

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

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

**Tuesday, October 11, 2022**

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the meeting was conducted by hybrid format offering the option of participating in person, zoom video conference, or by teleconference.

The Public was able to participate in the public meeting by joining the meeting in person or through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

- 1) **ROLL CALL** -President Bob Feldman was in person and called the meeting to order at 7:00 p.m. Participating in roll call via Zoom Video Conference was Director Ken Coverdell and in person Vice-President John Muller and Director Chris Mickelsen. Director Glenn Reynolds arrived at 7:07 p.m.

Vice President John Muller left meeting at 7:57 p.m.

Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel; James Derbin, Superintendent of Operations; Cathleen Brennan, Water Resources Analyst; Gina Brazil, Office Manager; Nancy Trujillo, Accounting Manager; and Lisa Sulzinger, Administrative Analyst.

Also participating Nancy Phan and Kevin Kostiuk, Raftelis Financial Consultants Inc.

- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC COMMENT** - There were no public comments
- 4) **Consider and Reaffirm Resolution 2021-06 "Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person"**

Ms. Rogren summarized Governor Newsom’s Executive Order dated back on March 4, 2020, that declared a State of Emergency to exist in California because of the threat of COVID 19. The Executive Order N-29-20 suspended certain provisions of the Ralph M. Brown Act relating to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect the spread of COVID-19 and to protect the health and safety of the public. On June 11, 2021, the Governor issued Executive Order N-08-21 which specified that Executive Order N-29-20 remain in effect through September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill (AB361) into law to allow legislative bodies to continue to meet remotely during a proclaimed State of Emergency after September 30, 2021. On October 8, 2021, the Board adopted Resolution 2021-06. Per AB361, the Board will need to consider and reaffirm the findings of Resolution 2021-06 monthly proclaiming that the State of Emergency continues to impact the ability of members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

**ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to reaffirm Resolution 2021-06 “Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person”:**

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

**5) CONSENT CALENDAR**

- A. Approval of disbursements for the month ending September 30, 2022:  
Claims: \$ 1,722,854.44; Payroll: \$ 303,845.95 for a total of \$ 2,026,700.39  
*September 2022 Monthly Financial Claims reviewed and approved by Director Reynolds*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of September 13, 2022, Regular Board of Directors Meeting
- D. Approval of Minutes of September 27, 2022, Special 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 September 2022
- H. Leak/Flushing Report – September 2022
- I. Monthly Rainfall Reports
- J. SFPUC Hydrological Conditions Report – August 2022
- K. Water Service Connection Transfer Report for September 2022

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to approve the Consent Calendar:

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

6) MEETINGS ATTENDED / DIRECTOR COMMENTS

There were no meetings reported.

7) GENERAL BUSINESS

- A. 1) Review The Proposed Water Shortage Rates, Water Financial Plan and Proposed Water Service Rate Adjustments for Calendar Years 2023 and 2024, and Draft Water Financial Plan and Rate Update Study Report; and  
2) Schedule a Public Hearing on Proposed Rate Adjustments for Calendar Years 2023 and 2024 and Authorize Issuance of a Notice of Public Hearing for Proposed Rate Increases effective January 19, 2023 and January 18, 2024

- 1) Ms. Rogren introduced the District Rate Consultants, Ms. Phan and Mr. Kostiuk of Raftelis Financial Consultants Inc. ("Raftelis"). She then recapped the timeline and steps taken to develop the Water Financial Plan, proposed Water Service Rate adjustments for calendar years 2023 and 2024, and the proposed Water Shortage Rates.
- At the June 14, 2022 Regular Board of Directors Meeting, the Board approved the Fiscal Year 2022/2023 Operations (O&M) Budget and the Fiscal Year 2022/23 to 2031/32 Capital Improvement Program (CIP).
  - On August 11, 2022 the Finance Committee met with Raftelis on the Water Financial Plan model.
  - On August 24, 2022 the Board convened a Special Meeting - Rate Study Workshop to review the Water Financial Plan model developed by Raftelis utilizing the Districts approved fiscal year 2022/23 O&M Budget and fiscal year 2022/23 to 2031/32 CIP. The Raftelis consultants utilized the interactive financial model and modified inputs to the model at the request of Board Members to determine the effects of potential water rate increase and debt financing on the districts cash reserves. Board members discussed various alternatives, including a potential 6% rate increase in January 2023 and another 6% rate increase in January 2024, with a potential debt financing of \$7 Million in 2025.
  - Subsequent to the August 24, 2022 workshop, Raftelis applied the proposed 6% rate adjustment to the District's water service rate

structure to arrive at proposed Water Service Rates to be effective January 19, 2023 and again on January 18, 2024.

Ms. Rogren then turned the meeting over to Raftelis who presented the proposed Water Shortage Rates. These proposed rates represent an update given the proposed adjustments to the District's Water Service Rates and are based on the Water Shortage Contingency Stage Rate Study dated October 29, 2021.

To meet the substantive requirements of Proposition 218 as interpreted by the Courts, Raftelis also provided a Draft Water Financial Plan and Rate Update Study Report dated October 5, 2022 that provides an update to the District's financial model, Water Service Rates and Water Shortage Rates utilizing the May 2018 Cost of Service and Rate Study and updated O&M Budget and CIP information. This study supports the proposed up to 6% rate adjustment to be effective January 19, 2023 and up to 6% rate adjustment to be effective January 18 2024, the accompanying Water Shortage Rates, and the potential \$7 Million in debt financing.

- 2) Ms. Rogren informed the Board that to comply with the requirements of Proposition 218, the recommended Board action would be to schedule a public hearing at the regularly scheduled Board meeting on December 13, 2022 and to authorize the issuance of a Notice of Public Hearing for proposed rate increases to be effective January 19, 2023 and January 18, 2024.

**ON MOTION BY Director Reynolds and seconded by Vice President Muller, the Board voted by roll call vote to approve the scheduling of a public hearing on December 13, 2022 at 7:00 p.m. during the regular Board of Directors' Meeting on the proposed rate adjustments and to authorize the issuance of a Notice of Public Hearing for Proposed Rate Increases effective January 19, 2023 and January 18, 2024**

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

**B. Approval of Coastside County Water District Response to San Mateo County Civil Grand Jury Report: "The Other Water Worry: Is Your Water Provider Prepared for the Big One?"**

Ms. Rogren summarized the Civil Grand Jury Report dated August 5, 2022 and the recommendations from the report. The two recommendations applicable to the District include: by March 31, 2023, 1) the District is to perform emergency preparedness exercises consistent with the District emergency response plan; and

2) the District is to perform an analysis and document an after-action report consistent with the District emergency response plan.

The District is required to respond to the Grand Jury by November 4, 2022. District staff and Legal Counsel prepared a draft letter responding to the findings and recommendations applicable to the District to the Civil Grand Jury that Ms. Rogren reviewed with the Board.

**ON MOTION BY Vice President Muller and seconded by Director Mickelsen the Board voted by roll call vote to approve the Coastside County Water District response to the San Mateo County Civil Grand Jury Report: "The Other Water Worry: Is Your Water Provider Prepared for the Big One?"**

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

**C. Approval of Professional Services Agreement with Balance Hydrologics, Inc. for Denniston/San Vicente Stream Gaging, Groundwater Monitoring, and Data Collection**

Mr. Derbin summarized that Balance Hydrologics, Inc. has been providing stream gaging, monitoring and data collection services to the District since Water Year 2011. District staff recommends continuing these services for Water Year 2023. This agreement will be for time-and-materials, for an estimated cost of \$92,516.

**ON MOTION BY Director Reynolds and seconded by Vice President Muller, the Board voted by roll call vote to authorize the General Manager to enter into a professional services agreement with Balance Hydrologics, Inc. for Denniston/San Vicente stream gaging, groundwater monitoring, and data collection for Water Year 2023 for an estimated time-and-materials cost of \$92,516.**

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

**D. Consider Resolution 2022-11 Authorizing the Grant Application, Acceptance, and Execution of the Financial Assistance Agreement for the Coastside County Water District Recycled Water Feasibility Study**

Ms. Rogren reported that the District has engaged EKI, Environment and Water, Inc. to assist the District with the preparation of a grant application with the State Water Resources Control Board for a Recycled Water Feasibility Study. The application requires that the Board approve a resolution authorizing the grant application, acceptance, and execution of the Financial Assistance Agreement.

**ON MOTION BY Director Coverdell and seconded by Director Reynolds, the Board voted by roll call vote to approve Resolution 2022-11 authorizing the grant application, acceptance, and execution of the Financial Assistance Agreement with the State Water Resources Control Board for the Coastside County Water District Recycled Water Feasibility Study**

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

**E. Quarterly Financial Review**

Ms. Rogren summarized the year-to-date revenue and expenses for the first three months of Fiscal Year 2022-2023. She also recapped the Capital Improvement Program expenditures and the Districts Cash reserves.

**8) MONTHLY INFORMATIONAL REPORTS**

**A. General Manager's Report**

Ms. Rogren reported that on September 13, 2022 the Governor signed into law Assembly Bill 2449 which amends the Brown Act teleconferencing procedures which goes into effect January 1, 2023.

**B. Superintendent of Operations Report**

Mr. Derbin summarized the Operation Highlights for the month of September 2022.

**C. Water Resources Informational Report**

Ms. Brennan reported that the Governor signed Senate bill SB 1157 into law which reduces the standard for indoor residential water use to 47 gallons per day per capita per day (RGPCD) by 2025 and 42 RGPCD by 2030. The current standard until 2025 is 55 RGPCD.

Ms. Brennan noted that the District's Ordinance No. 2022-01 provides that beginning October 1, customers may irrigate 1 day a week for spray irrigation.

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

There were no requests for future agenda items.

10) **ADJOURNMENT - Board Meeting Adjourned at 8:25 p.m.**



Robert Feldman, President  
Board of Directors



Mary Rogren, General Manager  
Secretary to the District