

**COASTSIDE COUNTY WATER DISTRICT**

**766 MAIN STREET**

**HALF MOON BAY, CA 94019**

**MINUTES OF THE BOARD OF DIRECTORS MEETING**

**Tuesday, March 12, 2013**

- 1) **ROLL CALL:** President Ken Coverdell called the meeting to order at 7:02 p.m. Present at roll call: Directors Bryan Hannegan and Bob Feldman. Director Chris Mickelsen was absent. Vice-President Glenn Reynolds arrived and joined the meeting at 7:41 p.m.

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS:** There were no public announcements.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending February 28, 2013:  
Claims: \$621,662.14; Payroll: \$73,130.01 for a total of \$694,792.17
- B. Acceptance of Financial Reports
- C. Approval of Minutes of February 12, 2013 Regular Board of Directors Meeting
- D. Approval of Minutes of February 28, 2013 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 Corrected Report - January 2013
- H. CCWD Monthly Sales by Category Report - February 2013
- I. February 2013 Leak Report
- J. Rainfall Reports
- K. San Francisco Public Utilities Commission Hydrological Report for February 2013
- L. Notice of Completion - Railroad Avenue Pipeline Replacement Project

Ms. Whelen stated that Director Mickelsen had reported to her that he had reviewed the monthly financial claims and found all to be in order.

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

<b>Director Mickelsen</b>	<b>Absent</b>
<b>Vice-President Reynolds</b>	<b>Absent</b>
<b>Director Hannegan</b>	<b>Aye</b>
<b>Director Feldman</b>	<b>Aye</b>
<b>President Coverdell</b>	<b>Aye</b>

**5) MEETINGS ATTENDED / DIRECTOR COMMENTS**

President Coverdell noted that Vice-President Reynolds had expressed an interest in sharing some information with the Board, and it was agreed to postpone discussion of this agenda item until later in the meeting, after agenda item 8B - Water Resources Report.

**6) GENERAL BUSINESS**

**A. Approval of Amendment to Water Supply Agreement with the City and County of San Francisco**

Mr. Dickson summarized the background of this amendment, which requires that San Francisco obtain the approval of the wholesale customers of the Regional Water System before abandoning or decommissioning O'Shaughnessy Dam or draining Hetch Hetchy Reservoir. He explained that Art Jensen, Chief Executive Officer, with the Bay Area Water Supply and Conservation Agency (BAWSCA), had worked with the staff from the San Francisco Public Utilities Commission (SFPUC) to produce the amendment. He further explained that the amendment had been approved by the SFPUC Commissioners, and once a sufficient number of the BAWSCA agencies approve the amendment, it will be completed. He reviewed details of the amendment and answered a few questions from the Board.

**ON MOTION BY Director Feldman, and seconded by Director Hannegan, the Board voted as follows, by roll call vote, to adopt Resolution 2013-02, a Resolution Approving an Amendment to the Water Supply Agreement with the City and County of San Francisco:**

<b>Director Mickelsen</b>	<b>Absent</b>
<b>Vice-President Reynolds</b>	<b>Absent</b>
<b>Director Hannegan</b>	<b>Aye</b>
<b>Director Feldman</b>	<b>Aye</b>
<b>President Coverdell</b>	<b>Aye</b>

**B. Draft Fiscal Year 2013-2014 Budget and Fiscal Year 2013/2014 to 2022/2023 Capital Improvement Program:**

Mr. Dickson presented the Draft Fiscal Year 2013-2014 Budget to the Board. He highlighted some of the shifts in the operating budget, due to the increasing role of Denniston, and the reduced utility costs associated with Crystal Springs. He explained that overall, there are no surprises in the operating expense budget. He also summarized the anticipated water sales and water production figures, followed by a discussion regarding some of the individual operating expenses.

Next, with participation from the Board, Mr. Dickson utilized the financing plan model to demonstrate the effects of a series of alternative rate increase scenarios and the results on the end-of-year reserve fund balances. Mr. Dickson also informed the Board that he would like to meet with the members of the Human Resources Committee soon to discuss the possibility of the addition of two new positions, an administrative position and another field maintenance position. The Board also discussed the pros and cons of establishing a multi-year rate increase program. Director Hannegan commended staff for the excellent budget presentation, which he noted, had set the stage for an outstanding and productive discussion by the Board.

**7) GENERAL MANAGER'S REPORT**

**1. Savings Due to BAWSCA Bond Issue and Debt Prepayment**

Mr. Dickson reported that the savings delivered by the debt prepayment will total \$40,210. for CCWD.

**2. Art Jensen Retirement**

Mr. Dickson informed the Board that Art Jensen, Chief Executive Officer, for the Bay Area Water Supply & Conservation Agency (BAWSCA), will be retiring effective in September. He reviewed many of Mr. Jensen's accomplishments, over the course of his career with BAWSCA.

**A. Operations Report**

Mr. Guistino shared some monthly highlights, including an update on the Denniston Creek Water Treatment Improvement Project and the Stone Dam Temporary Pipeline Project.

**B. Water Resources Report**

Ms. Brennan provided an update on the hydrological conditions for the 2013 Water Year.

At this point in the meeting, President Coverdell returned to Agenda Item No. 5

**MEETINGS ATTENDED / DIRECTOR COMMENTS**

Vice-President Reynolds referenced the articles he had provided from the American Water Works Association (AWWA) Journal regarding current water rate trends.

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

There were no comments or requests from the Board members. Mr. Miyaki announced that he would not be present at the April 9, 2013 Board meeting, but that Hanson Bridgett partner David Gehrig would attend in his place. Additionally, Director Hannegan reported that he has a conflict and will not be available to attend the April Board meeting as well, due to travel abroad to attend an International Energy Agency Conference.

- 9) Without objection, the meeting was adjourned at 9:00 p.m. The next meeting of the Coastside County Water District's Board of Directors will be on Tuesday, April 9, 2013.

Respectfully submitted,

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David R. Dickson, General Manager  
Secretary of the District

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Ken Coverdell, President  
Board of Directors