

Board Minutes

Regular Meeting

Wednesday, May 27, 2009

Camrosa Board Room
5:00 PM

Call to Order The meeting was convened at 5:00 P.M.

Present: President Al E. Fox
 Director Eugene F. West
 Director Timothy H. Hoag
 Director Terry L. Foreman

Absent: Director Jeffrey C. Brown

Staff: Frank E. Royer - General Manager
 Tony Stafford - Deputy General Manager - Operations
 Tamara Sexton – Business Manager
 Joe Willingham – Data Systems & Planning Manager
 Michael Perrett - Counsel

Guests: None

Approve Minutes of the Board Meeting of May 13, 2009.

Amendments: None

M/S/C (Hoag/West) to approve the Minutes of the Board Meeting of May 13, 2009, as presented.

Public Comments

None

Special Presentations and Announcements:

- ***“Go With the Flow” video presentation which focuses on the Leisure Village recycled water distribution project.*** Staff presented a 3 minute video outlining the Leisure Village Project from inception to completion for Board Information.

Matters appearing on the Consent Agenda are expected to be non-controversial and will be acted upon by the Board at one time, without discussion, unless a member of Board or the Staff requests an opportunity to address any given item. Items removed from the Consent Agenda will be discussed at the beginning of the Administrative Items. Approval by the Board of Consent Items means that the recommendation of the Staff is approved along with the terms and conditions described in the Board Memorandum.

Consent Agenda

1. ****Approval of 05-22-09 Vendor Payments**

Summary: A summary of accounts payable in the amount of \$259,845.54 was provided for Board information and approval.

M/S/C (/West/Hoag) to approve the payments to vendors as presented by staff in the amount of \$259,845.54.

Primary Agenda

2. ****Draft Fiscal Year 2009-10 District Budget**

Summary: Staff presented the draft proposed Fiscal Year 2009-2010 budget. Information related to general expenses and a schedule for capital improvements and replacements was presented at the Board meeting of April 22, 2009. On May 13, 2009 information related to water purchase costs was incorporated along with an analysis of the projected impact upon rates. Staff presented several budget scenarios including one which projects loss of all property taxes. Projected impact upon rates and debt service ratios were discussed, along with the need to bolster the District's debt service ratios in light of the recent downgrade in bond rating issued by Moody's. Staff will meet with Rate Ad-Hoc Committee and return to the Board with a recommendations on rates and the adoption of the Fiscal Year 2009-10 budget.

3. ****Review of Reserve Policy**

Summary: The purpose of the Reserve Policy is to assure adequate reserves for ongoing needs while minimizing the need for new debt. The reserve levels established in the policy also ensure adequate fund levels to meet aging infrastructure replacements, unanticipated emergencies, rate

stabilization, and future expansion to meet the District's system capacity. The Reserve Policy was last revised in June 2002 and is in need of update based upon current economic conditions. Staff will return with proposed Reserve Policy in coordination with the rate proposal. No action taken; for information only.

4. **Temporary Moratorium on Water Will Serve Letters

Summary: The Board considered adoption of a resolution implementing a moratorium on issuance of Water Availability and Water Will Serve letters during the existing water shortage. The Board considered current water supply conditions and generally agreed that a temporary moratorium on issuance of Water Availability and Water Will Serve letters for future developments that result in an unmitigated increase in demand on the potable distribution system is necessary. Staff will return with final resolution to adopt a moratorium on issuance of Water Availability and Water Will Serve letters at the next Board meeting.

5. **Purchase on Well Pump for the CSUCI Well

Summary: Quotations were received from manufacturers and suppliers of both vertical turbines with motors at the surface and for submersible pumps of the same output for installation in the CSUCI well. The well will be used to develop local groundwater to potable use. Staff recommended purchase of a Peerless Vertical Turbine pump.

M/S/C (/West/Hoag) Authorized the General Manager to issue a Purchase Order to procure a pump as recommended by staff for installation in the CSUCI Well.

Administrative Matters

None

Information Items:

None

Closed Session:

None

Comments by General Manager

- General Manager reported emphasis presented at the ACWA conference was related to the current state budget condition and the LAO's position to again consider borrowing property taxes from specials districts.

Comments by Directors

None

Adjournment

There being no further business to be brought before the Board, the meeting was adjourned at 6:24 P.M.

Frank E. Royer, Secretary/Manager
Board of Directors
Camrosa Water District

ATTEST:

Al E. Fox, President
Board of Directors
Camrosa Water District