

COASTSIDE COUNTY WATER DISTRICT

BOARD OF DIRECTORS MEETING

**CONDUCTED AT THE
CABRILLO UNIFIED SCHOOL DISTRICT
498 KELLY AVENUE, HALF MOON BAY, CA 94019**

MINUTES OF THE TUESDAY, APRIL 8, 2014 BOARD OF DIRECTORS MEETING

- 1) **ROLL CALL:** President Glenn Reynolds called the meeting to order at 7:01 p.m. Present at roll call: Directors Ken Coverdell, Arnie Glassberg and Vice-President Mickelsen. Director Steve Flint was absent.

Also present were: David Dickson, General Manager; Julie Sherman, Legal Counsel; JoAnne Whelen, Administrative Assistant/Recording Secretary; Cathleen Brennan, Water Resources Analyst; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending March 31, 2014:
Claims: \$617,548.55; Payroll: \$79,498.51; for a total of \$ 697,047.06
- B. Acceptance of Financial Reports
- C. Approval of Minutes of March 11, 2014 Board of Directors Meeting
- D. Monthly Water Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report - March 2014
- H. March 2014 Leak Report
- I. Rainfall Reports
- J. Notice of Completion - Phase 2 Avenue Cabrillo Pipeline Replacement Project
- K. Reimbursement for President Reynolds for Water Education Foundation Sea to Sierra Tour

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

Director Coverdell requested further discussion on item 4F, the Production Report.

ON MOTION BY Director Glassberg and seconded by Director Coverdell, the Board voted as follows, to accept and approve the Consent Calendar with the exception of item 4F - Total CCWD Production Report:

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

Director Coverdell referenced the Production Report, commenting that it indicates that the majority of the District's water is currently being provided from the Crystal Springs source, and inquired about the status of water production from the Denniston Reservoir. Mr. Guistino responded that the Denniston Water Treatment Plant is running at this time and he anticipates its continued operation as much as possible. He answered additional questions from Director Coverdell and Vice-President Mickelsen about the status of the Denniston Water Treatment Plant and the Denniston wells. Mr. Dickson indicated that staff can provide a weekly update on the District's water production to the Board.

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Vice-President Mickelsen reported on the recent Bay Area Water Supply and Conservation Agency (BAWSCA) Board of Directors meeting. President Reynolds reported on the March 4, 2014 Independent Special District Selection Committee meeting for the purpose of selecting San Mateo LAFCo special district representatives.

6)

A. Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA)-Rate Stabilization Fund - Refund Presentation

Mr. Dickson provided a brief explanation of the District's insurance program, and then introduced David Hodgkin, a Scotts Valley Water District Director and ACWA/JPIA Executive Committee member. Mr. Hodgkin explained the ACWA/JPIA insurance program and distributed some informational packets featuring the membership benefits. Mr. Hodgkin answered a few questions from the Board members and then

presented a check in the sum of \$23,145.00, representing the District's refund.

B. Administration Building Fire Repair/Remodel Project

Mr. Dickson provided an update on the plans for the repair and building modifications, outlining some key objectives that have been established. He also reviewed details of the updated drawing. John Evans, Architect, briefly explained the proposed minor improvements and answered a few questions from the Board.

C. Letter of Support for Senate Bill 1345

Mr. Dickson provided the background of this item, relaying that the Bay Area Water Supply and Conservation Agency (BAWSCA) is working with state legislators on this Senate Bill, which provides for state oversight of San Francisco's Water System Improvement Program (WSIP) to rebuild and restore the San Francisco Regional Water System.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, to approve the District's letter of support drafted by staff for Senate Bill 1345, to be executed by the Board President:

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

D. Quarterly Year-to-Date Financial Review

Referencing the District's March 31, 2014 Period Budget Analysis, Mr. Dickson reviewed details of the overall year-to-date revenues and total operating expenses, reporting the net revenue ahead of budget by approximately \$230,000 and operating expenses, in most categories below budget, with the notable exception of SFPUC water purchases and Crystal Springs pumping expenses.

E. Draft Fiscal Year 2014-2015 Budget and Fiscal Year 2014/2015 to 2023/2024 Capital Improvement Program

Mr. Dickson introduced this initial discussion of the budget by distributing the CIP Budget Comparison to Previous Year and a Financing Plan handout depicting Water Production and Purchased Costs, Operating Expenses, Ten-Year Cash Flow Projections and the Rate Increases Needed to Meet Revenue

Requirements for Fiscal Year 2014-2015. He also explained components of the budget process and the timeline schedule to the Board. A brief discussion ensued following Mr. Dickson's review of some of the changes in the District's Capital Improvement Program.

7) GENERAL MANAGER'S REPORT - INCLUDING MONTHLY INFORMATIONAL REPORTS

Mr. Dickson recapped SFPUC's recent update on water supply and demand conditions. He also reported that I-Bank has issued bonds to refund the District's loan, allowing for a reduction in the interest rate by 0.25%. He advised that this change will provide a savings of approximately \$250,000. over the loan's remaining repayment period.

Operations Report

Mr. Guistino reviewed the highlights from his monthly report, with an emphasis on the progress of the Denniston Water Treatment Plant production.

Water Resources Report

Ms. Brennan reported that the San Francisco Public Utilities Commission and the Bay Area Water Supply and Conservation Agency are working together to develop outreach materials for the voluntary water conservation campaign. She also featured some outreach materials that are being developed by the Association of California Water Agencies and the Department of Water Resources. Ms. Brennan also provided an update on the outreach tracking report, which now includes the associated expenditures.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no comments or requests from the Board members.

9) ADJOURNMENT - The meeting was adjourned at 9:15 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Glenn Reynolds, President
Board of Directors