tone of the protest letters received. He also pointed out that staff has assumed some of the additional load of health and retirement benefit responsibility, which he also felt was very positive and impressive on the part of the District staff. He also emphasized that the District has pursued having a consultant work with staff to prepare a rate analysis, which was beneficial in identifying the option of the tiered structure, which helps to proportionately distribute costs to each of the District's class or service.

Director Coverdell stressed the importance of maintaining the District's local water sources and said he was proud that the District's Board and staff is continuing to make this a priority and also working hard to keep the rate increase reasonable.

Director Flint commented that he felt the budget presentation was very effective in explaining the current situation, that he felt that the actual bi-monthly dollar amount of the rate increase is not unreasonable. He also stated that the Board members are rate payers too, so the rate increase is applicable to them and encouraged everyone to keep up the good work with conservation.

President Mickelsen noted that a lot of thought and effort had been expended in determining this rate increase, on the part of the District's staff, sub-committee members, as well as the Board.

President Mickelsen closed the Public Hearing at 8:13 p.m.

C. Adoption of Resolution 2015-08 – A Resolution of the Board of Directors of the Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Rates

ON MOTION BY Vice-President Glassberg and seconded by Director Flint, the Board voted, by roll call vote, to adopt Resolution 2015-08 Amending the Rate and Fee Schedule to Increase Water Rates:

Director Coverdell	Aye
Vice-President Glassberg	Aye
Director Reynolds	Aye
Director Flint	Aye
President Mickelsen	Aye

D. Approval of Fiscal Year 2015-2016 Operation and Maintenance Budget and Capital Improvement Program for Fiscal Year 2015/2016 to 2024/2025

ON MOTION BY Director Coverdell and seconded by Vice-President Glassberg, the Board voted, by roll call vote, to approve the Fiscal Year 2015-2016 Operation and Maintenance Budget and Capital Improvement Program for Fiscal Year 2015/2016 to 2024/2025:

Director Coverdell	Aye
Vice-President Glassberg	Aye
Director Reynolds	Aye
Director Flint	Aye
President Mickelsen	Aye

E. Adoption of Resolution 2015-07 - A Resolution of the Board of Directors of the Coastside County Water District Amending the General Regulations Regarding Water Service

ON MOTION BY Director Coverdell and seconded by Director Flint, the Board voted, by roll call vote, to adopt Resolution 2015-07 - A Resolution of the Board of Directors of the Coastside County Water District Amending the General Regulations Regarding Water Service:

Director Coverdell	Aye
Vice-President Glassberg	Aye
Director Reynolds	Aye
Director Flint	Aye
President Mickelsen	Aye

4) ADJOURNMENT

The meeting was adjourned at 8:18 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, President
Board of Directors