

**CITY OF FOSTER CITY/  
ESTERO MUNICIPAL IMPROVEMENT DISTRICT  
SPECIAL MEETING OF THE  
CITY COUNCIL/EMID BOARD OF DIRECTORS  
OF JULY 17, 2006**

**MINUTES**

**CALL TO ORDER**

The duly called and noticed Special Meeting of July 17, 2006 of the City Council of the City of Foster City, sitting as said Council and as ex officio the Board of Directors of the Estero Municipal Improvement District (EMID), was called to order at 5:30 p.m. in the Council Chambers, 620 Foster City Boulevard, Foster City, San Mateo County, California, by Mayor/President Linda Koelling.

**ROLL CALL**

**PRESENT:** City Councilmembers/ex officio EMID Directors Ron Cox, Pam Frisella, John Kiramis, Rick Wykoff, and Mayor/President Linda Koelling.

**ABSENT:** None.

**STAFF PRESENT:** James C. Hardy, City/District Manager; Jean B. Savaree, City Attorney/District Legal Counsel; Kristi A. Chappelle, Assistant City/District Manager; Steve Toler, Administrative Services Director; Ramon Towne, Director of Public Works; Norm Dorais, Public Works Maintenance Manager; 'Andra Lorenz, Management Analyst; Rogerio Lima, Video Operator; and Therese L. Calic, City Clerk/District Secretary/Recording Secretary.

**ALSO PRESENT:** Art Jensen, General Manager, Bay Area Water Supply and Conservation Agency (BAWSCA),

**STUDY SESSION**

REVIEW OF WATER AND SEWER RATES FOR FY 2006-2007 INCLUDING A REVIEW OF SAN FRANCISCO PUBLIC UTILITY COMMISSION'S PLANNED HETCH HETCHY WATER SYSTEM IMPROVEMENT PROGRAM EXPENSES AND THEIR IMPACT ON THE DISTRICT'S WATER RATES. MINUTE ORDER NO. 995.

Mayor/President Koelling recessed the meeting into Study Session to review Water and Sewer Rates for FY 2006-2007 including a review of San Francisco Public Utility Commission's Planned Hetch Hetchy Water System Improvement Program Expenses and their impact on the District's water rates.

Public Works Director Towne, BAWSCA General Manager Jensen, and Administrative Services Director Toler presented the staff report.

Discussion ensued.

Minute Order No. 995 adopted, as follows:

1. Motion by Councilmember/Director Kiramis, seconded by Councilmember/Director Frisella, and carried unanimously, 5-0-0, to implement a "rate smoothing policy" for establishing the water rates in the current and future years by increasing rates by less than 10% in any one year, with the objective to meet minimum reserve requirements and to establish a special reserve account for funding the SFPUC's planned Hetch Hetchy Water System Improvement Program expenses. For FY 2006-2007, the base meter charge will be increased by 3%, and the water consumption rate will be increased by 5%, over existing rates effective September 1, 2006.
2. Hearing consensus of the Council/Board, 5-0-0, Mayor/President Koelling directed staff to not issue a Request for Proposal to study the feasibility of the construction of a desalination plant at this time. The District Board's Bay Area Water Supply and Conservation Agency (BAWSCA) liaison and District staff will continue to work with BAWSCA on a regional level to explore desalination as one way to address the issue of reliable alternative water sources and to inform the District Board regarding other desalination projects, developments in technology, etc., as that information becomes available.
3. Motion by Councilmember/Director Wykoff, seconded by Vice Mayor/Vice President Cox, and carried unanimously, 5-0-0, directed staff to not increase sewer rates for FY 2006-2007 based upon the rate model analysis.

## **ADJOURNMENT**

Hearing no objection from the Council/Board, Mayor/President Koelling adjourned the meeting at 6:30 p.m.