

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, May 12, 2015

- 1) **ROLL CALL:** President Chris Mickelsen called the meeting to order at 7:00 p.m. Present at roll call: Vice-President Arnie Glassberg, Directors Steve Flint, Ken Coverdell and Glenn Reynolds.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Mary Rogren, Assistant General Manager; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary; Cathleen Brennan, Water Resources Analyst; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT**

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending April 30, 2015:
Claims: \$478,860.28; Payroll: \$79,719.66 for a total of \$558,579.94
➤ *April 2015 Monthly Financial Claims reviewed by Director Reynolds*
- B. Acceptance of Financial Reports
- C. Monthly Water Transfer Report
- D. Approval of Minutes of April 14, 2015 Regular Board of Directors Meeting
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report - April 2015
- H. April 2015 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for April 2015
- K. Notice of Completion - Miramar Drive Pipeline Project

L. Notice of Completion – Phase 3A Avenue Cabrillo Pipeline Replacement Project

Director Reynolds reported that he had reviewed the monthly financial claims and found all to be in order.

ON MOTION BY Vice-President Glassberg and seconded by Director Reynolds, the Board voted as follows, by roll call vote, to accept and approve the Consent Calendar in its entirety:

President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Vice-President Glassberg	Aye
Director Reynolds	Aye

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Vice-President Glassberg thanked the Board for the opportunity to attend the recent ACWA Conference. He noted that he enjoyed learning what is transpiring with water on a state level and also appreciated learning about other water districts and attending the informative workshops.

Director Reynolds reported that he had attended a recent California Drought Summit in Sacramento.

6) GENERAL BUSINESS

A. Third Amendment to Ailanto Properties Water Service Agreement

Mr. Dickson provided a brief history, reviewed the conditions of this new amendment to the agreement and recommended approval of the amendment.

ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to approve the Third Amendment to the Water Service Agreement for the Ailanto Properties Pacific Ridge Subdivision:

President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Vice-President Glassberg	Aye
Director Reynolds	Aye

At this time in the meeting, noting that there was a member of the audience that was interested in making a public comment, President Mickelsen opened the public comment portion of the meeting once again to accommodate this member of the public's interest in addressing the Board.

3) **PUBLIC COMMENT**

Jules Sofer - 536 Poplar Street, Half Moon Bay, CA - Mr. Sofer stated that he had lived on the coastside since 1970 and at the beginning of this year; his wife started detecting a taste of chlorine in their water. He stated that he had informed the CCWD staff of this and they had investigated the situation. He also commented that he felt that it would be beneficial for CCWD to inform customers of the times when the water from the Denniston Plant is blended with the water obtained from SFPUC, so that the customers can understand when a difference in the taste of the water may occur.

B. **Professional Services Agreement with Kennedy/Jenks Consultants for Design of the Denniston Treated Water Booster Station and Transmission Pipeline**

Mr. Dickson reviewed the progress of this project and explained that the District is now at the point to prepare the design of the booster station and pipeline. He also noted a correction to the contract cost stated in the staff report recommendation, from \$292,000. to \$300,000, to reflect an updated project cost estimate. He advised that Joel Faller, P.E., from Kennedy/Jenks Consultants, was in attendance of the meeting and available to answer any questions from the Board. Brief discussion ensued among the Board members.

ON MOTION BY Vice-President Glassberg and seconded by Director Flint, the Board voted as follows, by roll call vote, to authorize the General Manager to execute a Professional Services Agreement with Kennedy/Jenks Consultants for design of the Denniston Treated Water Booster Station and Transmission Pipeline for a time and materials cost not to exceed \$300,000:

President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Vice-President Glassberg	Aye
Director Reynolds	Aye

C. **Draft Fiscal Year 2015-2016 Budget and Draft Fiscal Year 2015/2016 to 2024/2025 Capital Improvement Plan**

Ms. Rogren advised that since the April 2015 CCWD Board meeting, the budget had been revised to reflect a lower (28% vs. 31%) SFPUC Wholesale Water Rate increase, resulting in a \$101,000 expense reduction. Mr. Dickson added that there was no action required from the Board at this time.

Mr. Dickson then advised that the agenda item order would be revised for discussion of item 6E to transpire prior to the discussion of agenda item 6D.

E. **Cost of Service Analysis and Proposed Water Rate Changes**

Mr. Dickson advised that staff had met with the members of the District's Finance Committee earlier in the day to review changes that have occurred since the District's budget workshop on March 31, 2015. He then reviewed the series of external events that have significantly changed the risks, regulatory factors, and Proposition 218 requirements that were discussed at the budget workshop. He explained that District staff has been working with rate consultants HF&H to develop a rate proposal that will provide a conservation signal for residential customers and meet the District's revenue requirements while complying with Proposition 218.

Mr. Miyaki discussed Proposition 218 substantive and procedural requirements, including those imposed by the recent San Juan Capistrano Appellate Court decision.

Next, HF&H Senior Vice President John Farnkopf, and Senior Associate Sima Mostafaei, provided a presentation and review of the Water Rate Structure Update prepared by HF&H.

D. **Schedule a Public Hearing on Proposed Rate Increase and Authorize Issuance of a Notice of Public Hearing and Proposed Rate Increase**

Mr. Dickson summarized this item, which addressed compliance with the requirements of Proposition of 218.

ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to schedule a Public Hearing for Tuesday, June 30, 2015 on the proposed rate increase and authorize issuance of a Notice of Public Hearing and Proposed Rate Increase:

President Mickelsen	Aye
Director Coverdell	Aye
Director Flint	Aye
Vice-President Glassberg	Aye
Director Reynolds	Aye

F. Governor's Executive Order and State Water Resources Control Board Emergency Regulations Pertaining to the Drought

Ms. Brennan distributed a handout of her presentation explaining the recent changes to the Emergency Regulations Pertaining to the Drought. She reviewed the Water Board's May 5, 2015 conservation regulations update, and continuing developments. She also summarized the conservation standard for the District and explained the next steps, including revising the District's current drought ordinance. She answered a few brief questions from the Board members.

7) MONTHLY INFORMATIONAL REPORTS

A. Operations Report - Mr. Guistino provided a brief update on the recent hydrant incident and also informed the Board that the Denniston Water Treatment was in operation the entire thirty days of April.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no requests for future Board meeting agenda items. Director Coverdell complimented Assistant General Manager Mary Rogren for the excellence of financial presentations and reports to the Board.

9) ADJOURNMENT - The meeting was adjourned at 8:48 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, President
Board of Directors