

# **COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

## **MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Tuesday, June 14, 2016**

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

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

There were no members of the public in the audience.

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending May 31, 2016:  
Claims: \$887,098.46; Payroll: \$90,687.21 for a total of \$977,785.67
- B. Acceptance of Financial Reports
- C. Approval of Minutes of May 10, 2016 Special Board of Directors Meeting
- D. Approval of Minutes of May 10, 2016 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 - March 2016
- H. Monthly Emergency Main and Service Repairs Report
- I. Rainfall Reports
- J. S.F.P.U.C. Hydrological Report for the month of April, 2016
- K. S.F.P.U.C. Hydrological Report for the month of May, 2016
- L. Notice of Completion - El Granada Pipeline Replacement Final Phase Project
- M. California Special District's Association - Proposed Bylaw Updates
- N. Expense Reimbursement Approval for Director Reynolds' Attendance at Association of California Water Agencies (ACWA) Spring Conference - May 2016

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

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted to accept and approve the Consent Calendar in its entirety:**

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

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

There were no meetings reported or Director comments.

**6) GENERAL BUSINESS**

**A. Award of Contract - El Granada Pump Stations 1 and 2 Emergency Generator Project**

Mr. Guistino provided the background of this item, summarizing the difficulties the District would encounter to provide adequate fire flows in the event of a power failure. He reiterated staff's recommendation to award the contract in the sum of \$172,847 to Bayside Equipment Company.

**ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted to authorize the General Manager to enter into a contractual agreement with Bayside Equipment Company to procure and install emergency generators and associated switchgear at El Granada Pump Stations 1 and 2 at a total cost of \$172,847:**

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

**B. California Special Districts Association (CSDA) - 2016 Board Election - Bay Area Network - Seat B**

Mr. Dickson introduced this item, advising that as a member of the CSDA, the Board has the opportunity to participate in these elections. Director Coverdell recommended that the Board designate candidate Ryan Clausnitzer to serve as the CSDA representative for Seat B on the Bay Area Network.

**ON MOTION BY Director Coverdell and seconded by Director Feldman, the Board voted to vote for candidate Ryan Clausnitzer to fill the vacant position on Seat B for the Bay Area Network of the CSDA:**

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

**C. Draft Fiscal Year 2016/2017 Operations Budget and Draft Fiscal Year 2016/2017 to 2025/26 Capital Improvement Program**

Before opening the discussion on the budget, Ms. Rogren shared a photo slide show with the Board entitled “A Day in the Life at CCWD”, showing progress on a number of capital projects and several aspects of everyday District operations. Ms. Rogren next distributed handouts for the Draft Fiscal Year 2016/17 Operations and CIP Budgets, highlighting some good news including a \$59,000 expense reductions due to the San Francisco Public Utilities Commission’s increased “untreated water discount, as well as a savings of \$91,000 from the restructuring of District medical insurance options. She also reported that the total 2016/2017 Operating Expense Budget is \$180,000 lower than the 2015/2016 Operating Expense Budget. Ms. Rogren then reviewed staff’s expense management efforts and current budget risks.

Mr. Dickson summarized results of the recent District Facilities Committee meeting, at which the committee evaluated every project in the Capital Improvement Program (CIP). CIP revisions resulted in a net decrease of \$2.9 million in the 10-year CIP total and a \$185,000 reduction in planned Fiscal Year 2016/2017 CIP spending. Mr. Dickson then reviewed the key CIP projects slated for Fiscal Year 2016/2017 and advised how they will be funded.

**D. FY 2016/2017 to 2021/2022 Financing Plan and Proposed Water Rate Increase; Cost of Service Analysis**

Ms. Rogren summarized the background of the Water Rate Update - FY 2016-2017 prepared by HF&H Financial Consultants, and discussed reserve considerations. Using the financing model, Ms. Rogren showed the effects of a 12% rate increase and at Director Feldman’s request, displayed the effects of 8% and 7% rate increases.

Director Feldman shared some of his thoughts about the District’s financial condition, including proposed reserve funds and the proposed rate increase. Director Mickelsen commented that he would like to see the District lift water restrictions and convey that message to the District’s customers.

**E. Recycled Water Update and CCWD Recycled Water Specification**

Mr. Dickson summarized the background of this agenda item, including the results of the most recent meetings. He reported that the current consensus based on discussions at the Sewer Authority Mid-Coastside (SAM)- CCWD Recycled Water Committee is that the next step in determining feasibility of the proposed Phase 1 project is to prepare a detailed cost estimate for the treatment facilities based on a 25% preliminary design. He noted that SAM is prepared to proceed with the preliminary design as soon as all member agencies have approved moving ahead with the Recycled Water Project. Mr. Dickson explained that because CCWD's water quality specification is one of the most important inputs to SAM's preliminary design, staff and the Recycled Water Committee members recommend that the Board adopt the water quality specification contained in Table 1 of Technical Memo # 1 prepared by Kennedy/Jenks Consultants as the minimum water quality specification for water to be provided to CCWD by SAM in Phase 1. He answered a few questions from the Board and a brief discussion among the Board members ensued.

**ON MOTION BY Director Feldman and seconded by Director Mickelsen, the Board voted to adopt the Ocean Colony Partners Water Quality Requirement specifications shown in Table 1 of Kennedy/Jenks Technical Memorandum # 1 (December 15, 2015) as the minimum water quality specification for recycled water to be provided by Sewer Authority Mid-Coastside for distribution by Coastside Count Water District:**

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

**7) GENERAL MANAGER'S REPORT AND MONTHLY INFORMATIONAL REPORTS**

Mr. Dickson highlighted successful completion of the El Granada Pipeline Replacement Final Phase Project, recognized staff's efforts in maximizing production at the Denniston Water Treatment Plant, and discussed next steps in the Denniston Booster Station/Bridgeport Drive Pipeline Replacement Project following the June 8 approval of the project's Coastal Development Permit by San Mateo County.

**A. Assistant General Manager's Report - Financial and Utility Billing Systems Implementation -Near Completion**

Ms. Rogren reported that implementation of the new system is almost complete and thanked staff for the smooth transition. She also pointed out some of the system's advantages and features which will make District billing more responsive to customer needs.

**B. Operations Report**

Mr. Guistino reviewed monthly operations highlights, including the El Granada Pipeline Final Phase Project, interagency cooperation with the Coastside Fire Protection District, and the District's Unidirectional Flushing Program that will continue in June and early July.

**C. Water Resources Report**

Ms. Brennan updated the Board on new water conservation regulations, which could allow the District to reduce required conservation levels after certifying to the State that water supplies are adequate to meet demand through three more years of drought.

**8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS**

Director Coverdell requested that the matter of the District's commitment and vote of full support and efforts, and an outline of the next steps necessary for the District to continue to participate in a Recycled Water Project be placed on a future agenda for discussion by the Board. Director Feldman requested that a change in the District's election year to an even numbered year, in order to be on the same schedule as other local agencies also be placed on a future agenda. Mr. Dickson advised that this matter would be placed on the July CCWD Board meeting agenda.

**9) ADJOURNMENT - The meeting was adjourned at 8:53 p.m.**

Respectfully submitted,

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David R. Dickson, General Manager  
Secretary of the District

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Arnie Glassberg, President  
Board of Directors