

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday September 14, 2021

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer on March 16, 2020, as revised on March 31, 2020, the statewide Shelter-in-Place Order issued by the Governor in Executive Order N-33-20 on March 19, 2020, and the CDC's social distancing guidelines which discourage large public gatherings, the Boardroom was not open for the September 14, 2021, Regular Meeting of the Coastside County Water District. The Regular Meeting was conducted remotely via teleconference.

The Public was able to watch and/or participate in the public meeting by joining the meeting through the Zoom Video Conference link provided. The public was also able to join the meeting by calling a provided teleconference phone number.

1) ROLL CALL -President Glenn Reynolds called the meeting to order at 7:01 p.m. participating in roll call via Zoom Video Conference: Directors John Muller, Ken Coverdell, Chris Mickelsen and Vice-President Feldman.

Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel; James Derbin, Superintendent of Operations; Cathleen Brennan, Water Resource Analyst; Gina Brazil, Office Manager, Denise Ford, Administrative Assistant/Recording Secretary, and Nancy Trujillo, Accounting Manager.

Sanjay Gaur, Principal Consultant of Water Resources Economics and Nancy Phan, Senior Consultant of Raftelis Financial Consultants, Inc. were identified as participants in the meeting.

Members of the public: Michelle Dragony.

2) PLEDGE OF ALLEGIANCE

3) PUBLIC COMMENT - There were no public comments.

4) CONSENT CALENDAR

- A. Approval of disbursements for the month ending August 31, 2021:
Claims: \$761,970.08; Payroll: \$184,854.33 for a total of \$946,824.41
- B. Acceptance of Financial Reports
- C. Approval of Minutes of August 14, 2021, 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-August 2021
- G. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report
- H. Monthly Rainfall Reports
- I. Transfer Approved for August 2021
- J. SFPUC Hydrological Report for the Month of July 2021

Director Coverdell stated he had reviewed the monthly financial claims and found all to be in order.

Director Muller commented on Item G asking if there was any way that we could capture the water discharge from flushing into a tank to be used in landscaping or other uses. Mr. Derbin said it was logistically difficult to capture the water and President Reynolds said it was very expensive and not financially viable at this time.

A. ON MOTION BY Vice-President Feldman and seconded by Director Muller, the Board voted by roll call vote to approve the Consent Calendar:

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

5) MEETINGS ATTENDED/DIRECTOR COMMENTS

Director Mickelsen shared information from BAWSCA regarding the State Water Resources Control Board's emergency curtailment order on the Tuolumne River and San Joaquin River watersheds.

6) GENERAL BUSINESS

A. Discussion and Consideration of Potential Drought Rates Consistent with Water Shortage Contingency Plan

Ms. Rogren opened the discussion by noting that subsequent to the adoption of the updated Water Shortage Contingency Plan at the June 8, 2021 Board of Directors meeting, staff engaged Raftelis Financial Consultants, Inc. ("Raftelis") to model drought rates based on the District's Water Financial Plan and Rate Update Study dated August 3, 2020.

Ms. Rogren introduced Sanjay Gaur, Principal Consultant of Water Resources Economics and Nancy Phan, Senior Consultant at Raftelis to walk through their drought rate model. Mr. Gaur and Ms. Phan provided an overview of drought rates, noting that the drought rates are designed to recover lost revenue due to reductions in water usage and differences in water purchase costs. Surcharges are tied to specific drought stages as defined by the District's Water Shortage Contingency Plan. Based on Proposition 218 requirements, the drought rates

would be the maximum that the Board could implement in a drought, however the Board would have the discretion to implement a lower or no drought rates during a drought.

Ms. Phan walked through the details of the drought rate model and rate options. Ms. Phan, Mr. Gaur, and staff recommended that the District consider a uniform percentage rate calculation that would apply the same percentage increase to all commodity charges. Advantages of this approach include that it is easy to understand and administer; targets use and conservation; and promotes affordability.

Discussion ensued with the Board, and staff was directed to continue in its efforts to implement drought rates. Raftelis will prepare a draft report summarizing the model and proposed drought rates that are based upon the District's Water Financial Plan and Rate Update Study and utilizing the updated Water Shortage Contingency Plan. Staff will present the draft Raftelis report as well as a draft Proposition 218 notice for the drought rates at the November 9, 2021, Board of Directors Meeting with the goal of conducting a Public Rate Hearing at the January 11, 2022 Board Meeting.

B. Water Shortage Advisory and Public Outreach Update

Ms. Brennan provided an overview of the State Water Resources Control Board emergency curtailment order for the Delta Watershed (including the San Joaquin River watersheds) that became effective on August 19, 2021, and noted that SFPUC water supplies will be impacted. SFPUC has indicated that they will comply with the order, but SFPUC is also in the process of compiling data to appeal the order based upon health and safety considerations.

Ms. Brennan reported that key outreach activities included placing an "It's a Drought" banner on the side of the District's office building, and she thanked staff for their assistance in the installation.

Ms. Brennan also noted that water reductions for the month of August did not meet the Governor's requested goal of 15% reduction from 2020 levels. Ms. Brennan reported that the National Weather Service is forecasting La Nina conditions for the San Francisco Bay Area which suggests a dry winter season. If weather conditions remain dry and the District is not able to meet its water savings goal, the District may have to go into Stage 2 of the Water Contingency Plan before the end of the year.

C. Nunes Water Treatment Plant Improvement Project Update

Mr. Derbin touched on some of the highlights of the Nunes WTP Improvement Project Update which officially started construction on August 16, 2021. A brief video of the work that had been completed through September 13, 2021, was shared with the Board.

7) MONTHLY INFORMATION REPORTS

A. General Manager's Report

Ms. Rogren shared that the District joined 35 local governments and special districts in San Mateo County in providing updates to the San Mateo County 2021 Multijurisdictional Local Hazard Mitigation Plan. District staff participated in completing surveys and attending workshops from March to July 2021, and the draft plan was published in August 2021. Adoption of the plan (updated on a five-year cycle) allows the County and its partners to remain eligible for various types of pre-and post-disaster community assistance including grants from the Federal Emergency Management Agency (FEMA) and the State government.

Ms. Rogren also reported that District staff recently completed the State Water Resources Control Board Drinking Water Arrearages Survey that will be used by the State to determine a method of allocation of \$985 million of federal funds earmarked to provide relief to community water and wastewater systems for unpaid bills related to the pandemic.

B. Superintendent of Operations Report

Mr. Derbin summarized operations highlights for the month of August 2021.

8) DIRECTOR AGENDA ITEMS-REQUESTS FOR FUTURE BOARD MEETINGS

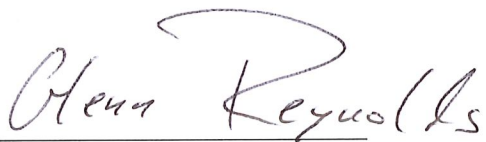
There were no requested future agenda items from the Board members expressed.

9) ADJOURNMENT-The Board Meeting was adjourned at 8:28 p.m.

Respectfully submitted,



Mary Rogren, General Manager
Secretary to the District



Glenn Reynolds, President
Board of Directors