

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE SPECIAL CLOSED SESSION

Tuesday - November 13, 2007 - 6:30 p.m.

AGENDA

1) CLOSED SESSION

A. Public Employee Performance Evaluation

Pursuant to Government Code Section 54957

Title: General Manager (Discussion of Performance Review Criteria)

2) RECONVENE TO OPEN SESSION

The Closed Session convened at 6:30 p.m. with President Larimer and Directors Ascher, Mickelsen, Coverdell and Feldman, General Manager Dickson and Legal Counsel Condotti. The Closed Session concluded at approximately 7:00 p.m. immediately prior to the commencement of the regular meeting, at which time President Larimer announced that no reportable action had been taken.

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MINUTES OF THE BOARD OF DIRECTORS MEETING

Tuesday, November 13, 2007 - 7:00 p.m.

- 1) **ROLL CALL:** Vice President Mickelsen called the meeting to order at 7:07 p.m. Present at roll call were Directors Ken Coverdell, Everett Ascher and Bob Feldman. President Larimer was absent.

Also present were: David Dickson, General Manager; Tony Condotti, 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** - Everyone stood for the Pledge of Allegiance.
- 3) **PUBLIC ANNOUNCEMENTS** - There were no announcements from the public but each of the Directors took this opportunity to provide their comments on the recent election.

Director Coverdell expressed this thanks to all the community, the constituents and those who supported Directors Feldman, Larimer and himself in the election. He added that he felt that this recent election was a good example of pursuing the interest of water in terms of sharing and protecting and preserving the resource and also stated that he appreciated the election being well run and not being a costly expense. He also noted that the community was not heavily littered with campaign posters and he enjoyed not having the candidates actively campaigning on Highway 92, as in years past. He also commented that he felt this is a wonderful and

excellent opportunity for all of the community to work together, undivided, toward the goal of developing local water and the goal of making sure that the coastside has a reliable and wonderful supply of water that the District can utilize and distribute at a reasonable price. He stated that the District is facing some big challenges but he appreciated the opportunity to work without so much negativity and that this was a great environment to be able to band together to work towards the important issues in terms of the water system. He also complimented President Larimer and Director Feldman and expressed that he thinks this is a wonderful time in the water history of the coastside and feels empowered and excited about the future.

Vice President Mickelsen added that he feels this clearly validates that the District is doing the work for the greater good of the community. He also congratulated Director Feldman as no longer being an appointed Director but was now an elected member of the Board of Directors.

Director Ascher also congratulated Director-elect Feldman, and Director Coverdell and President Mickelsen, stating that he felt the District had an excellent team, a dedicated Board, and terrific staff members, all of whom have the best interests of the community at heart.

4) CONSENT CALENDAR

- A.** Requesting the Board to review disbursements for the month ending October 31, 2007 – Claims: \$515,198.51; Payroll: \$60,249.87 for a total of \$575,448.38
- B.** Acceptance of Financial Reports
- C.** Minutes of the October 9, 2007 Board of Directors Meeting
- D.** Acceptance of Water Supply Evaluation Report for Calendar Year 2006
- E.** Approval of purchase of a loader/scrapper tractor
- F.** Approval to proceed to solicit bids for the Nunes Water Treatment Plant Filter Media Replacement Project

Director Ascher requested that item 4B -Acceptance of Financial Reports, be pulled from the Agenda for further discussion.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted by the following roll call vote to accept the Consent Calendar as submitted, with the exception of Item 4B:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice President Mickelsen	Aye
President Larimer	Absent

Director Ascher had carefully reviewed the general ledger, asked a few questions and shared a few observations, summarizing that it appeared that the District's water revenue figures would be lower than budgeted and recommended that staff keep a close eye on expenses to assure that everything remains within the budget.

ON MOTION by Director Ascher and seconded by Director Feldman the Board voted as follows to accept item 4B of the Consent Calendar:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice President Mickelsen	Aye
President Larimer	Absent

5) GENERAL BUSINESS

Mr. Dickson explained that the meeting agenda contained some changes from the previous format. He stated that some of the changes are intentional and hopefully would be sustained and that others may be a function of his learning process, and welcomed the Board's feed-back. He reported that the overall intent is to focus on the issues requiring decisions from the Board, and to provide the information necessary to make those decisions. He stated that there are also a substantial amount of informational reports that the District makes available to the Board and that he has placed those reports towards the end of the agenda. He stated that staff would be happy to address any questions the Board may have on those informational reports. He concluded that the Board packets do contain a large amount of information and that he and staff would be working in the future to find more efficient ways to provide so much information to the Board.

A. Presentation and discussion and direction to staff regarding services provided by IEDA for labor relations and provision for salary survey data

Mr. Dickson introduced this item explaining that as a result of the non-exempt employees having certified the Teamsters Union, the District now has an on-going need for labor relations support services. He advised that it would start with the bargaining agreement with the Teamsters Union and would continue on. He also informed the Board that he had experience with IEDA and had also previously worked with Austris Rungis during his employment as the Manager at Sewer Authority Mid-Coastside. He relayed that IEDA does a very good job and has an on-going comprehensive support program that he finds very valuable and cost effective, and is recommending that the District join IEDA's organization. He then introduced Austris Rungis, who has been employed with IEDA since 1974.

Mr. Rungis explained that IEDA is an employer association and has a large volume of private sector clients, and represents many public agencies as well, with a total of more than 150 employer clients. He stated that IEDA offers a full range of labor relations services, including acting as chief spokesperson on the District's behalf during contract negotiations. He also distributed an article published in the October 25, 2007 edition of Business week regarding labor negotiations. Mr. Rungis also addressed questions regarding their extensive salary survey data, explaining that the data provided by IEDA will be more in depth, comprehensive, and more current information than would likely be obtained from surveys with other agencies.

Mr. Dickson also advised the Board of the current status with the Teamsters Union, explaining that the intent was to enter into a brief memorandum of understanding (MOU) at this time for the purpose of recognizing and establishing the Union, and defer further negotiations regarding the collective bargaining agreement until such time as the District starts preparing the fiscal year budget in the early spring months of 2008. Mr. Rungis elaborated further on the process, advising that the Board would be making decisions in closed sessions and then would be instructing the negotiating team as to the terms of the contract. He also provided information to the Board on the District's responsibility in compliance to the new Government Accounting Standards Board (GASB) Statements 43 and 45, relating to the reporting for post-employment benefits plans.

ON MOTION by Director Ascher and seconded by Director Mickelsen, the Board voted by the following roll call vote to authorize the General Manager to execute an agreement, subject to District Counsel approval as to form, for IEDA labor relations services at a cost of \$12,000 per year. The Board also approved the cost of \$6,000.00 for salary survey data and related services:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice President Mickelsen	Aye
President Larimer	Absent

B. El Granada Tank # 1 Site Modification Project

Mr. Guistino provided the background of this item, explaining the number of problems associated with providing an adequate water supply and emergency storage in the El Granada area during the period when the Denniston Tank is taken out of service. He reviewed the alternatives that staff had considered and reported that staff believed that the best option involves making piping modifications at the El Granada Tank # 1, which would make additional storage volume and flow capacity available to the lower El Granada zone. He recommended that the District proceed immediately to solicit bids for this project and estimated that the cost of the work is anticipated to be approximately \$250,000.00.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted by the following roll call vote to authorize staff to solicit bids for the El Granada Tank # 1 Site Modification Project:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice-President Mickelsen	Aye
President Larimer	Absent

C. Resolution No. 2007-20 Appointing David Dickson as District Secretary

Vice-President Mickelsen explained that this was a “house-keeping” issue. There was no Board discussion on this item.

ON MOTION by Director Ascher and seconded by Director Feldman, the Board voted by the following roll call vote to approved Resolution 2007-20 Appointing David Dickson as Secretary and Assigning Duties of Treasurer:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice-President Mickelsen	Aye
President Larimer	Absent

D. Preventative Maintenance Program Services

Mr. Guistino presented the background of the District's preventative maintenance program and the process involved in implementing the system, including the data input, asset identification and maintenance schedules. He also reviewed the services proposed by Eco:Logic, addressed questions from the Board members, and agreed with Director Ascher's recommendation to incorporate a specific date for the project's completion within the agreement with Eco:Logic.

ON MOTION by Director Ascher and seconded by Director Feldman, the Board voted by the following roll call vote to authorize the General Manager to execute an agreement with Eco:Logic for the initiation of a Preventative Maintenance Program, at an estimated cost of \$21,480.00, with the inclusion of a specific date for the project's completion to be incorporated into the agreement:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice President Mickelsen	Aye
President Larimer	Absent

E. J.M. Turner Design Services for Nunes Water Treatment Plant Improvements

Mr. Dickson advised the Board that Jim Teter, District Engineer, is currently designing the short-term improvements at the water treatment plants and has received a proposal from J.M. Turner Engineering for the structural design work associated with these improvements. He also informed the Board that J.M. Turner has provided previous services to the District, which have been

satisfactory. He reiterated his recommendation for the District to enter into an agreement for these structural design services at a cost not to exceed \$14,820.00.

ON MOTION by Director Coverdell and seconded by Director Ascher, the Board voted by the following roll call vote to authorize the General Manager to execute an agreement, subject to District Counsel’s approval as to form, with J.M. Turner Engineering for structural design services for the Nunes Water Treatment Plant Phase 1 improvements, at a cost not to exceed \$14,820.00:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice-President Mickelsen	Aye
President Larimer	Absent

F. Award of Contract for Construction of Phase 3 El Granada Transmission Pipeline Replacement Project

Mr. Dickson reviewed the background of this item, stating that the Board had been advised at the October 9, 2007 Board meeting that JMB Construction, Inc. was the lowest bidder for the project, with a bid of \$4,549,196.25. He also reminded the Board that due to the fact that the bids had just been received prior to the October meeting, that staff had not had an opportunity to thoroughly evaluate the bid and qualifications and that staff had been directed to provide a game plan for executing the project, including an approach to construction management services for the project.

Mr. Dickson advised that JoAnne Whelen, Administrative Assistant, had worked with District Counsel in developing a list of questions and had proceeded to contact twenty-four (24) of the references provided by JMB Construction, Inc. He reported the results of the reference checking, which despite a few cautions, were overwhelmingly positive with regard to JMB’s capabilities and performance. He advised that the few cautionary comments expressed did not rise to a level of something that would justify the rejection of JMB Construction, Inc. as a bidder. He further reported that the District Engineer and District Legal Counsel had also determined that JMB’s bid is responsive and recommended that staff be authorized to award the contract for the project to JMB.

Mr. Dickson also reviewed and agreed with the recommendation provided by Mr. Teter at the October 9, 2007 Board meeting, that the District retain a professional engineering firm to provide project construction management services. He reported on the results of staff's recent interviews of two professional construction management firms, the Covello Group and Carollo Engineers. He stated that concluding an extensive meeting with Carollo staff, and after their review of the project contract documents, and a walking and driving tour of the entire pipeline replacement alignment, Carollo Engineers were enthusiastic and had stated that they were confident that they could provide the construction management services to deliver a well executed project to the District. He advised the Board that Carollo Engineers had provided a cost estimate of \$401,000. for this project. Mr. Dickson informed the Board that Carollo Engineer's original estimate had been reduced somewhat after being informed that the District would be providing staff to perform some of the project inspection and public outreach services. He also advised that he anticipated presenting a formal proposal from Carollo and a proposed consulting agreement to the Board for approval at the December 11, 2007 Board meeting. The Board engaged in further discussion regarding consideration of the construction management services, with Mr. Dickson and Mr. Teter addressing their specific questions.

ON MOTION by Director Ascher and seconded by Director Coverdell, the Board voted by the following roll call vote to authorize staff to award contract for the El Granada Phase 3 Pipeline Replacement Project construction to JMB Construction, Inc in the amount of \$4,549,196.25:

Director Coverdell	Aye
Director Ascher	Aye
Director Feldman	Aye
Vice-President Mickelsen	Aye
President Larimer	Absent

6) MONTHLY INFORMATIONAL REPORTS

- A.** Monthly Water Transfer Report
- B.** Installed Water Connection Capacity and Water Meters Report
- C.** Total CCWD Production Report

- D. CCWD Monthly Sales by Category Report
- E. October 2007 Leak Report
- F. Rainfall Reports
- G. San Francisco Public Utilities Commission Hydrological Conditions Report for October 2007
- H. Monthly Water Resources Report
- I. Water Shortage & Drought Contingency Plan Update Report
- J. Operations Report/ American Water Works Association (AWWA) Conference Report
- K. Engineering Projects Received for Review during October 2007
- L. District Engineer Work Status Report
- M. Advisory Committee Reports
 - 1. Water Resources Committee
 - Pilarcitos Public Workshop - Integrated Watershed Management Plan - October 27, 2007
 - Pilarcitos Workgroup Meeting - November 5, 2007
 - 2. Water Quality Compliance Committee - November 1, 2007

Mr. Dickson directed the Board's attention to the Monthly Informational Reports in the agenda packet, explaining that this section contained a great deal of information provided to the Board and that staff would be happy to address any questions that they may have regarding the information.

Director Ascher provided comments on item 6C, the Total CCWD Production Report, noting that considering the amount of water the District obtains from the San Francisco Public Utilities Commission (SFPUC) and their expected future rate increases, he felt that it is important for the District, in their planning process, to seriously consider developing and/or increasing as many local water sources as possible. He suggested that this item be included on the agenda for the next Board Retreat session.

Director Feldman asked a question regarding Item 6E, the October 2007 Leak Report in connection with the recent Oak Street leak, consisting of an estimated six hundred and five thousand (605,000) gallons of water, which was addressed in detail by Mr. Guistino, Superintendent of Operations.

Director Ascher commented that the reports provided by Ms. Cathleen Brennan, Water Resource Analyst, were excellent and were

very informative and suggested providing her monthly reports to the Local Agency Formation Commission (LAFCo), during the process of their conducting the District's municipal service review.

Director Coverdell complimented Cathleen Brennan and Joe Guistino, stating that he was impressed with their participation and level of involvement in the Pilarcitos Integrated Watershed Management Plan Public Workshop, conducted on Saturday October 27, 2007, which was also attended by all Board members.

Vice-President Mickelsen requested that Mr. Teter report on the status of the current engineering projects and he provided an update on progress of the water treatment plant short-term improvements.

7) AGENDA ITEMS/DIRECTOR COMMENTS / MEETINGS ATTENDED

Vice-President Mickelsen and Director Ascher reported on their recent attendance at a water recycling conference hosted by SFPUC conducted at the Presidio in San Francisco.

Director Ascher requested that in the future, for public outreach and communication purposes, staff place this subject item earlier on in the agenda so that the Board can report on the meetings they have attended.

8) ADJOURNMENT

The meeting was adjourned at 8:52 p.m. The next meeting of the Coastside County Water District is scheduled for Tuesday, December 11, 2007.

Respectfully submitted,

David Dickson, General Manager

Jim Larimer, President
Board of Directors
Coastside County Water District