

COASTSIDE COUNTY WATER DISTRICT

766 MAIN STREET

HALF MOON BAY, CA 94019

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 11, 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, Directors Jim Larimer and 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 December 31, 2010: Claims: \$555,883.07; Payroll: \$ 73,329.13 for a total of \$629,212.20
 - B. Acceptance of Financial Reports
 - C. Approval of Minutes of the December 14, 2010 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
 - G. December 2010 Leak Report
 - H. Rainfall Reports
 - I. San Francisco Public Utilities Commission Hydrological Conditions Report for December 2010

Vice-President Donovan reported that he had reviewed the monthly financial claims and found all to be in order.

ON MOTION BY Director Larimer and seconded by Vice-President Donovan, 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 | Aye |
| Director Mickelsen | Aye |
| President Feldman | Aye |

5) MEETINGS ATTENDED/DIRECTORS COMMENTS

President Feldman provided a report on the recent telephone conference with the Association of California Water Agencies, (ACWA) Region 5 Board members, in which they discussed future events, including the May 22nd and 23rd 2011 Board meeting, networking reception and tour of the Freeport Regional Water Facility near Sacramento and another event planned for mid-September in the San Luis Obispo area. He advised that ACWA is currently putting an emphasis on enhancing new association memberships and the statewide water bond, slated for the 2012 ballot.

6) GENERAL BUSINESS

A. Fiscal Year 2010-2011 Mid-Year Financial Review

Mr. Dickson summarize the mid-year review, examined details of the water sales revenue and non-operating revenue, and advised the Board that the District's current overall revenue is approximately 3.7% better than the budget. Additionally he reviewed the factors affecting the District's operating expenses, including a decrease in water purchased from San Francisco Public Utilities Commission (SFPUC) attributed to lower demand and a decrease in Crystal Springs Pump Station costs due to the District's ability to continue utilizing the Pilarcitos water source. He reported that the District's net income, or contribution to the Capital Improvement Program and reserves was \$642,000, about \$455,000 or 243% better than the plan, which is largely due to the recent sale of the non-priority water service connections. Mr. Dickson also reviewed the Production by Fiscal Year chart, which illustrated the production trend and informed the Board that the District will need to take these factors into account in developing its long-term budget and capital plan.

Director Coverdell stated that he thought it was important to point out that if you deduct the \$428,000 figure received from the sale of the water service connections to well owners, the District is still showing a well-balanced budget. Mr. Dickson answered a few questions from the Board and a brief discussion ensued about the anticipated increase in SFPUC water rates and the impact on the District's budget.

B. Appointment of Coastside County Water District Board Member Representative and alternate(s) to participate in San Mateo County Local Agency Formation Commission (LAFCo) election of officers

Mr. Dickson explained that this is a District housekeeping item and that it is based on LAFCo's recommendation that standing voting representatives be designated in case a special district selection committee is called due to a vacancy and the District's presiding officer is unavailable. The Board briefly discussed and agreed that they would like to continue the tradition of appointing the District's Board President as the designated representative with all other Directors being named as alternates.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to designate President Feldman as the District's voting representative to participate in the San Mateo County Local Agency Formation Commission election of officers, followed by the designation of Vice-President Donovan, and Directors Coverdell, Larimer and Mickelsen to serve as alternates :

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

C. Coastside County Water District Advisory Committees

Mr. Dickson referenced the current Advisory Committee list and reported that typically, with the District's change in officers, the Board reviews the advisory committee assignments. He also advised that past District practice has established that committee appointments are the prerogative of the Board President.

President Feldman stated that he would like to make the following reassignments to the District's advisory committees: (1) Vice-President Donovan would take President Feldman's place on the District's Water Quality Committee to serve with Director Mickelsen; (2) Vice-President Donovan would also take President Feldman's place and work with Director Mickelsen on the District's Water Resources Committee; and (3) Vice-President Donovan would replace Director Coverdell to serve on the District's Facilities Committee, along with Director Larimer. President Feldman also advised that as Board President, he would serve as the District's representative to the California Special District Association.

D. Agreement with Kennedy/Jenks Consultants for Denniston Intake Piping Design

Mr. Dickson referenced an earlier report to the Board, regarding the November 30, 2010 incident where a threaded joint in the 12-inch ductile iron intake piping at the Denniston Water Treatment Plant broke while an employee was working on the piping. Mr. Dickson advised that staff is recommending that Kennedy/Jenks be retained to design the replacement piping, including its penetration through the wall of the building and the anchors and the restraints necessary to counter the forces placed on the piping by high operating pressures. Discussion ensued with Mr. Dickson addressing the Board's questions and concerns.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to authorize staff to execute an agreement with Kennedy/Jenks Consultants to design modifications to the Denniston Water Treatment Plant intake piping for a time and materials cost of \$21,560.00:

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

E. Resolution Adopting Policy and Rules and Regulations for Purchase of Non-Priority Water Service Connections

Mr. Dickson relayed the background of this matter, referencing the October 12, 2010 CCWD Board of Directors meeting where staff first

described the preliminary concepts for a program to re-purchase uninstalled non-priority water service connections. He outlined some of the key elements of the proposed program as stated in the proposed Resolution 2011-01.

The Board discussed various options, including the number of connections to be purchased, the purchase price, and the duration of the purchase program.

ON MOTION BY Director Coverdell and seconded by Director Mickelsen, the Board voted as follows, by roll call vote, to approve Resolution 2011-01 Adopting Policy and Rules and Regulations for Purchase of a maximum of twenty (20) Non-Priority Water Service Connections with a time limit of one calendar from this date, or January 11, 2012:

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

F. Denniston/San Vicente Project Timeline

Mr. Dickson stated that one of the primary goals of the District's long-term capital program is to complete improvements at the facilities in the Denniston and San Vicente watersheds in order to maximize reliable yields in the future. He proceeded to review the District's key objectives, as well as the significant risks and challenges they present. He also reviewed the elements contained in the Denniston/San Vicente timeline, including the water rights license, the permits required, the budgets, schedules, commitments, and processes involved with proceeding with the necessary improvements. Brief discussion ensued, with Mr. Dickson answering questions from the Board.

G. Discussion of Possible Revisions to Policies and Procedures for Award of Contract

Mr. Dickson referenced the District's current policy stated in Resolution 2006-05 and reviewed some outlined items the Board should take into account if considering any revisions to the existing policy. Board

discussion ensued with each of the Directors sharing their opinions on the District's current policy.

Mr. Miyaki provided clarification on the District's current policy and reviewed elements of California Government Code Section 4526 governing procurement of architectural, landscape architectural, engineering, construction project management, and other services. He answered the Board's questions by providing further details of the law and how it applies to the District.

President Feldman commented that he felt this was a thorough discussion of this agenda item and overall confirmed the majority of the Board's confidence in the current policy.

7) GENERAL MANAGER'S REPORT INCLUDING MONTHLY INFORMATIONAL REPORTS

- **Water Reclamation Update** - Mr. Dickson noted that there was no indication of any progress toward water reaching agreement with Sewer Authority Mid-Coastside, nearly one year after the CCWD Board approved the principles of agreement..
- **SFPUC Rate Study** - Mr. Dickson advised the Board that the District is continuing to work with SFPUC staff to comply with the process the Water Supply Agreement requires in order to implement the CCWD raw water discount.
- **SFPUC Interim Supply Allocations** - Mr. Dickson reported that recently the SFPUC approved the Interim Supply Allocations (ISA) for the wholesale agencies. He stated that the District's ISA was set at 2.18 million gallons per day, equal to the District's Individual Supply Guarantee.

A. Operations Report

Mr. Guistino referenced his monthly report and highlighted a few accomplishments, including receiving the 90% design documents from Kennedy/Jenks for the Short Term Improvements and Treatment Upgrade Project, updates to the District's Backflow Program, and recent work to prepare for the upcoming coating and repairs to several District

water storage tanks. He also informed the Board that the California Department of Public Health had completed their annual inspection of the Nunes Water Treatment Plant earlier in the day and that the letter containing the results of the inspection would be shared with the Board at the February 2011 Board meeting.

B. Water Resources Report

Ms. Brennan updated the Board on the status of the Urban Water Management Plan, including some of the recent law changes to the Plan requirements.

8) DIRECTOR AGENDA ITEMS - REQUESTS FOR FUTURE BOARD MEETINGS

9) ADJOURNMENT

ON MOTION BY Director Larimer and seconded by Director Mickelsen, the Board voted as follows to adjourn the January 11, 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 | Aye |
| Director Mickelsen | Aye |
| President Feldman | Aye |

The meeting was adjourned at 9:20 p.m. The next meeting of the Coastside County Water District's Board of Directors is scheduled for Tuesday, February 8, 2011.

Respectfully submitted,

David R. Dickson, General Manager
Secretary of the Board

Robert C. Feldman, President
Board of Directors