

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, February 10, 2015

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

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Cathleen Brennan, Water Resources Analyst.

- 2) **PLEDGE OF ALLEGIANCE**

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

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending January 31, 2015:
Claims: \$677,280.43; Payroll: \$113,692.61 for a total of \$790,973.04
➤ *January 2015 Monthly Financial Claims reviewed by Vice-President Glassberg*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of January 13, 2015 Special and Regular Board of Directors Meetings
- D. Approval of Minutes of January 14, 2015 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 - January 2015
- H. January 2015 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for December 2014

- K.** Approval for Vice-President Glassberg to attend the Association of California Water Agencies (ACWA) Spring Conference in Sacramento – May 5-8, 2015

Vice-President Glassberg reported that he had reviewed the monthly financial claims and found all to be in order.

ON MOTION BY Director Coverdell and seconded by President Mickelsen, the Board voted as follows, by roll call vote, to accept and approve the Consent Calendar in its entirety:

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

President Mickelsen reported that he recently attended a Bay Area Water Supply and Conservation Agency (BAWSCA) Board of Directors meeting.

6) GENERAL BUSINESS

- A. Approval of Coastside County Water District Basic Financial Statements and Independent Auditors Report for Fiscal Year Ended June 30, 2014**

Mr. Dickson introduced this agenda item, advising that Joseph J. Arch, CPA Inc. (JJACPA), had recently completed work on the Basic Financial Statements for the Year Ended June 30, 2014. He reported that the Auditor's letter attests that the financial statements fairly represent the financial position of the District, with no exceptions or concerns noted. Mr. Dickson then introduced Mr. Brett Jones, Senior CPA and Quality Control Director, with JJACPA. Mr. Jones referenced the audit report, advising that once again an unqualified opinion has been issued to the District, which is the best possible status. Mr. Jones also reviewed the Communications with Those Charged With Governance and Communication of Internal Control Related Matters portion of the report, once again reporting no issues or weaknesses or recommendations for improvement. He also provided updated information on GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". Mr. Dickson answered several questions from Vice-President Glassberg and Mr. Jones further clarified the new GASB 68 requirements.

ON MOTION BY Director Coverdell and seconded by Vice-President Glassberg, the Board voted as follows, by roll call vote, to approve the Basic Financial Statements for Fiscal Year Ended June 30, 2014 and commended staff for the excellent audit results:

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

B. Main Street Bridge Pipeline Project

Mr. Dickson advised that this particular project has been re-named the El Granada Pipeline Project - Final Phase. He then reviewed highlights from the Board's discussion of this project at the January 13, 2015 Board meeting, at which time the Board requested that staff and EKI conduct additional "due diligence" to identify alternatives. Mr. Dickson and Jon Sutter, with Erler & Kalinowski, Inc. (EKI), explained the steps they have recently taken to explore additional alternatives and distributed an alternative matrix table depicting alternatives to the water main replacement.

Mr. Sutter reviewed the categories used to evaluate the alternatives, summarizing some of the advantages and disadvantages of the alternatives and brief discussion ensued. Mr. Dickson also advised that staff is recommending that the District purchase and keep on hand the pipe and fittings that would be necessary to install an emergency bypass if the existing pipe fails, which would reduce the District's risk exposure. He advised that the cost to purchase the necessary materials would be approximately \$45,000 and would shorten the time needed to install the bypass from two to three weeks to one or two days. Discussion then ensued with regards to purchasing the piping and fittings necessary to install a temporary emergency bypass of the pipeline.

ON MOTION BY Director Coverdell and seconded by Director Flint, the Board voted as follows, by roll call vote, to authorize the General Manager to take the following actions with respect to the El Granada Pipeline Project - Final Phase: (1) Amend EKI's Professional Services Agreement dated June 18, 2014 as necessary to authorize and pay costs of evaluating additional pipeline replacement alternatives, as directed by the Board, in an amount not to exceed \$40,000 and (2) to purchase and keep on standby the piping and fittings necessary to install a temporary emergency bypass of the pipeline attached to the Main Street Bridge in the event of a failure, at a cost of approximately \$45,000:

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

C. Fiscal year 2015-2016 Budget Process Timeline

Mr. Dickson presented and reviewed the Draft Budget Process Timeline for Fiscal Year 2015/2016 and advised that following both District Facilities and Finance Committee meetings scheduled for late February, the draft budget would be presented at the March 10, 2015 Board of Directors meeting.

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

Mr. Dickson explained the purpose and past practice procedure of appointing the alternate officers to participate in LAFCo election of officers.

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

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

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

- 1. SFPUC Water Supply Status** - Mr. Dickson summarized the latest comments from SFPUC regarding the monthly water supply status that were recently presented at the meeting of BAWSCA Water Supply Management representatives.
- 2. Administrative Building Remodel** - Mr. Dickson informed the Board that the move into the newly renovated administration building is scheduled to take place on February 12, 2015.

3. **ERAF Refund** - Mr. Dickson reported that the District has received an ERAF refund payment of \$356,000, which amounts to \$156,000 more than budgeted and added that this rare unexpected upside partially offsets the District's water sales revenue shortfall.
 4. **Assistant General Manager Recruitment** - Mr. Dickson advised that the District's new Assistant General Manager, Mary Rogren, will begin work on March 4, 2015.
 - A. **Operations Report** - Mr. Guistino provided a brief update on solutions to the problematic section of pipeline on Magellan Avenue, progress on the District's Cross Connection Program and the recent main break on Bridgepoint Drive and plans to improve the conditions to eliminate future breaks.
 - B. **Water Resources Report**
Ms. Brennan reviewed data from the second snow survey completed on January 29, 2015, as well as recent local precipitation. She also provided an update on the grant share reimbursement for the washing machine and high efficiency toilet rebate programs.
- 8) **DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS**
- Director Coverdell requested that additional information be provided in the District's monthly water production reports to include language that differentiates water purchased from Crystal Springs from water purchased from Pilarcitos, which would assist in determining the amount of water obtained from local coastal water sources. Mr. Dickson indicated that staff could start providing this requested breakdown in the District's monthly production reports.
- 9) **ADJOURNMENT** - The meeting was adjourned at 8:10 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, President
Board of Directors