

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, March 8, 2022

Due to the Covid-19 pandemic, and in accordance with Assembly Bill 361, which modifies California Government Code Section 54953, the Boardroom was not open to the public for the March 8, 2022, Regular Meeting of the Board of Directors of the Coastside County Water District. The Regular Meeting was conducted remotely via teleconference.

The Public was able to 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 Bob Feldman called the meeting to order at 7:00 p.m.
Participating in roll call via Zoom Video Conference: Directors Ken Coverdell, Chris Mickelsen, Glenn Reynolds and Vice-President Muller.

Also present: Mary Rogren, General Manager, Patrick Miyaki, Legal Counsel; James Derbin, Superintendent of Operations; Cathleen Brennan, Water Resource Analyst; Gina Brazil, Office Manager; and Lisa Sulzinger, Administrative Analyst.

Also participating: Brant Smith, Backstrom McCarley Berry & Co.
- 2) **PLEDGE OF ALLEGIANCE**
- 3) **PUBLIC COMMENT** - There were no public comments
- 4) **Consider and Reaffirm Resolution 2021-06 "Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person"**

Ms. Rogren summarized Governor Newsom's Executive Order dated back on March 4, 2020, that declared a State of Emergency to exist in California because of the threat of COVID 19. The Executive Order N-29-20 suspended certain provisions of the Ralph M. Brown Act relating to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect the spread of COVID-19 and to protect the health and safety

of the public. On June 11, 2021, the Governor issued Executive Order N-08-21 which specified that Executive Order N-29-20 remain in effect through September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill (AB361) into law to allow legislative bodies to continue to meet remotely during a proclaimed State of Emergency after September 30, 2021. On October 8, 2021, the Board adopted Resolution 2021-06. Per AB361, the Board will need to consider and reaffirm the findings of Resolution 2021-06 monthly proclaiming that the State of Emergency continues to impact the ability of members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to Reaffirm Resolution 2021-06 "Making Findings Pursuant to Assembly Bill 361 That the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person":

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

5) CONSENT CALENDAR

- A. Approval of disbursements for the month ending February 28, 2022:
Claims: \$784,084.03; Payroll: \$186,641.90 for a total of \$970,725.93
➤ *February 2022 Monthly Financial Claims reviewed and approved by Director Muller*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of February 8, 2022, Regular Board of Directors Meeting
- D. Approval of Minutes of February 8, 2022, Special Board of Directors Meeting
- E. Approval of Minutes of February 17, 2022, Special Board of Directors Meeting
- F. Installed Water Connection Capacity and Water Meters Report
- G. Total CCWD Production Report
- H. CCWD Monthly Sales by Category Report February 2022
- I. Monthly Planned Plant or Tank Discharge and New Water Line Flushing Report
- J. Monthly Rainfall Reports
- K. SFPUC Hydrological Conditions Report – January 2022

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

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

6) **MEETINGS ATTENDED / DIRECTOR COMMENTS**

Vice-President Muller reported that he was one of four candidates who applied for the open Association of California Water Agencies (ACWA) Region 5 Board Member position. After a brief presentation at a recent ACWA Region 5 Board meeting, Vice-President Muller was selected to become the ACWA Region 5 Board Member.

Vice-President Muller stated he recently became aware of a State Low Income Household Water Debit Relief Program and will share the information with staff.

7) **GENERAL BUSINESS**

A. Review of Proposed Ordinance Declaring a Water Shortage Emergency and Implementing Mandatory Water Use Restrictions and Confirm Date and Time of Public Hearing for the Proposed Ordinance.

Ms. Brennan summarized the Proposed Ordinance Declaring a Water Shortage Emergency and Implementing Mandatory Water Use Restrictions.

California is experiencing a third consecutive year of drought, and drought conditions are impacting all of the watersheds that the District relies on for water supplies. Governor Newsom has declared a statewide drought emergency, the State Water Resources Control Board (SWRCB) has adopted emergency water conservation regulations to supplement voluntary water conservation, and the San Francisco Public Utilities Commission (SFPUC) has declared a water shortage emergency and has allocated the District an average of .9 million gallons per day (MGD) for calendar year 2022.

Staff is proposing the adoption of an Ordinance that declares a Stage 2 Water Shortage situation pursuant to the District's Water Shortage Contingency Plan and California Water Code Sections 350 et seq. and 31026 et seq., and implements mandatory water use restrictions consistent with the SWRCB emergency regulations. The District's goal with adoption of the Ordinance is to reduce water sales by 17% by eliminating water waste and reducing irrigation by 50%.

President Feldman confirmed that we need to move forward with the Public Hearing to occur on Thursday, March 24, 2022 at 7:00pm to consider adoption of the proposed Ordinance.

B. Consider Resolution 2022-05 Approving the Minimum Purchase Amendment to the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County.

Ms. Rogren explained that Resolution 2022-05 and the next Resolution 2022-06 considering approval of amendments to the Water Supply Agreement.

Resolution 2022-05 provides for approval of the Minimum Purchase Amendment to the Water Supply Agreement and will allow wholesale customers with Individual Supply Guarantees to permanently transfer a portion of its Minimum Purchase Quantity through a defined and expedited process. The amendment provides for procedural safeguards built into the process by which a Wholesale Customer may transfer a portion of its Minimum Purchase Quantity and ISG while ensuring that such transfers will not result in new or different risks to the water supply and financial interests of Wholesale Customers not participating in the transfer.

The City and County of San Francisco, acting by and through the SFPUC, approved the 2021 Amended and Restated Water Supply Agreement as negotiated by BAWSCA (and incorporating this amendment) on January 26, 2021.

Ms. Rogren and Director Mickelsen agreed that approval of the amendment should not have any water supply or financial impact on the District.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to adopt Resolution 2022-05 Approving the Minimum Purchase Amendment to the Amended and Restated Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County:

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

C. Consider Resolution 2022-06 Approving a Minimum Purchase Transfer from the City of Mountain View to the City of East Palo Alto.

In 2017, the City of Mountain View and the City of East Palo Alto executed a water rights transfer agreement for the permanent transfer of all rights, title, and interest in 1.0 MGD of Mountain View's Individual Supply Guarantee (ISG) to East Palo Alto, however there was no ability to transfer the Minimum Purchase Quantity to East Palo Alto without an amendment to the Water Services Agreement. This Amendment provides for approval for the conversion of up to 1.0 MGD of Mountain View's ISG plus up to 1.0 MGD of Mountain View's Minimum Purchase Quantity under a pre-defined process.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted by roll call vote to adopt the Resolution 2022-06 Approving a Minimum Purchase Transfer from the City of Mountain View to the City of East Palo Alto:

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

D. Waive the Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Enter into a Contractual Agreement with Half Moon Bay Paving and Grading Inc. for Denniston Road Storm Damage Repairs.

Mr. Derbin explained that the intense storms in October and December 2021 caused significant damage to the Denniston Road that is used to access the Denniston Water Treatment Plant. Due to the urgency to complete the repair work before the next heavy rainstorm, staff solicited informal bids from three local contractors. Half Moon Bay Paving and Grading Inc. submitted the lowest bid of \$83,913.

ON MOTION BY Director Reynolds and seconded by Vice-President Muller, the Board voted by roll call vote to Waive the Procedural Requirements for Sealed Competitive Bids and Authorize the General Manager to Enter into a Contractual Agreement with Half Moon Bay Paving and Grading Inc. for Denniston Road Storm Damage Repairs:

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

E. Waive the Procedural Requirements in the District’s Policies and Procedures for Award of Contracts and Authorize the General Manager to Enter into an Agreement with Pump Repair Service Company for the Crystal Springs Pump 2 Replacement including Purchase of a New Spare Pump and 350 Hp Motor, Materials, Refurbishment of Old 350 Hp Motor, and Installation.

Crystal Springs Pump Station (CSP) #2 Pump (“P2”) currently has 19,000 hours of runtime on it, is 13 years old, and is approaching the end of its service life. Mr. Derbin explained that Crystal Springs is a primary water source for the District, and given recent equipment supply chain issues, staff recommends proactively replacing P2 in order to avoid possible down time due to order delays during critical summer months when CSP is operational.

Staff is recommending that the replacement pump for P2 be Floway only to precisely match the original high head design point of these pumps and in order to minimize the need to stock, or have available, various brands of spare parts for different pumps. Pump Repair Service Company (PRS) is the exclusive distributor of the Floway pumps.

Staff is therefore requesting that the Board waive the competitive bidding requirements of Resolution 2016-09 in order to sole source the purchase and installation from PRS in the not to exceed amount of \$246,618.

ON MOTION BY Director Reynolds and seconded by Director Mickelsen, the Board voted by roll call vote to Waive the Procedural Requirements in the District’s Policies and Procedures for Award of Contracts and Authorize the General Manager to Enter into an Agreement with Pump Repair Service Company for the Crystal Springs Pump 2 Replacement including Purchase of a New Spare Pump and 350 Hp Motor, Materials, Refurbishment of Old 350 Hp Motor, and Installation. Amount not to exceed \$246,617.04:

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

F. Review Loan Terms with First Foundation Bank for the Financing of Capital Improvements to the Water System.

Ms. Rogren provided an overview of the terms of a \$7Million financing with First Foundation Bank that is scheduled to close on March 11, 2022. The 20-year loan will fund the Nunes Water Treatment Plant Improvement Project. First Foundation Bank, a reputable lender based in Irvine, California, provided the most favorable terms out of 8 lenders, with an "All in Cost" interest rate of 2.34%.

At the February 8, 2022 Board of Directors Meeting, the Board approved Resolution 2022-03 that authorized approval of the loan agreement and authorized the General Manager to execute the agreement and related documents. At a Special Board Meeting on February 17, 2022, staff and the District's Municipal Advisor, Brant Smith, reviewed the results of the requests for proposals and recommended First Foundation Bank as the lender. President Feldman and Ms. Rogren signed the loan documents on March 7, 2022.

Mr. Smith also attended the Board meeting and answered questions from the Board.

G. Nunes Water Treatment Plant Upgrades Project Update #7.

Mr. Derbin gave an update on the progress made at the Nunes Water Treatment Plant during February 2022. Work included construction of drainage v-ditches; access road stabilization; and grading and excavation, electrical conduit installation, formwork, rebar, and concrete placement for the equipment pads in the caustic process area. The project schedule continues to be assessed due to supply chain issues.

H. Consider Resolution 2022-07 Concurring In Nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA-JPIA")

ACWA-JPIA has invited member agencies to submit nominations to fill a vacancy on the ACWA-JPIA executive Committee. John H. Weed, President of the Board of Directors of Alameda County Water District, has requested Coastside County Water District's support of his nomination by submitting a concurring resolution.

President Feldman, Vice President Muller and Director Mickelsen know Mr. Weed and believe him to be well-qualified for the position.

ON MOTION BY Vice-President Muller and seconded by Director Mickelsen, the Board voted by roll call vote to approve Resolution 2022-07 Concurring In Nomination of John H. Weed of Alameda County Water District to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority ("ACWA-JPIA"):

Director Coverdell
Director Mickelsen

Aye
Aye

Director Reynolds	Aye
Vice-President Muller	Aye
President Feldman	Aye

I. Covid-19 and Reopening of District Office Update

Ms. Rogren provided an update regarding reopening of the District's office. Staff is considering opening in May, 2022 assuming that the COVID-19 case counts remain low.

8) MONTHLY INFORMATIONAL REPORTS

A. General Manager's Report

- Ms. Rogren reported that SFPUC recently announced a proposed FY2022-2023 wholesale rate increase of 15.9% to be effective on July 1, 2022.
- At the encouragement of the County of San Mateo's lobbying team, staff sent an "Oppose Unless Amended" letter to legislators on the Proposed Trailer Bill impacting ERAF disbursements. If the bill passes, the District could lose \$111,000 per year in ERAF funds that would be transferred to the State of California.
- On March 3, at the request of the City of Half Moon Bay, President Feldman, Director Coverdell, Mary Rogren, and Cathleen Brennan from the District met with the Mayor, Vice-Mayor, the City Manager and Director of Public Works. Topics included a drought update, the 2020 Urban Water Management Plan and the future of Water Reuse.
- District staff has finalized logo designs for the District's 75th anniversary (coming up in July 2022).

B. Superintendent of Operations Report

Mr. Derbin summarized Operations highlights for the month of February 2022.

C. Water Resources Report

- Water Shortage Advisory and Public Outreach Update.

Ms. Brennan noted that drought conditions continue to be severe across the state of California. Next critical milestone is April 15, after the April 1st snow survey of the season.

9) **ADJOURNMENT:** Meeting adjourned at 8:38pm



Robert Feldman, President
Board of Directors



Mary Rogren, General Manager
Secretary to the District