

Goleta Water District  
BOARD OF DIRECTORS



*William Rosen – President*  
*Jack Cunningham – Vice-President*  
*Bert Bertrando – Director*  
*Lauren Hanson – Director*  
*Larry Mills – Director*  
*John McInnes – General Manager*

**Special Meeting Minutes**

**Action Summary**

**Tuesday, January 25, 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 regular session

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

**ALSO PRESENT WERE:** John McInnes, General Manager; George Eowan, Assistant General Manager; Matt Anderson, Administrative Manager/CFO; Tom Bunosky, Operations Manager; Chris Rich, Water Supply & Conservation 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

**1) COST OF SERVICE ANALYSIS AND RATE STUDY**

5:31 p.m. .... Welcome and Opening Remarks

President Rosen welcomed everyone to the special Board of Directors meeting which is being held to inform the public of the condition of the District and consider issues related to a cost of service analysis and rate study. President Rosen pointed out that his comments represent his personal beliefs and do not reflect a position of any member of the Board. President Rosen mentioned that the Board has not made any determination with respect to costs or rates and the purpose of the meeting is for the District to conduct a cost of service study which will yield information on whether the District should increase its water rates. President Rosen explained that this meeting and several others to follow will provide information about the need for additional revenue for reserves, capital improvements, to meet increasing costs for operations, the method being used to calculate the cost associated with each class of user, and the allocation of those costs to different users. Also, President Rosen stated that the meeting has been planned to be open and transparent and that the Board will not take any action tonight.

5:35 p.m. .... Overview of Agenda Item and Introduction

Mr. McInnes introduced the cost of service study and stated he appreciated the audience’s time and attendance. Mr. McInnes indicated that tonight’s meeting is the first of two special meetings designed to provide information and gather input related to the District’s cost of service study. Also, Mr. McInnes mentioned the District has held 15 public meetings so far to discuss various aspects of the cost of service analysis and related process. He further stated that this is intended to be a full disclosure process and the District welcomes and values all input. Going forward, the process will include several additional meetings in the next five months including the Administration Committee for cost of service

matters, the Public Information Committee for public outreach efforts, and each of the regularly scheduled Board meetings for progress.

5:40 p.m. ....Proposition 218 Process, Overview and Rules for Tabulation of Protest

Mr. Colantuono presented an explanation on the Proposition 218 process and rules for tabulation of protest.

Speakers on this item were Jack Ruskey, Susan Petrovich, Gail Hunphreys, Mary Whalen, and Ann Ostrowsky.

6:25 p.m. ....Water District Overview and Financial Status

Mr. McInnes presented an overview of Goleta Water District and the financial status.

Speakers on this item were Jack Ruskey, Patti Close, Ann Crosby, Susan Petrovich, Ann Ostrowsky and Steve Little.

7:10 p.m. .... Cost of Service Methodology

Mr. Hoag presented an outline of the cost of service methodology.

Speakers on this item were Jack Ruskey, Mary Whalen, Jay Ruskey, Bob Field, Gail Humphreys, Patti Close, Ann Crosby, and Susan Petrovich.

8:15 p.m. .... Next Steps

Mr. McInnes mentioned that the Board has not set a date for the next forum for a discussion in March. Future discussion topics will tentatively be: results for the financial planning and application planning of the methodology, updated rates that match an alternative rate structure and the cost of service, meter charge levels, updated commodity rates for water demands, and conservation based rate tiers for residential customers. Mr. McInnes stated that the District looks forward to the public’s continued participation in this process.

8:17 p.m. .... Closing Remarks

President Rosen thanked the District’s staff, Mr. Colantuono and Mr. Hoag for their presentations.

8:20 p.m.....Meeting adjourned

DATED: 2/15/11

MINUTES PREPARED BY:

Beth Horn

BETH HORN, ASSISTANT BOARD SECRETARY

DATE APPROVED: 2/8/11

ATTEST:

Beth Horn

BETH HORN, ASSISTANT BOARD SECRETARY

William C. Rosen

WILLIAM C. ROSEN, PRESIDENT