

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, February 11, 2014

- 1) **ROLL CALL:** President Glenn Reynolds called the meeting to order at 7:01 p.m. Present at roll call: Vice-President Chris Mickelsen, and Directors Steve Flint and Arnie Glassberg. Director Ken Coverdell was absent.

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC COMMENT:** There were no public comments.

- 4) **CONSENT CALENDAR**

- A. Approval of disbursements for the month ending January 31, 2014:
Claims: \$700,993.41; Payroll: \$100,689.37; for a total of \$ 801,682.78
➤ *January 2014 Monthly Financial Claims reviewed by President Reynolds*
- B. Acceptance of Financial Reports
- C. Approval of Minutes of January 14, 2014 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 - January 2014
- G. January 2014 Leak Report
- H. Rainfall Reports
- I. San Francisco Public Utilities Commission Hydrological Conditions Report for January 2014

President Reynolds reported that he had reviewed the monthly claims and found all to be in order.

ON MOTION BY Director Flint and seconded by Vice President Mickelsen, the Board voted as follows, to accept and approve the Consent Calendar in its entirety:

Vice-President Mickelsen	Aye
Director Coverdell	Absent
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

Vice-President Mickelsen reported on a recent meeting he attended with Mr. Dickson, Nicole Sandkulla, CEO, of the Bay Area Water Supply and Conservation Agency (BAWSCA) and their consultant, Bud Wendell to discuss BAWSCA's 2013-2014 Work Plan and BAWSCA's future direction. President Reynolds added that he recently attended a presentation on the drought impacts with respect with Bay Area water utilities.

6) GENERAL BUSINESS

A. Voluntary Ten Percent Reduction in Water Consumption

Mr. Dickson turned discussion of this item over to Ms. Brennan. She reviewed the background, reiterating that the Board had previously authorized the implementation of Stage 1 Water Shortage Advisory at the October 8, 2013 Board of Directors meeting. She also explained details of Governor Brown's proclamation declaring a Drought State of Emergency for California, San Francisco Public Utilities Commission's (SFPUC) recent request of customers of the Hetch Hetchy Regional Water System to voluntarily curtail water consumption by at least ten percent, and BAWSCA's support of this goal. Additionally she introduced a proposed public message, which would authorize the request for a voluntary ten percent reduction in water consumption. Mr. Miyaki suggested that the Board consider some flexibility with regard to the wording of the proposed message, allowing staff some discretion with the language.

Ms. Brennan explained the District's proposed outreach campaign to meet the voluntary ten percent curtailment in water consumption and anticipated an approximate \$5,000 in increased spending on public outreach activities for this fiscal year. She and Mr. Dickson also answered a few questions from the Board about the proposed campaign and the District's goals for the program.

ON MOTION BY Director Glassberg and seconded by Vice-President Mickelsen, the Board voted as follows, by roll call vote, to authorize the request for a voluntary ten percent reduction in water consumption by all District customers, allowing staff flexibility in the language used in the development of the public message:

Vice-President Mickelsen	Aye
Director Coverdell	Absent
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

B. Contract with HF&H Consultants, LLC for Drought Water Rate Structure Study

Mr. Dickson explained that in the event that the SFPUC declares a water shortage emergency and reduces the water supply available to the District and other wholesale customers, the District will impose the mandatory rationing allocations outlined in the District's Water Shortage Contingency Plan. He emphasized that at the same time, the District will need to implement modified residential and commercial rates and he outlined the criteria necessary to ensure that the District receives sufficient revenue to operate. Mr. Dickson further reported that staff had interviewed and solicited drought rate study proposals from two highly qualified consultants, Bartle Wells Associates and Hilton, Farnkopf & Hobson (HF&H), and recommended that a contract be awarded to HF&H based on their rate expertise and experience with SFPUC and BAWSCA.

Brief discussion ensued, with Director Glassberg requesting clarification with the figures used in Table 1 - Estimated Project Budget, which Mr. Farnkopf was able to address. He also answered a few questions from Vice-President Mickelsen.

ON MOTION BY Director Flint and seconded by Vice-President Mickelsen, the Board voted as follows, to authorize the General Manager to execute a contract with HF&H Consultants for a Drought Water Rate Study, for a time-and-materials cost not to exceed \$35,000:

Vice-President Mickelsen	Aye
Director Coverdell	Absent
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

C. District Office Fire Recovery

Mr. Dickson recapped details of the January 22, 2014 fire at the District office and reviewed the progress of the building cleanup and repairs. He also provided an update on the temporary office situation, and the status of the insurance coverage and repair costs. Additionally, Mr. Dickson explained that vacating the building for fire-related repairs provides the opportunity to consider additional modifications which could address maintenance issues, upgrades to building systems and potential improvements to the building space to better meet the District's current and future needs. He recognized the dedication, professionalism, and resilience demonstrated by all members of the District's staff in responding to this incident and dealing with its consequences, noting that without exception, every District employee has pitched in to ensure that the District continues to operate smoothly.

D. Fiscal Year 2014-2015 Budget Process Timeline

Mr. Dickson presented and explained the Fiscal Year 2014-2015 Budget Process Timeline from staff's current internal budget review and preparation of budget spreadsheets to the proposed rate increase hearing in June, 2014.

ON MOTION BY Director Glassberg and seconded by Director Flint, the Board voted as follows, by roll call vote, to approve the Fiscal Year 2014-2015 Budget Process Timeline:

Vice-President Mickelsen	Aye
Director Coverdell	Absent
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

E. Nunes Utility Water System and Pressure Vessel

Mr. Guistino introduced this item, providing the background and explaining the function of this utility water system. He also reviewed the bid process, reporting that only one bid for the pump replacement was received in 2012 in the sum of \$80,000 and that staff, along with the District's Engineer, Jim Teter, had produced an alternate replacement design that incorporates a skid-mounted pump system and includes a new hydroneumatic tank. He further reported that Pump Repair Service had proposed providing the equipment and installation services for a new Nunes Water Treatment Plant utility water pump and pressure vessel system for a lump sum price of \$70,548.

Mr. Dickson added that Resolution 2012-01, which revised the District's policies and procedures for award of contracts addresses the issue of sole source procurements,

and contains a provision which allows the General Manager to proceed with a sole source procurement if competition is determined to be insufficient to obtain multiple bids, which he reported, is the case with this project. Mr. Dickson and Mr. Guistino also answered a few project related questions from the Board members.

Mr. Miyaki stated that these meeting minutes, as a record of the February 11, 2014 CCWD Board of Directors meeting, is hereby disclosing that the General Manager has documented the basis for proceeding with this sole source procurement, which fulfills the requirement stated in Resolution 2012-01 regarding sole source procurements.

ON MOTION BY President Reynolds and seconded by Director Flint, the Board voted as follows, to authorize the General Manager to execute a contract with Pump Repair Service Company for the installation of a new Nunes Water Treatment Plant utility water pump and pressure vessel system for the lump-sum price of \$70,548:

Vice-President Mickelsen	Aye
Director Coverdell	Absent
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

F. Appointment of CCWD Board Member Representative Alternate(s) to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers

Mr. Dickson reviewed the background of this agenda item, explaining that the District has previously taken action to appoint the Board President as the CCWD designated representative to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers, with all other Directors to serve as alternates. He reported that staff had learned recently that designated alternates should be referenced by name and therefore was recommending that the Board appoint Vice-President Mickelsen and Directors Coverdell, Flint, and Glassberg as alternates.

ON MOTION BY President Reynolds and seconded by Director Flint, the Board voted as follows, to appoint CCWD Board Member Representative alternate(s) by name: Vice-President Mickelsen, Directors Coverdell, Flint and Glassberg, to participate in San Mateo Local Agency Formation Commission (LAFCo) election of officers:

Vice-President Mickelsen	Aye
Director Coverdell	Absent
Director Flint	Aye
Director Glassberg	Aye
President Reynolds	Aye

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

Mr. Dickson highlighted current issues including San Francisco Public Utilities Commission's Mountain Tunnel Project, the January 30, 2014 meeting with BAWSCA regarding the Fiscal Year 2013-2014 Work Plan and BAWSCA's future direction and strategic plan, and a status update on the Denniston/San Vicente Draft Environmental Impact Report.

Operations Report

Mr. Guistino reviewed the monthly operation highlights, including progress on the flushing program, operations at the Denniston Water Treatment Plant, the El Granada Tank 2 renovation and the Avenue Cabrillo Pipeline Project.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Mr. Dickson confirmed the February 25, 2014 Special Board Meeting which will consist of a water shortage contingency planning session. Mr. Dickson also advised that, beginning with the March 11 meeting, Board meetings will be conducted at the Cabrillo Unified School District during the period that the District offices are being restored.

9) ADJOURNMENT - The meeting was adjourned at 8:35 p.m.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Chris Mickelsen, Vice-President
Board of Directors