

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING

Tuesday, June 12, 2018

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

Also present: David Dickson, General Manager; Mary Rogren, Assistant General Manager; 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 May 31, 2018:
Claims: \$713,422.82; Payroll: \$97,889.27 for a total of \$811,312.09
- B. Acceptance of Financial Reports
- C. Approval of Minutes of May 8, 2018 Regular Board of Directors Meeting
- D. Monthly Water Service Connection Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Reports
- G. CCWD Monthly Sales by Category Report –May 2018
- H. Monthly Emergency Main and Service Repairs Report
- I. Monthly Rainfall Reports
- J. SFPUC Hydrological Report for the month of April 2018
- K. Approval of Water Service Agreement – 620 Avenue Portola, El Granada
- L. Approval of Water Service Agreement – 555 Obispo Road, El Granada

President Feldman noted that Director Glassberg had reviewed the monthly financial claims and found all to be in order.

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

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

5) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

President Feldman provided a summary of some of the events he had attended at the recent Association of California Water Agencies (ACWA) Spring Conference.

6) **GENERAL BUSINESS**

A. **Resolution 2018-02 Calling for and Giving Notice of a Regular District Election**

Mr. Dickson introduced this item and provided a brief summary of the required election related tasks, including the adoption of the resolution.

ON MOTION BY Director Glassberg and seconded by Director Coverdell, the Board voted by roll call vote to adopt Resolution 2018-02 Calling for and Giving Notice of a Regular District Election to be held on November 6, 2018 and Requesting the County Elections Department to Conduct the Election:

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

B. **Resolution Adopting a Debt Management Policy for the Coastside County Water District**

Ms. Rogren reviewed the background of Senate Bill 1029 (SB 1029) which amended California Government Code 8855, to add certain requirements related to the issuance and administration of debt by local agencies, including requiring the adoption of a debt policy, which impacts the District. Ms. Rogren briefly summarized the materials required to be included in the debt policy.

Director Glassberg expressed a concern with the wording of item 2A of the debt policy and it was agreed by the Board members to replace the word "basic" with the term "District" in the first bullet point in item number 2A of the proposed debt policy.

ON MOTION BY Director Reynolds and seconded by Director Glassberg, the Board voted by roll call vote to adopt Resolution 2018-03 Adopting a Debt Management Policy with the revision of replacing the word "basic" with the term "District" in the first bullet point listed on page 2, Item 2A of the Coastside County Water District Debt Management Policy:

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

C. Resolution Authorizing the Refinancing of an Outstanding Obligation of the Water System, and Approving Loan Agreement and Related Documents

Ms. Rogren introduced Brant Smith, Senior Vice-President of Backstrom McCarley Barry & Company. He advised the Board that his firm had issued a request for proposal, including a brief borrower overview credit profile to eighteen banks, and had received thirteen responses from banks on the loan refinancing; he then summarized those results. He reported on the favorable proposed rate of 2.85% from JP Morgan Chase and reviewed the timeline for the refinancing process. Ms. Rogren then summarized the required Board action contained in the Resolution necessary to proceed with the refinancing of the District's outstanding loan obligation.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to adopt Resolution 2018-04 Authorizing the Refinancing of an Outstanding Obligation of the Water System, and Approving Loan Agreement and Related Documents:

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

D. Approve Salary Schedule with a Cost of Living Adjustment increase for FY 2018-2019 effective July 1, 2018:

Ms. Rogren referenced the proposed Cost of Living Adjustment, as provided for in the Memorandum of Understanding with the Teamsters Union; currently at 3.8%, effective July 1, 2018. She further explained that it is a requirement of CalPERS that the District's Board of Directors approve the annual salary schedule.

ON MOTION BY Director Glassberg and seconded by Director Mickelsen, the Board voted by roll call vote to approve the provided Salary Schedule with a Cost of Living Adjustment increase for FY 2018-2019 effective July 1, 2018:

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

E. Fiscal Year 2018-2019 Budget Process Timeline

Ms. Rogren reminded the Board that the budget process is concluding with the Public Hearing to approve the Operations and Maintenance Budget, the Capital Improvement Program Budget, and the Rate Adjustments for Fiscal Year 2018-2019 and 2019-2020, scheduled for Thursday, June 28, 2018.

F. Proposed Draft Fiscal Year 2018-2019 and Draft Fiscal Year 2019-2020 Operations Budgets; Draft Fiscal Year 2018/2019 to 2027/2028 Capital Improvement Program (CIP); Draft Fiscal Year 2018/2019 to 2022/2023 District Financing Plan; Proposed Rate Increases for Fiscal Years 2018-2019 and 2019-2020; Cost of Service and Rate Study; Public Hearing to Consider and Adopt Proposed Rate Adjustments

Ms. Rogren shared her presentation once again, reiterating the budget comparisons, Capital Improvement Program, Financing Plan, staff's recommendation of a 2.3% revenue increase and rate projections and a review of the residential tiers to promote water efficiency. She also demonstrated proposed consumption charges and residential bill impacts on single family customers with the proposed rate increase.

7) MONTHLY INFORMATIONAL REPORTS

A. Superintendent of Operations Report

Mr. Derbin was absent from the Board meeting. Mr. Dickson answered questions from Board members regarding chlorine residuals and the sampling station replacement program.

B. Water Resources Informational Report

Ms. Brennan reviewed the new Statewide Water Efficiency Goals; Senate Bill 608 and Senate Bill 1668, establishing indoor per capita goals and a frame work for non-residential urban use, as well as agricultural requirements and new reporting requirements for water agencies. She also provided a brief summary and update on the Sustainable Groundwater Management Act (SGMA). Brief discussion ensued, with Mr. Miyaki concluding the discussion by outlining the District's next steps in the process.

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

Director Reynolds commented that he would like the District's customers to know that a tax on water utility bills was recently defeated.

11) **ADJOURNMENT** - The meeting was adjourned at 8:46 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary to the District

Robert Feldman, President
Board of Directors