

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, June 11, 2013

- 1) **ROLL CALL:** President Ken Coverdell called the meeting to order at 7:00 p.m. Present at roll call: Directors Bob Feldman, Bryan Hannegan, Chris Mickelsen and Vice-President Glenn Reynolds.

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) **SPECIAL ORDER OF BUSINESS - FISCAL YEAR 2013-2014 BUDGET, FISCAL YEAR 2013/2014 TO 2022/23 CAPITAL IMPROVEMENT PROGRAM, (CIP) RESOLUTION AMENDING THE RATE AND FEE SCHEDULE**

A. Staff Presentation

Noting that the budget package presented is the same as the Board first examined in April, Mr. Dickson proceeded to review the budget presentation, including budget and CIP highlights. He next reviewed the process of how the proposed rate increase is determined, illustrated the impact of a 9% increase on a typical water bill and reiterated staff's recommendation for this 9% rate increase and approval of the budgets as presented.

Mr. Dickson also advised that he had included placeholders in the operating expenses for two new additional staff positions, which have not yet been approved by the Board. He explained that the additional much needed water treatment position would most likely be promoted within current District staff, with the hiring of a new lower level maintenance worker position. He also

recapped the interest in a potential Assistant General Manager for Finance and Administration position. Mr. Dickson indicated that a 7% rate increase would be sufficient if the Assistant GM position was not included. Board discussion ensued, with Mr. Dickson answering a few questions from the Board about the current proposed budget.

B. Public Hearing

President Coverdell opened the Public Hearing at 7:27 p.m., noting that any members of the public could address the Board on the subject. The 22 letters of protest received in response to the Proposition 218 notice were acknowledged and the Public Hearing was closed at 7:29 p.m. There were no comments expressed from any members of the public.

C. Board Comments / Board Action

Director Feldman stated that he had come prepared to recommend a rate increase lower than the proposed 9%, and suggested consideration of a 7% rate increase and suggested that the consideration of the additional administrative position be delayed at this time.

ON MOTION BY Director Feldman and seconded by Director Hannegan, the Board voted unanimously, by roll call vote, to adopt Resolution 2013-04, which would be amended to reflect an increase of 7% in the Rate and Fee Schedule:

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|-------------------------|-----|
| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

ON MOTION BY Director Hannegan and seconded by Vice-President Reynolds, the Board then voted unanimously, by roll call vote, to approve the Fiscal Year 2013-2014 Operations and Maintenance Budget and Fiscal Year 2013/2014 to 2022/2023 Capital Improvement Program:

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| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

5) CONSENT CALENDAR

- A.** Approval of disbursements for the month ending May 31, 2013:
Claims: \$514,065.03; Payroll: \$70,822.37; for a total of \$584,887.40

- B. Acceptance of Financial Reports
- C. Approval of Minutes of May 14, 2013 Regular 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 – May, 2013
- H. May 2013 Leak Report
- I. Rainfall Reports
- J. San Francisco Public Utilities Commission Hydrological Conditions Report for May 2013

Vice-President Reynolds reported that he had reviewed the monthly financial claims and found all to be in order. President Coverdell stated that it would be helpful if staff could make a notation each month on the agenda as to which Director had been assigned to review the monthly claims.

ON MOTION BY Vice-President Reynolds and seconded by Director Mickelsen, the Board voted unanimously, to accept and approve the Consent Calendar, in its entirety:

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| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

6) MEETINGS ATTENDED / DIRECTOR COMMENTS

Vice-President Reynolds mentioned that he had attended a recent meeting regarding the Identification of Sources of Fecal Pollution Impacting the Pillar Point Harbor. Director Feldman and President Coverdell reported their attendance at a recent meeting of the Montara Water and Sanitary District and Coastside County Water District Mutual Interest Committee.

7) GENERAL BUSINESS

A. Kennedy/Jenks Proposal for Hydraulic Model Update and Analysis

Mr. Dickson provided the background of this project, informing the Board that in order to fulfill the objective of distributing the Denniston Water Treatment Plant's full production throughout the District, a booster station needs to be constructed to increase pipeline capacity from the plant to El

Granada Tank # 1. He further explained that staff believes that hydraulic modeling of the District's system, based on an update of the District's existing model, will provide the essential pump station and pipeline design information to help ensure that the overall system will work as anticipated.

Discussion ensued, with President Coverdell commenting that he would like to eventually see a staff member trained to operate the model. Vice-President Reynolds agreed and suggested that Kennedy/Jenks work closely with District staff on the modeling and inquired whether that aspect was part of the proposed. Craig Thompson from Kennedy/Jenks responded that he would have to review the scope of work further in order to address the question. Director Mickelsen stated that he was pleased to see the model put into use again, as it had proven to be a very valuable resource in the past in determining and confirming the pipeline size necessary with the construction of the El Granada Pipeline.

ON MOTION BY Director Hannegan and seconded by Director Mickelsen, the Board voted unanimously, to authorize the General Manager to execute an agreement with Kennedy/Jenks for a Hydraulic Model Update and Analysis for a time and materials cost not to exceed \$46,430:

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| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

B. Agreement with California Conservation Corps for Work Related to Denniston Annual Maintenance Dredging

Mr. Guistino introduced this agenda item, and explained the nature and extent of the manual labor necessary to cut through the heavy vegetation between Denniston Road and the stream in order to access the stream channel. He advised that the California Conservation Corps (CCC) a work, service, training and development program for young adults, is highly specialized in environmental, natural resources and conservation projects and their crews have received extensive training in working in sensitive habitats. He further explained that the requirement in Resolution 2012-01 to solicit sealed competitive bids needs to be waived and authorization provided to the General Manager to enter into an agreement with the CCC to perform manual vegetation removal in connection with the District's annual

maintenance dredging of Denniston Reservoir, for a time and materials cost not to exceed \$37,797.

ON MOTION BY Vice-President Reynolds and seconded by Director Mickelsen, the Board voted unanimously, to waive the requirement in Resolution 2012-01 to solicit sealed competitive bids and to authorize the General Manager to enter into an agreement with California Conservation Corps to perform manual vegetation removal in connection with the District's annual maintenance dredging of Denniston Reservoir, for a time and materials cost not to exceed \$37,797:

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| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

C. Award of Contract for El Granada Tank 2 Rehabilitation Project

Mr. Guistino also recapped this project, describing the present condition of the tank, the rehabilitation work required, and the complicated process necessary to make the repairs. Mr. Guistino then answered a few questions from the Board about the nature of the repairs.

ON MOTION BY Vice-President Reynolds and seconded by Director Hannegan, the Board voted unanimously, to authorize the General Manager to contract with Paso Robles Tank Inc. to rehabilitate El Granada Tank # 2 for a cost of \$535,000:

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| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

D. Appointment of Director to the Boards of the Bay Area Water Supply & Conservation Agency (BAWSCA) and the Bay Area Regional Water System Financing Authority (RFA)

Mr. Dickson reminded the Board that action had been taken at a previous CCWD Board meeting to appoint Director Mickelsen to these two positions,

and that it was now necessary to administer the Oath of Office to him. Mr. Miyaki noted that the record should reflect that one Oath of Office will suffice for both positions. President Coverdell then administered the Oath of Office to Director Mickelsen to serve as a member of both the BAWSCA and RFA Board of Directors.

President Coverdell commented that he was honored to have Director Mickelsen serve on the BAWSCA Board once again and that he has heard some impressive comments about Director Mickelsen's previous contributions as a BAWSCA Board member.

E. Adopt Resolution 2013-05 Calling for and Giving Notice of a Regular District Election

Mr. Dickson advised that this Resolution is a required step in the San Mateo County Election process.

ON MOTION BY Vice-President Reynolds and seconded by Director Hannegan, the Board voted unanimously, to adopt Resolution 2013-05 Calling for and Giving Notice of a Regular District Election to be held on Tuesday, November 5, 2013 and Requesting the County Elections Department Conduct the Election:

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| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

8) GENERAL MANAGER'S REPORT

Mr. Dickson expressed his appreciation to the Board for excusing him from attending the June Board meeting, due to his vacation schedule and thanked Mr. Guistino for filling in for him.

- **CCWD - MWSD Mutual Interest Committee Meeting**

Mr. Dickson reported on the very positive meeting, which focused on the next steps in implementing the Mutual Emergency Water Supply Agreement between the two Districts. He advised that the Committee agreed that the next step would be for the managers of both agencies to define the scope of a

preliminary engineering study for an interconnection between the districts. The idea was also discussed to possibly include North Coast Water District in Pacifica in this concept. President Coverdell and Director Feldman also agreed that it was a very positive and encouraging meeting.

A Operations Report

Mr. Guistino shared some monthly highlights, including the successful operation of the Denniston Water Treatment Plant, an update on the Avenue Portola Main Replacement Project, and the renewed progress with the District's Cross Connection Program with the recent assistance from JoAnne Whelen.

B. Water Resources Report

Ms. Brennan provided an update on the District's Water Usage Efficiency efforts and explained some of the regional conservation program participation with BAWSCA, as well as the programs implemented by the District to promote the efficient use of water. She also advised that staff would soon begin work to update the District's Water Shortage Contingency Plan.

9) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

Director Hannegan suggested that at some point in the future, staff provide an update to the Board on the District's progress, historically and currently, related to water conservation and entertain some additional options on how the programs could possibly be expanded.

Vice-President Reynolds recommended that the Board revisit the District's education outreach programs in terms of how the District communicates with the customers and community, which prompted discussion and a request from the Board to review and update the District's Communication Plan within the next few months.

10) ADJOURNMENT

ON MOTION BY President Mickelsen, and seconded by Vice-President Reynolds, the Board voted, to adjourn the June 11, 2013 meeting of the Coastside County Water District's Board of Directors:

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| Director Mickelsen | Aye |
| Vice-President Reynolds | Aye |
| Director Hannegan | Aye |
| Director Feldman | Aye |
| President Coverdell | Aye |

The meeting was adjourned at 8:58 p.m. The next meeting of the Coastside County Water District's Board of Directors will be on Tuesday, July 9, 2013.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the District

Ken Coverdell, President
Board of Directors