

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

October 13, 2020

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 October 13, 2020 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 Chris Mickelsen called the meeting to order at 7:00 p.m. participating in roll call via Zoom Video Conference: Directors Jim Larimer, Ken Coverdell, Bob Feldman, and Vice-President Glenn Reynolds.

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

Sanjay Gaur, Vice President and Lauren Demine, Consultant with Raftelis Financial Consultants, Inc. were identified as participants in the meeting.

There were no members of the public in the audience.

2) PLEDGE OF ALLEGIANCE

3) PUBLIC COMMENT – There were no public comments.

4) CONSENT CALENDAR

- A. Approval of disbursements for the month ending September 30, 2020:
Claims: \$1,497,288.68; Payroll: \$177,130.22 for a total of \$1,674,418.90
- B. Acceptance of Financial Reports
- C. Approval of Minutes of September 8, 2020 Regular Board of Directors Meeting
- D. Approval of Minutes of September 18, 2020 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-September 2020
- H. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report
- I. Monthly Rainfall Reports
- J. SFPUC Hydrological Report for the Month of August 2020
- K. Approval for Director Feldman to attend the Association of California Water Agencies (ACWA) Fall Virtual Conference & Exhibition, December 2-3, 2020
- L. Water Service Connection Transfer Report – September 2020

Director Feldman reported that he had reviewed the monthly financial claims and found all to be in order.

ON MOTION BY Director Feldman and seconded by Director Larimer, the Board voted by roll call vote to approve the Consent Calendar:

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

5) MEETINGS ATTENDED/DIRECTOR COMMENTS

President Mickelsen commented on the BAWSCA Board deciding not to enter into the Multi-Party Cost Share Agreement for the Los Vaqueros Reservoir Expansion project.

6) GENERAL BUSINESS

- A. Public Hearing to Consider Proposed Amendment of Rate and Fee Schedule to Increase Water Rates for Fiscal Year 2020-2021 and Fiscal Year 2021-2022; Consideration of Resolution 2020-04 Amending the Rate and Fee Schedule and Finding that the Amendments are Exempt from the California Environmental Quality Act; Approval of Fiscal Year 2021/22 Operations and Maintenance Budget

Ms. Rogren provided a brief overview of the District’s budget process, referencing the eight budget-related public Regular and Special Board of Directors’ meetings including two Financial Planning and Rate Update Workshops with the District’s rate consultants, Raftelis Financial Consultants, Inc., four Finance Committee meetings and four Facilities Committee meetings that have been conducted since January of 2020.

Ms. Rogren reminded the Board that at the March 10, 2020 Board meeting, Mr. Sanjay Gaur, Vice President at Raftelis Financial Consultants, Inc. (“Raftelis”), conducted a Financial Planning and Rate Update Workshop and introduced a Draft Fiscal Year 2020/21 to 2024/25 Financial Plan. At the meeting, given the results of the Financial Planning model, the Board directed Staff to prepare a Proposition 218 notice for a proposed two-year rate increase of 6.5% for each year. However at a Special Meeting on April 3, the Board voted to table the discussion of a rate increase to the July 2020 Board meeting due to the COVID-19 pandemic and the uncertainty of the current economic situation.

At the July 14, 2020 Regular Board Meeting, Raftelis returned and conducted a second Financial Planning and Rate Update Workshop. Mr. Gaur presented a proposed updated financial planning model and reserve policy needed to meet the District’s revenue requirements and the bill impacts. At the August 11, 2020 Regular Board Meeting, the Board authorized Staff to schedule a Public Hearing for tonight and to issue a public hearing notice for “up to 5%” rate increase for the current and the next fiscal years to be effective January 1, 2021 and January 1, 2022.

Ms. Rogren briefly reviewed the O&M budgets for Fiscal Years 2020/2021 and 2021/2022 and the Fiscal Year 2020/2021 to Fiscal Year 2021/2022 Capital Improvement Program and how the rate proposal is supported by the “Cost of Service and Rate Study” (dated May 15, 2018) and the subsequent, “Water Financial Plan and Rate Update Study (dated August 3, 2020) prepared by Raftelis. Both of these reports were prepared in compliance with the substantive requirements of Proposition 218, and as interpreted by the Courts including the Capistrano Taxpayer Association, Inc. v. City of San Juan Capistrano decision.

Ms. Rogren then introduced Sanjay Gaur, Vice President, with Raftelis Consultants. Mr. Gaur began his presentation by reviewing the District’s Rate Study Process and the agenda for his presentation, which included a review of the Study Objectives, the Legal Environment, where he emphasized that all requirements of Proposition 218 had been met, the Rate Design and Results and the Customer Impacts, which he reviewed in detail. Mr. Gaur stated that it is the recommendation of Raftelis and District staff that the Board of Directors adopt the two years of proposed rates. He then answered several questions and addressed comments from the Board.

Open and Close Public Hearing – At 7:32, Patrick Miyaki opened and closed the public meeting, noting that there were no members of the public in attendance. He also noted that the District had received seven written protests.

ON MOTION BY Director Coverdell and seconded by Director Feldman, the Board voted by roll call vote to adopt resolution 2020-04 amending the rate and fee schedule and finding that the amendments are exempt from the California Environmental Quality Act:

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

ON MOTION BY Director Coverdell and seconded by Director Feldman, the Board voted by roll call vote to approve Fiscal Year 2021/22 Operations and Maintenance Budget:

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

B. Quarterly Financial Review

Ms. Rogren summarized the year-to-date revenue and expenses for the first three months of Fiscal Year 2020-2021. She also recapped CIP expenditures and the District's current cash reserves.

C. Approval of Laserfiche Software Lease and Support Agreement with Ray Morgan Company

Ms. Rogren detailed the need for the District to go paperless, describing how the District's current document storage needs to be updated and locating content is often difficult. The District would like to implement a Document Management System to manage the District's documents and records electronically in a centralized and unified repository. Laserfiche is an established software company that specializes in the local government document management space.

ON MOTION BY Director Coverdell and seconded by Director Larimer, the Board voted by roll call vote to authorize the General Manager to enter into a Laserfiche Software Lease and Support Agreement with Ray Morgan Company for five years in the amount of \$839/month or \$50,340 in total over five years (plus applicable sales taxes.)

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

D. Approval of Extension of Services Agreement with WaterSmart Software, Inc.

Ms. Rogren detailed the benefits of using WaterSmart Software, Inc. WaterSmart provides an online engagement web portal for customers to view their hourly and daily water usage and receive real-time leak alerts based upon the District's AMI (Advance Metering Infrastructure) data. Since implementing the software three years ago, District staff have notified customers of nearly 3,000 leaks.

ON MOTION BY Director Larimer and seconded by Director Coverdell, the Board voted by roll call vote to authorize the General Manager to extend the Software Service Agreement with WaterSmart Inc. for three years to 11/7/2023 in the amount of \$41,040:

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

E. **Approval of Change Order with EKI Environment and Water, Inc. for Additional Engineering Services During Construction for the Denniston Culvert Replacement and Paving Project**

Mr. Derbin provided background to the project, noting that the paved access road to Denniston tank is quite steep and has only been patch paved over the past 50 years. EKI was hired to evaluate options and prepare plans and specifications for bidding and to provide engineering services during construction. During construction it was discovered the outlet of the top storm drain was exposed and cantilevered off the steep slope with evidence of past erosion below the outfall. Given the discovered field conditions, EKI subcontracted with BAGG Engineering for Geotech support services to assist in developing a value engineered modified plan. This collaborative effort with District staff, EKI, BAGG Engineers and the contractor required several additional field meetings and design renditions.

Director Coverdell voiced his disappointment regarding the high cost of the change. Vice-President Reynolds suggested the next time EKI needs to submit a change order, they will need to come before the Board to discuss why such a change order is needed.

ON MOTION BY Director Feldman seconded by and Director Coverdell, the Board voted by roll call vote to authorize the General Manager to amend the professional services agreement with EKI Environment and Water, Inc. (EKI) for engineering services during construction for the Denniston Culvert Replacement and Paving Project. The original agreement amount was \$19,600 plus a change order for an additional \$29,200, for an adjusted total budget of \$48,800:

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

7) MONTHLY INFORMATION REPORTS

A. **Superintendent of Operations Report**

Mr. Derbin reviewed the operations highlights for the month of September 2020.

8) CLOSED SESSION

Conference with Real Property Negotiators
Pursuant to California Government Code Section 54956.8
Property: 170 Del Monte Road, El Granada, CA 94018 [APN 047-181-080]
Agency Negotiator: Mary Rogren, General Manager
Negotiating Parties: Steven Zmay and Kathy ZMay
Under Negotiation: Price and Terms of Payment

In the closed session, the Board took action by a 5 to 0 vote. Pursuant to Government Code Section 54957.1, the substance of that action need not be disclosed at this time.

9) DIRECTOR AGENDA ITEMS-REQUESTS FOR FUTURE BOARD MEETINGS

Request for a strategic planning session for the future

10) ADJOURNMENT-The Board Meeting was adjourned at 8:53 p.m.

Respectfully submitted,

Mary Rogren, General Manager
Secretary to the District

Chris Mickelsen, President
Board of Directors