

*COASTSIDE COUNTY WATER DISTRICT*

*766 MAIN STREET*

*HALF MOON BAY, CA 94019*

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS**

**May 11, 2004 - 7:30 p.m.**

- 1) **ROLL CALL:** President Muller called the meeting to order at 7:30 p.m. Present at roll call were Directors, Everett Ascher, Ken Coverdell and Chris Mickelsen, Jim Larimer was absent.

Also present were Ed Schmidt, General Manager; Anthony Condotti, Legal Counsel; Jim Teter, District Engineer; John Davis, Field Supervisor; JoAnne Whelen, Administrative Assistant/Recording Secretary, Gina Brazil, Office Manager and Bridget Burns, Office Specialist.

- 2) **PLEDGE OF ALLEGIANCE:** Everyone stood for the Pledge of Allegiance.

- 3) **PUBLIC ANNOUNCEMENTS:** There were no announcements made by the public at this time.

- 4) **CONSENT CALENDAR**

- A. Requesting the Board to review disbursements for the month Ending April 30, 2004 - Claims: \$316,059.01; Payroll: \$53,767.13 for a total of \$369,826.14
- B. Acceptance of Financial Reports
- C. Minutes of the Meeting of April 13, 2004 of the Board of Directors
- D. Monthly Water Transfer Approval Report

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted unanimously to accept the Consent Calendar in its' entirety.

- 5) **REPORT OF THE GENERAL MANAGER**

- A. Update on the status of the Casa Del Mar Pipeline Replacement Project and Phase 2 of the El Granada Transmission Pipeline Replacement Project

The General Manager reviewed the current status of the project, indicating that CalTrans had advised the District that an encroachment permit would be issued "very soon". President Muller added that he had recently learned at his continuing education seminar in Monterey, that this is a difficult period for state agencies and that they are working very hard during these times.

Unless directed otherwise, given the information that San Mateo County will be repaving some of the streets that are included in the Phase 2 portion of the El Granada Transmission Replacement Project, the General Manager indicated that the district would proceed with pipeline construction within this portion, as an "emergency project" and will proceed with issuing a change order to the upcoming Stoloski & Gonzales, Inc. contract (for the Roosevelt water pipeline replacement project).

At President Muller's request, Anthony Condotti, District Legal Counsel, reviewed the legal aspects of handling this situation with the issuance of a change order. Mr. Condotti indicated that the basic premise is that this is an emergency project and since a contract is being awarded to the contractor, CCWD has the ability under district policy to award it in this fashion. President Muller expressed his appreciation to district staff, the Engineer and Legal Counsel for proceeding in this manner, allowing for a minimum of disruption and expenses to the community.

**B. Status Report of current permitting activities for critical Non-Crystal Springs Capital Improvement Projects**

The General Manager referred to the district maps that have recently been produced and displayed, depicting all current projects locations. He reviewed in detail, the status and locations of all ongoing district projects.

President Muller expressed his appreciation to staff in having the project maps completed and indicated that they will be a valuable tool in keeping the public informed of the progress of the district's improvement projects.

C. **Discussion and possible direction to staff regarding San Francisco Public Utilities Commission (SFPUC) Wholesale Customer Water Conservation Program Evaluation**

The General Manager provided a brief summary of the history, purpose, and importance of providing an estimate of the water conservation potential for the district and the other SFPUC sub-regional wholesale customers, which is one of the components of SFPUC's "Programmatic Environmental Impact Report (PEIR). He discussed the draft of the locale specific data that the district has been requested to review and indicated that district staff would be reviewing the information for accuracy. He further explained that 32 water conservation measures were analyzed, and organized into three basic programs, with increased costs and benefits and potential for return. The General Manager indicated that he would request that a representative from BAWSCA come to the June board meeting so that the Board can ask questions regarding the suggested programs.

Director Ascher recommended that district staff communicate with the Half Moon Bay Chamber of Commerce to possibly obtain some of the commercial data.

At this time, the General Manager distributed copies of the current water conservation coordinator job description and stressed the importance of filling this position to promote the district's water conservation programs.

D. **Establishment of an ad hoc committee to examine and make recommendations to the Board of Directors concerning remodeling of existing facilities and/or potential acquisition of new facilities**

The General Manager explained that the finance committee recommended that an ad hoc committee be established to examine and recommend options concerning the potential remodeling of the district's facilities. President Muller agreed with the recommendation, indicating that he was willing to serve on the committee. Director Ascher also agreed to serve as a member of the committee. President Muller requested that two district staff members serve on the committee as well. Director Ascher

suggested that one member be from the field operations and the other committee member be from the office staff. The General Manager stated that he would seek nominations for these two committee member positions at the employee meeting, scheduled for Thursday, May 13, 2004.

E. **Discussion and possible direction to staff to modify district policy and procedures manual to pay Board members for committee attendance**

The General Manager provided a brief potential fiscal impact on this possible modification to the district's policy and procedures. President Muller reported that he researched this subject extensively at the recent ACWA conference in Monterey. He expressed the importance of having guidelines and a policy set in place. He also reported being surprised to learn that as a rule, most districts and boards do receive compensation for participation in committee meetings. He suggested that this matter be discussed in further detail by the Board, and felt that it was important to point out that by not providing a provision for compensation to board members, it could possibly exclude members of the public from being willing and able to serve on the board, which could be viewed as discriminatory, and felt that this should be a consideration in determining the policy guidelines.

Director Coverdell commented that the Directors spend a considerable amount of time to prepare for the monthly board meetings and carry out their duties, and felt that possibly the compensation for attendance at committee meetings could be structured on a different scale of compensation, possibly \$50.00 per meeting, as the meetings typically involve less time and preparation.

Anthony Condotti, legal counsel briefly commented on the proposed Ortiz bill, which if it passes, will affect the change in the current state law. He briefly recapped some of the current laws and also discussed the related issues contained in the water code. He indicated that the Ortiz bill has been amended a number of times since it was introduced in February and if passed as presently drafted, will limit Board member compensation to \$100.00 as a flat amount, eliminating the annual adjustment provision (currently up to 5% annually) and would also limit the amount of compensation to a maximum of \$600.00 per month,

regardless of the amount of days of service. It would also require that each day of service be part of a noticed meeting under the Brown Act.

President Muller indicated that the Board needed to take a look at the percentage of the District's budget, the percentage of meetings and take a look at Board seminars and training and analyze all aspects of this issue. He also stated that the list of committees should be reviewed by the General Manager and the Board and felt that many of the committees are no longer required and could be eliminated. President Muller directed that this item be brought back to the Board and stated that with Mr. Condotti's guidance, the Board would be able to put a good policy in place.

The General Manager reported that the finance committee has been looking into this subject and has some great recommendations for reorganizing the budget to categorize and record the appropriate expenses. President Muller expressed his appreciation to the finance committee for their hard work and dedication.

Director Coverdell suggested that staff be directed to place an amount of \$3,600.00 into the budget as a placeholder for this budget item.

Director Ascher recommended that the individual committees be reviewed and arranged into two categories - (1) standing committees and the (2) ad hoc committees. The standing committee meetings could be budgeted and a place-holding budget figure could be assigned to the ad-hoc committees.

President Muller indicated that he would like the finance committee to continue to move forward with this issue.

**F. Update on the status of the three (3) vacant positions at the District - Superintendent, Engineer, and Water Conservation Coordinator**

The General Manager reviewed the three vacant positions available at the district, indicating that he would pursue a local recruitment for the water conservation coordinator position if no current district employees expressed an interest in the position, followed by an expanded scope of search, if necessary until the position could be filled.

The General Manager then passed out flyers for the recruitment of the other two positions (Superintendent of Operations and Superintendent



of Engineering) currently being handled by L.B. Hayhurst & Associates and reviewed several of the publications where the advertisement has appeared. He indicated that L.B. Hayhurst has reported receiving approximately ten applications for each position to date, with another two weeks until closing of the recruitment. He explained that Hayhurst would do the initial screening, possibly submitting the final top 8 or 9 applicants to the district and at this time, the General Manager stated that he would be interested in having one or two board members willing to attend and participate in the interview process.

**G. General Manager Activities**

There were no questions on this agenda item. The General Manager reported that he would be attending the California Coastal Commission meeting scheduled for May 12, 2004 concerning the Moss Beach Highlands Project.

**6) ATTORNEY'S REPORT**

**A. Special District Reform Legislation - SB 1272 - (Ortiz)**

Mr. Condotti addressed the Board regarding SB 1272, a comprehensive special district reform bill sponsored by Senator Ortiz of Sacramento. He stated that the Senate Local Government Committee met and discussed SB 1272 and it was reported that the Association of California Water Agencies and the California Association of Sanitation Agencies have taken a position in opposition to SB 1272 and the Senators of the local government committee have expressed concerns about the bill as it is proposed. It is expected that the bill will be passed at some point during the summer.

President Muller reported having recently attended two seminars on the bill, presented at the recent ACWA conference in Monterey. He stated that he felt the district's ethics training was up to speed and that the district should wait and see what amendments are proposed.

Director Ascher reviewed the points he learned recently at the Special District's Institute conference regarding un-committed reserve funds and the importance of properly allocating funds.

Mr. Condotti then reviewed some of the current provisions of SB 1272.

7) **ENGINEER'S REPORT**

A. **Engineering Projects Received in April, 2004**

Mr. Teter addressed the Board and reported that there had been no new projects received during the month of April 2004.

B. **District Engineer Work Status Report**

Mr. Teter explained that this report contained the status of the current projects in progress and indicated that several of the projects were on the agenda for award of contract at this meeting.

At this point, President Muller inquired about the condition of the Alves water tank, indicating that some large rust stains are apparent on the exterior of the tank. Mr. Teter, and Mr. Davis, Field Supervisor stated that they were aware of the condition and plans were in the works to spot paint the tank.

C. **El Granada Pump Station No. 3 Pump, Hydropneumatic Tank and Piping Modifications Project**

Mr. Teter reported that he was very pleased with the bid results on all of the recent projects, indicating that he felt some of the very best contractors available would be working on the district's projects. He stated that the low-bidder was Anderson Pacific Engineering Construction Company, Inc. with a bid of \$285,000 and that he was familiar with the contractor's work and had direct experience working with them on other projects, including pump stations.

**ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted by roll call vote as follows, to award the contract for the project construction of the El Granada Pump Station No. 3 Pump, Hydropneumatic Tank and Piping Modifications Project to Anderson Pacific Engineering Construction Company, Inc. in the amount of \$285,000.00:**

|                    |        |
|--------------------|--------|
| Director Larimer   | Absent |
| Director Ascher    | Aye    |
| Director Coverdell | Aye    |
| Director Mickelsen | Aye    |
| President Muller   | Aye    |

**D. Sampling Stations Installation Project**

Mr. Teter reported that the low bidder for the sampling station installation project was a local contractor, Stoloski & Gonzalez, Inc., which in his opinion was great news, and that CCWD has worked previously with them on a number of district projects and was very pleased with the quality of their work.

**ON MOTION by Director Ascher and seconded by Director Mickelsen, the Board voted by roll call vote as follows, to award the contract for the sampling stations installation project to Stoloski & Gonzalez in the amount of \$49,600.00:**

|                    |        |
|--------------------|--------|
| Director Larimer   | Absent |
| Director Ascher    | Aye    |
| Director Coverdell | Aye    |
| Director Mickelsen | Aye    |
| President Muller   | Aye    |

**E. Roosevelt/Alameda Pipeline Replacement Project**

Mr. Teter stated that the low bidder for this project was also Stoloski & Gonzales, Inc. in the amount of \$430,020.00, which was approximately \$120,000.00 less than the Engineer's estimate. John Davis, Field Supervisor reported that district staff has been very impressed with this contractor's work on previous district projects and the Board agreed that they were very pleased with the bid amount.

**ON MOTION by Director Ascher and seconded by Director Mickelsen, the Board voted by roll call vote as follows, to award the contract for the Roosevelt/Alameda Pipeline Replacement Project to Stoloski & Gonzalez, Inc. in the amount of \$430,020.00:**

|                    |        |
|--------------------|--------|
| Director Larimer   | Absent |
| Director Ascher    | Aye    |
| Director Coverdell | Aye    |
| Director Mickelsen | Aye    |
| President Muller   | Aye    |



F. **Materials Purchase for Roosevelt/Alameda Pipeline Replacement Project**

Mr. Teter explained the reasoning and advantages of obtaining a separate bid for the materials portion of a large pipeline project. Two proposals were received, with the lowest price presented from the Roberts & Brune Company.

**ON MOTION by Director Mickelsen, and seconded by Director Ascher, the Board voted by roll call vote as follows, to award the contract for the materials purchase to Roberts & Brune Company for the Roosevelt/Alameda Pipeline Replacement Project in the amount of \$50,656.81:**

|                    |        |
|--------------------|--------|
| Director Larimer   | Absent |
| Director Ascher    | Aye    |
| Director Coverdell | Aye    |
| Director Mickelsen | Aye    |
| President Muller   | Aye    |

At this point in the meeting, President Muller requested that Director Ascher, a member of the Finance Committee, present the Board with a total dollar amount of the projects awarded at this meeting. Director Ascher reported that the district had invested one million, three hundred sixteen thousand dollars in the infrastructure necessary to improve the quality of life for our residents and for our ratepayers. Director Ascher expressed his congratulations to the district for this accomplishment and stated that it was a pleasure to be able to say that, and it is wonderful that we are finally in a position where all of the projects that the district has talked and tried to do for so long are finally coming together and that it was wonderful to see these projects started.

President Muller invited each of the directors to express their comments on this matter.

Director Mickelsen added that he was excited that their campaign promises were actually being fulfilled, that all four of the directors ran on the campaign promise to improve the district's infrastructure and that he was very happy and proud to see this being accomplished.

Director Coverdell referred to the new map depicting the district's current projects, stating that he found it to be exciting because it is obvious that people throughout our district are reaping these benefits, not only one isolated section is getting a special piece of treatment, and that it is wonderful, and not often that you are able to witness that kind of balance.

President Muller expressed his appreciation to the district staff, employees and consultants and relayed how proud he was of this Board of Directors, who have all worked together for a very long time to initiate and accomplish these projects for the district, which will be a benefit to all of the coastside and community to ensure that we have a safe and adequate water supply. He added that a lot of discussion takes place about infrastructure in America and the neglect of infrastructure and he is happy that this district is addressing this, although it has taken some time, and he thanked everyone and commented that he is sure that our present and future ratepayers will thank us and once again expressed his appreciation.

8) **OPERATIONS REPORT**

- A. Water Service Connections Installed, Priority and Non-Priority
- B. Capital Improvement Program Progress
- C. Water Sample Report, Local Production, Water Purchases, Leaks, etc.
- D. San Francisco Public Utilities Commission Hydrological Conditions Report for March 2003

Field Supervisor John Davis answered a few questions from the Board regarding the number of leaks over the last month and the amount of water being utilized, which was due to the number of days of unusually warm weather. Mr. Davis indicated that with these weather conditions, it would be necessary to switch over to Crystal Springs soon because we are already pumping the maximum out of Pilarcitos and Denniston.

Discussion ensued about possible drought conditions with President Muller reporting that he recently learned at the ACWA conference in Monterey, that the Colorado River is at fifty percent of capacity and that there are serious water situations in Arizona and the southwestern part of the United States, as well as in the Santa Barbara area, where their water supplies are at fifty percent of capacity as well. President Muller summed

it up by saying that he believes we should all remind ourselves to be cautious and be aware of the water situation and conservation measures and stressed the importance of bringing the water conservation coordinator on board as soon as possible.

**9) MEETINGS ATTENDED/SCHEDULED - BOARD OF DIRECTORS**

President Muller explained that another subject discussed at the ACWA conference in Monterey was the importance of Board members providing oral reports to the Board, after attending conferences, seminars, workshops, etc., for the purpose of sharing the information, as well as making it part of the record.

President Muller informed the Board that over 1700 people attended the ACWA conference and he found it very effective and interesting. He had the opportunity to attend many different workshops on a variety of subjects, including desalinization, legal issues, security and engineering. He reported that he had an opportunity to provide a presentation at the ACWA conference, in which the theme was "Thinking Outside the Box". In his presentation he shared information about some of the district's experiences over the past few years and some of the projects the district is pursuing. He also reported that he would be attending the U.S. Environmental Protection Agency Advisory Committee meeting in Kansas City, with an emphasis on local government water and environmental issues. He indicated that he would provide an informational report to the Board at the June meeting.


**10) AGENDA ITEM AND DIRECTOR COMMENTS**

President Muller requested an update on the district's vulnerability study to be presented at the July Board meeting, stressing the importance of having a good plan and strategy in place in the event of a disaster.


**11) ADJOURN**

The meeting was adjourned at 8:56 p.m. The next scheduled meeting of the Coastside County Water District Board of Directors will be held on June 8, 2004

Respectfully submitted,

  
\_\_\_\_\_  
Ed Schmidt, General Manager

Approved:

  
\_\_\_\_\_  
John Muller, President