



Workshop/Special Board Meeting – October 24, 2011
Workshop 6:00 pm
Special Meeting 7:00 pm

Carmichael Water District Board Room
7837 Fair Oaks Boulevard
Carmichael, CA 95608

MINUTES

The Board of Directors of the Carmichael Water District met in Special Session this 24th day of October, 2011 at 6:00 p.m. at the District Office located at 7837 Fair Oaks Boulevard, Carmichael.

ATTENDANCE:

Directors: John Wallace, Ron Greenwood, Mark Emmerson, Paul Selsky, Roy Leidy
Staff: Steve Nugent, Lynette Moreno, Laura McManigal, Chris Nelson, One (1) Staff
Guests: Jim Cervantes – Stone & Youngberg
Ron Lee – Jones Hall
Public: Three (3) members of the public

CALL TO ORDER: President Wallace called the meeting to order at 6:00 p.m.

WORKSHOP ITEM:

1. **Strategic Planning Workshop for Budget Revisions and Rate & Revenue Recovery.**

Presentation by Jim Cervantes – Stone & Youngberg
Presentation by Ron Lee – Jones Hall
Discussion
Seth Hodges commented: usage and vacant properties.

2. **Public Comment.**

Seth Hodges commented: notification to public (newspaper/article); rate increase.

CLOSED WORKSHOP at 6:48 p.m.

OPENED SPECIAL MEETING at 7:00 p.m.

ACTION CALENDAR:

Ron Lee commented: Rate covenant requirements; cash flow borrowing (to ensure stability of rates); increase on fixed cost side guaranteed not variable.

3. **Approval of the Budget Reductions and Rate & Revenue Recovery.**

A. Cash Flow and Liquidity

Management staff recommends that the Board of Directors:

- a. Authorize the General Manager to work with the District's financial consultant on a strategy to increase the District's cash flow position and recovery of the District's reserve to an appropriate operational level for the long-term financial stability as outlined in the District's Master Plan.
- b. Direct the General Manager to bring back alternatives for the Board's consideration.

M/S Emmerson / Selsky to approve the Cash Flow and Liquidity, as recommended.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

Passed unanimously

B. Budget Reductions

Management staff recommends that the Board of Directors:

- a. Approve the additional budget reductions outlined.

M/S Emmerson / Greenwood to approve the Budget Reductions, as recommended.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

Passed unanimously

ACTION CALENDAR - Continued:

C. Rate Structure Alternatives

Management staff recommends that the Board of Directors:

- a. Select the preferred alternative (option #1) to present in the Prop 218 notification
 - Option #1 = Straight increase on the existing rate structure.
 - Option #2 = New rate structure.

Alternatives presented by General Manager.

Discussion

Seth Hodges commented: to achieve monetary goal prefer fixed component versus variable.

Discussion

Seth Hodges commented: option #2- difficult to explain to public.

Discussion

M/S Leidy / Emmerson to approve rescinding 15% for 18% revenue increase and retaining all cuts.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

Passed unanimously

M/S Emmerson / Greenwood to approve the Rate Structure Alternatives (option #1), with direction to the General Manager to even out rate increases between categories.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

Passed unanimously

D. Revenue Recovery: Rate Adjustments

Management staff recommends that the Board of Directors:

- a. Approve the continuation of the proposed rate adjustment for FY 2012-2013 of 3.5% and continuation of the proposed rate adjustment for FY 2013-2014 of 3.7%.

M/S Greenwood / Leidy to approve the Revenue Recovery: Rate Adjustments, with an 18% rate adjustment plus consumption to \$1.13 on January 1, 2012, no increase July 2012, and a 3.7% rate adjustment for FY 2013-2014.

Discussion

Vote: Aye 5 No 0 Absent 0 Abstain 0

Passed unanimously

ITEMS TABLED FROM OCTOBER 17, 2011 REGULAR BOARD MEETING.

STAFF REPORTS:

- 4. **Director’s Expense Reimbursement Summary for September.**
Discussed with Board

PUBLIC COMMENT:

- 5. **Public Comment.**
None

GENERAL CORRESPONDENCE:

- 6. **Aerojet Environmental Protection Agency News Releases.**
Discussed with Board
- 7. **Delta Vision Strategic Plan; Regional Water Authority’s Response and News Release.**
Discussed with Board
- 8. **Three (3) News Articles Dated September 30, 2011 – October 10, 2011.**
Discussed with Board
- 9. **Director’s Written Reports:**
 - a. **Director Wallace – Groundwater Resources Association Annual Conference 2011 Notes.**

GENERAL CORRESPONDENCE - Continued:

Director's Oral Reports:

Director Emmerson:

- a. California Oregon Transmission Project Management Committee Meeting.
- b. Association of California Water Agencies State Legislative Committee Meeting.

Director Greenwood:

- a. Regional Water Authority Executive Committee Meeting.
- b. Water Education Foundation.

Director Wallace:

- a. Groundwater Resources Association.

Director Selsky: No Report.

Director Leidy: No Report.

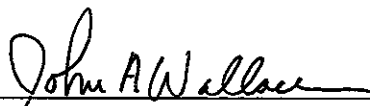
INFORMATION CALENDAR:

10. Meetings Calendars:

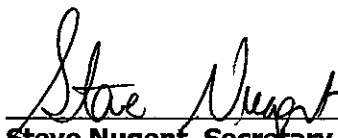
- a. **2011 Board Meeting Calendar.**
- b. **Meeting/Conference Calendar – November 2011.**
- c. **Meeting/Conference Calendar – December 2011.**

11. 2011 Board Committee Assignments.

ADJOURNMENT: The meeting was adjourned at 8:57 p.m.



John Wallace, President



Steve Nugent, Secretary