

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 10, 2017

- 1) **ROLL CALL** - President Glenn Reynolds called the special meeting to order at 6:00 p.m. Present at roll call: Directors Ken Coverdell, Bob Feldman, Arnie Glassberg and Chris Mickelsen. Also David Dickson, General Manager, Mary Rogren, Assistant General Manager; and Patrick Miyaki, District Legal Counsel were in attendance.
- 2) **PUBLIC COMMENT** - There were no public comments.
The Board entered into closed session at 6:00p.m.
- 3) **CLOSED SESSION**
 - A. Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation
Pursuant to California Government Code Section 54956.9(d)(2)
One Potential Case
- 4) **RECONVENE TO OPEN SESSION** - The Board reconvened into open session at 6:58. President Reynolds announced that no action had been taken in the closed session.
- 5) **ADJOURNMENT** - The special meeting was adjourned at 6:58 p.m.

Respectfully submitted,

David R. Dickson, General Manager

Glenn Reynolds, President
Board of Directors

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Tuesday, January 10, 2017

- 1) **ROLL CALL** - President Glenn Reynolds called the meeting to order at 7:01 p.m. Present at roll call: Directors Ken Coverdell, Bob Feldman, Arnie Glassberg and Chris Mickelsen.

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.
- 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, 2016:
Claims: \$870,058.37; Payroll: \$139,040.76 for a total of \$1,009,099.13
➤ *December 2016 Monthly Financial Claims reviewed and approved by President Reynolds*
 - B. Acceptance of Financial Reports
 - C. Approval of Minutes of December 13, 2016 Regular 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 – November 2016
 - H. Monthly Emergency Main & Service Repairs Report and Water Line Flushing Report
 - I. Rainfall Reports
 - J. S.F.P.U.C. Hydrological Report for the month of November, 2016
 - K. Notice of Completion – Phase 3B Avenue Cabrillo Pipeline Replacement Project
 - L. Acceptance of Non-Complex Pipeline Extension Project 923/925 Miramontes Street – Muller & Adreveno
 - M. Acceptance of Non-Complex Pipeline Extension Project Belleville Blvd - TDR Properties
 - N. Acceptance of Non-Complex Pipeline Extension Project – 456 Grand Blvd – Paul McGregor

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

ON MOTION BY Director Glassberg and seconded by Vice President Feldman, the Board voted to accept and approve the Consent Calendar in its entirety:

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Coverdell shared his recent observations of snow conditions in the Sierras. He also briefly reported on the recent meeting of the District's Finance Committee, noting that in his opinion, the current financial state of the District is in excellent shape.

Vice-President Feldman provided a brief status update on the January 4, 2017 District Facilities Committee meeting.

6) GENERAL BUSINESS

A. Coastside County Water District Basic Financial Statements and Independent Auditors Report for the Fiscal Year Ended June 30, 2016

Ms. Rogren introduced Brett Jones, of Joseph J. Arch, CPA, Inc. (JJACPA), who had just recently completed work on the District's Basic Financial Statements for the fiscal year ending June 30, 2016. Mr. Jones briefly summarized the audit results, advising that once again an unqualified opinion has been issued to the District, which he noted is the best possible status.

Director Glassberg stated that he is always pleased to see a positive statement related to strong internal controls. He also pointed out that the last sentence on page 25 of the report was not completed, and he expressed an interest in learning the contents of the remainder of that sentence. Additionally he inquired if there may be a significant savings to the District to raise the insurance deductible amounts with the District's coverage with the Association of California Water Agencies Joint Powers Insurance Authority's (ACWA/JPIA). Ms. Rogren indicated that although the rates are pooled rates, she could check into that matter further to see if there are any options available.

Vice-President Feldman expressed that he was also pleased with the results of the audit and appreciated that there were no internal control issues to be reported.

ON MOTION BY Director Glassberg and seconded by Director Mickelsen, the Board voted, by roll call vote, to accept the Basic Financial Statements for Fiscal year Ended June 30, 2016:

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

B. Contract with Calcon Systems for Instrumentation and Controls Work

Mr. Dickson reviewed the background of this item including the contract with Calcon, and summarized the contract status for instrumentation and controls work with Calcon initiated in August of 2013, with an additional \$250,000 approved by the Board in August of 2015. He stated that staff was seeking the Board's authorization for an additional \$250,000 to continue necessary work on the District's SCADA system, as well as work required on the Crystal Springs Instrumentation and Controls.

Discussion ensued among the Board with Mr. Dickson answering several questions and he elaborated on the many tasks that Calcon has successfully completed for the District. Upon request from the Board members, Mr. Dickson agreed that staff could review the capital improvement projects and identify the amount of money budgeted for Calcon instrumentation and controls work for each of the projects and provide it to the Board.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted, by roll call vote, to authorize the General Manager to extend the current time and materials agreement with Calcon Systems for instrumentation and controls work, in an amount not to exceed \$250,000:

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

C. Award of Contract for Strawflower Village Pipeline Replacement Project

Mr. Guistino described the nature of this project and reported that the District had received five bids. He answered a few questions from the Board about the timing of the project.

ON MOTION BY Director Coverdell and seconded by President Reynolds, the Board voted, by roll call vote, to authorize the General Manager to contract with Andreini Brothers for the Strawflower Village Pipeline Replacement Project for the lump-sum cost of \$148,255:

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

D. Nunes Filter Wash Valves Replacement Project

Mr. Guistino summarized the background of this project, noting that District staff had performed an excellent job in researching this recommended replacement equipment which will accommodate the tight clearances of the Nunes filter design.

ON MOTION BY President Reynolds and seconded by Director Glassberg, the Board voted, by roll call vote, to authorize the General Manager to procure materials and services as necessary for installation of new filter wash valves at the Nunes WTP for a cost not to exceed \$50,000:

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

E. Quarterly Financial Review

Ms. Rogren reviewed the District's finances for the first half of the year, reporting that revenue is up slightly from the amount budgeted and that expenses are currently approximately \$669,000 below the budgeted amount, largely due to the savings achieved in running the Denniston Water Treatment Plant and in utilizing other local water sources, as well as a savings in personnel costs.

F. Fiscal Year 2017-2018 Budget Process Timeline

Ms. Rogren distributed an updated Budget Process Timeline, advising that staff had planned to move the budget process up by one month and that the budget will be presented for the first time at the February 14, 2017 Board of Directors meeting.

G. Coastside County Water District Board Committees

President Reynolds inquired if any Board members were interested in changing committee assignments. No Directors expressed an interest in making any changes to the committees. President Reynolds announced that the District's

committee appointments would remain unchanged for the new calendar year and would stand as published in the listing presented.

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

Mr. Dickson explained that this is a routine matter that the District addresses each time the Board President changes and each new year it is necessary to appoint the alternate representatives to LAFCo in succession by naming the Vice-President followed by the Board members in order of seniority. He advised that staff notifies LAFCo of the appointments by forwarding a copy of the approved Board meeting minutes.

ON MOTION BY President Reynolds and seconded by Director Glassberg, the Board voted, by roll call vote, to appoint CCWD Board Member Representative alternate(s) by name: Vice-President Feldman, and Directors Coverdell, Mickelsen, and Glassberg, to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers:

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

7) GENERAL MANAGER'S REPORT AND MONTHLY INFORMATIONAL REPORTS

- Barbara's Fishtrap Restaurant Service Connection Issue

Mr. Dickson noted that this is an update to the Board on the resolution to this matter. He summarized the history of this agenda item, advising that President Reynolds had performed an excellent job of looking into this situation on behalf of the Board, referencing President Reynolds' report, as well as a written opinion summary submitted from the District's Legal Counsel, Patrick Miyaki. He advised that both of these reports basically support the staff's determination, which was communicated in a letter to the President of Barbara's Fishtrap in October, that their service line is undersized for the demand of the restaurant and that it should be replaced. He added that under District policy, replacement is the responsibility of the customer. He advised that this matter does not require any further Board consideration or action.

- A. Assistant General Manager's Report** - Ms. Rogren referenced the District's upcoming Strategic Planning Meeting, proposed for February 1, 2017, advising that staff has identified a facilitator and an alternate, who will be contacting each of the

Board members for a short interview in advance of the meeting in order to formulate an agenda. Mr. Dickson advised that he felt that additional time to prepare for the planning session would be important and beneficial to the Board, staff and the facilitator and suggested re-scheduling the meeting in March. He advised that he sees this session as an opportunity for the Board members, rather than staff, to set the agenda, based on the topics that interest them in planning for the future of the District. For the record, Mr. Miyaki stated that the Strategic Planning Session will be a special Board meeting, subject to the Brown Act and that it is appropriate for the facilitator to contact each of the Board members to talk about their ideas for agenda items. A brief discussion ensued of prospective dates for the rescheduling of the Strategic Planning Session, with the date of Thursday, March 16, 2017 being determined to work with all schedules.

Ms. Rogren also provided a recap from a recent BAWSCA meeting, advising that some recent refinancing by the San Francisco Public Utilities Commission, (SFPUC) should favorably impact the District's SFPUC water rates.

B. Operations Report - Mr. Guistino highlighted a few recent District events, including the El Granada Pump Stations 1 and 2 Emergency Generator Project, and announced the recent retirement of Don Patterson, Senior Treatment Operator, advising that staff is in the recruitment process to fill the current vacant positions. On behalf of the Board, President Reynolds asked Mr. Guistino to relay the Board's appreciation and best wishes to Mr. Patterson.

C. Water Resources Report - Ms. Brennan shared an update on the recent reimbursement for two of the District's rebate programs. She also advised that the District was temporarily suspending the Lawn Be Gone Program.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

President Reynolds requested that a proposed public outreach program that he is currently developing, be placed on a future agenda for discussion by the Board.

9) ADJOURNMENT - The meeting was adjourned at 8:20 p.m.

Respectfully submitted,

David Dickson, General Manager
Secretary to the District

Glenn Reynolds, President
Board of Directors