

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Wednesday, June 17, 2009

AGENDA

- 1) **ROLL CALL:** President Mickelsen called the meeting to order at 3:05 p.m. Present at roll call were Directors Ken Coverdell, Bob Feldman, Jim Larimer, and Everett Ascher.

Also present were: David Dickson, General Manager; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS** - There were no public announcements.

- 4) **GENERAL BUSINESS**

- A. **Resolution 2009-03 Approving Plans and Specifications, Approving a Notice of Exemption from the California Environmental Quality Act, and Calling for Bids for the Nunes Water Treatment Plant Short-Term Improvements Project**

Mr. Dickson introduced this agenda item and explained that the Resolution formalizes the approval of the project plans and specifications, as well as the approval of the notice of exemption from the California Environmental Quality Act and allows staff to move forward on the project bidding process.

ON MOTION by Director Ascher and seconded by Director Coverdell the Board voted as follows, by roll call vote, to approve Resolution 2009-03 - Approving Plans and Specifications, Approving a Notice of Exemption from California Environmental Quality Act, and Calling for Bids for the Nunes Water Treatment Plant Short-Term Improvements Project

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

5) BUDGET WORKSHOP

A. Study Session to Review Fiscal Year (FY) 2009-2010 Revenue and Expense Budget and FY 2009-2010 - FY 2018-2019 Capital Improvement Program

Director Coverdell, a member of the Finance Committee, initiated discussion of this item by informing the Board that Mr. Dickson had introduced a multi-year rate model at the last Finance Committee meeting, which proved to be a very valuable tool in looking at the District's financial position and in understanding the effects of potential rate increases. The Finance Committee had recommended that staff, utilizing this model, conduct an in-depth study session to present the fiscal year 2009-2010 Budget and the Capital Improvement Program (CIP) and the effects of different possible rate increases on the District's financial position.

Director Ascher provided an update on the current status of Proposition 1A.

Mr. Dickson stated that since the last time the budget was presented, at the May 12, 2009 Board meeting, staff has performed a review of all accounts, instituted some revisions to the budget and the sales and production projections and that this process has resulted in a reduction of approximately \$17,000 in expenses.

Discussion ensued in regards to budget projections and various components and options of the proposed operations and maintenance and CIP budgets, with Mr. Dickson addressing questions and comments from the Board.

Following discussion of the budget, the rate model designed by Bartle Wells was presented. Mr. Dickson also reviewed the associated tables, which included the following: CCWD rate increases needed to meet revenue requirements; CCWD historical and projected rate increases; proposed CCWD Financing Plans in regards to operating expenses; the proposed Capital Improvement Program and sources and uses for financing the CIP; proposed increases in operating revenue to pay for increases in operating expenses; the net revenue available for capital expenditures; and the proposed debt service coverage calculations. Utilizing the model, the Board had the opportunity to explore and discuss a variety of potential options, scenarios, and financial solutions.

In conclusion, Mr. Dickson advised that in compliance with Proposition 218, the District will be conducting a public hearing at the July 14, 2009 Board meeting for consideration and approval of the proposed 2009-2010 budgets and the proposed rate increase.

6) ADJOURNMENT

The June 17, 2009 Special Meeting of the Coastside County Water District Board of Directors was adjourned at 5:07 p.m.

Respectfully submitted,

David R. Dickson, General Manager

Chris R. Mickelsen, President
Board of Directors
Coastside County Water District