

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Wednesday, November 12, 2014

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

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; 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 October 31, 2014:
Claims: \$669,450.91; Payroll: \$80,504.36 for a total of \$749,955.27
➤ *October 2014 Monthly Financial Claims reviewed by President Reynolds*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of October 14, 2014, Regular Board of Directors Meeting
- D. Installed Water Connection Capacity and Water Meters Report
- E. Total CCWD Production Report
- F. CCWD Monthly Sales by Category Report - October 2014
- G. October 2014 Leak Report
- H. Rainfall Reports
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for September 2014

President Reynolds reported that he had reviewed the financial claims for the month of October 2014 and found all to be in order.

ON MOTION BY Director Mickelsen and seconded by Director Glassberg, the Board voted as follows, to accept and approve the Consent Calendar in its entirety:

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Director Flint reported on a recent "Connect the Coastside" workshop that he had attended and indicated that he had planned to continue to attend these meetings and encouraged the Board to attend as well.

6) GENERAL BUSINESS

A. Adjusting the Fiscal Year 2015 Financial Plan in Response to Drought-Related Revenue Shortfall

Mr. Dickson informed the Board, that as a result of the District's customers responding well to the District's request for voluntary conservation and water use restrictions, the year-to-date financials through October 31, 2014 show water sales approximately \$340,000 or about 9.4% below budget. He explained that assuming that the trend in conservation continues this shortfall in revenue would reduce the contribution to capital and reserves by about \$1 million in the current fiscal year. He referenced the tables provided in the staff report and discussed in detail some options that could be utilized to address the potential funding shortfall.

Mr. Dickson then reviewed a series of staff recommendations for the Board to consider, which included freezing Fiscal Year 2015 funding for Capital Improvement Project (CIP) projects as he had outlined, establishing a line of credit to access if needed for emergencies or to deal with further financial constraints, initiating the process for the FY 2016 long-term borrowing contemplated in the Financing Plan and developing CIP and Financing Plan scenarios based on the continuation of current reduced demand and possible further demand reductions.

Each of the Board members shared their thoughts on the subject, expressing concerns about long-term borrowing, especially for the purpose of funding operating expenses, about establishing a line of credit and deciding how those funds would be used, about options for dealing with potential allocation reductions, as well as penalties and rate increases from SFPUC in case of a water shortage emergency, and about prioritizing capital improvement projects. Mr. Dickson advised that this subject would be brought back to the Board for additional discussion in the future.

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

SFPUC Water Supply Update - Mr. Dickson shared highlights of SFPUC Assistant General Manager Steve Ritchie's, recent presentation of SFPUC's water supply conditions to the BAWSCA Water Supply Management Representatives, noting that the underlying message is that we should prepare ourselves for the possibility of mandatory rationing.

Administration Building Remodeling Project - Mr. Dickson reported that the remodeling project is progressing on schedule, with completion expected in approximately mid-December 2014.

A. Operations Report - Mr. Guistino updated the Board on the progress of the Nunes Utility Water System, and the current status of the Avenue Cabrillo Project Phase 3A, and El Granada Tank 2 projects.

B. Water Resources Report

Ms. Brennan provided updates on grant reimbursements, water savings from District customers of 11 percent, and the current California drought conditions.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no requests for future Board meetings expressed.

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

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, Vice-President
Board of Directors