

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Tuesday, February 8, 2011 - 7:00 p.m.

- 1) **ROLL CALL** - President Feldman called the meeting to order at 7:00 p.m. Present at roll call: Director Ken Coverdell, Vice-President Jerry Donovan, and Director Chris Mickelsen.

Also present were: David Dickson, General Manager; Patrick Miyaki, Legal Counsel; Joe Guistino, Superintendent of Operations; Cathleen Brennan, Public Outreach/Program Development/Water Resources Analyst; JoAnne Whelen, Administrative Assistant/Recording Secretary; and Gina Brazil, Office Manager.

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENTS** - There were no public comments

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending January 31, 2011: Claims 328,544.91; Payroll: \$ 72,526.31 for a total of \$401,071.22
- B. Acceptance of Financial Reports
- C. Approval of Minutes of the January 11, 2011 Board of Directors Meeting
- D. Monthly Water Transfer Report
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report
- H. January 2011 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for January 2011
- K. Notice of Completion - Crystal Springs Pump Station Exterior Painting Project

President Feldman stated that Director Larimer had advised him that he had reviewed the monthly financial claims and found all to be in order.

Director Coverdell requested that the Monthly Sales by Category Report be revised to include another column that indicates the actual percentages of the residential and commercial total water usages. Mr. Dickson informed the Board that these changes would be incorporated in the monthly report, in addition to several other improvements staff is currently integrating into these monthly reports.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to accept the Consent Calendar in its entirety:

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| Director Coverdell | Aye |
| Vice-President Donovan | Aye |
| Director Larimer | Absent |
| Director Mickelsen | Aye |
| President Feldman | Aye |

5) MEETINGS ATTENDED/DIRECTORS COMMENTS

Vice-President Donovan noted that he had attended a meeting of the Coastside County Water District/Montara Water & Sanitary District Mutual Interest Committee, which would be discussed later on in the meeting. In Director Larimer's absence, President Feldman provided the report on his attendance at the San Mateo County Special District's Association meeting.

6) GENERAL BUSINESS

A. Proposal for Assistance with the District's 2010 Urban Water Management Plan

Mr. Dickson introduced Mr. Gerry Nakano with West Yost Associates, Inc. and referred discussion of this item to Cathleen Brennan, Water Resource Analyst. Ms. Brennan stated that District staff is recommending using West Yost Associates, a leading water resources planning firm, to assist the District in publishing the 2010 Urban Water Management Plan (UWMP). Ms. Brennan explained that due to changes in the UWMP guidelines from the Department of Water Resources, which are still not finalized, that preparation of the document will take a significant effort

requiring outside assistance and expertise. Ms. Brennan answered several questions from the Board members about the UWMP requirements and deadlines.

President Feldman then requested that Mr. Nakano briefly comment on the new requirements and provide some insight on Wes Yost Associates' experience in the preparation of Urban Water Management Plans. Mr. Nakano stated that he and the other staff members at Wes Yost Associates have been working on water resource issues and reports for approximately thirty-five (35) years. He advised that the 2010 UWMP update is significantly different in the format, the approach, and the content, as well as many new public reporting requirements. He also informed the Board that the timing is crucial because although the UWMP update guidelines have just recently been released in draft form, the final document must be adopted by July 1, 2011.

ON MOTION BY Director Coverdell and seconded by Vice-President Donovan, the Board voted as follows, by roll call vote, to authorize the General Manager to execute a contract with West Yost Associates for assistance with preparation of the District's 2010 Urban Water Management Plan, for a time and materials cost not to exceed \$47,500.00:

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| Director Coverdell | Aye |
| Vice-President Donovan | Aye |
| Director Larimer | Absent |
| Director Mickelsen | Aye |
| President Feldman | Aye |

President Feldman stated that in Director Larimer absence, he had requested that President Feldman relay comments on his behalf regarding this particular agenda item. He stated that for the record, Director Larimer would prefer that a competitive bidding process be utilized for projects of this nature.

B. Resolution 2011-02 - A Resolution Establishing a Money Purchase Retirement Plan (Number 106154) Benefit for District Employees

Vice-President Donovan announced that he could have a potential conflict and left the room for discussion of this agenda item.

Mr. Dickson provided the background, and stated that the current Memorandum of Understanding (MOU) with the field staff bargaining unit commits the District to making monthly contributions on behalf of employees, (currently at \$144.00 per month per employee) as a Supplemental Income Program. He further explained the details of this money-purchase pension plan, to be administered by the International City/County Management Association (ICMA) and answered questions from the Board.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to approve Resolution 2011-02 a Resolution of the Board of Directors of the Coastside County Water District Establishing a Money Purchase Retirement Plan Benefit for District Employees:

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| Director Coverdell | Aye |
| Director Larimer | Absent |
| Director Mickelsen | Aye |
| President Feldman | Aye |

Vice-President Donovan was not present when the roll call vote was conducted. Mr. Dickson wanted it noted that the legal documents, associated with this governmental money purchase plan and trust, are the standard basic forms provided by ICMA and that they had not been reviewed in detail by Hanson Bridgett staff. President Feldman stated that he was in agreement with the General Manager's decision, that he personally had an account with ICMA and did not see a need to have the standard "boiler-plate" documents reviewed in depth by legal staff. Director Mickelsen concurred and Director Coverdell stated that the Resolution had been approved and he was not interested in making any further motions associated with this agenda item.

C. Coastside County Water District Fiscal year 2011/2012 Budget Timeline

Mr. Dickson reported that this draft budget timeline has recently been presented to both the District's Facilities and the District's Finance Committee members. He referenced the draft timeline and stated that it identifies the District's milestones and dates for presentation of the various phases of the budget. He pointed out that the Board and members of the public will have ample opportunity to review, comment, and consider the budget. Mr. Dickson also briefly reviewed the steps outlined in the budget process.

D. Capital Improvement Program Project Status and Update

Mr. Dickson reviewed the highlighted capital improvement program projects, including the SCADA Project, the Half Moon Bay Tank # 1 Repair and Recoating, the Pilarcitos Canyon Blending Station and the Denniston Improvement Project.

E. San Francisco Public Utilities Commission (SFPUC) Revised Wholesale Rate Projection

Mr. Dickson reported to the Board that updated projections of SFPUC's wholesale water rates indicate an anticipated increase of approximately 41% versus the previously projected increase of 10.2%. He indicated that this is largely due to a continued drop in water sales across all SFPUC customers. Mr. Dickson also reviewed the details of SFPUC's proposed plan to change the wholesale rate structure and reminded the Board that although the impact of SFPUC's ongoing rate increases is significant, it is important to realize that the rate increases are driven by the cost of SFPUC water system improvements designed to ensure the water supply in the event of a major earthquake. Each of the Board members shared their comments on the potential impact of the proposed SFPUC rate increase on the District.

F. Update on SFPUC Untreated Water Rate Study for CCWD

Mr. Dickson referenced his staff report and stated that the District's efforts in working with SFPUC staff to create an untreated water rate for CCWD reached a significant milestone in February, with the issuance of a memorandum on the proposed rate structure change. He explained that the memorandum is the first step in a process required under the Water Supply Agreement between SFPUC and its wholesale customers before SFPUC can adopt any rate structure changes. Mr. Dickson outlined the next steps in the process and addressed questions and comments from the Board members.

In Director Larimer's absence, President Feldman relayed comments provided by Director Larimer, which commended District staff for their diligent work and continued negotiation efforts with SFPUC for this potential untreated wholesale water rate discount. President Feldman agreed with the sentiments and also commended Mr. Dickson for his foresight in sending a letter to all of the Bay Area Water Supply and Conservation Agency members about this proposed new water rate. Mr.

Dickson acknowledged the significant input and assistance in the process from Patrick Miyaki, District Legal Counsel, and from Art Jensen, BAWSCA's General Manager.

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

- **Water Reclamation Update** - Mr. Dickson referenced his staff report, which provided a summary of the discussion of recycled water at the Sewer Authority Mid-Coastside (SAM) Board meeting on January 24, 2011. He noted that there was no news to date on the status of principles of the agreement between CCWD and SAM.
- **CCWD/Montara Water & Sanitary District (MWSD) - Mutual Interest Committee Meeting - February 3, 2011** - Mr. Dickson summarized the highlights of the meeting. Vice-President Donovan also shared his comments on the meeting results, which included identification of areas for potential cooperation between the districts, and the implementation of the Agreement for Emergency Water Supply. He added that Director Bob Ptacek from MWSD indicated that he would be providing Minutes from the meeting once they are completed.

A. Operations Report

Mr. Guistino reviewed the monthly highlights of his report, including the completion of the Roosevelt Avenue gate valve failure repairs, and the California Department of Public Health's annual review of the Nunes Water Treatment Plant. He also updated the Board on the remote monitoring capabilities the on-call staff now have, which will allow them to examine the water treatment plant conditions and reservoir levels from their home computers.

B. Water Resources Report

Ms. Brennan advised that staff has mailed out notifications, to public agencies and private organizations, in addition to a notice being published in the Half Moon Bay Review and placed in the District's Spring Newsletter. She reported that notifications will continue on an on-going basis in accordance with the Urban Water Management Planning Act.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

President Feldman shared that the Association of California Water Agencies (ACWA) had recently celebrated its 100th year anniversary of water leadership and to commemorate this milestone, had produced a special centennial book chronicling its history, and that a copy of this book was available for viewing at the District office.

Vice-President Donovan requested that staff revisit the District's policy and associated charges when District staff is dispatched to reactivate an account that has been shut off due to lack of payment of the water bill. Mr. Dickson advised the Board that staff has been reviewing this policy, and well as many others currently contained in the District's General Regulations Regarding Water Service and would be presenting revisions and recommendations at a future Board meeting.

9) ADJOURNMENT

ON MOTION BY Vice-President Donovan and seconded by Director Mickelsen, the Board voted as follows to adjourn the February 8, 2011 meeting of the Coastside County Water District's Board of Directors:

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| Director Coverdell | Aye |
| Vice-President Donovan | Aye |
| Director Larimer | Absent |
| Director Mickelsen | Aye |
| President Feldman | Aye |

The meeting was adjourned at 8:32 p.m. The next meeting of the Coastside County Water District is scheduled for Tuesday, March 8, 2011.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Robert C. Feldman, President
Board of Directors