

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL BOARD OF DIRECTORS MEETING

Tuesday, June 29, 2010

- 1) **ROLL CALL** - The Closed Session convened at 6:31 p.m. Present at roll call: President Mickelsen and Vice-President Feldman. Also present: David Dickson, General Manager
- 2) **PUBLIC COMMENT** - There were no public comments.
- 3) **CLOSED SESSION**
 - A. **Conference with Labor Negotiator**
Pursuant to California Government Code §54957.6)
Agency Designated Representative: General Manager
Employee Organization: Teamsters Union, Local 856
- 4) **RECONVENE TO OPEN SESSION** - The Closed Session concluded at 7:00 p.m., immediately prior to commencement of the regular meeting, at which time President Mickelsen announced that there was no reportable action.
- 5) **ADJOURNMENT**

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- 1) ROLL CALL:** President Chris Mickelsen called the meeting to order at 7:02 p.m. Present at roll call: Vice-President Bob Feldman, and Director Jerry Donovan.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) PUBLIC COMMENT**

- 3) PUBLIC HEARING -PROPOSED RATE INCREASE**

President Mickelsen opened the Public Hearing at 7:04 p.m. Mr. Dickson distributed a hand-out which included a summary and timeline of the Capital Improvement and Operations/Maintenance Budget process and reviewed the steps and events that have transpired since January of 2010 leading to this evening's public hearing for the District's proposed rate increase. Mr. Dickson then reviewed some of the budget highlights, emphasizing that the proposed rate increase has very little to do with the increased operations and maintenance expenses, and any increased expenses to the District, but is necessitated by financing costs for required upgrades to the District's water treatment plants and other elements of the Capital Improvement Program.

Mr. Dickson then referenced the second sheet of the handout, reviewed the reasons staff believes it is critical for CCWD to invest in Denniston/San Vicente at this time and explained the repercussions if the District does not invest now in developing this local water source. He explained that the planned Denniston/San Vicente capital investment represents a large portion of the Capital Improvement Program.

Mr. Dickson then reviewed the data provided on the third sheet of the handout,

which provided details in support of the proposed 14% rate increase and invited any questions from the Board members and/or members of the public.

President Mickelsen indicated that he would continue to hold the public hearing open to allow the public to make any comments or ask any questions for the duration of the Board's discussion of this agenda item.

Discussion ensued among the Board members, with each of the Directors sharing their comments about the letters of protest from District customers, the Operations and Maintenance Budget, the Capital Improvement Program Budget and the Proposed Rate Increase.

Mr. Miyaki then announced, that from a procedural standpoint, the District had not only complied with all of the provisions of Proposition 218, but had gone beyond the requirements to provide notification of the public hearing and proposed rate increase. He reported that the notification had included the mailing of a copy to all property owners within the District, in addition to a number of published notices as well. He advised that the District had also complied with the substantive requirements of Proposition 218, by providing an evaluation of the appropriateness and justification for the proposed rate increase, and lastly, the District had complied with the legal requirements in regards to the letters of protest received, which totaled 18 letters at the time of this meeting.

Upon this announcement, with there being no comments from any members of the public, President Mickelsen closed the public hearing portion of the meeting at 7:49 p.m. and announced that there would be a short recess. Director Coverdell arrived at 7:55 p.m. and the meeting was reconvened at 8:00 p.m.

4) Consider Resolution 2010-03 - A Resolution of the Board of Directors of the Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Rates

President Mickelsen welcomed Director Coverdell to the meeting, invited his comments, and advised that there had been no public comments from members of the audience. Director Coverdell stated that, as a member of both the District's Finance Committee and the Facilities Committee, he had been very involved in the budget and rate increase process and was in support of the proposed budget and rate increase as presented, and included a challenge to the District to live up to the goals set by spending the money that has been allocated in the budget.

ON MOTION BY Director Coverdell and seconded by Director Donovan, the Board as follows, by roll call vote, to adopt Resolution 2010-03 – A Resolution of the Board of Directors of the Coastside County Water District Amending the Rate and Fee Schedule to Increase Water Rates:

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

5) Approval of Fiscal Year 2010-2011 Operations and Maintenance Budget and Capital Improvement Program for Fiscal Years 2010-2011 through 2019-2020

Director Donovan made a motion 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 seconded the motion and proposed an amendment be added to include the statement he had made earlier in the discussion in regards to the District's challenge to spend the money allocated in the budget. The amendment was accepted by Director Donovan.

ON MOTION BY Director Donovan and seconded by Director Coverdell, the Board as follows, by roll call vote, to approve the Fiscal Year 2010-2011 Operations and Maintenance Budget and Capital Improvement Program for Fiscal Years 2010-2011 through 2019-2020 and to include the caveat that the District's Board and Staff be challenged to spend the money as allocated in the Capital Improvement Program budget:

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

6) ADJOURNMENT

ON MOTION BY Director Donovan and seconded by President Mickelsen, the Board voted as follows, to adjourn the June 29, 2010 Special Meeting of the Coastsides County Water District's Board of Directors:

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

The meeting was adjourned at 8:14 p.m. The next regular meeting of the Coastsides County Water District is scheduled for Tuesday, July 13, 2010.

Respectfully submitted

David R. Dickson, General Manager
Secretary of the Board

Chris R. Mickelsen, President
Board of Directors