

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, February 28, 2013

- 1) **ROLL CALL** - President Ken Coverdell called the meeting to order at 3:03 p.m. Present at roll call: Directors Chris Mickelsen, Bryan Hannegan, and Bob Feldman. Vice-President Glenn Reynolds arrived at 3:07 p.m.

Also present were: David Dickson, General Manager, Joe Guistino, Superintendent of Operations, JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT** - There were no public comments.

- 4) **GENERAL BUSINESS**

A. Notice of Completion - Denniston Creek Water Treatment Plant Improvements Project

Mr. Dickson and Mr. Guistino updated the Board on the start-up status of this project and answered a few brief questions from the Board. Mr. Dickson also explained the recommended Board action required to accept this project as complete.

ON MOTION BY Director Mickelsen and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to (1) accept the Denniston Creek Water Treatment Plant Improvements Project as complete; (2) authorize the Notice of Completion to be filed with the County of San Mateo; and (3) authorize the release of the retention funds when the Notice of Completion has been recorded and returned to the District:

Director Mickelsen	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Feldman	Aye
President Coverdell	Aye

B. Notice of Public Hearing for Proposed Increase in Transmission and Storage Fees

Mr. Dickson reported that an error in the printing of the notice of the proposed increases in the District's Transmission and Storage Fees had occurred, which has caused a delay in the mailing of the notices. He advised that staff recommends that the Board approve a revised notice and reschedule the associated public hearing to be held at the Board's regular meeting on May 14, 2013. He also informed the Board that these proposed fee increases are subject to the Mitigation Fee Act, and that the fees cannot go into effect until 60 days following the Board's action, making the fees effective on July 15, 2013.

ON MOTION BY Director Hannegan and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to authorize issuance of a notice of proposed increases in the District's Transmission and Storage fees and schedule a public hearing on the proposed increases to be held at the Board's regular meeting on May 14, 2013:

Director Mickelsen	Aye
Vice-President Reynolds	Aye
Director Hannegan	Aye
Director Feldman	Aye
President Coverdell	Aye

C. Budget and Financing Plan Workshop – Proposed Fiscal Year 2013/2014 to 2022/2023 Capital Improvement Program

Mr. Dickson noted that this workshop will provide a good opportunity to discuss in detail the more significant projects in the Capital Improvement Program (CIP), including the projects' priorities and suggested schedules. He also reviewed the budget process associated with establishing the proposed rate increase. Mr. Dickson presented a graph depicting projected rate increases needed to meet revenue requirements for the Fiscal Year 2014 Budget.

Mr. Dickson discussed various aspects of the Capital Improvement Program, including the need to increase the budget for pipeline replacement projects. Discussion ensued considering a range of options for financing the CIP. Mr. Dickson also advised that staff is planning to create a narrative for the critical projects, providing both the need and the timing of the projects, as well as a long term look at the District's assets. Mr. Dickson then reviewed some of the important near-term projects, including the Avenue Cabrillo Phase II and III, Pipeline Replacement Project, the Bridgepoint Drive Pipeline Replacement

Project, and the Denniston Treated Water Booster Station. He also stressed the important of pursuing the design and construction work associated with San Vicente, which is crucial in maintaining the water rights. Mr. Dickson continued to summarize the details and timing of other significant District projects, including advanced metering infrastructure and tank maintenance and replacement.

Vice-President Reynolds advised that he had another engagement to attend and left the meeting at 4:49 p.m.; Director Mickelsen departed 5:06 p.m.

As discussion concluded on the Capital Improvement Program, Mr. Dickson informed the Board that staff will take the Board's feedback from this meeting and will present a revised draft budget with CIP project narratives and schedules, and a pipeline replacement schedule to the Board for discussion at the March 12th Board meeting.

5) ADJOURNMENT

ON MOTION BY Director Feldman and seconded by Director Hannegan, the Board voted as follows, to adjourn the February 28, 2013 Special Board Meeting:

Director Mickelsen	Absent
Vice-President Reynolds	Absent
Director Hannegan	Aye
Director Feldman	Aye
President Coverdell	Aye

The meeting was adjourned at 5:11 p.m. The next meeting of the Coastside County Water District's Board of Directors will be on Tuesday, March 12, 2013.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Ken Coverdell, President
Board of Directors