

Goleta Water District  
BOARD OF DIRECTORS



*William Rosen – President*

*Jack Cunningham – Vice-President*

*Bert Bertrando – Director*

*Lauren Hanson – Director*

*Rick Merrifield – Director*

*John McInnes – General Manager*

**Special Meeting Minutes**

**Action Summary**

**Wednesday, June 1, 2011**

**5:30 P.M.**

**Goleta Union School District  
Board Room  
401 North Fairview Avenue, Goleta, CA 93117**

**Agendas, Supplemental Materials and Minutes of the Goleta Water District Board of Directors meetings are available on the internet at [www.goletawater.com](http://www.goletawater.com)**

5:30 p.m. ....Convened to special session

**Roll call** – President Rosen; Vice President Cunningham; Director Bertrando; Director Hanson; Director Merrifield

ALSO PRESENT WERE: John McInnes, General Manager; Matt Anderson, Administrative Manager/CFO; Tom Bunosky, Operations Manager; Chris Rich, Water Supply & Conservation Manager; David Matson, Assistant General Manager; Fran Farina, General Counsel; Mike Colantuono, Special Counsel of Colantuono & Levin, PC; Grant Hoag, of Camp Dresser & McKee, Inc.; and Beth Horn, Assistant Board Secretary

### **Welcome and Opening Remarks**

President Rosen welcomed everyone to the special Goleta Water District Board of Directors Meeting and mentioned that he appreciated everyone's participation.

Mr. McInnes explained that this process was started in April, 2010 at the Board's direction and numerous public meetings have been held related to consider increasing rates and bringing the District to a solvency point financially. In addition to tonight's meeting, three special Board meetings have been held over the last six months. The first special meeting was held on January 25<sup>th</sup> where an overview was conducted on: the California Constitutional requirements pertaining to setting rates in special Districts, activities and services that the District provides to the public, a discussion was held on the financial status and methodology required under the law to identify all of the funding needs, how the costs with all of those services are evaluated, studied and analyzed relative to all of the customers in the District. On March 31<sup>st</sup> of this year, a special Board meeting was held where CDM, Camp Dresser McKee Inc., the consultant, provided a presentation of the results of that cost of service analysis as well as a five year financial plan which included four rate options. Then on April 7<sup>th</sup> of this year, the third public meeting was held where the Board considered all information and selected a rate option which provided that notification be sent to all active customers within the District notifying them of the public hearing scheduled for tonight to consider the rate increase. Mr. McInnes pointed out that at tonight's meeting, all of the protests that have been received through a designated point in the meeting will be counted and tabulated and an ordinance will be considered if the District finds that a majority of people have not protested as provided for by the law.

**1) RECEIVE PROTEST TABULATIONS OF PROTESTS AND ADOPT AN ORDINANCE TO INCREASE RATES**

Speakers on this item were John Carter, Susan Petrovich, Duane Adams, Michael Petretta, Helmar Janeé, Margie Reinhart, Gene Bantilan, Sam Schaefer, Hank Moraves, Richard Schneider, Jack Ruskey, D.W. Mapel, Kathleen Dolin, Sanford Brier, Michael Hartley, Angela Rockwell, Sally Baker, Kathy Schmitt, Don Salzer, John Dent, Steve Petersen, Gary Gruetzmacher, Rich Nahas, Don Aubry, Gary Vaughn, Ed Bookin, Deborah Loomis, and Larry Phillip.

6:48 p.m.....Meeting Recessed To Conduct A Count Of Protest Letters

8:09 p.m.....Meeting Reconvened

Mr. McInnes reported:

- All protest letters submitted to the District have been counted and tabulated.
- A total of 1,105 protest letters were received.
- According to the Santa Barbara County Clerk Recorder Assessor’s Office, 14,448 parcels are currently within the District.
- Based on the results of the tabulation and in accordance with the District’s adopted guidelines for the submission and tabulation of protests, there is an absence of a majority of protests against the proposed water rates and therefore, all the protests are deemed valid without further examination.

a) A motion was made by Director Merrifield, seconded by Director Cunningham, to adopt Ordinance 2011-04 as presented which amends Appendix A of the Goleta Water District Code to revise the District’s water rates. The motion carried by the following roll call vote:

Ayes: 4 – Directors Cunningham, Hanson, Merrifield, Rosen

Nay: 1 – Director Bertrando

Ordinance 2011-04 is attached to these minutes.

8:47 p.m.....Meeting adjourned

DATED: 6/16/11

MINUTES PREPARED BY:

Beth Horn  
BETH HORN, ASSISTANT BOARD SECRETARY

DATE APPROVED: 6/14/11

ATTEST:  
Beth Horn  
BETH HORN, ASSISTANT BOARD SECRETARY

William C. Rosen  
WILLIAM C. ROSEN, PRESIDENT

## ORDINANCE NO. 2011 - 04

### AN ORDINANCE OF THE GOLETA WATER DISTRICT BOARD OF DIRECTORS AMENDING APPENDIX A OF THE GOLETA WATER DISTRICT CODE TO REVISE THE DISTRICT'S WATER RATES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE GOLETA WATER DISTRICT AS FOLLOWS:

#### FINDINGS

1. Pursuant to Section 6.24.020 of the Goleta Water District Code, the District imposes a fixed meter service charge and a billing unit commodity charge (collectively, the "Water Rates") for water service.
2. At the request of the District, Camp Dresser & McKee, Inc. (CDM) prepared a Technical Memorandum dated March 22, 2011 to propose Water Rates sufficient to permit the District to operate in a prudent manner and continue providing of quality water service to its customers.
3. On June 1, 2011, the Board of Directors held a full and fair public hearing on a proposed increase to the Water Rates. At the hearing, all interested persons had an opportunity to provide oral and written testimony regarding the proposed Water Rates.
4. Notice of the June 1, 2011 hearing was mailed in the manner required by Article XIID, Section 6 of the California Constitution and by the District's adopted "Guidelines for the Submission and Tabulation of Protests" (the "Guidelines").
5. The District accepted and caused the tabulation of written protests against the proposed Water Rates in the manner set forth in the Guidelines. Based upon the results of this tabulation, a majority protest against the proposed Water Rates does not exist.
6. Based on the information presented at the June 1, 2011 hearing, including (but not limited to) the CDM Technical Memorandum and oral and written testimony and protests from members of the public, the Board of Directors determines that:
  - A. Revenues derived from the proposed Water Rates are not expected to exceed the funds required to provide water service.
  - B. Revenues derived from the proposed Water Rates may not be used for any purpose other than to provide water service.
  - C. The amount of the Water Rates proposed for imposition upon any parcel or person as an incident of property ownership will not exceed the proportional cost of water service attributable to the parcel.
  - D. Water Rates are imposed upon a parcel only where water service is actually used by, or immediately available to, the parcel.

7. This ordinance does not constitute a project under the California Environmental Quality Act (CEQA) Guidelines as set forth in Title 14, Section 15378 of the California Code of Regulations, because it amends a government funding mechanism which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (§15378(b) (4)) and is an administrative activity of government that will not result in direct or indirect physical changes in the environment (§15378(b) (5)). Furthermore, if this ordinance were a project, it is categorically exempt from CEQA pursuant to Title 14, Section 15273(a) of the California Code of Regulations, because it establishes rates and charges to fund current operating expenses of the District.

**NOW THEREFORE BE IT ORDAINED:**

1. Paragraph 1 of Appendix A of the Goleta Water District Code is amended to read as follows:

“Appendix: A            Schedule of Charges.  
1. Water Rates and Meter Charges

Description	Effective				
	July 1, 2011	July 1, 2012	July 1, 2013	July 1, 2014	July 1, 2015
<b>Commodity Charges (\$ / HCF)</b>					
Urban Conservation (less than or equal to 4 HCF)	\$4.12	\$4.58	\$4.90	\$5.04	\$5.09
Urban	\$4.30	\$4.78	\$5.12	\$5.27	\$5.32
Recreation Irrigation	\$3.11	\$3.45	\$3.70	\$3.81	\$3.84
Reclaimed	\$2.49	\$2.76	\$2.96	\$3.05	\$3.08
Urban Agricultural	\$1.16	\$1.29	\$1.38	\$1.42	\$1.43
West Conduit System Agricultural	\$1.06	\$1.18	\$1.26	\$1.30	\$1.31
<b>Fixed Meter Service Charges (\$ / Month)</b>					
5/8" & 3/4" Meters (Based on average 12 month water use)					
Ultra-Low Flow (4 or less HCF)	\$10.68	\$11.87	\$12.70	\$13.08	\$13.21
Low Flow (5 to 8 HCF)	\$21.37	\$23.74	\$25.40	\$26.16	\$26.42
All other 5/8" & 3/4" Meters	\$32.05	\$35.61	\$38.10	\$39.24	\$39.64
1 - inch	\$53.43	\$59.36	\$63.52	\$65.42	\$66.08
1 1/2 - inch	\$106.84	\$118.69	\$127.00	\$130.81	\$132.12
2 - inch	\$170.96	\$189.94	\$203.23	\$209.33	\$211.42
3 - inch	\$320.54	\$356.12	\$381.05	\$392.48	\$396.41
4 - inch	\$534.24	\$593.54	\$635.09	\$654.14	\$660.68
6 - inch	\$1,068.46	\$1,187.06	\$1,270.16	\$1,308.26	\$1,321.35
8 - inch	\$1,709.56	\$1,899.32	\$2,032.28	\$2,093.24	\$2,114.18
10 - inch	\$4,060.84	\$4,511.59	\$4,827.40	\$4,972.22	\$5,021.94

See Section 1.04.020 for definitions of Water Service Classifications used in the above table.

Note that certain customers receive a special rate based on agreements with the District or as a result of the judgment in *Wright v. Goleta Water District*.”

2. Where a water bill is based upon a meter reading period that contains dates both before and after the effective date of a rate change, charges based on that meter reading period shall be prorated. For example, if a meter reading period includes 30 days total, and 10 of those days occur when a new rate is effective, then the Fixed Meter Service charge shall be two-thirds of the old monthly rate plus one third of the new monthly rate. If the customer consumed 15 HCF during that meter reading period, then 10 HCF shall be billed at the old rate and 5 HCF at the new rate.

3. The Board of Directors may elect to allow the adjustment of the rates set forth in Section 1 by a percentage no greater than (i) two-thirds of the percentage change over 3% per year in the Consumer Price Index for Los Angeles-Anaheim-Riverside for all urban consumers since the most recently published value as of July 1, 2011 *plus* (ii) one-third of the percentage increase over 3% per year of Central Coast Water Authority rates since July 1, 2011. Any such adjustment, if made, shall occur no later than with the adoption of rates for Fiscal Year 2015-16. The action to allow such adjustment shall not constitute an increase requiring additional hearing pursuant to Article XIID, Section 6 of the California Constitution.

4. This Ordinance shall be effective on July 1, 2011.

5. This Ordinance does not affect any charge imposed by the District other than the charges set forth in Paragraph 1 of Appendix A of the Goleta Water District Code.

6. If any subdivision, sentence, clause, or phrase of this Ordinance is, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity or enforcement of the remaining portions of this Ordinance or of any other provisions of the Goleta Water District Code. It is the District’s express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.

**PASSED AND ADOPTED** by the Board of Directors of the Goleta Water District this 1<sup>st</sup> day of June, 2011 by the following vote:

**AYE:** Directors Cunningham, Hanson, Merrifield, Rosen

**NAY:** Director Bertrando

**ABSENT:** None

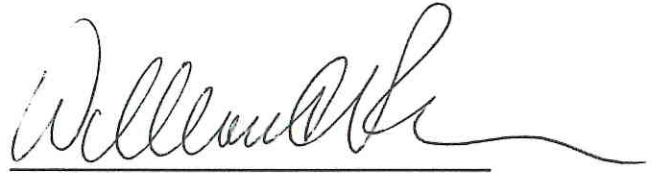
**ABSTAIN: None**

**ATTEST:**



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**JOHN D. MCINNES, GENERAL MANAGER  
DISTRICT SECRETARY**



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**WILLIAM C. ROSEN, PRESIDENT  
BOARD OF DIRECTORS**