

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Tuesday, January 9, 2018

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

Also present: David Dickson, General Manager; Mary Rogren, Assistant General Manager; James Derbin, Superintendent of Operations; Patrick Miyaki 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 December 31, 2017:
Claims: \$628,489.23; Payroll: \$146,990.75 for a total of \$775,479.98
- B. Acceptance of Financial Reports
- C. Approval of Minutes of December 12, 2017 Regular and Special Board of Directors Meetings
- D. Monthly Water Service Connection Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report - December 2017
- H. Monthly Rainfall Reports
- I. S.F.P.U.C. Hydrological Report for the month of November 2017
- J. Acceptance of a Non-Complex Pipeline Extension Project - Champs Elysee Avenue - Mark Stoloski & Robert Gonzalez

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

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

5) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

Director Reynolds reported that he has been attending a Leadership in Water Utilities Workshop in Fresno.

6) **GENERAL BUSINESS**

A. **Accept the Coastside County Water District’s Basis Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2017**

Ms. Rogren provided a brief background, followed by an introduction of Mr. Christopher Brown with Fedak & Brown, LLP, the District’s current independent auditor. Mr. Brown shared a presentation with the Board on the 2017 audit results, reviewing the audit requirements, the financial statement audit, professional guidance, fieldwork, the annual financial and management reports, communication to the governing board, and financial highlights. Mr. Brown reported an unmodified “clean” auditor’s opinion following the audit. He also reported that no material weaknesses had been noted, and followed with a question and answer period with the Board.

ON MOTION BY Director Reynolds and seconded by Director Glassberg, the Board voted by roll call vote to accept the Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2017:

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

B. **Approval of First Amendment to Communications Site Lease with T Mobile**

Mr. Dickson began by providing the background on the District’s cell sites, managed with the assistance of Aaron Levinson of Communication Leasing Services, Inc. He noted that there has been no public opposition to the Alves Tank site’s antenna array and that he did not expect the proposed modifications to raise concerns. He advised of the additional rent of \$850.00 per month, which will be subject to the same 4% annual escalation as the base rent.

ON MOTION BY Director Reynolds and seconded by Director Glassberg, the Board voted by roll call vote to authorize the General Manager to execute the attached First Amendment to the Communication Site Lease Agreements with T-Mobile dated June 26, 2008 for the cell site located at the District's Alves Tank property on Miramontes Point Road.

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

C. Agreement with Raftelis Financial Consultants, Inc. for FY 2018-2019 Water Rate Study

Ms. Rogren summarized the background of this agenda matter, advising that with the anticipation of the need to begin looking at the Fiscal Year 2018-2019 water rates early in the budgeting process, staff had met with Raftelis Financial Consultants, Inc. and requested the proposal. She provided background information on Mr. Sanjay Gaur, with Raftelis Financial Consultants, advising that she felt he would be excellent to work with to perform the study on the District's water rates. Mr. Dickson reiterated how impressed District staff was with Mr. Gaur and felt he could provide opportunities to re-structure and possibly simplify the District's water rates.

Vice-President Coverdell noted that the Finance Committee members had discussed the proposal and felt that it was a good idea to pursue this rate study; Director Glassberg agreed that he was excited about the opportunity for some creative approaches to determining rates while meeting the District's goals.

Director Reynolds added that he was familiar with Mr. Gaur's work and was also impressed and President Feldman noted that he had attended one of Mr. Gaur's workshops sponsored by the Association of Water Agencies (ACWA).

ON MOTION BY Director Glassberg and seconded by Director Reynolds, the Board voted by roll call vote to authorize the General Manager to execute a professional services agreement with Raftelis Financial Consultants, Inc. to provide a Water Rate Study for FY 2018-2019 at a time and materials cost not to exceed \$52,725.00:

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

D. Agreement with Cornerstone Structural Engineering Services Group for Seismic Evaluation of Alves Tank

Mr. Dickson reviewed the background of the District's 2.0 million-gallon Alves Tank, built in 1970 and designed by the District's Engineer, Jim Teter. He advised that based on discussion with consultants regarding the recoating and rehabilitation of the tank, staff believes that performing an evaluation of the tank's ability to meet current seismic standards is an essential first step to the design process and a common best practice in rehabilitating water tanks.

ON MOTION BY Vice-President Coverdell and seconded by Director Glassberg, the Board voted by roll call vote to authorize the General Manager to execute a professional services agreement with Cornerstone Structural Engineering Services Group for seismic evaluation of the Alves Tank at a time and materials cost not to exceed \$40,550:

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

E. Quarterly Financial Review

Ms. Rogren stated she was pleased to report on the good state of the District's finances. She reviewed the District's year-to-date revenue, \$402,000 above budget and the year-to-date expenses, under plan by \$614,000.

F. Fiscal Year 2018-2019 Budget Process Timeline

Ms. Rogren reviewed the current budget related meetings that have been scheduled and presented the proposed Budget Process Timeline, summarizing some of the additional meetings proposed.

G. Coastside County Water District Board Committees

Mr. Dickson reminded the Board that this is a District exercise visited annually at the January Board meeting for the purpose of evaluating the current committee members and assignments, which past practice has established as the prerogative of the Board President.

President Feldman reported that he had reviewed the committees and members with staff and agrees with the current assignments. He did advise that there is a vacancy on the Montara Water & Sanitary District Mutual Interest Committee, and stated that he felt Director Glassberg would be an excellent choice to serve with him on this committee, which was agreed upon by Director Glassberg.

H. **Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers**

Mr. Dickson reminded the Board that this is an annual exercise and reiterated the need to designate the other Board members as alternates in the event that the CCWD Board President is unavailable to participate in a LAFCo election.

ON MOTION BY Director Reynolds and seconded by Director Glassberg, the Board voted by roll call vote to appoint CCWD Board Member Representative alternates to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers:

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

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

Recycled Water Update

In response to an inquiry from the Board at the December 12, 2017 Board meeting, Mr. Dickson provided a brief update on the status of the recycled water project, reporting that he had spoken with the Sewer Authority Mid-Coastside's General Manager, Beverli Marshall, and learned that since July 11, 2017, there has been no direction or guidance to SAM staff regarding negotiation of a detailed recycled water agreement.

A. **Assistant General Manager's Report**

- **SFPUC Water Rates** - Ms. Rogren advised that SFPUC recently announced that they are not planning an increase in the wholesale water rates for FY 2018-2019 and that future projections will be shared at the February 2018 meeting with Wholesale Customers.
- **CCWD Leak Adjustment Policy** - In response to Director Reynolds inquiry at the December Board meeting, staff had included a copy of Resolution 2006-23 that outlines the District's policy regarding leaks. She briefly described the current policy and advised that with the installation of the advanced metering infrastructure and with the eventual online tool/app, "Water Smart", customers will have the capability to personally monitor water consumption and to set alerts if they are experiencing unusually high usage.

- **Advanced Metering Infrastructure Installation** - Ms. Rogren advised that the Superintendent of Operations would be reporting further on the number of installations to date in his report to follow.

B. Superintendent of Operations Report

Mr. Derbin reviewed the operations highlights, including total annual production for the Denniston Water Treatment Plant, the Denniston Pump Station and the Bridgeport Transmission Main Project; and the installation of 1,701 new meters by PMI, as well as District staff's installation of 1,025 over the past couple of years. He also provided an update on the Downtown 2" Main Replacement Project.

C. Water Resources Report

Ms. Brennan provided an informational report on the submittal, review and acceptance of the District's 2015 Urban Water Management Plan by the Department of Water Resources.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no requests for future agenda items.

9) ADJOURNMENT - The meeting was adjourned at 8:29 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors