

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF BOARD OF DIRECTORS MEETING

Tuesday, November 13, 2012

- 1) **ROLL CALL:** President Chris Mickelsen called the meeting to order at 7:02 p.m. Present at roll call: Director Ken Coverdell, Vice-President Glenn Reynolds, Directors Bryan Hannegan and Bob Feldman.

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

- 2) **PLEDGE OF ALLEGIANCE**

- 3) **PUBLIC ANNOUNCEMENTS:** There were no public announcements.

- 4) **CONSENT CALENDAR**

Director Coverdell reported that he had reviewed the monthly financial claims and found all to be in order.

- A. Approval of disbursements for the month ending October 31, 2012:
Claims: \$1,179,920.85; Payroll: \$65,888.39 for a total of \$1,245,809.24
- B. Acceptance of Financial Reports
- C. Approval of Minutes of October 9, 2012 Board of Directors Meeting
- D. Approval of Minutes of November 2, 2012 Special Board Meeting
- E. Installed Water Connection Capacity and Water Meters Report
- F. Total CCWD Production Report
- G. CCWD Monthly Sales by Category Report
- H. October 2012 Leak Report
- I. Rainfall Reports

- J. San Francisco Public Utilities Commission Hydrological Report for October 2012
- K. Notice of Completion - Denniston Reservoir Maintenance Dredging

ON MOTION BY Vice-President Reynolds and seconded by Director Feldman, the Board voted as follows, by roll call vote, to accept and approve the Consent Calendar in its entirety:

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

5) MEETINGS ATTENDED / DIRECTOR COMMENTS

President Mickelsen stated that he and Mr. Dickson had attended the San Francisco Public Utilities Commission (SFPUC) meeting earlier in the day and reported that the District's Stone Dam Pipeline Emergency Interim Replacement Project had been unanimously approved.

6) GENERAL BUSINESS

A. Approval of Water Service Agreement for Half Moon Village Senior Housing Project

Mr. Dickson briefly described the project, a 45-unit senior housing building to be constructed on a parcel located on Arnold Way, near the Lesley Gardens Senior Housing Development. He advised the Board that District Staff had reviewed and approved the water system plans for the development and recommends approval of the Water Service Agreement. He also noted that two representatives from Mid-Peninsula Housing were in the audience. Mr. Dickson, Mr. Guistino, and Adhi Nagraj, Project Manager with Mid-Peninsula Housing Corporation, then proceeded to answer questions from the Board.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to approve the Water Service Agreement with Half Moon Village Associates, L.P. and Housing Authority of San Mateo County for the Half Moon Village Senior Housing Project (Phase 1):

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

B. Denniston/San Vicente Projects Review and Status Update

Mr. Dickson provided a comprehensive review of the current projects related to developing and securing the District's local water supply source in the Denniston Creek and San Vicente Creek watersheds. He emphasized the importance of the critical projects that are currently underway, the Environmental Impact Report (EIR) and the Denniston Water Treatment Plant Improvement Project and relayed some of the opportunities, challenges and risks associated with the projects. Next, Mr. Dickson introduced and described some future related projects, including the San Vicente diversion and pipeline, the Denniston reservoir restoration, the treated water booster station, and the Bridgeport pipeline. He also explained the role and importance of each of these future projects and relayed the respective budgets and funding for the projects. Finally, Mr. Dickson updated the Board on the status, schedules, and budgets of the current ongoing projects, the EIR and the Denniston Water Treatment Plant Improvements.

C. Contract with Balance Hydrologics for Denniston/San Vicente Stream Gaging, Groundwater Monitoring, Data Analysis, and Modeling

Mr. Dickson explained the importance of the continuation of the stream gaging, groundwater monitoring, data analysis, and modeling for the Denniston Creek and San Vicente watersheds. He also emphasized that quantifying the amount of water available for diversion from Denniston and San Vicente Creeks is critical to the District's efforts to secure its water rights on those streams. He reviewed details of the proposals from Balance Hydrologics to provide these services to the District. Mr. Dickson then answered a few questions from the Board about the schedule and services to be provided by Balance Hydrologics.

Director Hannegan suggested that perhaps staff could plan to present the results at some point, which could provide an opportunity for the Board to better understand the impacts of the report on the watershed. Mr. Dickson stated that these issues are complicated and agreed that it would

be valuable for the Board to be educated on the matters through some future scheduled information and workshop sessions.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to authorize staff to contract with Balance Hydrologics, Inc. for stream gaging, groundwater monitoring, data analysis, and modeling for the Denniston Creek and San Vicente Creek watersheds for an estimated time-and-materials cost of \$92,724.00:

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

D. Approval of Budget Increase for Denniston Water Treatment Plant Improvements Project Engineering Services During Construction

Mr. Dickson informed the Board that over the course of the construction of this project, the amount of time required for review of contractor submittals and for responding to contractor requests for information has significantly exceeded estimates provided in Kennedy/Jenks' (K/J) original time-and-materials proposal. He explained the nature of the various change orders, including some significant issues with the chemical metering pumps and the subsequent time delays. He also reviewed the benefits of some of the specific changes to the overall project, including those requested by the District. He further explained that staff has evaluated K/J's work on the project, as well as their request for the increased budget in detail, and stated that he believes that the proposed budget increase is reasonable and justified and that Kennedy Jenks has done an excellent job. He then requested that the Board authorize staff to approve the budget increase in an amount not to exceed \$90,000.00.

Board discussion ensued, with Mr. Dickson answering a few questions from the Board. He also introduced Craig Thompson, with Kennedy Jenks, to address some of the Board's comments and concerns.

ON MOTION BY Coverdell and seconded by Director Feldman, the Board voted as follows, by roll call vote, to authorize staff to approve an increase in the time-and-materials budget for engineering services during construction provided by Kennedy / Jenks Consultants for the Denniston Water Treatment Plant Improvements Project in the amount no to exceed \$90,000:

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

E. Year to date Financial Review

Mr. Dickson introduced this item by stating that the District's water revenue is \$289,000, 11% ahead of the budget, due to increased water use. He proceeded to review other revenue and expense accounts, noting that the District's finances are essentially on plan.

F. Participation in Bay Area Water Supply and Conservation Agency's (BAWSCA) Bond Issuance to Prepay Capital Debt Owed to San Francisco

Mr. Dickson provided the background of this item, reporting that BAWSCA and its advisors have been exploring the possibility of a potential bond issuance to prepay the capital debt. He advised that lowering the effective interest rate would provide a substantial savings to the BAWSCA members. He assured the Board that the District is not taking on any debt obligations in agreeing to participate in this pre-payment plan. He reported that the estimated present value of the District's savings is \$228,131 to \$387,822 over the bond term of 21.5 years and that the actual savings will depend on a number of factors, including the District's water purchases.

ON MOTION BY Director Coverdell and seconded by Vice-President Reynolds, the Board voted as follows, by roll call vote, to adopt Resolution 2012-09, a Resolution Authorizing the Making of a Prepayment Under a Water Supply Agreement with the City and County of San Francisco and Related Matters:

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

G. Potential Amendment to Code of Conduct Regarding Compensation and Expense Reimbursement for Board Members and Approval of Attendance at Conferences, Meetings, and Events of Other Organizations

Mr. Dickson reviewed the list of the District's currently identified external organizations and representatives. He advised that this agenda item provides an opportunity for the Board to consider appointing representatives to additional organizations, or identifying activities for which compensation and expense reimbursement would be pre-approved.

After brief discussion of this agenda item, the Board agreed that this subject would be tabled for the present time and possibly presented at a future Board meeting.

7) GENERAL MANAGER'S REPORT

1.) Stone Dam Pipeline Emergency Interim Replacement Project

Mr. Dickson reiterated that the project permit had been approved by the San Francisco Public Utilities Commission (SFPUC) and that District and contractor crews have completed about 500 feet of pipeline to the SFPUC property line.

2.) Personnel Changes

Mr. Dickson reported that Sean Donovan had been promoted to Treatment Supervisor and that Don Patterson had been promoted to the Senior Operator position.

3.) Restore Hetch Hetchy Initiative

Mr. Dickson informed the Board that the Restore Hetch Hetchy Initiative was soundly rejected, with 77% of San Francisco voters opposing the measure.

A. Operations Report

Mr. Guistino answered one question regarding the recent low readings from the Cahill Raw Water Meter.

B. Water Resources Report

Ms. Brennan brought the Board up to date on the California Statewide Groundwater Elevation Monitoring Program (CASGEM), advising that the District has received written notification from the California Department of Water Resources that Coastside County Water District has been formally designated as a Monitoring Entity for the Half Moon Bay Terrace Basin.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

There were no comments or requests from Board members.

9) ADJOURNMENT

ON MOTION by Director Hannegan and seconded by Vice-President Reynolds, the Board voted as follows, to adjourn the November 13, 2012 meeting of the Coastside County Water District's Board of Directors:

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

The meeting was adjourned at 9:12 p.m. The next meeting of the Coastside County Water District's Board of Directors will be on Tuesday, December 11, 2012.

Respectfully submitted,

David R. Dickson, General Manager

Chris R. Mickelsen, President
Board of Directors